

## HOUSE BILL No. 2154

By Committee on Energy, Utilities and Telecommunications

1-24

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1 AN ACT concerning public utilities; relating to the regulation and  
2 oversight of public utilities; providing for the statewide election of the  
3 commissioners of the state corporation commission; establishing an  
4 election schedule for the election of such commissioners; authorizing  
5 gubernatorial appointments until commissioners are elected; relating to  
6 the attorney general; requiring the office of the attorney general to  
7 represent and protect the collective interests of utility customers in  
8 utility rate-related proceedings before the state corporation commission  
9 and in any other judicial or administrative proceeding; establishing the  
10 utilities regulation division within the office of the attorney general and  
11 providing duties therefor; exempting the state corporation commission  
12 from the open meetings act; amending K.S.A. 25-101, 25-101a, 25-  
13 4001, 25-4142, 66-117a, 66-1236, 66-1502, 66-1503, 66-2204, 74-601,  
14 74-605, 74-630 and 75-4318 and K.S.A. 2022 Supp. 66-1,251 and  
15 repealing the existing sections.

16

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

18 New Section 1. (a) Members of the state corporation commission  
19 shall be elected on a statewide basis in accordance with this section and  
20 the provisions applicable to the election of state officers on a statewide  
21 basis pursuant to chapter 25 of the Kansas Statutes Annotated, and  
22 amendments thereto.

23 (b) The primary elections for members of the state corporation  
24 commission shall commence and be conducted in accordance with the  
25 following schedule:

26 (1) On the first Tuesday in August of 2024, and on the first Tuesday  
27 in August each four years thereafter, a primary election shall be conducted  
28 for commission position one established pursuant to K.S.A. 74-601, and  
29 amendments thereto;

30 (2) on the first Tuesday in August of 2026, and on the first Tuesday in  
31 August each four years thereafter, a primary election shall be conducted  
32 for commission position two established pursuant to K.S.A. 74-601, and  
33 amendments thereto; and

34 (3) on the first Tuesday in August of 2028, and on the first Tuesday in  
35 August each four years thereafter, a primary election shall be conducted  
36 for commission position three established pursuant to K.S.A. 74-601, and

1 amendments thereto. Commencing in August of 2028, such primary  
2 election shall be held in conjunction with the primary election for  
3 commission position one.

4 (c) The general elections for members of the state corporation shall  
5 commence and be conducted in accordance with the following schedule:

6 (1) On the Tuesday following the first Monday in November of 2024,  
7 and on the first Tuesday in August each four years thereafter, a general  
8 election shall be conducted for commission position one established  
9 pursuant to K.S.A. 74-601, and amendments thereto;

10 (2) on the Tuesday following the first Monday in November of 2026,  
11 and on the first Tuesday in August each four years thereafter, a general  
12 election shall be conducted for commission position two established  
13 pursuant to K.S.A. 74-601, and amendments thereto; and

14 (3) on the Tuesday following the first Monday in November of 2028,  
15 and on the first Tuesday in August each four years thereafter, a general  
16 election shall be conducted for commission position three established  
17 pursuant to K.S.A. 74-601, and amendments thereto. Commencing in  
18 November of 2028, such general election shall be held in conjunction with  
19 the general election for commission position one.

20 New Sec. 2. (a) No candidate for commissioner of the state  
21 corporation commission nor any candidate committee appointed by such  
22 candidate shall solicit or accept any contribution from a public utility,  
23 political committee established by a utility or political committee that  
24 receives contributions from a public utility.

25 (b) No public utility, political committee established by a public  
26 utility or political committee that receives contributions from a public  
27 utility shall make any contribution to a candidate for commissioner of the  
28 state corporation commission or to any candidate committee appointed by  
29 such candidate.

30 (c) This section shall be a part of and supplemental to the the  
31 campaign finance act, K.S.A. 25-4142 et seq., and amendments thereto.

32 New Sec. 3. (a) There is hereby created in the office of the attorney  
33 general the utilities regulation division. The utilities regulation division, at  
34 the direction of the attorney general, shall:

35 (1) Represent and protect the collective interests of all utility  
36 customers of this state in public utility rate-related proceedings of the state  
37 corporation commission and in any other state or federal judicial or  
38 administrative proceedings;

39 (2) advocate for reasonable, affordable and regionally competitive  
40 utility rates for Kansas utility customers;

41 (3) balance the interests of residential, business and industrial  
42 customers when advocating for utility customers;

43 (4) promote long-term, cost-effective and reasonable solutions to

1 issues faced by the utility industry; and

2 (5) eliminate corporate waste and unnecessary spending by public  
3 utilities.

4 (b) The attorney general shall establish and maintain a principal  
5 office of the division and shall appoint a director of the division. Subject to  
6 appropriations therefor, the attorney general shall employ attorneys,  
7 engineers, accountants, economists or any other personnel necessary to  
8 carry out the duties of the division. The director and employees of the  
9 division shall be within the unclassified service under the Kansas civil  
10 service act.

