

1 AN ACT relating to the Public Service Commission.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 278.050 is amended to read as follows:

4 (1) **Until January 1, 2020,** the Public Service Commission shall consist of three (3)  
5 members appointed by the Governor with the advice and consent of the Senate. If  
6 the Senate is not in session when a term expires or a vacancy occurs, the Governor  
7 shall make the appointment to take effect at once, subject to the approval of the  
8 Senate when convened. Appointments to the Public Service Commission made  
9 more than ninety (90) days prior to a regular session of the General Assembly shall  
10 be subject to confirmation by the Joint Interim Committee on Energy. Each of the  
11 three (3) members of the commission shall be appointed on or before the first day of  
12 July, 1982, for staggered terms as follows: one (1) shall serve until the first day of  
13 July, 1983, one (1) until the first day of July, 1984, and one (1) until the first day of  
14 July, 1985, and thereafter for a term of four (4) years and until a successor is  
15 appointed and qualified. **The terms of the three (3) members appointed pursuant**  
16 **to this subsection shall expire December 31, 2019.**

17 (2) **As of January 1, 2020, the Public Service Commission shall consist of seven (7)**  
18 **members, one (1) from each of the six (6) United States Congressional Districts**  
19 **and one (1) from the state-at-large. Members of the commission shall be elected**  
20 **in accordance with KRS Chapter 118, at the regular election in even-numbered**  
21 **years for terms of four (4) years. The term of office for commission members**  
22 **shall begin upon the first day of January of the year succeeding their election as**  
23 **follows:**

24 (a) **At the regular election in November 2019, and every four (4) years**  
25 **thereafter, there shall be elected one (1) member of the commission in each**  
26 **odd-numbered United States Congressional District and one (1) state-at-**  
27 **large member; and**

1       **(b) The initial election of the commissioners elected from even-numbered**  
 2       **United States Congressional Districts will take place at the regular election**  
 3       **to be held in November 2019. The initial term of office for commissioners**  
 4       **first elected from even-numbered districts shall be two (2) years. At the**  
 5       **regular election in November 2021, and every four (4) years thereafter,**  
 6       **there shall be elected one (1) member of the commission in each even-**  
 7       **numbered United States Congressional District.**

8       **(3) Each member of the commission:**

9       **(a) Shall be a full-time employee as defined in KRS 18A.005(17); and**

10       **(b) Beginning January 1, 2020, for retirement purposes shall be eligible for**  
 11       **membership in the Kentucky Employees Retirement System as set forth in**  
 12       **KRS 61.510 to 61.705.**

13       **(4) [(2)] The state-at-large commission member [Governor] shall serve [appoint one (1)**  
 14       **of the commissioners on the commission to act] as chairman, [thereof] and the**  
 15       **chairman shall be the chief executive officer of the commission. A majority of the**  
 16       **commissioners [The Governor] shall designate one (1) of the commissioners on the**  
 17       **commission to serve as vice chairman thereof and act for the chairman in the latter's**  
 18       **absence.**

19       ~~[(3) Vacancies for unexpired terms shall be filled in the same manner as original~~  
 20       ~~appointments, but the appointee shall hold office only to the end of the unexpired~~  
 21       ~~term.]~~

22       ➔ Section 2. KRS 278.060 is amended to read as follows:

23       (1) Each commissioner shall be **at least**~~[a resident and qualified voter of this state, not~~  
 24       ~~less than]~~ twenty-five (25) years of age at the time of **election and a qualified voter**  
 25       **of**~~[his appointment and qualification, and shall have resided in]~~ this state.

26       **(2) A candidate for a Congressional District office shall be a resident of the**  
 27       **Congressional District for which office is being sought** for~~[at least]~~ three (3) years

1 prior to election~~[his appointment and qualification]~~. *A candidate for the state-at-*  
 2 *large office shall be a resident of this state for at least three (3) years prior to*  
 3 *election.*

4 *(3) No candidate for the commission shall hold any official relationship to any*  
 5 *utility, own any utility stocks or bonds, or have any pecuniary interest of any kind*  
 6 *in a utility within three (3) years prior to filing for election to the commission.*

7 *(4)* Each commissioner shall take and subscribe to the constitutional oath of office,  
 8 which shall be recorded in the office of the Secretary of State.

