September 13, 2026

Adam Proffitt, Director of the Budget
Division of the Budget
Landon State Office Building, 5th floor
900 SW Jackson
Topeka, Kansas 66612

Dear Director Proffitt:

Transmitted herewith is the Fiscal Year 2028 budget for the Kansas Corporation Commission (KCC). The KCC is fee funded by the various industries we regulate including motor carriers, oil and gas production, natural gas, electricity, and telephone utilities. The Energy Division is funded through U.S. Department of Energy federal grant funds. The Conservation Division has received federal funds from the U.S. Department of Interior. The KCC does not receive State General Funds (SGF) but does pay into the general fund pursuant to various statutes including all fines and penalties are paid to the SGF pursuant to the appropriations bill.

The KCC, like other state agencies, faces significant recruitment and retention problems, mainly because of the expanding disparity between government and private-sector salaries. Efforts to bridge this gap have so far been challenging, hindering the KCC's ability to hire qualified technical and professional personnel and compromising its ability to protect the public interest. Experienced and knowledgeable commission staff are better equipped to handle the complex and technical issues involved in regulating utilities and other industries. This leads to more efficient, predictable, and expert-driven regulatory decisions. Despite focused efforts, the agency still has challenges with recruiting qualified technical and professional staff and several positions have remained open for more than twelve months. It is our hope that with the development of a creative recruitment strategy along with the recruitment and retention bonuses, KCC will attract the talent needed to fill its vacancies.

We continue to take the necessary steps to modernize our agency's IT infrastructure. This is a critical step to enhance our cybersecurity defenses, refresh aging hardware and ensure full compliance with the recent LPA audit. This is a critical process that enhances operational efficiency, security, and service delivery to Kansans.

Pursuant to K.S.A. 66-1222, the KCC is required to provide technical and clerical staff assistance as requested by CURB. The KCC and CURB have formalized this relationship through an existing Memorandum of Understanding (MOU), which outlines that the KCC provides fiscal, human resources (HR), and information technology (IT) support to CURB.

All statements and explanations contained in the request are based on staff and Commissioners' analysis and recommendations and are true and correct to the best of our knowledge and belief.

Sincerely,

Andrew J. French
Andrew J. French
Chairperson

Dwight D. Keen
Dwight D. Keen
Commissioner

Annie Kuether
Annie Kuether
Commissioner

AGENCY MISSION:

The mission of the Kansas Corporation Commission (KCC) is to protect the public interest by impartially, effectively and efficiently regulating the rates, terms of service and safety of public utilities and commercial trucking, by regulating the production of crude oil and natural gas, and by promoting energy programs that improve energy efficiency in Kansas.

AGENCY REGULATORY AUTHORITY:

The KCC regulates five industries in Kansas. The KCC is responsible for ensuring that natural gas, electricity and telephone utilities, and motor carriers provide safe, adequate and reliable services at just and reasonable rates. The KCC also regulates the production of crude oil and natural gas in a manner that protects the freshwater resources of the state, protects correlative rights, and prevents waste in the production of oil and gas. The KCC is also charged under K.S.A. 74-616 with the responsibility to perform duties related to energy resources, including, requesting, and administering federal funds for various state energy programs. The authority of the KCC is derived from K.S.A. 74-601 to 74-631.

DIVISIONS ESTABLISHED TO ASSIST WITH AGENCY MISSION:

- Administration
- Utilities
- Conservation
- Transportation
- Energy

STATUTORY HISTORY:

K.S.A. 74-601 establishes the KCC and provides that the agency consists of three members appointed by the governor and subject to Senate confirmation.

K.S.A. 74-602, *et seq.* grants the KCC the power, duty, authority, and jurisdiction to regulate and oversee public utilities, common carriers and motor carriers operating within the state.

K.S.A. 74-616 grants the KCC the authority to accept funds and other assistance from federal agencies for energy conservation and other energy related activities in Kansas.

K.S.A. 74-623 provides the KCC with sole authority to regulate and monitor oil and gas production related activities in Kansas, including regulation of Class II Underground Injection Wells under various provisions of K.S.A. Chapter 55. Specifically, the KCC's regulatory responsibilities regarding the crude oil and natural gas production includes preventing waste, protecting correlative rights and the protecting fresh-water resources of the state.

K.S.A. 55-192 establishes the Abandoned Oil and Gas Well Fund to provide the KCC with financial resources necessary to plug certain abandoned oil and gas wells and perform remediation of contaminated oil and gas well sites in Kansas. Monies in the fund can only be used for investigating and remediating contamination sites, and plugging abandoned wells which present an imminent threat to the public health or the environment. K.S.A. 55-166, which established the Well Plugging Assurance Fund, was repealed in 2021 as part of broader legislation to consolidate Kansas's abandoned oil and gas well funds. K.S.A. 55-193, which governed transfers to the Abandoned Oil and Gas Well Fund, was repealed in 2022 to discontinue a sunset mechanism on fund transfers.

K.S.A. 66-1256, *et seq.* establishes the Renewable Energy Standards Act. K.S.A. 66-1272, *et seq.* establishes the compressed air energy storage act.

K.S.A. 66-2001 establishes public policies to: 1) ensure that every Kansan has access to a first class telecommunications infrastructure; 2) ensure that consumers throughout the state realize the benefits of competition; 3) promote consumer access to a full range of telecommunications services; 4) advance the development of a statewide telecommunications infrastructure capable of supporting many different applications including telemedicine, distance learning, and access to internet providers; and 5) protect consumers of telecommunications services from fraudulent business practices.