11 (c) (1) Commencing on January 1, 2024, except as provided in  
12 paragraph (2), the staff of any division of the state corporation commission  
13 that litigates, argues or participates in public utility rate proceedings for the  
14 purpose of making non-binding recommendations to the state corporation  
15 commission on behalf of ratepayers shall be transferred to the division  
16 subject to the discretion of the attorney general.

17 (2) The provisions of paragraph (1) shall not apply to the staff of the  
18 state corporation commission that litigates, argues or participates in  
19 telecommunications rate proceedings.

20 (3) The attorney general and the state corporation commission shall  
21 collaborate and undertake all necessary actions to effectuate this  
22 subsection.

23 (d) Subject to appropriations therefor, the attorney general may  
24 contract for professional services, including, but not limited to, attorneys,  
25 engineers, accountants and economists as necessary to carry out the duties  
26 of the division.

27 Sec. 4. K.S.A. 25-101 is hereby amended to read as follows: 25-101.

28 (a) On the Tuesday succeeding the first Monday in November of each  
29 even-numbered year, there shall be held a general election to elect officers  
30 as follows:

31 (1) At each alternate election, prior to the year in which the term of  
32 office of the president and ~~vice-president~~ *vice president* of the United  
33 States will expire, there shall be elected the electors of president and vice-  
34 president of the United States to which the state may be entitled at the time  
35 of such election;

36 (2) at each such election, when the term of a United States senator for  
37 this state shall expire during the next year, there shall be elected a United  
38 States senator;

39 (3) at each such election there shall be elected the representatives in  
40 congress to which the state may be entitled at the time of such election;

41 (4) at each alternate election, prior to the year in which their regular  
42 terms of office will expire, there shall be elected a governor, lieutenant  
43 governor, secretary of state, attorney general, state treasurer and state

1 commissioner of insurance;

2 (5) at each such election there shall be elected such members of the  
3 state board of education as provided by law;

4 (6) at each such election, when, in a judicial district in which judges  
5 of the district court are elected, the term of any district judge expires  
6 during the next year, or a vacancy in a district judgeship has been filled by  
7 appointment more than 30 days prior to the election, there shall be elected  
8 a district judge of such judicial district;

9 (7) at each such election, when, in a judicial district in which judges  
10 of the district court are elected, the term of any district magistrate judge  
11 expires during the next year, or a vacancy in a district magistrate judgeship  
12 has been filled by appointment more than 30 days prior to the election,  
13 there shall be elected a district magistrate judge of such judicial district;

14 (8) at each alternate election, prior to the year in which the regular  
15 term of office of state senators shall expire, there shall be elected a state  
16 senator in each state senatorial district;

17 (9) at each election there shall be elected a representative from each  
18 state representative district;

19 (10) at each alternate election there shall be elected, in each county, a  
20 county clerk, county treasurer, register of deeds, county or district attorney,  
21 sheriff and such other officers as provided by law; ~~and~~

22 (11) at each election, when the term of county commissioner in any  
23 district in any county shall expire during the next year, there shall be  
24 elected from such district a county commissioner; *and*

25 *(12) at each election, when the term of a commissioner of the state*  
26 *corporation commission shall expire during the next year, there shall be*  
27 *elected one or two commissioners to the state corporation commission in*  
28 *accordance with the provisions of section 1, and amendments thereto.*

29 (b) This section shall apply to the filling of vacancies only so far as is  
30 consistent with the provisions of law relating thereto.

31 Sec. 5. K.S.A. 25-101a is hereby amended to read as follows: 25-  
32 101a. (a) On the Tuesday succeeding the first Monday in November in  
33 1978, and each four years thereafter, there shall be elected a governor and  
34 lieutenant governor running together, a secretary of state, an attorney  
35 general, a state treasurer, ~~and~~ a state commissioner of insurance *and a*  
36 *commissioner or commissioners of the state corporation commission*  
37 *elected as set forth in section 1, and amendments thereto.*

38 (b) Every candidate for the office of secretary of state, attorney  
39 general, state treasurer—~~or~~, state commissioner of insurance *or*  
40 *commissioner of the state corporation commission* shall be a qualified  
41 elector of the state of Kansas by the deadline for filing for such office as  
42 provided in K.S.A. 25-205, and amendments thereto.

43 (c) Every candidate for the office of governor and lieutenant governor

1 shall be a qualified elector and shall be 25 years of age or older by the  
 2 deadline for filing for such office as provided in K.S.A. 25-205, and  
 3 amendments thereto.

4 (d) Every candidate for the office of attorney general must be  
 5 licensed to practice law within the state of Kansas.

6 Sec. 6. K.S.A. 25-4001 is hereby amended to read as follows: 25-  
 7 4001. The governor, lieutenant governor, secretary of state, attorney  
 8 general, state treasurer ~~and~~, commissioner of insurance *and commissioners*  
 9 *of the state corporation commission* shall be elected for terms of four-~~(4)~~  
 10 years, to begin on the second Monday of January next after their election,  
 11 and until their successors are elected and qualified.

