

SENATE BILL No. 182

By Committee on Federal and State Affairs

2-10

1 AN ACT concerning the state corporation commission; requiring the
2 commission to study certain issues relating to electric utilities.

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4 WHEREAS, Kansas experienced the fourth largest increase in electric
5 rates in the country from 2008 through 2014 at 34.8% and has gone from
6 the 13th to the 34th lowest-cost provider of electricity in the country; and

7 WHEREAS, These developments have led to a negative impact on
8 industry development and state tax revenues; and

9 WHEREAS, Numerous changes have taken place in the electric
10 industry since the last Kansas energy report was issued in 2009 and it is
11 time, in addition to a review of the merits of retail choice, for a
12 comprehensive review of various issues and norms in the state's utility
13 rules.

14 Now, therefore:

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

16 Section 1. The state corporation commission shall open a docket and
17 issue a final order prior to January 1, 2018, to determine:

18 (a) The effectiveness of current rates and costs of Kansas utilities
19 with findings and analysis upon:

20 (1) The effectiveness of rate of return as the primary measure when
21 evaluating current and proposed rate changes;

22 (2) rate and cost comparisons among Kansas utilities and their retail
23 sales impact;

24 (3) whether current and proposed rate structures unfairly discriminate
25 against one or more classes of electric customers when compared to
26 national norms;

27 (4) the potential impact of economic development rates on consumer
28 sales;

29 (5) the ratepayer impact of current and future pension and retirement
30 plan obligations of utilities;

31 (6) the costs incurred by a utility to build and operate charging
32 stations and any associated costs incurred by ratepayers;

33 (7) the costs incurred by a utility to hire or employ lobbyists and any
34 associated costs incurred by ratepayers; and

35 (8) any donations and contributions to charitable, civic and social
36 organizations made by utilities and whether there is any impact upon

1 ratepayers due to such donations and contributions.

2 (b) The application of certain commission and utility policies and
3 whether those policies improve electric service or benefit retail electric
4 customers, including, but not limited to:

5 (1) Utility bylaws that exclude certain customers from board
6 membership;

7 (2) commission policies allowing commissioners and employees to
8 accept positions on a governing body of a utility or as an employee of a
9 utility in a managerial, professional or consulting capacity following
10 employment with the commission;

11 (3) policies that limit out-of-state travel expenses incurred by the
12 commission or commission staff;

13 (4) policies relating to time delays for late fees;

14 (5) policies relating to expenses incurred by the commission or
15 commission staff to travel to a utility's principal place of business that is
16 located in another state;

17 (6) policies relating to eligibility for current and future
18 commissioners;

19 (7) policies relating to citizens' utility ratepayer board; and

20 (8) any other policies or electric service issues deemed appropriate at
21 the discretion of the commission.

22 (c) No later than January 1, 2018, the commission shall issue a final
23 order with all findings that are required by this section.

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