FEDERAL ACTION:

To protect and promote Kansas interests, the KCC participates in certain matters within the original jurisdiction of the Federal Energy Regulatory Commission (FERC), the Federal Communications Commission (FCC), and the Southwest Power Pool (SPP). The KCC also monitors U.S. Environmental Protection Agency (EPA) rulemaking activity and works to assess and understand the impact of environmental requirements on regulated electric utilities and licensed oil and gas operators. FERC matters involve both the transportation of natural gas and initiatives regarding electric transmission and the development of wholesale electric markets. FCC matters pertain to the telecommunications industry, including federal programs that affect intercarrier compensation, and the Kansas Universal Service Fund (KUSF). The SPP matters pertain to transmission costs, reliability, planning, and the development of the

regional grid infrastructure that includes Kansas. EPA environmental issues arise primarily from the Clean Water Act and the Clean Air Act and impact multiple industries the KCC regulates, including the prices of utility services to Kansas ratepayers.

The Infrastructure Investment and Jobs Act (IIJA) passed Congress in 2021 and does have a direct effect on the work performed by the Utilities, Conservation, and Energy Divisions of the KCC. Progress on the Infrastructure Investment and Jobs Act (IIJA) has been significantly impacted by the change in presidential administrations and subsequent court challenges in 2025, leaving funding for many programs in limbo. The uncertainty of federal funding from the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) poses operational and financial challenges for the KCC. The KCC depends on these funds for a significant portion of its programs, and a disruption could delay or halt projects, force cuts to services, and shift costs back to the state and Kansas ratepayers.

FY2027 Current Year:

The 2026 Legislature approved a total FY2027 budget of $131,417,099. KCC is not requesting supplementals.

FY2028:

For FY2028, the KCC requests $136,985,014

Custom 406/410 Report

Dept. Name:
Agency Name: Kansas Corporation Commission
Agency Reporting Level:
Version: 2028-A-02-00143

Date: 09/15/2026
Time: 13:04:16

Division of the Budget
KANSAS

Obj. Code	OBJECTS OF EXPENDITURE	FY 2027 Base Budget Entry	FY 2027 Base Budget Request	FY 2027 Agency Change Packages	FY 2027 Adjusted Budget Request	FY 2028 Base Budget Entry	FY 2028 Base Budget Request
	Salaries and Wages	137,343	21,023,036	0	21,023,036	0	21,990,671
519990	SHRINKAGE	(271,671)	(271,671)	0	(271,671)	(276,795)	(276,795)
	TOTAL Salaries and Wages	**(134,328)**	**20,751,365**	**0**	**20,751,365**	**(276,795)**	**21,713,876**
52000	Communication	532,429	532,429	0	532,429	614,991	614,991
52100	Freight and Express	2,334	2,334	0	2,334	2,334	2,334
52200	Printing and Advertising	47,311	47,311	0	47,311	47,311	47,311
52300	Rents	1,632,494	1,632,494	0	1,632,494	1,897,514	1,897,514
52400	Reparing and Servicing	21,292,515	21,292,515	0	21,292,515	21,424,826	21,424,826
52500	Travel and Subsistence	45,841	45,841	0	45,841	175,841	175,841
52510	InState Travel and Subsistence	58,288	58,288	0	58,288	58,288	58,288
52520	Out of State Travel and Subsis	105,813	105,813	0	105,813	133,963	133,963
52600	Fees-other Services	2,294,286	2,294,286	0	2,294,286	2,457,444	2,457,444
52700	Fee-Professional Services	4,996,382	4,996,382	0	4,996,382	4,779,307	4,779,307
52800	Utilities	401,102	401,102	0	401,102	401,103	401,103
52900	Other Contractual Services	14,126,614	14,126,614	0	14,126,614	19,340,693	19,340,693
	TOTAL Contractual Services	**45,535,409**	**45,535,409**	**0**	**45,535,409**	**51,333,615**	**51,333,615**
53000	Clothing	9,580	9,580	0	9,580	9,580	9,580
53200	Food for Human Consumption	15,530	15,530	0	15,530	15,530	15,530
53400	Maint Constr Material Supply	6,152	6,152	0	6,152	6,152	6,152
53500	Vehicle Part Supply Accessory	232,900	232,900	0	232,900	240,689	240,689
53600	Pro Science Supply Material	37,042	37,042	0	37,042	39,792	39,792
53700	Office and Data Supplies	46,379	46,379	0	46,379	46,379	46,379
53800	Research Supplies and Matieria	0	0	0	0	0	0
53900	Other Supplies and Materials	14,619	14,619	0	14,619	14,619	14,619
	TOTAL Commodities	**362,202**	**362,202**	**0**	**362,202**	**372,741**	**372,741**
	TOTAL Capital Outlay	**3,365,676**	**3,365,676**	**0**	**3,365,676**	**3,920,192**	**3,920,192**
	SUBTOTAL State Operations	**49,128,959**	**70,014,652**	**0**	**70,014,652**	**55,349,753**	**77,340,424**
55000	Federal Aid Payments	61,539,790	61,539,790	0	61,539,790	59,544,590	59,544,590
	TOTAL Aid to Local Governments	**61,539,790**	**61,539,790**	**0**	**61,539,790**	**59,544,590**	**59,544,590**
55200	Claims	0	0	0	0	0	0
	TOTAL Other Assistance	**0**	**0**	**0**	**0**	**0**	**0**
	TOTAL REPORTABLE EXPENDITURES	**110,668,749**	**131,554,442**	**0**	**131,554,442**	**114,894,343**	**136,885,014**
77300	Transfers	100,000	100,000	0	100,000	100,000	100,000
	TOTAL Non-Expense Items	**100,000**	**100,000**	**0**	**100,000**	**100,000**	**100,000**
	TOTAL EXPENDITURES	**110,768,749**	**131,654,442**	**0**	**131,654,442**	**114,994,343**	**136,985,014**