12 Sec. 7. K.S.A. 25-4142 is hereby amended to read as follows: 25-  
 13 4142. K.S.A. 25-4119e, 25-4119f, 25-4119g, 25-4142 through 25-4187  
 14 and ~~K.S.A.~~ 25-4153b, and amendments thereto, *and section 2, and*  
 15 *amendments thereto*, shall be known and may be cited as the campaign  
 16 finance act.

17 Sec. 8. K.S.A. 66-117a is hereby amended to read as follows: 66-  
 18 117a. The secretary of administration *and the utilities regulation division*  
 19 *of the office of the attorney general* may intervene on behalf of the state of  
 20 Kansas as a party to any rate hearing conducted by the state corporation  
 21 commission in which the state of Kansas would be affected as a consumer  
 22 by a proposed change in the rates considered at such hearing.

23 Sec. 9. K.S.A. 2022 Supp. 66-1,251 is hereby amended to read as  
 24 follows: 66-1,251. The following entities may legally invest any sinking  
 25 funds, moneys or other funds in securitized utility tariff bonds:

26 (a) Subject to applicable statutory restrictions on state or local  
 27 investment authority, the state, units of local government, political  
 28 subdivisions, public bodies and public officers, except for:

29 (1) Members of the commission and the commission's technical  
 30 advisory and other staff; ~~or~~;

31 (2) board members and employees of the citizens' utility ratepayer  
 32 board; *and*

33 (3) *officers and employees of the utilities regulation division of the*  
 34 *office of the attorney general*;

35 (b) banks and bankers, savings and loan associations, credit unions,  
 36 trust companies, savings banks and institutions, investment companies,  
 37 insurance companies, insurance associations and other persons carrying on  
 38 a banking or insurance business;

39 (c) personal representatives, guardians, trustees and other fiduciaries;  
 40 or

41 (d) all other persons authorized to invest in bonds or other obligations  
 42 of a similar nature.

43 Sec. 10. K.S.A. 66-1236 is hereby amended to read as follows: 66-

1 1236. (a) In adopting procedures applicable in proceedings pursuant to  
2 K.S.A. 66-1233, and amendments thereto, the state corporation  
3 commission shall provide for:

4 (1) Confidentiality of information so that the amount of recovery  
5 requested, the amount of recovery allowed, the method of cost recovery  
6 requested and the method of cost recovery allowed is not disclosed;

7 (2) protective orders for all filings so that the citizens' utility  
8 ratepayer board *and the utilities regulation division of the office of the*  
9 *attorney general* may receive and review documents if the board  
10 intervenes;

11 (3) procedures to reflect rules of the United States nuclear regulatory  
12 commission or other regulatory bodies that govern the release of  
13 information and documentation which an applicant is required to submit to  
14 support the application or supply to the commission, commission staff or  
15 intervenors;

16 (4) the security cost recovery charge to be unidentifiable on  
17 customers' bills;

18 (5) the security cost recovery charge shall be allocated and added to  
19 all wholesale and retail rates and future contracts. Any contract existing on  
20 the effective date of this act, which does not specifically prohibit the  
21 addition of such charges, shall have such charges added;

22 (6) review of security-related filings in an expedited manner with  
23 reference only to security-related items to assure that the proposed items  
24 provide enhanced security;

25 (7) denial of any expenditure that the commission determines is not  
26 prudent or is not for security measures and approval of all other  
27 expenditures; and

28 (8) recovery of capital expenditures over a period equal to not more  
29 than  $\frac{1}{2}$  the usable lifetime of the capital investment.

30 (b) A determination by the commission of the prudence of an  
31 expenditure for security measures shall not be based on standard  
32 regulatory principles and methods of recovery and shall take fully into  
33 account the findings and intent of the legislature as stated in K.S.A. 66-  
34 1235, and amendments thereto.

35 (c) The provisions of this act and K.S.A. 66-1233, and amendments  
36 thereto, shall apply recovery of prudent expenditures for enhanced security  
37 incurred after September 11, 2001.

38 (d) Any confidential records or information relating to security  
39 measures provided or received under the provisions of this act and K.S.A.  
40 66-1233, and amendments thereto, shall not be subject to subpoena,  
41 discovery or other demand in any administrative, criminal or civil action.

42 Sec. 11. K.S.A. 66-1502 is hereby amended to read as follows: 66-  
43 1502. (a) (1) Whenever, in order to carry out the duties imposed upon it by