9 *(5) Members of the commission shall be subject to the Executive Branch Code of*  
 10 *Ethics in accordance with KRS Chapter 11A.*

11 ~~[(2) No person shall be appointed to or hold the office of commissioner who holds any~~  
 12 ~~official relationship to any utility, or who owns any stocks or bonds thereof, or who~~  
 13 ~~has any pecuniary interest therein.~~

14 ~~(3) No commissioner shall receive any rebate, pass, percentage of contract or other~~  
 15 ~~thing of value from any utility.~~

16 ~~(4) In addition to the restrictions on members of the commission set forth in KRS~~  
 17 ~~278.050(1), no commissioner shall engage in any occupation or business~~  
 18 ~~inconsistent with his duties as such commissioner.~~

19 ~~(5) If any commissioner becomes a member of any political party committee, his office~~  
 20 ~~as commissioner shall be thereby vacated.~~

21 ~~(6) In making appointments to the commission, the Governor shall consider the various~~  
 22 ~~kinds of expertise relevant to utility regulation and the varied interests to be~~  
 23 ~~protected by the commission, including those of consumers as well as utility~~  
 24 ~~investors, and no more than two (2) members shall be of the same occupation or~~  
 25 ~~profession.]~~

26 ➔ Section 3. KRS 278.120 is amended to read as follows:

27 (1) The~~[ chairman and the other two (2)]~~ members of the commission shall be paid a

1 salary fixed under KRS 64.640 to be paid monthly.

2 (2) The executive director of the commission shall be paid a salary to be fixed by the  
3 commission, with the approval of the Governor.

4 (3) The commissioners, the executive director, and employees of the commission are  
5 entitled to all expenses, including hotel bills, incurred in traveling on business of the  
6 commission.

7 (4) The salaries and expenses provided for by this section, and all other expenses of the  
8 commission incurred in the administration of this chapter, shall be paid out of  
9 appropriations as provided by law out of the general expenditure fund.

10 ➔Section 4. KRS 278.702 is amended to read as follows:

11 (1) There is hereby established the Kentucky State Board on Electric Generation and  
12 Transmission Siting. The board shall be composed of the following~~[seven (7)]~~  
13 members~~[as follows]~~:

14 (a) The~~[three (3)]~~ members of the Kentucky Public Service Commission;

15 (b) The secretary of the Energy and Environment Cabinet or the secretary's  
16 designee;

17 (c) The secretary of the Cabinet for Economic Development or the secretary's  
18 designee; and

19 (d) 1. If the facility subject to board approval is proposed to be located in one  
20 (1) county, two (2) ad hoc public members to be appointed by the  
21 Governor from a county where a facility subject to board approval is  
22 proposed to be located:

23 a. One (1) of the ad hoc public members shall be the chairman of the  
24 planning commission with jurisdiction over an area in which a  
25 facility subject to board approval is proposed to be located. If the  
26 proposed location is not within a jurisdiction with a planning  
27 commission, then the Governor shall appoint either the county

1 judge/executive of a county that contains the proposed location of  
2 the facility or the mayor of a city, if the facility is proposed to be  
3 within a city; and

4 b. One (1) of the ad hoc public members shall be appointed by the  
5 Governor and shall be a resident of the county in which the facility  
6 is proposed to be located.

7 2. If the facility subject to board approval is proposed to be located in more  
8 than one (1) county, two (2) ad hoc public members to be chosen as  
9 follows:

10 a. One (1) ad hoc public member shall be the county judge/executive  
11 of a county in which the facility is proposed to be located, to be  
12 chosen by majority vote of the county judge/executives of the  
13 counties in which the facility is proposed to be located; and

14 b. One (1) ad hoc public member shall be a resident of a county in  
15 which the facility is proposed to be located, and shall be appointed  
16 by the Governor.

17 If a member has not been chosen by majority vote, as provided in  
18 subdivision a. of this subparagraph, by thirty (30) days after the filing of  
19 the application, the Governor shall directly appoint the member.

20 3. Ad hoc public members appointed to the board shall have no direct  
21 financial interest in the facility proposed to be constructed.

22 (2) The term of service for the ad hoc members of the board shall continue until the  
23 board issues a final determination in the proceeding for which they were appointed.  
24 The remaining members of the board shall be permanent members.

25 (3) The board shall be attached to the Public Service Commission for administrative  
26 purposes. The commission staff shall serve as permanent administrative staff for the  
27 board. The members of the board identified in subsection (1)(a) to (d) of this section

1 shall promulgate administrative regulations in accordance with KRS Chapter 13A to  
2 implement KRS 278.700 to 278.716.

3 (4) No member of the board shall receive any salary or fee for service on the board or  
4 shall have any financial interest in any facility the application for which comes  
5 before the board, but each member shall be reimbursed for actual travel and  
6 expenses directly related to service on the board.

7 (5) The chairman of the Public Service Commission shall be the chairman of the board.  
8 The chairman shall designate one (1) member of the board as vice chairman. A  
9 majority of the members of the board shall constitute a quorum for the transaction  
10 of business. No vacancy on the board shall impair the right of the remaining  
11 members to exercise all of the powers of the board. The board shall convene upon  
12 the call of the chairman.