KANSAS 406/410 - Custom 406/410 Report jadams / 2028A0200143

Custom 406/410 Report

Dept. Name:

Agency Name: Kansas Corporation Commission

Agency Reporting Level:

Version: 2028-A-02-00143

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Division of the Budget
KANSAS

Fund Code	FUND/ACCOUNT TITLE	FY 2027 Base Budget Entry	FY 2027 Base Budget Request	FY 2027 Agency Change Packages	FY 2027 Adjusted Budget Request	FY 2028 Base Budget Entry	FY 2028 Base Budget Request
2019	0100 PUBLIC SERVICE REGULATION FD	6,671,341	14,978,209	0	14,978,209	7,737,125	16,459,747
2023	1100 GAS PIPELINE INSPECTION FF	1,729	1,729	0	1,729	1,729	1,729
2130	2000 CONSERVATION FF	5,719,538	14,442,344	0	14,442,344	5,397,106	14,601,576
2143	2100 ABANDONED OIL & GAS WELL FD	1,619,756	1,619,756	0	1,619,756	1,619,756	1,619,756
2316	2300 INSERVICE EDU WORKSHOP FF	13,500	13,500	0	13,500	13,500	13,500
2432	2400 FAC CONSERVATION IMPRV FD	0	299,063	0	299,063	0	315,735
2667	4000 ENERGY GRNTS MGMT FD-STRIPPER	0	0	0	0	0	0
2812	5500 MOTOR CARRIER LICENSE FF	3,817,194	6,455,150	0	6,455,150	4,207,266	6,987,342
3157	3157 ENERGY EFF AND CNSRVTN	9,272	9,272	0	9,272	9,272	9,272
3477	3477 GAS PIPELN SFTY PRG-SPEC 1 CAL	210,557	303,026	0	303,026	210,557	307,912
3632	3000 GAS PIPELINE SAFETY PRG	145,739	878,417	0	878,417	145,739	917,360
3633	3120 PIPELN DMG PREVNT GRNT PRG	0	93,853	0	93,853	0	98,792
3639	3641 UNDRGD NT GAS STRG	0	0	0	0	0	0
3656	3656 Energy Community Revitalization Grant	17,001,868	17,001,868	0	17,001,868	17,001,868	17,001,868
3682	3500 ENERGY CONSERVATION PLAN FDF	14,027,737	14,027,737	0	14,027,737	19,115,107	19,115,107
3682	3506 State Energy Prgm	358,665	358,665	0	358,665	358,665	358,665
3756	3536 AMER RESCUE PLAN STATE RELIEF	1,995,200	1,995,200	0	1,995,200	0	0
3768	3700 UNDGRD INJCTN CTRL CLS II FDF	0	0	0	0	0	0
3806	3806 GRID RESILIENCE BIL FORMULA FUND	59,176,653	59,176,653	0	59,176,653	59,176,653	59,176,653
	TOTAL GENERAL FUNDS	**0**	**0**	**0**	**0**	**0**	**0**
	190 TOTAL ALL OTHER FUNDS	**110,768,749**	**131,654,442**	**0**	**131,654,442**	**114,994,343**	**136,985,014**
	194 TOTAL ALL FUNDS	**110,768,749**	**131,654,442**	**0**	**131,654,442**	**114,994,343**	**136,985,014**

KANSAS **406/410 - Custom 406/410 Report** **jadams / 2028A0200143**

External/Internal Assessment:

With both traditional and non-traditional energy resources under the KCC's structure, the KCC is well positioned to respond to dynamic changes in multiple arenas. For example, public utility companies face challenges from initiatives relating to both variable renewable and firm dispatchable thermal generation, as well as conservation, demand-side management, distributed generation, cybersecurity, and environmental protection. The KCC continues to review initiatives and assess their impact on public utility companies, oil and gas development, investors, and the utility services provided to Kansas customers.

To protect the public interest and Kansas ratepayers, the KCC participates in matters within the original jurisdiction of Federal Energy Regulatory Commission (FERC), Federal Communications Commission (FCC) and the Southwest Power Pool (SPP). The KCC also monitors the Environmental Protection Agency (EPA) rule making activity and, when necessary, works with the Kansas Department of Health & Environment (KDHE) in an effort to gauge the impact of such rule making on the electric utilities and the oil and gas industry. FERC matters involve the transportation of natural gas, electric transmission and the development of wholesale electric markets. FCC matters pertain to the telecommunications industry, including how changes to the federal universal service fund affect the Kansas Universal Service Fund (KUSF) and Kansans. SPP matters pertain to transmission costs, reliability, regional grid infrastructure, and the Integrated Market. EPA environmental issues, arising primarily from the Clean Water Act and the Clean Air Act, continue to impact multiple industries the KCC regulates.

In addition to participating in federal agency dockets, the KCC has organized or agreed to participate in agency and inter-agency work groups. These work groups, which are comprised of technical staff and agency attorneys, allow the KCC to be proactive in responding to the federal, state and regional impacts of a constantly evolving regulatory landscape. The work groups are:

Southwest Power Pool Working Group (SPPWG)

> The main purpose of the SPPWG is to provide an opportunity for Staff to meet bi-weekly to support the KCC's designated Regional State Committee member (Commissioner Andrew French) by sharing what is happening at SPP and specifically in the SPP committees such as workgroups, task forces, and other sub-committees. Due to the multitude of SPP committees, there are several Staff members assigned to participate in designated committees. The working group approach provides an efficient means for Staff members, especially those who regularly attend SPP committee meetings, to update all members of the workgroup and to discuss strategies, positions, and votes for upcoming committee meetings. Its secondary mission is to cross-train other members in the Utilities and Legal Division on SPP issues.