1 law, the state corporation commission, in a proceeding upon its own  
2 motion, on complaint, or upon an application to it, shall deem it necessary  
3 to investigate any public utility or common carrier or make appraisals of  
4 the property of any public utility, such public utility or common carrier, in  
5 case the expenses reasonably attributable to such investigation or appraisal  
6 exceed the sum of \$100, including both direct and indirect expenses  
7 incurred by the commission or its staff ~~or~~, by the citizens' utility ratepayer  
8 board *or by the utilities regulation division of the office of the attorney*  
9 *general*, shall pay such expenses which shall be assessed against such  
10 public utility or common carrier by the commission. Such expenses shall  
11 be assessed beginning on the date that the proceeding is filed or beginning  
12 three business days after the commission gives the public utility or  
13 common carrier notice of the assessment by United States mail, whichever  
14 is later. The state corporation commission shall give such public utility or  
15 common carrier notice and opportunity for a hearing in accordance with  
16 the provisions of the Kansas administrative procedure act. At such hearing,  
17 the public utility or common carrier may be heard as to the necessity of  
18 such investigation or appraisal and may show cause, if any, why such  
19 investigation or appraisal should not be made or why the costs thereof  
20 should not be assessed against such public utility or common carrier. The  
21 finding of the commission as to the necessity of the investigation or  
22 appraisal and the assessment of the expenses thereof shall be conclusive,  
23 except that no such public utility or common carrier shall be liable for  
24 payment of any such expenses incurred by such state corporation  
25 commission ~~or~~, citizens' utility ratepayer board *or utilities regulation*  
26 *division of the office of the attorney general* in connection with any  
27 proceeding before or within the jurisdiction of any federal regulatory body.

28 (2) The commission shall ascertain the expenses of any such  
29 investigation or appraisal and by order assess such expenses against the  
30 public utility or common carrier investigated or whose property is  
31 appraised in such proceeding, and shall render a bill therefor, by United  
32 States mail, to the public utility or common carrier, either at the conclusion  
33 of the investigation or appraisal, or from time to time during such  
34 investigation or appraisal. Such bill shall constitute notice of such  
35 assessment and demand of payment thereof. Upon a bill rendered to such  
36 public utility or common carrier, within 15 days after the mailing thereof,  
37 such public utility or common carrier shall pay to the commission the  
38 amount of the assessment for which it is billed. Such payment when made  
39 shall be transmitted by the commission to the state treasurer, who shall  
40 credit the same to the appropriations made for the use of such commission  
41 or for the use of the citizens' utility ratepayer board. The total amount, in  
42 any one state fiscal year for which any public utility or common carrier  
43 shall be assessed under the provisions of this section shall not exceed the

1 following: (1) For a public utility or common carrier that is under the  
 2 jurisdiction of the commission and has not filed an annual report with the  
 3 commission pursuant to K.S.A. 66-123, and amendments thereto, prior to  
 4 the beginning of the commission's fiscal year, actual expenses, including  
 5 direct and indirect expenses incurred by the commission or the  
 6 commission's staff ~~or~~, by the citizens' utility ratepayer board *or by the*  
 7 *utilities regulation division of the office of the attorney general*; and (2) for  
 8 any other public utility or common carrier under the jurisdiction of the  
 9 commission, 0.6% of the public utility's or common carrier's gross  
 10 operating revenues derived from intrastate operations as reflected in the  
 11 last annual report filed with the commission pursuant to K.S.A. 66-123,  
 12 and amendments thereto, prior to the beginning of the commission's fiscal  
 13 year. The commission may render bills in one fiscal year for costs incurred  
 14 within a previous fiscal year.

15 (b) The commission, in accordance with the procedures prescribed by  
 16 subsection (a), may assess against an entity, other than a residential or  
 17 small commercial ratepayer, that is not subject to assessment pursuant to  
 18 subsection (a) actual expenses of any services extended, filings processed  
 19 or actions certified by the commission for the entity.

20 Sec. 12. K.S.A. 66-1503 is hereby amended to read as follows: 66-  
 21 1503. (a) (1) The state corporation commission shall determine within 15  
 22 days after each quarter-year for each such quarter-year, the total amount of  
 23 its expenditures ~~during such period of time and~~, the total amount of  
 24 expenditures of the citizens' utility ratepayer board ~~during such period of~~  
 25 ~~time and the total amount of expenditures of the utilities regulation~~  
 26 *division of the office of the attorney general*. The total amount shall  
 27 include the salaries of members and employees and all other lawful  
 28 expenditures of the commission ~~and~~, the board *and the utilities regulation*  
 29 *division*, including all expenditures in connection with investigations or  
 30 appraisals made under the provisions of K.S.A. 66-1502, and amendments  
 31 thereto, except that there shall not be included in such total amount of  
 32 expenditures for the purpose of this section the expenditures during such  
 33 period of time which are otherwise provided for by fees and assessments  
 34 made under other existing laws for the regulation of motor carriers or for  
 35 administering the oil proration and the oil and gas conservation laws.

36 (2) From the amount determined under paragraph (1) ~~of this~~  
 37 ~~subsection~~, the commission shall deduct:

38 (A) All amounts collected under K.S.A. 66-1502, and amendments  
 39 thereto, during such period of time; and

40 (B) the amounts of all fees collected during such period of time under  
 41 the provisions of ~~subsection (b)(1) of~~ K.S.A. 66-1a01(b)(1), and  
 42 amendments thereto.

43 (3) To the remainder after making the deductions under paragraph (2)



1 ~~of this subsection~~, the commission shall add such amount as in its  
2 judgment may be required to satisfy any deficiency in the prior assessment  
3 period's assessment and to provide for anticipated increases in necessary  
4 expenditures for the current assessment period.

