

## HOUSE BILL No. 2180

By Committee on Energy, Utilities and Telecommunications

1-28

1 AN ACT concerning electric public utilities; relating to the state  
2 corporation commission; approval of transmission delivery charges  
3 through electric rate proceedings; amending K.S.A. 66-1237 and  
4 repealing the existing section.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 66-1237 is hereby amended to read as follows: 66-  
8 1237. (a) Any electric *public* utility subject to the regulation of the state  
9 corporation commission pursuant to K.S.A. 66-101, and amendments  
10 thereto, may *not* seek to recover costs associated with transmission of  
11 electric power, ~~in a manner consistent with the determination of~~  
12 ~~transmission-related costs from an order of a regulatory authority having~~  
13 ~~legal jurisdiction,~~ through a separate transmission delivery charge included  
14 in customers' bills, *but any electric public utility that has established a*  
15 *transmission delivery charge may continue to use a transmission delivery*  
16 *charge pursuant to subsection (b).* ~~The electric utility's initial transmission~~  
17 ~~delivery charge resulting from this section may be determined by the~~  
18 ~~commission either from transmission-related costs approved in the electric~~  
19 ~~utility's most recent retail rate filing or in an order establishing rates in~~  
20 ~~response to a general retail rate application by an electric utility.~~

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

25 (1) ~~If an electric utility proposes to establish its initial transmission~~  
26 ~~delivery charge other than in connection with an application to the~~  
27 ~~commission that proposes a general retail rate change the commission~~  
28 ~~shall, effective the same date as the effective date of the initial~~  
29 ~~transmission delivery charge, unbundle the electric utility's retail rates in~~  
30 ~~such a manner that the sum of the revenue to be recovered from the initial~~  
31 ~~transmission delivery charge and the non-transmission-related retail rates~~  
32 ~~will be consistent with the revenue that would be recovered from the retail~~  
33 ~~rates in effect immediately prior to the effective date of the initial~~  
34 ~~transmission delivery charge.~~

35 (2) ~~If an electric utility proposes to establish its initial transmission~~  
36 ~~delivery charge in connection with an application to the commission for a~~

1 ~~general retail rate change, the commission shall, in its order in such rate~~  
2 ~~proceeding, determine the electric utility's transmission-related costs~~  
3 ~~related to its service to Kansas retail customers and determine an initial~~  
4 ~~transmission delivery charge sufficient to permit the electric utility to~~  
5 ~~recover from its Kansas retail customers such utility's transmission-related~~  
6 ~~costs incurred to provide service to such customers.~~

7 (e)(b) All transmission-related costs incurred by an electric utility and  
8 resulting from any order of a regulatory authority having legal jurisdiction  
9 over transmission matters, including orders setting rates on a subject-to-  
10 refund basis, shall be conclusively presumed prudent ~~for purposes of the~~  
11 ~~transmission delivery charge and~~. An electric *public* utility may change its  
12 transmission delivery charge whenever ~~there is a change in transmission-~~  
13 ~~related costs resulting from such an order. The commission may also order~~  
14 ~~such a change if the utility fails to do so. An electric utility shall submit a~~  
15 ~~report to the commission at least 30 business days before changing the~~  
16 ~~utility's transmission delivery charge~~ *the electric public utility files an*  
17 *application with the commission for a general retail rate change pursuant*  
18 *to K.S.A. 66-117, and amendments thereto. Whenever a regulatory*  
19 *authority having legal jurisdiction over transmission matters issues an*  
20 *order changing an electric public utility's transmission rate, or a*  
21 *component of such rate, the electric public utility may file, or the*  
22 *commission on its own motion may order the electric public utility to file,*  
23 *an application revising the electric public utility's transmission delivery*  
24 *charge to incorporate the change. If the commission* ~~subsequently~~  
25 ~~determines that all or part of such charge did not result from an order~~  
26 ~~described by this subsection, the commission may require changes in the~~  
27 ~~transmission delivery charge and~~ *changes an electric public utility's*  
28 *transmission delivery charge due to a regulatory authority having legal*  
29 *jurisdiction over transmission matters issuing an order changing an*  
30 *electric public utility's transmission rate, or a component of such rate, the*  
31 *commission shall have the authority to establish an effective date for retail*  
32 *rates, subject to refund, not before the day the regulatory authority having*  
33 *legal jurisdiction over transmission matters issued its order. The*  
34 *commission shall have the authority to impose appropriate remedies,*  
35 *including, but not limited to, refunds as necessary to implement this*  
36 *section. Only the retail portion of an electric public utility's transmission-*  
37 *related costs may be recovered from retail ratepayers.*

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

39 Sec. 3. This act shall take effect and be in force from and after its  
40 publication in the statute book.