FERC Working Group

The primary mission of this working group is to track FERC jurisdictional issues that implicate the public interest of the State of Kansas. The group also facilitates communication on FERC issues to better support the KCC and its internal and external FERC counsel. This effort keeps litigation costs of external counsel to a minimum. Its secondary mission is to cross-train other members in the Utilities and Legal Division on FERC issues.

The groups not only provide coordination with other agencies to carry out significant state initiatives but also function in an advisory capacity to inform the Commissioners on the best ways to respond to federal mandates or participate in federal dockets. The key federal arenas in which the KCC participates are the FERC and FCC. The KCC's activities in federal venues in pursuit of the public interest are outlined below:

FERC: The FERC regulates interstate transmission of electricity, natural gas, and oil. Interstate transmission and wholesale markets have a direct effect on the retail prices of KCC-regulated public utilities. For example, KCC-regulated natural gas companies purchase services from interstate natural gas pipelines and pass the costs through to their retail ratepayers. Additionally, KCC-regulated electric utilities purchase transmission service from FERC-regulated Regional Transmission Organizations (RTOs) and also pass the costs through to the retail ratepayers. Therefore, in order to protect the interests of Kansas and to maintain just reasonable retail rates, the KCC is actively involved in proceedings at the FERC.

Electric:

Since 1996, the FERC has promoted open access, non-discriminatory transmission service by public utilities. This initiative has led to the development of Regional Transmission Organizations (RTOs), which ensures reliable supply of power, adequate transmission infrastructure, and competitive wholesale prices of electricity. The State of Kansas is within the footprint of the Southwest Power Pool (SPP), an RTO with members in all or parts of fourteen states. All major Kansas electric utilities are members of SPP.

Kansas' interests at SPP are represented by a KCC Commissioner appointed to sit on the board of the Regional State Committee (RSC). The RSC is made up of state commissioners and functions as an advisory board to the SPP Board of Directors. Much of the RSC's focus is the allocation of transmission costs. Decisions regarding cost allocation for constructing and maintaining the regional transmission grid can have profound impacts on Kansas. The KCC is actively engaged in multiple SPP committees and working groups. KCC technical staff works numerous hours advocating on behalf of Kansas' interests in SPP and RSC

Committees dealing with cost allocation, resource adequacy, tariff language, integrated markets, and transmission planning. This committee work also serves to keep Staff apprised of matters involving the Commission's jurisdictional utilities, which allows Staff to be best situated to identify and understand issues that may come before the Commission.

On March 1, 2014, SPP launched its Integrated Marketplace, which includes the day-ahead market with transmission congestion rights, a reliability unit commitment process, a real-time balancing market, and an operating reserve market. SPP asserts that an efficient and competitive marketplace provides regional benefits to stakeholders and ultimately benefits consumers. The KCC has been monitoring, and will continue to closely monitor, the progress of the SPP Integrated Marketplace to track whether benefits are realized.

The KCC is involved in FERC filings by individual electric utilities regarding billions of dollars of assets and millions of dollars in annual rates paid by Kansas ratepayers. Under FERC rulemaking, transmission projects are eligible for incentives designed to encourage investment in transmission infrastructure. These transmission projects impact both consumer rates and the marketing of Kansas power generation. Several Kansas electric utilities have received approval from FERC for incentive formula rates for the costs of constructing and maintaining transmission facilities. KCC staff has been, and continues to be, active in these dockets to protect the interests of Kansas ratepayers. Previous dockets have concluded with settlements that included corrections to the proposed formulas, protocols established to monitor the companies' activities, mechanisms for true-up of costs charged to customers, rates that were lower and/or more precise than the original proposals, in part due to the KCC's involvement. The KCC has intervened in several FERC electricity dockets pertaining specifically to depreciation rates, SPP exit fees and other SPP tariff provisions, transmission incentives, and transmission formula rates. The KCC regularly monitors and intervenes in FERC dockets where the issues significantly impact Kansas ratepayers.

Natural Gas:

Natural gas utilities regulated by the KCC purchase services from interstate natural gas pipelines and pass the costs through to their retail ratepayers. The FERC regulates rates charged by interstate pipelines and the construction, conversion, expansion and abandonment of pipeline facilities, including natural gas storage fields. These activities affect the delivered cost of wholesale natural gas purchased by KCC-regulated utilities, as well as municipalities and other end users throughout Kansas. Therefore, the KCC monitors the FERC activities of interstate gas transmission companies, including Tallgrass Energy Partners, LP; KPC Pipeline, LLC; Southern Star Central Gas Pipeline, Inc; Northern Natural Gas; and Cheyenne Plains Gas Pipeline Company, LLC.

The KCC often intervenes in natural gas proceedings at FERC that have a significant impact on Kansas. The KCC's participation in gas pipeline rate cases and other FERC matters has yielded substantial results. KCC intervention brings focus to issues that otherwise would not receive adequate attention for lack of other intervention. The KCC also intervenes in and monitors matters involving the abandonment of pipeline facilities that could result in Kansas customers, primarily agricultural in nature, having their service discontinued. The KCC has been active in intervening in such matters at FERC and has been successful in securing continuity of service obligations for the benefit of Kansas consumers.

Migration of gas in underground storage in Kansas has been the subject of FERC dockets. The KCC previously intervened in several gas storage dockets to promote safety, prevent waste, and protect the rights of landowners. The KCC continues to monitor filings by Southern Star Central Gas Pipeline, Inc. and Northern Natural Gas to ensure that the companies are complying with containment and mitigation obligations as required by prior FERC orders.