5 (b) The amount determined under subsection (a) shall be assessed by  
6 the commission against all public utilities and common carriers subject to  
7 the jurisdiction of the commission and shall not exceed, during any fiscal  
8 year, the greater of \$100 or 0.2% of the respective utility's or common  
9 carrier's gross operating revenues derived from intrastate operation as  
10 reflected in the last annual report filed with the commission pursuant to  
11 K.S.A. 66-123, and amendments thereto, prior to the beginning of the  
12 commission's fiscal year or made available to the commission upon  
13 request. Such assessment shall be paid to the commission within 15 days  
14 after the notice of assessment has been mailed to such public utilities and  
15 common carriers, which notice of assessment shall constitute demand of  
16 payment thereof.

17 (c) The commission shall remit all moneys received by or for it for  
18 the assessment imposed under this section to the state treasurer in  
19 accordance with the provisions of K.S.A. 75-4215, and amendments  
20 thereto. Upon receipt of each such remittance, the state treasurer shall  
21 deposit the entire amount in the state treasury. Ten percent of each such  
22 deposit shall be credited to the state general fund and the balance shall be  
23 credited to the public service regulation fund.

24 Sec. 13. K.S.A. 66-2204 is hereby amended to read as follows: 66-  
25 2204. (a) At the time that a natural gas public utility files a petition with  
26 the commission seeking to establish or change a GSRS, it shall submit  
27 proposed GSRS rate schedules and its supporting documentation regarding  
28 the calculation of the proposed GSRS with the petition and shall serve  
29 commission staff ~~and the citizens~~ *citizens'* utility ratepayer board *and the*  
30 *utilities regulation division of the office of the attorney general* with a copy  
31 of its petition, its proposed rate schedules and its supporting  
32 documentation.

33 (b) (1) When a petition, along with any associated proposed rate  
34 schedules, is filed pursuant to the provisions of K.S.A. 66-2202 through  
35 66-2204, and amendments thereto, the commission shall conduct an  
36 examination of the proposed GSRS;

37 (2) the staff of the commission shall examine information of the  
38 natural gas public utility to confirm that the underlying costs are in  
39 accordance with the provisions of K.S.A. 66-2202 through 66-2204, and  
40 amendments thereto, and to confirm proper calculation of the proposed  
41 charge. The staff shall submit a report regarding its examination to the  
42 commission not later than 60 days after the petition is filed. No other  
43 revenue requirement or ratemaking issues may be examined in

1 consideration of the petition or associated proposed rate schedules filed  
2 pursuant to the provisions of K.S.A. 66-2202 and 66-2204, and  
3 amendments thereto;

4 (3) the commission may hold a hearing on the petition and any  
5 associated rate schedules and shall issue an order to become effective not  
6 later than 120 days after the petition is filed; and

7 (4) if the commission finds that a petition complies with the  
8 requirements of K.S.A. 66-2202 through 66-2204, and amendments  
9 thereto, the commission shall enter an order authorizing the natural gas  
10 public utility to impose a GSRs that is sufficient to recover appropriate  
11 pretax revenue, as determined by the commission pursuant to the  
12 provisions of K.S.A. 66-2202 through 66-2204, and amendments thereto.

13 (c) A natural gas utility may effectuate a change in its rate pursuant to  
14 the provisions of this section no more often than once every 12 months.

15 (d) In determining the appropriate pretax revenue, the commission  
16 shall consider only the following factors:

17 (1) The net original cost of eligible infrastructure system investments.  
18 The net original cost shall be defined as the original cost of eligible  
19 infrastructure system investments less associated retirements of existing  
20 infrastructure;

21 (2) the accumulated deferred income taxes associated with the  
22 eligible infrastructure system investments, as adjusted to comply with  
23 internal revenue service regulations;

24 (3) the accumulated depreciation associated with the eligible  
25 infrastructure system investments;

26 (4) the current state, federal and local income tax or excise rates;

27 (5) the natural gas public utility's actual regulatory capital structure as  
28 determined during the most recent general rate proceeding of the natural  
29 gas public utility;

30 (6) the actual cost rates for the natural gas public utility's debt and  
31 preferred stock as determined during the most recent general rate  
32 proceeding of the natural gas public utility;

33 (7) the natural gas public utility's cost of common equity as  
34 determined during the most recent general rate proceeding of the natural  
35 gas public utility;

36 (8) the current depreciation rates applicable to the eligible  
37 infrastructure system investments; and

38 (9) in the event information pursuant to paragraphs (5), (6) and (7)  
39 are unavailable and the commission is not provided with such information  
40 on an agreed-upon basis, the commission shall utilize the average of the  
41 recommendations contained in the testimony submitted by the natural gas  
42 public utility and commission staff during the most recent general rate  
43 proceeding of the natural gas public utility to determine the capital

1 structure, recommended cost rates for debt and preferred stock and  
2 recommended cost of common equity to determine the average weighted  
3 cost of capital.

