

55-1,104. Commission review of fees, terms, practices; complaint; procedure. (a) The commission, in its discretion, may at any time review a fee, term or practice being used by a person offering gas gathering services to ascertain whether a violation of K.S.A. 55-1,103 has occurred. Upon such review, the commission may initiate a proceeding to determine whether a violation of K.S.A. 55-1,103 has occurred. Upon notice and an opportunity for hearing in accordance with the Kansas administrative procedure act, the commission shall have authority to order the remediation of any violation of K.S.A. 55-1,103 that the commission finds has occurred.

(b) Any consumer of gas gathering services, any person seeking direct purchase of natural gas at the wellhead or any royalty owner, may request the commission to investigate and initiate proceedings to review a fee, term or practice being used by a person offering gas gathering services. As a condition to formal commission action, the person requesting commission action must first file a complaint that includes:

(1) A statement that the complainant has presented the complaint, in writing, to the person offering gas gathering services and included a request for a meeting with such person to discuss the matter;

(2) a copy of the document described in subsection (b)(1);

(3) a statement that the requested meeting took place or the person offering gas gathering services refused to meet with the complainant;

(4) detailed factual statement indicating how the fee, term or practice violates K.S.A. 55-1,103;

(5) a statement of the precise remedy being requested that will make the fee, term or practice consistent with the provisions of K.S.A. 55-1,103;

(6) if the complainant is a producer of natural gas, a copy of the analysis of the complainant's natural gas, including the nitrogen, carbon dioxide, hydrogen sulfide, water and other contaminant content; the amount of volume; and the amount of pressure at the wellhead; and

(7) if available, a map showing the location of the affected wells and all gas gathering systems in the area.

(c) The commission may resolve the complaint by use of an informal procedure established by the commission pursuant to rules and regulations adopted by the commission or the commission may conduct a formal hearing and take evidence as necessary to determine the merits of the complaint. If the commission uses an informal procedure and the complaint is not resolved within 60 days after the complaint is filed, the commission shall conduct a formal hearing on the complaint. The hearing shall be conducted and notice given in accordance with the Kansas administrative procedure act. Upon such hearing, the commission shall have authority to order the remediation of any violations of K.S.A. 55-1,103, to the extent necessary for remediation as to the aggrieved person with respect to the particular violation.

(d) In evaluating a fee or term, or in establishing a reasonable fee or term, the commission is not required to engage in cost-of-service ratemaking or any other form of ratemaking. Instead, the commission can employ any form of analysis and remedy that is designed to accomplish the goals of this act while respecting the legitimate property interests of the person offering the gas gathering services.

(e) Any natural gas producer using the gas gathering facilities of a person engaged in activities described in subsection (a)(1)(A) or (B) of K.S.A. 55-1,101 may request the commission to investigate and initiate proceedings to review the fees, terms and practices of the person engaged in such activities. The commission shall conduct such investigation and proceeding in the same manner as provided by this section for complaints filed pursuant to subsection (b) and may order the remediation of any violation of subsection (b) of K.S.A. 55-1,103 that the commission finds would exist except for the exemption provided by subsection (a)(1)(A) or (B) of K.S.A. 55-1,101.

(f) The commission shall maintain a publicized telephone number to facilitate the filing of informal complaints pursuant to subsection (b) or (e).

(g) The commission shall adopt such rules and regulations as the commission determines reasonably necessary to prevent abuse of the complaint procedure provided for by this section. Such rules and regulations shall include provisions to prevent delay of the proceedings that may damage a party's ability to pursue or defend the complaint.

History: L. 1997, ch. 132, § 25; May 8.