13 ➔Section 5. KRS 11A.010 is amended to read as follows:

14 As used in this chapter, unless the context otherwise requires:

15 (1) "Business" means any corporation, limited liability company, partnership, limited  
16 partnership, sole proprietorship, firm, enterprise, franchise, association,  
17 organization, self-employed individual, holding company, joint stock company,  
18 receivership, trust, or any legal entity through which business is conducted, whether  
19 or not for profit;

20 (2) "Commission" means the Executive Branch Ethics Commission;

21 (3) "Compensation" means any money, thing of value, or economic benefit conferred  
22 on, or received by, any person in return for services rendered, or to be rendered, by  
23 himself or another;

24 (4) "Family" means spouse and children, as well as a person who is related to a public  
25 servant as any of the following, whether by blood or adoption: parent, brother,  
26 sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-  
27 in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter,

- 1 stepbrother, stepsister, half brother, half sister;
- 2 (5) "Gift" means a payment, loan, subscription, advance, deposit of money, services, or  
3 anything of value, unless consideration of equal or greater value is received; "gift"  
4 does not include gifts from family members, campaign contributions, or door prizes  
5 available to the public;
- 6 (6) "Income" means any money or thing of value received or to be received as a claim  
7 on future services, whether in the form of a fee, salary, expense allowance,  
8 forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other  
9 form of compensation or any combination thereof;
- 10 (7) "Officer" means all major management personnel in the executive branch of state  
11 government, including the secretary of the cabinet, the Governor's chief executive  
12 officers, cabinet secretaries, deputy cabinet secretaries, general counsels,  
13 commissioners, deputy commissioners, executive directors, principal assistants,  
14 division directors, members and full-time chief administrative officers of the Parole  
15 Board, Board of Tax Appeals, Board of Claims, Kentucky Retirement Systems  
16 board of trustees, Kentucky Teachers' Retirement System board of trustees, Public  
17 Service Commission, Worker's Compensation Board and its administrative law  
18 judges, the Kentucky Occupational Safety and Health Review Commission, the  
19 Kentucky Board of Education, the Council on Postsecondary Education, and any  
20 person who holds a personal service contract to perform on a full-time basis for a  
21 period of time not less than six (6) months a function of any position listed in this  
22 subsection;
- 23 (8) "Official duty" means any responsibility imposed on a public servant by virtue of  
24 his or her position in the state service;
- 25 (9) "Public servant" means:
- 26 (a) The Governor;
- 27 (b) The Lieutenant Governor;

- 1 (c) The Secretary of State;  
2 (d) The Attorney General;  
3 (e) The Treasurer;  
4 (f) The Commissioner of Agriculture;  
5 (g) The Auditor of Public Accounts;~~and~~

6 **(h) The commissioners of the Public Service Commission; and**

7 ~~(i)(h)~~ All employees in the executive branch, including officers as defined in  
8 subsection (7) of this section and merit employees;

9 (10) "Agency" means every state office, cabinet, department, board, commission, public  
10 corporation, or authority in the executive branch of state government. A public  
11 servant is employed by the agency by which his or her appointing authority is  
12 employed, unless his or her agency is attached to the appointing authority's agency  
13 for administrative purposes only, or unless the agency's characteristics are of a  
14 separate independent nature distinct from the appointing authority and it is  
15 considered an agency on its own, such as an independent department;

16 (11) "Lobbyist" means any person employed as a legislative agent as defined in KRS  
17 6.611(23) or any person employed as an executive agency lobbyist as defined in  
18 KRS 11A.201(8);

19 (12) "Lobbyist's principal" means the entity in whose behalf the lobbyist promotes,  
20 opposes, or acts;

21 (13) "Candidate" means those persons who have officially filed candidacy papers or who  
22 have been nominated by their political party pursuant to KRS 118.105, 118.115,  
23 118.325, or 118.760 for any of the offices enumerated in subsections (9)(a) to (g) of  
24 this section;

25 (14) "Does business with" or "doing business with" means contracting, entering into an  
26 agreement, leasing, or otherwise exchanging services or goods with a state agency  
27 in return for payment by the state, including accepting a grant, but not including



1 accepting a state entitlement fund disbursement;

2 (15) "Public agency" means any governmental entity;

3 (16) "Appointing authority" means the agency head or any person whom he or she has  
4 authorized by law to act on behalf of the agency with respect to employee  
5 appointments;

6 (17) "Represent" means to attend an agency proceeding, write a letter, or communicate  
7 with an employee of an agency on behalf of someone else;

8 (18) "Directly involved" means to work on personally or to supervise someone who  
9 works on personally;

10 (19) "Sporting event" means any professional or amateur sport, athletic game, contest,  
11 event, or race involving machines, persons, or animals, for which admission tickets  
12 are offered for sale and that is viewed by the public; and

13 (20) "Person" means an individual, proprietorship, firm, partnership, limited partnership,  
14 joint venture, joint stock company, syndicate, business or statutory trust, donative  
15 trust, estate, company, corporation, limited liability company, association, club,  
16 committee, organization, or group of persons acting in concert.

17 ➔Section 6. The following KRS section is repealed:

18 278.070 Removal of commissioners.

19 ➔Section 7. This Act takes effect January 1, 2019.