4 (e) (1) The monthly GSRS charge shall be allocated among the  
5 natural gas public utility's classes of customers in the same manner as  
6 costs for the same type of facilities was allocated among classes of  
7 customers in the natural gas public utility's most recent general rate  
8 proceeding. If that allocation is not available or determinable, the  
9 commission shall utilize the average of the recommendations contained in  
10 the testimony submitted by the natural gas public utility and the  
11 commission staff regarding class allocation of costs. A GSRS shall be  
12 charged to customers as a monthly fixed charge and not based on  
13 volumetric consumption. Such monthly charge shall not increase more  
14 than \$.80 per residential customer over the base rates in effect for the  
15 initial filing of a GSRS. Thereafter, each filing shall not increase the  
16 monthly charge more than \$.80 per residential customer over the most  
17 recent filing of a GSRS;

18 (2) at the end of each ~~twelve-month~~ *12-month* calendar period the  
19 GSRS is in effect, the natural gas public utility shall reconcile the  
20 differences between the revenues resulting from a GSRS and the  
21 appropriate pretax revenues as found by the commission for that period  
22 and shall submit the reconciliation and a proposed GSRS adjustment to the  
23 commission for approval to recover or refund the difference, as  
24 appropriate, through adjustments of the GSRS charge.

25 (f) (1) A natural gas public utility that has implemented a GSRS  
26 pursuant to the provisions of K.S.A. 66-2202 through 66-2204, and  
27 amendments thereto, shall file revised rate schedules to reset the GSRS to  
28 zero when new base rates and charges become effective for the natural gas  
29 public utility following a commission order establishing customer rates in  
30 a general rate proceeding that incorporates in the utility's base rates,  
31 subject to subsections (h) and (i), eligible costs previously reflected in the  
32 currently effective GSRS; and

33 (2) upon the inclusion in a natural gas public utility's base rates  
34 subject to subsections (h) and (i) of eligible costs previously reflected in a  
35 GSRS, the natural gas public utility shall immediately thereafter reconcile  
36 any previously unreconciled GSRS revenues as necessary to ensure that  
37 revenues resulting from the GSRS match as closely as possible the  
38 appropriate pretax revenues as found by the commission for that period.

39 (g) A natural gas public utility's filing of a petition or change to a  
40 GSRS pursuant to the provisions of K.S.A. 66-2202 through 66-2204, and  
41 amendments thereto, shall not be deemed to be a rate increase for purposes  
42 of K.S.A. 66-117, and amendments thereto.

43 (h) Commission approval of a petition, and any associated rate

1 schedules, to establish or change a GSRS pursuant to the provisions of  
2 K.S.A. 66-2202 through 66-2204, and amendments thereto, shall in no  
3 way be binding upon the commission in determining the ratemaking  
4 treatment to be applied to eligible infrastructure system investments during  
5 a subsequent general rate proceeding when the commission may undertake  
6 to review the reasonableness and prudence of such costs. In the event the  
7 commission disallows, during a subsequent general rate proceeding,  
8 recovery of costs associated with eligible infrastructure system  
9 investments previously included in a GSRS, the natural gas public utility  
10 shall offset its GSRS in the future as necessary to recognize and account  
11 for any such over collections.

12 (i) Nothing in this section shall be construed as limiting the authority  
13 of the commission to review and consider the costs of infrastructure  
14 system investments, along with other costs, during any general rate  
15 proceeding of any natural gas public utility.

16 Sec. 14. K.S.A. 74-601 is hereby amended to read as follows: 74-601.

17 (a) There is hereby created the state corporation commission, which shall  
18 consist of three members ~~appointed by the governor, subject to~~  
19 ~~confirmation by the senate as provided in K.S.A. 75-4315b, and~~  
20 ~~amendments thereto. Except as provided by K.S.A. 46-2601, no person~~  
21 ~~appointed to the commission shall exercise any power, duty or function as~~  
22 ~~a member of the commission until confirmed by the senate. No more than~~  
23 ~~two members of the commission shall belong to the same political party.~~  
24 ~~Each member shall be appointed for a term of four years and until a~~  
25 ~~successor has been appointed and confirmed. In case of a vacancy in the~~  
26 ~~office of a member of the commission, the governor shall appoint a~~  
27 ~~successor to fill the vacancy for the unexpired term.~~

28 ~~(b) The terms of members who are serving on the commission on the~~  
29 ~~effective date of this act shall expire on March 15, of the year in which~~  
30 ~~such member's term would have expired under the provisions of this~~  
31 ~~section prior to amendment by this act. Thereafter, members shall be~~  
32 ~~appointed for terms of four years and until their successors are appointed~~  
33 ~~and confirmed appointed or elected in accordance with this section.~~

34 *(b) (1) The terms of the commissioners who are serving on the*  
35 *commission on July 1, 2023, shall expire on March 15 of the year in which*  
36 *such terms would have expired under the provisions of this section prior to*  
37 *the 2023 amendments made to this section by this act except that the term*  
38 *of any commissioner shall be extended until the commissioner's successor*  
39 *is appointed or elected pursuant to the following:*

40 *(A) The position held by the commissioner whose term expires on*  
41 *March 15, 2024, shall be known as commissioner position one. Upon the*  
42 *expiration of such term, the governor shall appoint a commissioner to the*  
43 *position for a term ending on the second Monday in January 2025.*

