

HOUSE BILL No. 2523

By Committee on Utilities

1-14

AN ACT concerning certain electric public utilities; providing for an additional rate of return on certain assets under certain circumstances.

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

Section 1. (a) As used in this section:

(1) "Electric public utility" means an electric public utility, as defined in K.S.A. 66-101a, and amendments thereto, which is subject to rate regulation by the commission.

(2) "Commission" means the state corporation commission.

(3) "Renewable resources and technologies" has the meaning provided by K.S.A. 66-1,184a, and amendments thereto.

(b) Upon application, the commission shall allow a higher rate of return on generation assets of any electric public utility which generates electricity from renewable resources and technologies, subject to the following:

(1) For each percent of the utility's total generation which is generated from renewable resources and technologies, the utility shall be allowed an additional 0.5% rate of return on the utility's generation assets;

(2) the total additional rate of return allowed shall not exceed 2.5% during the first five years allowed, 2% during the 6th year allowed, 1.5% during the 7th year allowed, 1% during the 8th year allowed, and 0.5% during the 9th year allowed;

(3) the additional rate of return shall not be allowed for more than nine years;

(4) the additional rate of return shall be allowed only if the utility has had a general rate case decided by the commission within the five years preceding the filing of the application; and

(5) at least 40% of the additional rate of return allowed shall be invested by the utility to increase electric transmission capacity for economic development and transmission system reliability and security.

(c) In a rate case filed during the period when an additional rate of return is allowed pursuant to subsection (b)(2), the commission shall not consider any additional rate of return allowed pursuant to this section when establishing a utility's rate of return on investment.

(d) The commission shall verify the percentage of the utility's total

1 generation which is generated from renewable resources and technolo-
2 gies and certify the higher rate of return allowed.

3 (e) The commission may conduct an audit to determine whether a
4 utility is meeting the requirement of subsection (b)(5).

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

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