

Revised Language for Senate Bill 310
Proposed by the Kansas Corporation Commission

Section 1. (a) The state corporation commission shall ensure that a public utility, as defined in K.S.A. 66-104, and amendments thereto, does not use regulated operations to subsidize nonregulated activities of such utility or to subsidize activities of an affiliated entity. Except in rate making, revenue requirements, cost of service or similar proceedings, this paragraph and any rules and regulations of the commission adopted pursuant to this paragraph shall not apply to any member or consumer-owned public utility or to a telecommunications public utility.

(b) The commission shall ensure that the nonregulated activities of a public utility or affiliated entity do not materially impair the finances or credit of a public utility.

(c) The commission shall have full power and authority to adopt all reasonable and necessary rules and regulations and orders for carrying out this section.

(d) As used in this section:

(1) "Affiliate" or "affiliated entity" means any person, including an individual, corporation, firm, partnership, limited liability partnership, limited liability company, corporation or firm, corporate entity or subsidiary, or nonutility business unit which is not a public utility and which directly or indirectly, through one or more intermediaries, is controlled by or is under common control with a public utility.

(2) "Control", including the terms "controlled by" and "common control", means the direct or indirect possession of the power to direct or the ability to cause the direction of the management or policies of an entity. Control may exist whether the power to direct or ability to cause the direction is exercised alone, through one or more intermediary entities or in conjunction with or pursuant to an agreement with one or more other entities. Control may be exercised through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, affiliated entities, contract or any other direct or indirect means. The beneficial ownership of 10% or more of voting securities or partnership interest of an entity constitutes control for purposes of this article.

(3) "Nonregulated activity" means all business activities, whether performed by the public utility or an affiliate, not involving the utility business for which the public utility is certificated.

(4) "Nonutility business unit" means any division, business unit, employee or group of employees of a public utility conducting a nonregulated activity.

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