1 *Thereafter, such position shall be filled by the commissioner elected to*  
2 *such position pursuant to section 1, and amendments thereto.*

3 *(B) The position held by the commissioner whose term expires on*  
4 *March 15, 2026, shall be known as commissioner position two. Upon the*  
5 *expiration of such commissioner's term, the governor shall appoint a*  
6 *commissioner to the position for a term ending on the second Monday in*  
7 *January 2027. Thereafter, such position shall be filled by the*  
8 *commissioner elected to such position pursuant to section 1, and*  
9 *amendments thereto.*

10 *(C) The position held by the commissioner whose term expires on*  
11 *March 15, 2027, shall known as commissioner position three. Upon the*  
12 *expiration of such commissioner's term, the governor shall appoint a*  
13 *commissioner to such position for a term ending on the second Monday in*  
14 *January 2029. Thereafter, such position shall be filled by the*  
15 *commissioner elected to such position pursuant to section 1, and*  
16 *amendments thereto.*

17 *(2) Commissioners appointed by the governor pursuant to this*  
18 *subsection shall be subject to confirmation by the senate as provided in*  
19 *K.S.A. 75-4315b, and amendments thereto. Except as provided by K.S.A.*  
20 *46-2601, no person appointed to the commission shall exercise any power,*  
21 *duty or function as a commissioner until confirmed by the senate. The*  
22 *governor shall not appoint any person to the commission pursuant to this*  
23 *subsection if such appointment would result in all commissioners*  
24 *belonging to the same political party.*

25 *(c) Any vacancy occurring on the commission shall be filled pursuant*  
26 *to K.S.A. 25-312, and amendments thereto.*

27 ~~(d)~~ *(1) Except as otherwise provided in paragraph (2), the*  
28 *commission shall elect one of its members as chairperson of the*  
29 *commission.*

30 *(2) On February 1, 2024, and on February 1 of each of the*  
31 *succeeding four calendar years, the governor shall appoint the*  
32 *chairperson of the commission for a one-year term. Such term shall end*  
33 *on the succeeding February 1. No chairperson appointed pursuant to this*  
34 *paragraph shall serve more than three consecutive terms as chairperson*  
35 *of the commission.*

36 *(3) The chairperson of the commission shall receive an annual salary*  
37 *in an amount equal to the annual salary prescribed by law for the chief*  
38 *judge of the court of appeals, payable monthly. Each other member of the*  
39 *commission shall receive an annual salary in an amount equal to the*  
40 *annual salary paid by the state to a judge of the court of appeals, other than*  
41 *the chief judge, payable monthly. Each member of the commission shall*  
42 *devote full time to the duties of the office.*

43 ~~(d)~~ *(e) The provisions of the Kansas governmental operations*

1 accountability law apply to the state corporation commission and the  
2 commission is subject to audit, review and evaluation under such law.

3 Sec. 15. K.S.A. 74-605 is hereby amended to read as follows: 74-605.

4 (a) No person owning any bonds, stock or property in any railroad  
5 company or other common carrier or public utility, or who is in the  
6 employment of, or who ~~is in any way or manner pecuniarily interested~~ *has*  
7 *any pecuniary interest* in, any railroad company or other common carrier  
8 or public utility, shall be eligible, except as ~~hereinafter~~ *provided in this*  
9 *section*, to the office of commissioner, attorney or secretary of ~~said the~~  
10 *commission*, nor shall such commissioner, attorney or secretary hold any  
11 office of profit or any position under any committee of any political party,  
12 or hold any other position of honor, profit or trust under or by virtue of any  
13 of the laws of the United States or of the state of Kansas. ~~Said~~ *Such*  
14 *commissioners* shall be qualified electors of the state; and shall not ~~while~~  
15 ~~such commissioners~~ engage in any occupation or business inconsistent  
16 with their duties as such commissioners.

17 ~~And~~ (b) If any member of the commission, at the time ~~of his~~  
18 ~~appointment~~ *such member assumes the office of commissioner*, shall own  
19 any bonds, stock or property in any railroad company or other common  
20 carrier or public utility, or is in the employment of, or ~~is in any way or~~  
21 ~~manner pecuniarily interested~~ *has any pecuniary interest* in any railroad  
22 company or any common carrier or public utility, such commissioner or  
23 other appointee shall within ~~thirty~~ (30) days divest ~~himself~~ of such interest  
24 or employment, ~~and upon his failing to do so he~~. *If such member fails to*  
25 *divest of such interest or employment pursuant to this section, such*  
26 *member shall forfeit his the office, and the governor shall remove such*  
27 *commissioner and shall appoint his successor, who shall hold until a*  
28 *successor is appointed and qualified and a vacancy shall be declared.*  
29 *Such vacancy shall be filled pursuant to section 1, and amendments*  
30 *thereto.*

31 (c) Each of ~~said the~~ commissioners, attorney and secretary shall be  
32 sworn, before entering upon the discharge of the same, to faithfully  
33 perform the duties of the respective offices. ~~Said~~ *The* commission is  
34 authorized and empowered to employ, ~~subject to the approval of the~~  
35 ~~governor~~, such extra accountants, engineers, experts and special assistants  
36 as in ~~its~~ *the commission's* judgment may be necessary and proper to carry  
37 the provisions of this act into effect; and to fix their compensation; ~~and~~.  
38 Such employees shall hold their office ~~during~~ *at the pleasure of said the*  
39 ~~commission~~. ~~Provided, That~~. No person related by blood or marriage to  
40 any member of such commission shall be appointed or employed by ~~said~~  
41 *the* commission.

