

**HOUSE BILL No. 2144**

By Committee on Energy and Utilities

2-4

1 AN ACT concerning utilities; relating to natural gas public utilities; rates  
2 and charges.

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

5 Section 1. (a) Upon the request of a natural gas public utility,  
6 the commission shall, when required by this subsection, grant the natural  
7 gas public utility temporary authority to place in effect any changed rate,  
8 joint rate, toll, charge or classification, schedule of charges or any rule or  
9 regulation or practice pertaining to the service or rates of such natural gas  
10 public utility by filing with the commission a bond or other undertaking,  
11 approved by the commission, conditioned upon the refund of any  
12 amounts collected in excess of the amounts which would have been  
13 collected under rates, charges, schedules, or regulations finally approved  
14 by the commission multiplied by 10% above the current prime interest  
15 rate and in a manner to be prescribed by the commission. In determining  
16 that portion of the new or changed rates, charges, schedules, or  
17 regulations to be placed in effect prior to a final decision, the commission  
18 shall apply previously established regulatory principles and shall, at a  
19 minimum, permit rates and charges which will allow the natural gas  
20 public utility the opportunity to earn a return on common stock equity  
21 equal to that which the commission held reasonable and just in the most  
22 recent rate case involving the same utility or another natural gas public  
23 utility, and, if the most recent final decision of the commission in an  
24 applicable rate case was rendered more than 12 months prior to the date  
25 of filing of the request for temporary rates, the commission shall also  
26 consider financial market data that is filed or that is otherwise available to  
27 the commission and shall adjust the rate of return on common stock  
28 equity that was approved in that decision upward or downward as  
29 necessary to reflect current conditions. The commission shall render a  
30 decision on a request for temporary authority within 90 days after the  
31 date of filing of the request. The decision shall be effective immediately.  
32 If the commission has not rendered a final decision with respect to  
33 suspended rates, charges, schedules or regulations upon the expiration of  
34 240 days after the filing date, plus the length of any delay that necessarily  
35 results either from the failure of the natural gas public utility to exercise  
36 due diligence in connection with the proceedings or from intervening

1 judicial proceedings then those portions that were approved by the  
2 commission on a temporary basis shall be deemed finally approved by the  
3 commission and the natural gas public utility may place them into effect  
4 on a permanent basis and the natural gas public utility also may place into  
5 effect subject to refund, until the final decision of the commission, any  
6 portion of the changed rate, joint rate, toll, charge or classification or  
7 schedule of charges, or any rule or regulation or practice pertaining to the  
8 service or rates of such natural gas public utility not previously approved  
9 on a temporary basis by filing with the commission a bond or other  
10 undertaking approved by the commission.

11 (b) A natural gas public utility may choose to place in effect  
12 temporary rates, charges, schedules or regulations without commission  
13 review 10 days after the filing under this section. If the utility chooses to  
14 place such changed rate, joint rate, toll, charge or classification, schedule  
15 of charges or any rule or regulation or practice pertaining to the service or  
16 rates of such natural gas public utility in effect without commission  
17 review, the utility shall file with the commission a bond or other  
18 corporate undertaking approved by the commission conditioned upon the  
19 refund of amounts collected in excess of the amounts which would have  
20 been collected under rates, charges, schedules or regulations finally  
21 approved by the commission multiplied by 10% above the current prime  
22 interest rate and in a manner prescribed by the commission. At the  
23 conclusion of the proceeding, if the commission determines that any of  
24 the changed rate, joint rate, toll, charge or classification, schedule of  
25 charges or any rule or regulation or practice pertaining to the service or  
26 rates of such natural gas public utility placed in effect under this  
27 subsection were not based on previously established regulatory  
28 principles, the commission shall consider ordering refunds based upon  
29 the overpayments made by each individual customer class, rate zone or  
30 customer group.

31 (c) As used in this section:

32 (1) "Commission" means the state corporation commission;

33 and

34 (2) "natural gas public utility" means any public utility as  
35 defined in K.S.A. 66-104, and amendments thereto, which supplies  
36 natural gas.

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

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