

66-128e. Adjustment of revenue requirements of utilities by commission; exclusion of finance charges attributable to inefficiency or lack of prudence; electric utility borrowing for payment of dividends; exception for certain utility facilities. In the event the commission finds that a portion of the costs were attributable either to investment in excess capacity which were incurred due to lack of prudence in facility planning or were incurred due to lack of prudence in plant acquisition, construction or operation, the commission shall exclude that portion of the carrying or finance charges incurred after the date of its finding, and no part of the carrying or finance costs excluded shall ever be or become part of the reasonable value of public utility property so used and required to be used. For the purposes of this section only, a finding of lack of prudence in capacity planning for a facility which in whole or in part represents excess capacity shall not be made by the commission when a siting permit authorizing the construction of the facility has been issued under K.S.A. 66-1,162 and amendments thereto prior to the passage of this act. The commission also shall not authorize the recovery as operating expense or in any other manner of the carrying or finance costs so excluded.

Nothing in this act shall limit the commission's authority to adjust revenue requirements of any public utility if the commission determines the revenue requirement requested results in whole or in part from inefficiency or a lack of prudence.

If the commission determines that a public utility, which generates and sells electricity as its main activity, has borrowed funds in order to pay dividends and such borrowing as the result of lack of prudence, increases the revenue requirement of the utility, the commission may adjust the revenue requirement accordingly.

History: L. 1984, ch. 247, § 6; April 19.