HOUSE BILL No. 2144

By Committee on Energy and Utilities

AN ACT concerning utilities; relating to natural gas public utilities; rates and charges.

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

Section 1. (a) Upon the request of a natural gas public utility, the commission shall, when required by this subsection, grant the natural gas public utility temporary authority to place in effect any changed rate, joint rate, toll, charge or classification, schedule of charges or any rule or regulation or practice pertaining to the service or rates of such natural gas public utility by filing with the commission a bond or other undertaking, approved by the commission, conditioned upon the refund of any amounts collected in excess of the amounts which would have been collected under rates, charges, schedules, or regulations finally approved by the commission multiplied by 10% above the current prime interest rate and in a manner to be prescribed by the commission. In determining that portion of the new or changed rates, charges, schedules, or regulations to be placed in effect prior to a final decision, the commission shall apply previously established regulatory principles and shall, at a minimum, permit rates and charges which will allow the natural gas public utility the opportunity to earn a return on common stock equity equal to that which the commission held reasonable and just in the most recent rate case involving the same utility or another natural gas public utility, and, if the most recent final decision of the commission in an applicable rate case was rendered more than 12 months prior to the date of filing of the request for temporary rates, the commission shall also consider financial market data that is filed or that is otherwise available to the commission and shall adjust the rate of return on common stock equity that was approved in that decision upward or downward as necessary to reflect current conditions. The commission shall render a decision on a request for temporary authority within 90 days after the date of filing of the request. The decision shall be effective immediately. If the commission has not rendered a final decision with respect to suspended rates, charges, schedules or regulations upon the expiration of 240 days after the filing date, plus the length of any delay that necessarily results either from the failure of the natural gas public utility to exercise due diligence in connection with the proceedings or from intervening
judicial proceedings then those portions that were approved by the
commission on a temporary basis shall be deemed finally approved by the
commission and the natural gas public utility may place them into effect
on a permanent basis and the natural gas public utility also may place into
effect subject to refund, until the final decision of the commission, any
portion of the changed rate, joint rate, toll, charge or classification or
schedule of charges, or any rule or regulation or practice pertaining to the
service or rates of such natural gas public utility not previously approved
on a temporary basis by filing with the commission a bond or other
undertaking approved by the commission.

(b) A natural gas public utility may choose to place in effect
temporary rates, charges, schedules or regulations without commission
review 10 days after the filing under this section. If the utility chooses to
place such changed rate, joint rate, toll, charge or classification, schedule
of charges or any rule or regulation or practice pertaining to the service or
rates of such natural gas public utility in effect without commission
review, the utility shall file with the commission a bond or other
corporate undertaking approved by the commission conditioned upon the
refund of amounts collected in excess of the amounts which would have
been collected under rates, charges, schedules or regulations finally
approved by the commission multiplied by 10% above the current prime
interest rate and in a manner prescribed by the commission. At the
conclusion of the proceeding, if the commission determines that any of
the changed rate, joint rate, toll, charge or classification, schedule of
charges or any rule or regulation or practice pertaining to the service or
rates of such natural gas public utility placed in effect under this
subsection were not based on previously established regulatory
principles, the commission shall consider ordering refunds based upon
the overpayments made by each individual customer class, rate zone or
customer group.

(c) As used in this section:
        (1) "Commission" means the state corporation commission;
        and
        (2) "natural gas public utility" means any public utility as
defined in K.S.A. 66-104, and amendments thereto, which supplies
natural gas.

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