Telecommunications/KUSF:

The KCC continues to monitor FCC changes and issues as the telecommunications industry and technology continue to evolve. KCC Staff continues to evaluate the effects on Kansan's telecommunications capabilities, which encompass balancing resources of urban versus rural needs. When Congress passed the Telecommunications Act of 1996, it required all incumbent local telephone companies, like Southwestern Bell Telephone Company d/b/a AT&T Kansas (AT&T), to allow competitive companies to lease parts of the incumbent's network to provide telephone service to the competitive companies' retail customers. Generally, the FCC has set the rules determining which facilities the incumbents must lease to competitors, including the incumbent's switches, loops providing service to individual customers, and transport facilities. These rules have been critical to promoting competition, because they have enabled competitors to enter Kansas markets without having to construct their own plants and facilities.

As the competitive market continues to develop, the KCC has been asked to play a larger role in dispute resolution. Numerous complaints and requests for mediation or arbitration have been filed with the KCC that require its staff to employ its technical and legal expertise to achieve a resolution.

The KCC continues to implement the FCC's Order 2011 as well as subsequent orders reforming the inter-carrier compensation regime and the Federal Universal Service Fund. The FCC's intercarrier compensation reforms were phased in over a multi-year period and the FUSF reforms have occurred over a similar timeframe. The FCC now channels high-cost support through a Connect America Fund and a Mobility Fund in exchange for carriers deploying broadband-capable infrastructure.

In addition to implementing and overlapping state and federal laws, the KCC is also responsible for overseeing the approximately $40 million KUSF fund and the third-party administrator who controls the actual fund. The KUSF provides funding for high-cost universal service to qualified carriers, the Kansas Lifeline Service Program, the Telecommunications Access Program, and the dual-party Kansas Relay Service Program. Over the life of the fund, more than $1.2 billion has flowed through these programs. The KCC requires an annual audit of the KUSF administrator's internal controls and statutory and contractual compliance and a financial audit of the Fund by an independent accounting firm after the close of each KUSF Fiscal Year.

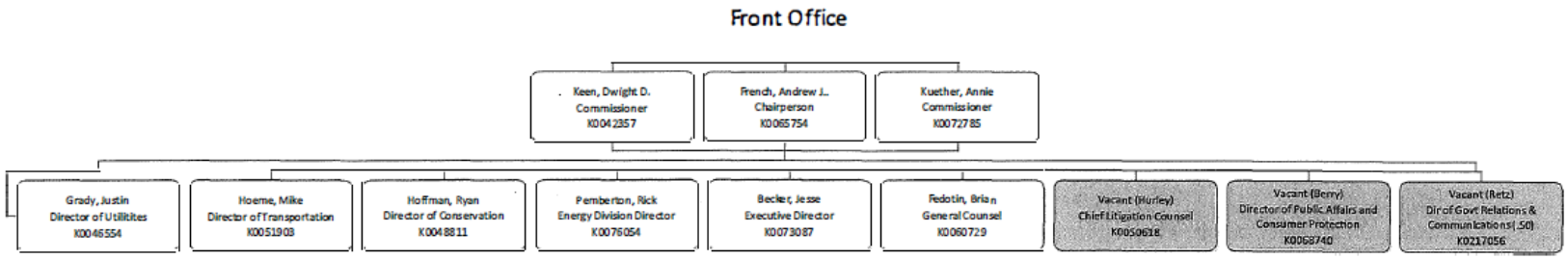
The KCC's staff performed audits of all incumbent rate-of-return local exchange carriers to ensure that the KUSF is a cost-based fund. This audit is consistent with the Kansas statutory requirement the KUSF be based on embedded costs. Sixty rate-of-return carrier audits have been completed, including second and third audits of some carriers.

