

CHAPTER 44
HOUSE BILL No. 2220

AN ACT concerning electric utilities; relating to recovery of certain transmission costs; amending K.S.A. 2006 Supp. 66-1237 and repealing the existing section.

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

Section 1. K.S.A. 2006 Supp. 66-1237 is hereby amended to read as follows: 66-1237. (a) Any electric utility subject to the regulation of the state corporation commission pursuant to K.S.A. 66-101, and amendments thereto, may seek to recover costs associated with transmission of electric power, in a manner consistent with the determination of ~~transmission-related~~ *transmission-related* costs from an order of a regulatory authority having legal jurisdiction, through a separate transmission delivery charge included in customers' bills. The electric utility's initial transmission delivery charge resulting from this section ~~shall~~ *may* be determined by the commission *either* from transmission-related costs approved in the electric utility's most recent retail rate filing *or in an order establishing rates in response to a general retail rate application by an electric utility.*

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

(1) *If an electric utility proposes to establish its initial transmission delivery charge other than in connection with an application to the commission that proposes a general retail rate change the commission shall, effective the same date as the effective date of the initial transmission delivery charge, reduce unbundle the electric utility's retail rates to such a level in such a manner that the sum of the revenue to be recovered from such retail rates and the initial transmission delivery charge is equal to and the non-transmission-related retail rates will be consistent with the revenue that would be recovered from the retail rates in effect immediately prior to the effective date of the initial transmission delivery charge.*

(2) *If an electric utility proposes to establish its initial transmission delivery charge in connection with an application to the commission for a general retail rate change, the commission shall, in its order in such rate proceeding, determine the electric utility's transmission-related costs related to its service to Kansas retail customers and determine an initial transmission delivery charge sufficient to permit the electric utility to recover from its Kansas retail customers such utility's transmission-related costs incurred to provide service to such customers.*

~~(b)~~ (c) All transmission-related costs incurred by an electric utility and resulting from ~~an~~ *any* order of a regulatory authority having legal jurisdiction over transmission matters, *including orders setting rates on a subject-to-refund basis*, shall be conclusively presumed prudent for purposes of the transmission delivery charge and an electric utility may change its transmission delivery charge whenever there is a change in transmission-related costs resulting from such an order. *The commission may also order such a change if the utility fails to do so.* An electric utility shall submit a report to the commission at least 30 business days before changing the utility's transmission delivery charge. If the commission subsequently determines that all or part of such charge did not result from an order described by this subsection, the commission may require changes in the transmission delivery charge and impose appropriate remedies, *including refunds.* ~~The retail rates in effect at the time an electric utility changes its transmission delivery charge shall not be subject to review or change as a result of a change in the transmission delivery charge.~~

Sec. 2. K.S.A. 2006 Supp. 66-1237 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

Approved March 28, 2007.

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