

HOUSE BILL No. 2489

By Committee on Energy and Utilities

1-19

1 AN ACT concerning certain natural gas public utilities cooperatives;
2 deregulation.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) Except as otherwise provided in subsection (f), a
6 natural gas cooperative public utility may elect to be exempt from the
7 jurisdiction, regulation, supervision and control of the state corporation
8 commission by complying with the provisions of subsection (b).

9 (b) To be exempt under subsection (a), a cooperative shall poll its
10 members as follows: (1) An election under this subsection may be called
11 by the board of trustees or shall be called not less than 180 days after
12 receipt of a valid petition signed by not less than 10% of the members of
13 the cooperative.

14 (2) The proposition for deregulation shall be presented to a meeting
15 of the members, the notice of which shall set forth the proposition for
16 deregulation and the time and place of the meeting. Notice to the members
17 shall be written and delivered not less than 21 nor more than 45 days
18 before the date of the meeting.

19 (3) If the cooperative mails information to its members regarding the
20 proposition for deregulation other than notice of the election and the
21 ballot, the cooperative shall also include in such mailing any information
22 in opposition to the proposition that is submitted by petition signed by not
23 less than 1% of the cooperative's members. All expenses incidental to
24 mailing the additional information, including any additional postage
25 required to mail such additional information, must be paid by the
26 signatories to the petition.

27 (4) If the proposition for deregulation is approved by the affirmative
28 vote of not less than a majority of the members voting on the proposition,
29 the cooperative shall notify the state corporation commission in writing of
30 the results within 10 days after the date of the election.

31 (5) Voting on the proposition for deregulation shall be by mail ballot.

32 (c) A cooperative exempt under this section may elect to terminate its
33 exemption in the same manner as prescribed in subsection (b).

34 (d) An election under subsection (b) or (c) may be held not more
35 often than once every two years.

36 (e) Nothing in this section shall be construed to affect the single

1 certified service territory of a cooperative or the authority of the state
2 corporation commission, as otherwise provided by law, over a cooperative
3 with regard to service territory, charges, fees or tariffs.

4 (f) (1) Notwithstanding a cooperative's election to be exempt under
5 this section, the commission shall investigate all rates, joint rates, tolls,
6 charges and exactions, classifications and schedules of rates of such
7 cooperative if there is filed with the commission, not more than one year
8 after a change in such cooperative's rates, joint rates, tolls, charges and
9 exactions, classifications or schedules of rates, a petition in the case of a
10 cooperative signed by not less than 5% of all the cooperative's customers
11 or 3% of the cooperative's customers from any one rate class. If, after
12 investigation, the commission finds that such rates, joint rates, tolls,
13 charges or exactions, classifications or schedules of rates are unjust,
14 unreasonable, unjustly discriminatory or unduly preferential, the
15 commission shall have the power to fix and order substituted therefor such
16 rates, joint rates, tolls, charges and exactions, classifications or schedules
17 of rates as are just and reasonable.

18 (2) The cooperative's rates, joint rates, tolls, charges and exactions,
19 classifications or schedules of rates complained of shall remain in effect
20 subject to change or refund pending the state corporation commission's
21 investigation and final order.

22 (3) Any customer of a cooperative wishing to petition the
23 commission pursuant to subsection (f)(1) may request from the
24 cooperative the names, addresses and rate classifications of all the
25 cooperative's customers or of the cooperative's customers from any one or
26 more rate classes. The cooperative, within 21 days after receipt of the
27 request, shall furnish to the customer the requested names, addresses and
28 rate classifications and may require the customer to pay the reasonable
29 costs thereof.

30 (g) (1) If a cooperative is exempt under this section, not less than 10
31 days notice of the time and place of any meeting of the board of trustees at
32 which rate changes are to be discussed and voted on shall be given to all
33 members of the cooperative and such meeting shall be open to all
34 members.

35 (2) Violations of subsection (g)(1) shall be subject to civil penalties
36 and enforcement in the same manner as provided by K.S.A. 75-4320 and
37 75-4320a, and amendments thereto, for violations of K.S.A. 75-4317 *et*
38 *seq.*, and amendments thereto.

39 (h) (1) Any cooperative exempt under this section shall maintain a
40 schedule of rates and charges at the cooperative headquarters and shall
41 make copies of such schedule of rates and charges available to the general
42 public during regular business hours.

43 (2) Any cooperative which fails, neglects or refuses to maintain such

1 copies of schedule of rates and charges under this subsection shall be
2 subject to a civil penalty of not more than \$500.

3 (i) A cooperative that has elected to be exempt under the provisions
4 of subsection (a) shall include a provision in its notice to customers, either
5 before or after a rate change, of the customer's right to request the
6 commission to review the rate change, as allowed in subsection (f).

7 Sec. 2. This act shall take effect and be in force from and after its
8 publication in the statute book.

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