42 Sec. 16. K.S.A. 74-630 is hereby amended to read as follows: 74-630.

43 (a) The state corporation commission may appoint persons to the positions

1 specified in subsection (b) to serve as full-time employees of the state.  
2 Such persons shall be in the unclassified service of the Kansas civil service  
3 act and shall receive compensation fixed by the state corporation  
4 commission ~~and approved by the governor~~, subject to the limitations of  
5 appropriations therefor.

6 (b) The offices to which this section apply are the following:

7 (1) The director of the division of utilities;

8 (2) the director of the division of conservation;

9 (3) the director of the division of transportation;

10 (4) the director of public affairs and consumer protection;

11 (5) the general counsel; and

12 (6) the executive director, who shall also serve as secretary to the  
13 state corporation commission.

14 Sec. 17. K.S.A. 75-4318 is hereby amended to read as follows: 75-  
15 4318. (a) Subject to the provisions of subsection (g), all meetings for the  
16 conduct of the affairs of, and the transaction of business by, all legislative  
17 and administrative bodies and agencies of the state and political and taxing  
18 subdivisions thereof, including boards, commissions, authorities, councils,  
19 committees, subcommittees and other subordinate groups thereof,  
20 receiving or expending and supported in whole or in part by public funds  
21 shall be open to the public and no binding action by such public bodies or  
22 agencies shall be by secret ballot. Meetings of task forces, advisory  
23 committees or subcommittees of advisory committees created pursuant to  
24 a governor's executive order shall be open to the public in accordance with  
25 this act.

26 (b) Notice of the date, time and place of any regular or special  
27 meeting of a public body or agency designated in subsection (a) shall be  
28 furnished to any person requesting such notice, except that:

29 (1) If notice is requested by petition, the petition shall designate one  
30 person to receive notice on behalf of all persons named in the petition, and  
31 notice to such person shall constitute notice to all persons named in the  
32 petition;

33 (2) if notice is furnished to an executive officer of an employees'  
34 organization or trade association, such notice shall be deemed to have been  
35 furnished to the entire membership of such organization or association;  
36 and

37 (3) the public body or agency may require that a request to receive  
38 notice must be submitted again to the public body or agency prior to the  
39 commencement of any subsequent fiscal year of the public body or agency  
40 during which the person wishes to continue receiving notice, but, prior to  
41 discontinuing notice to any person, the public body or agency must notify  
42 the person that notice will be discontinued unless the person resubmits a  
43 request to receive notice.

- 1 (c) It shall be the duty of the presiding officer or other person calling
- 2 the meeting, if the meeting is not called by the presiding officer, to furnish
- 3 the notice required by subsection (b).
- 4 (d) Prior to any meeting mentioned by subsection (a), any agenda
- 5 relating to the business to be transacted at such meeting shall be made
- 6 available to any person requesting the agenda.
- 7 (e) The use of cameras, photographic lights and recording devices
- 8 shall not be prohibited at any meeting mentioned by subsection (a), but
- 9 such use shall be subject to reasonable rules designed to insure the orderly
- 10 conduct of the proceedings at such meeting.
- 11 (f) Except as provided by section 22 of article 2 of the constitution of
- 12 the state of Kansas, interactive communications in a series shall be open if
- 13 they collectively involve a majority of the membership of the public body
- 14 or agency, share a common topic of discussion concerning the business or
- 15 affairs of the public body or agency, and are intended by any or all of the
- 16 participants to reach agreement on a matter that would require binding
- 17 action to be taken by the public body or agency.
- 18 (g) The provisions of the open meetings law shall not apply:
- 19 (1) To any administrative body that is authorized by law to exercise
- 20 quasi-judicial functions when such body is deliberating matters relating to
- 21 a decision involving such quasi-judicial functions;
- 22 (2) to the prisoner review board when conducting parole hearings or
- 23 parole violation hearings held at a correctional institution;
- 24 (3) to any impeachment inquiry or other impeachment matter referred
- 25 to any committee of the house of representatives prior to the report of such
- 26 committee to the full house of representatives; ~~and~~
- 27 (4) if otherwise provided by state or federal law or by rules of the
- 28 Kansas senate or house of representatives; *and*
- 29 (5) *to the the state corporation commission.*
- 30 Sec. 18. K.S.A. 25-101, 25-101a, 25-4001, 25-4142, 66-117a, 66-
- 31 1236, 66-1502, 66-1503, 66-2204, 74-601, 74-605, 74-630 and 75-4318
- 32 and K.S.A. 2022 Supp. 66-1,251 are hereby repealed.
- 33 Sec. 19. This act shall take effect and be in force from and after its
- 34 publication in the statute book.