Narrative Information – DA 400

Division of the Budget

State of Kansas

Agency Kansas Corporation Commission



Vacant Position

7/29/2026

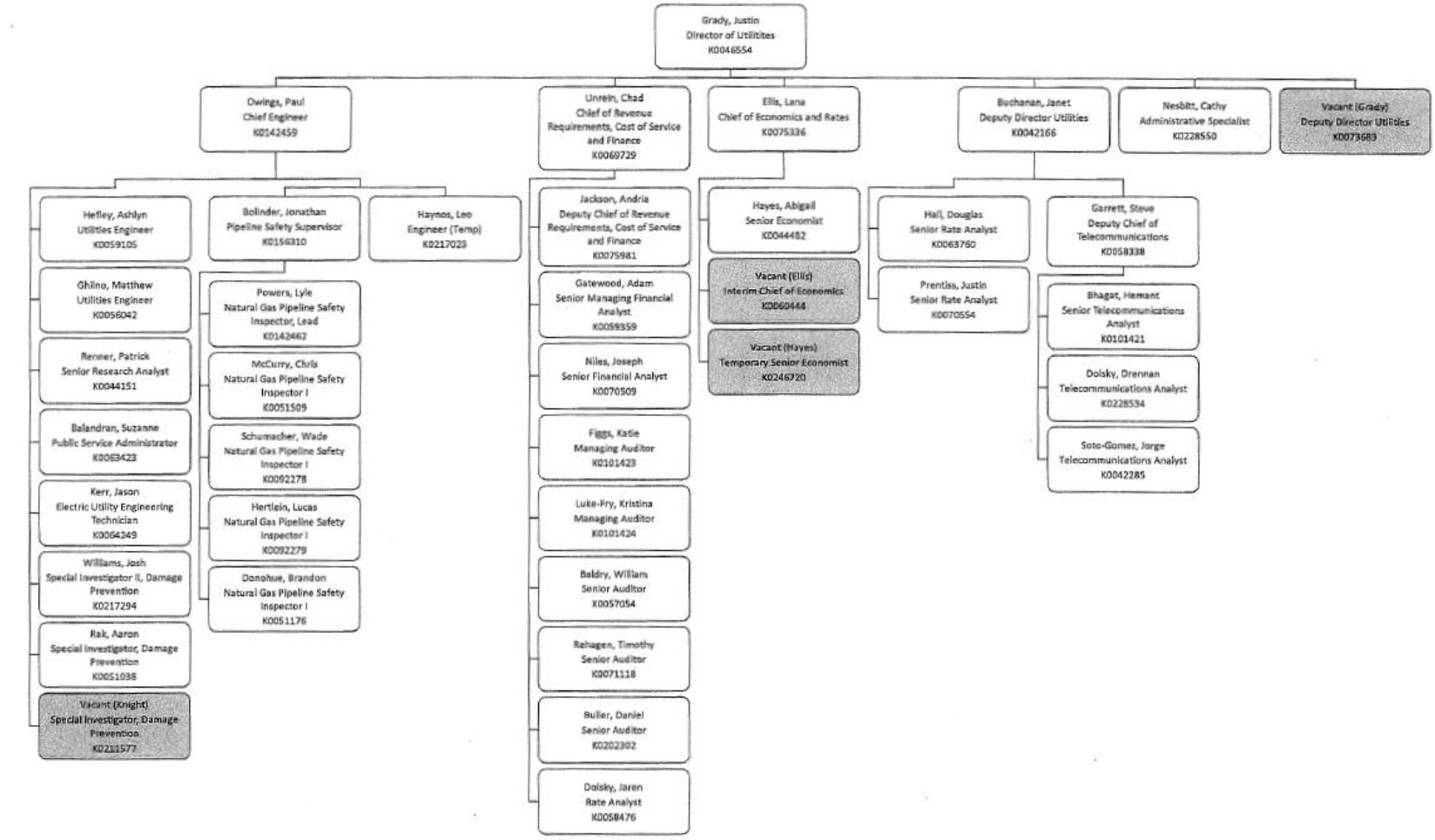
Narrative Information – DA 400

Division of the Budget

State of Kansas

Agency Kansas Corporation Commission

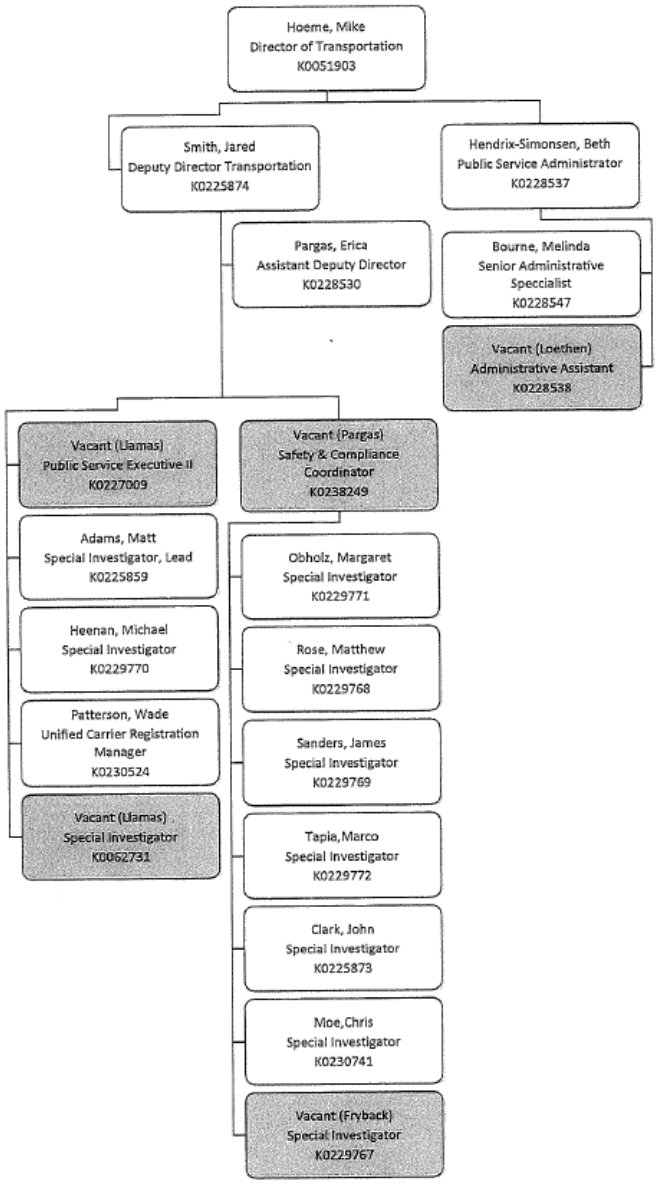
Utilities



Vacant Position

7/29/2026

Transportation



Vacant Position

7/29/2026

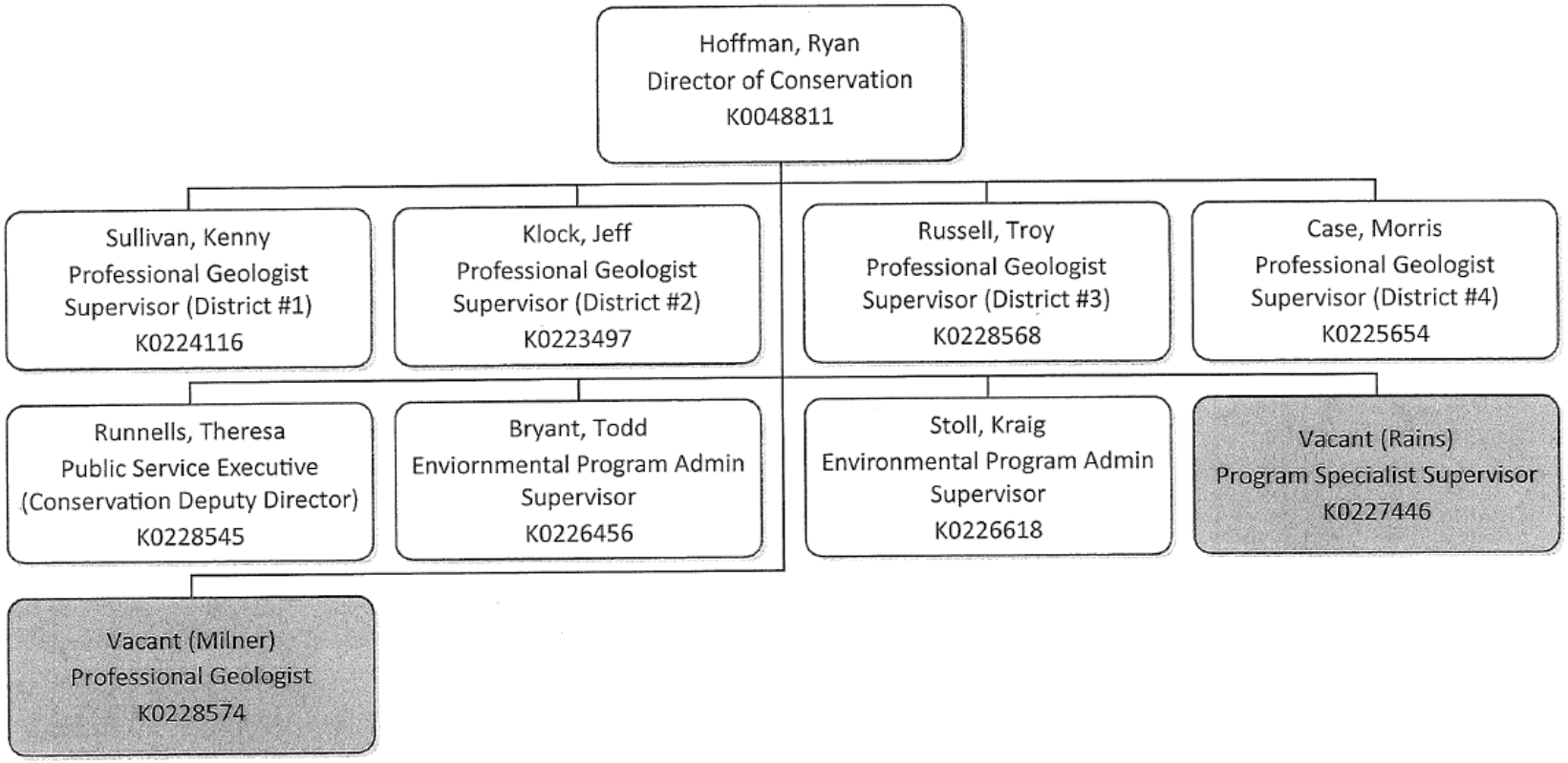
