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REVISOR of STATUTES

LEGISLATURE of THE STATE of KANSAS
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MEMORANDUM

To: Chairman Masterson and Members of Senate Committee on Utilities
From: Matt Sterling, Assistant Revisor of Statutes
Date: February 18, 2019
RE: Senate Bill 145

Senate Bill 145 would create a process for ratepayers of a Board of Public Utilities to petition the Kansas Corporation Commission for review of rates and would give the KCC the authority to change those rates if they were found to be unfair or unjust. Under current law, the Kansas Corporation Commission does not have jurisdiction to review the rates of municipal utilities.

Section 1 of SB 145 would create a process for the Kansas Corporation Commission to investigate all rates, joint rates, tolls, charges and exactions, classifications and schedules of rates of a Board of Public Utilities if a petition, signed by at least 5% of the board's customers or 3% from any one rate class, was filed with the commission within a year of the change in the Board's rates, charges, or schedules of rates. A customer that wanted to petition the KCC could request the Board provide the names. Addresses and rate classifications of all the Board's customers that the Board would have to provide within 21 days.

If the commission found that the Board's rates, charges, or schedules of rates were unjust, unreasonable, unjustly discriminatory or unduly preferential, the commission would have the authority to fix and order substituted rates, charges schedules of rates that were just and reasonable.

If any of the Board's rates, charges, or schedules of rates were petitioned pursuant to the bill, they would remain in effect pending the KCC's investigation and final order. The bill would not authorize the KCC to regulate payments by the Board to the municipality that established the Board. The KCC would assess any expenses of any investigation or proceeding pursuant to the bill against the Board.

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Under current law, a Board of Public Utilities is required to provide notice and a hearing prior to implementing a proposed rate increase. Section 2 of the bill would also require the Board to provide notice of a ratepayer's ability to petition the KCC pursuant to Section 1 of the bill.