

SENATE BILL No. 349

By Committee on Utilities

1-19

1 AN ACT concerning electric public utilities; relating to the state
2 corporation commission; providing limitations upon certain retail
3 electric rate increases, exceptions.

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

6 Section 1. (a) (1) Except as provided in subsection (b), the state
7 corporation commission shall not approve any increase in retail electric
8 rates for an electric public utility that results in an annual increase of
9 greater than:

10 (A) 1% when compared to the preceding calendar year's total retail
11 rates; or

12 (B) an average of 1% per year if the electric public utility does not
13 file for a rate increase in two or more subsequent years.

14 (2) When determining the applicable annual limitation in paragraph
15 (1), the commission shall:

16 (A) Except as otherwise provided in this paragraph, include as a
17 component of such limitation all retail electric rate components and riders,
18 including, but not limited to, recovery of transmission delivery charges
19 authorized pursuant to K.S.A. 66-1237, and amendments thereto; and

20 (B) exclude as a component of such limitation any adjustments to
21 rates that are attributable to recovery through the following rate
22 components or riders:

23 (i) Ad valorem tax expenses pursuant to K.S.A. 66-117(f), and
24 amendments thereto; and

25 (ii) power, fuel and energy cost adjustments.

26 (3) Any costs that are not recovered by an electric public utility due
27 to the annual limitation in paragraph (1) may be deferred, at a carrying
28 cost each month equal to such utility's cost of capital excluding taxes, for
29 recovery in a subsequent year if such recovery complies with the annual
30 limitation in paragraph (1) or for recovery in the utility's next general rate
31 case or proceeding provided such recovery complies with the annual
32 limitation in paragraph (1). The commission may allow recovery of any
33 costs that are deferred pursuant to this section on and after July 1, 2032.

34 (b) The rate increase limitation imposed by this section shall not
35 apply to an electric public utility that requests an increase in rates that
36 exceeds 1% annually if the commission determines that:

1 (1) A rate increase of more than 1% is necessary to protect reliability
2 of such electric public utility's service; or

3 (2) there would be a material negative impact to such electric public
4 utility's credit rating if a rate increase exceeding 1% was not approved.

5 (c) The commission may promulgate any rules and regulations
6 necessary to administer this section.

7 (d) For the purposes of this section, "electric public utility" means the
8 same as defined in K.S.A. 66-101a, and amendments thereto, but does not
9 include any such utility that is a cooperative as defined in K.S.A. 66-104d,
10 and amendments thereto, or owned by one or more such cooperatives.

11 (e) The provisions of this section shall expire on July 1, 2032.

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