

SESSION OF 2003

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 51**

As Amended by Senate Committee on  
Utilities

**Brief\***

SB 51 would prohibit a public utility providing excessive compensation to any employee to recover the value of the excess from the utility's ratepayers. The Kansas Corporation Commission (KCC) would review the compensation of a public utility's employees as a part of any proceeding before it which may result in a change in the utility's rates. The KCC is to deny recovery from ratepayers that amount of the value of any compensation which is found to be excessive. Excessive compensation would be defined through rules and regulations of the KCC.

Further, the bill would require publicly traded public utilities to file a clear, concise, and understandable disclosure statement on or before April 1 of each year with the KCC disclosing the compensation ranges of the officers of the public utility for the preceding calendar year. The disclosure statement would be open for inspection by any person in accordance with the Open Records Act.

The KCC would be given authority to adopt rules and regulations to implement the provisions of the bill.

**Background**

At the hearing on the bill, an attorney practicing in the area of utilities appeared before the Committee in support of the bill. The conferee suggested several amendments which he believed would improve the bill. This conferee stated that, at times, it was difficult to actually determine the full compensation to public utility employees.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/kldr>

A conferee from the KCC stated that the Commission believes that the policy directives outlined in the original bill are already considered and applied. She stated that absent the passage of the bill, the KCC and its staff would continue to analyze and review, and disallow if necessary, any public utility employee compensation that appears to be excessive. The other conferee was a spokesperson from the Citizens' Utility Ratepayer Board. This conferee was a proponent of the bill.

The fiscal note on the original bill indicates that the KCC and the Citizens' Utility Ratepayer Board believe that the passage of the bill would not have a fiscal effect.