Narrative Information – DA 400

Division of the Budget

State of Kansas

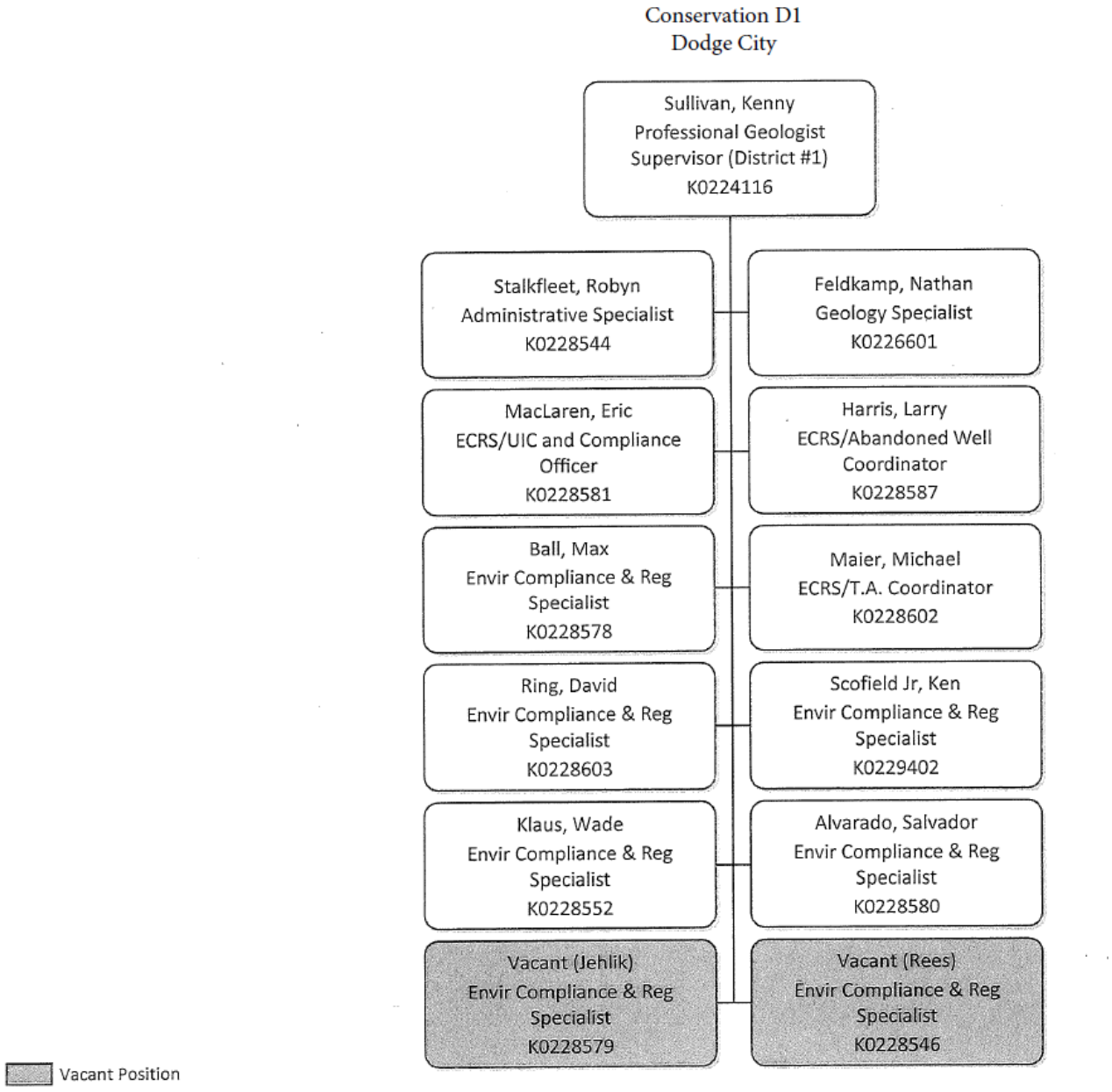
Agency Kansas Corporation Commission

Conservation



Vacant Position

7/29/2026


Conservation D1
Dodge City
Sullivan, Kenny
Professional Geologist
Supervisor (District #1)
K0224116
Stalkfleet, Robyn
Administrative Specialist
K0228544
Feldkamp, Nathan
Geology Specialist
K0226601
MacLaren, Eric
ECRS/UIC and Compliance
Officer
K0228581
Harris, Larry
