

SENATE BILL No. 80

By Committee on Federal and State Affairs

1-26

1 AN ACT concerning electric public utilities; relating to the state
2 corporation commission; approval of electric rates, transmission costs;
3 prohibiting transmission delivery charges, exceptions; amending
4 K.S.A. 66-1237 and repealing the existing section.

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

7 Section 1. K.S.A. 66-1237 is hereby amended to read as follows: 66-
8 1237. (a) Any electric *public* utility subject to the regulation of the state
9 corporation commission pursuant to K.S.A. 66-101, and amendments
10 thereto, ~~may shall not~~ seek to recover costs associated with transmission of
11 electric power, ~~in a manner consistent with the determination of~~
12 ~~transmission-related costs from an order of a regulatory authority having~~
13 ~~legal jurisdiction~~, through a separate transmission delivery charge included
14 in customers' bills, *but any electric public utility that has established a*
15 *transmission delivery charge may continue to use a transmission delivery*
16 *charge pursuant to subsection (b).* ~~The electric utility's initial transmission~~
17 ~~delivery charge resulting from this section may be determined by the~~
18 ~~commission either from transmission-related costs approved in the electric~~
19 ~~utility's most recent retail rate filing or in an order establishing rates in~~
20 ~~response to a general retail rate application by an electric utility.~~

21 (b) ~~If an electric utility elects to recover its transmission-related costs~~
22 ~~through a transmission delivery charge, such electric utility shall have the~~
23 ~~right to implement a transmission delivery charge through an application~~
24 ~~to the commission.~~

25 (1) ~~If an electric utility proposes to establish its initial transmission~~
26 ~~delivery charge other than in connection with an application to the~~
27 ~~commission that proposes a general retail rate change the commission~~
28 ~~shall, effective the same date as the effective date of the initial~~
29 ~~transmission delivery charge, unbundle the electric utility's retail rates in~~
30 ~~such a manner that the sum of the revenue to be recovered from the initial~~
31 ~~transmission delivery charge and the non-transmission-related retail rates~~
32 ~~will be consistent with the revenue that would be recovered from the retail~~
33 ~~rates in effect immediately prior to the effective date of the initial~~
34 ~~transmission delivery charge.~~

35 (2) ~~If an electric utility proposes to establish its initial transmission~~
36 ~~delivery charge in connection with an application to the commission for a~~

1 ~~general retail rate change, the commission shall, in its order in such rate~~
2 ~~proceeding, determine the electric utility's transmission-related costs~~
3 ~~related to its service to Kansas retail customers and determine an initial~~
4 ~~transmission delivery charge sufficient to permit the electric utility to~~
5 ~~recover from its Kansas retail customers such utility's transmission-related~~
6 ~~costs incurred to provide service to such customers.~~

7 *(e)(b) All transmission-related costs incurred by an electric utility and*
8 *resulting from any order of a regulatory authority having legal jurisdiction*
9 *over transmission matters, including orders setting rates on a subject-to-*
10 *refund basis, shall be conclusively presumed prudent for purposes of the*
11 *transmission delivery charge and. An electric public utility may change its*
12 *transmission delivery charge whenever there is a change in transmission-*
13 *related costs resulting from such an order. The commission may also order*
14 *such a change if the utility fails to do so. An electric utility shall submit a*
15 *report to the commission at least 30 business days before changing the*
16 *utility's transmission delivery charge the electric public utility files an*
17 *application with the commission for a general retail rate change pursuant*
18 *to K.S.A. 66-117, and amendments thereto. Whenever a regulatory*
19 *authority having legal jurisdiction over transmission matters issues an*
20 *order changing an electric public utility's transmission rate, or a*
21 *component of such rate, the electric public utility may file, or the*
22 *commission, on its own motion, may order the electric public utility to file,*
23 *an application revising the electric public utility's transmission delivery*
24 *charge to incorporate the change. If the commission subsequently*
25 *determines that all or part of such charge did not result from an order*
26 *described by this subsection, the commission may require changes in the*
27 *transmission delivery charge and changes an electric public utility's*
28 *transmission delivery charge due to a regulatory authority having legal*
29 *jurisdiction over transmission matters issuing an order changing an*
30 *electric public utility's transmission rate, or a component of such rate, the*
31 *commission shall have the authority to establish an effective date for retail*
32 *rates, subject to refund, not before the day such regulatory authority*
33 *issued its order. The commission shall have the authority to impose*
34 *appropriate remedies, including, but not limited to, refunds as necessary to*
35 *implement this section. Only the retail portion of an electric public utility's*
36 *transmission-related costs may be recovered from retail ratepayers.*

37 Sec. 2. K.S.A. 66-1237 is hereby repealed.

38 Sec. 3. This act shall take effect and be in force from and after its
39 publication in the statute book.