ECRS/Abandoned Well
Coordinator
K0228587
Ball, Max
Envir Compliance & Reg
Specialist
K0228578
Maier, Michael
ECRS/T.A. Coordinator
K0228602
Ring, David
Envir Compliance & Reg
Specialist
K0228603
Scofield Jr, Ken
Envir Compliance & Reg
Specialist
K0229402
Klaus, Wade
Envir Compliance & Reg
Specialist
K0228552
Alvarado, Salvador
Envir Compliance & Reg
Specialist
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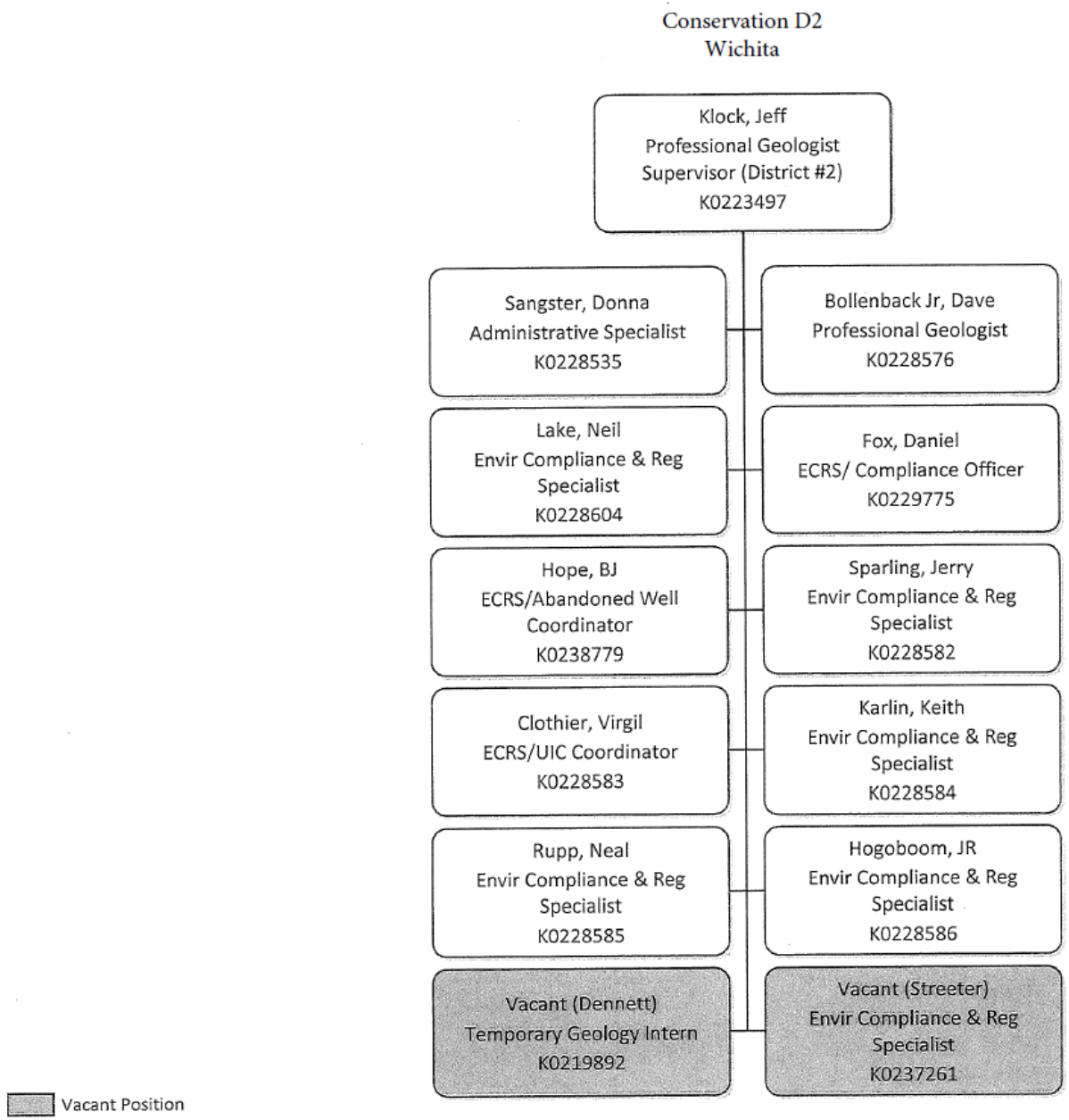
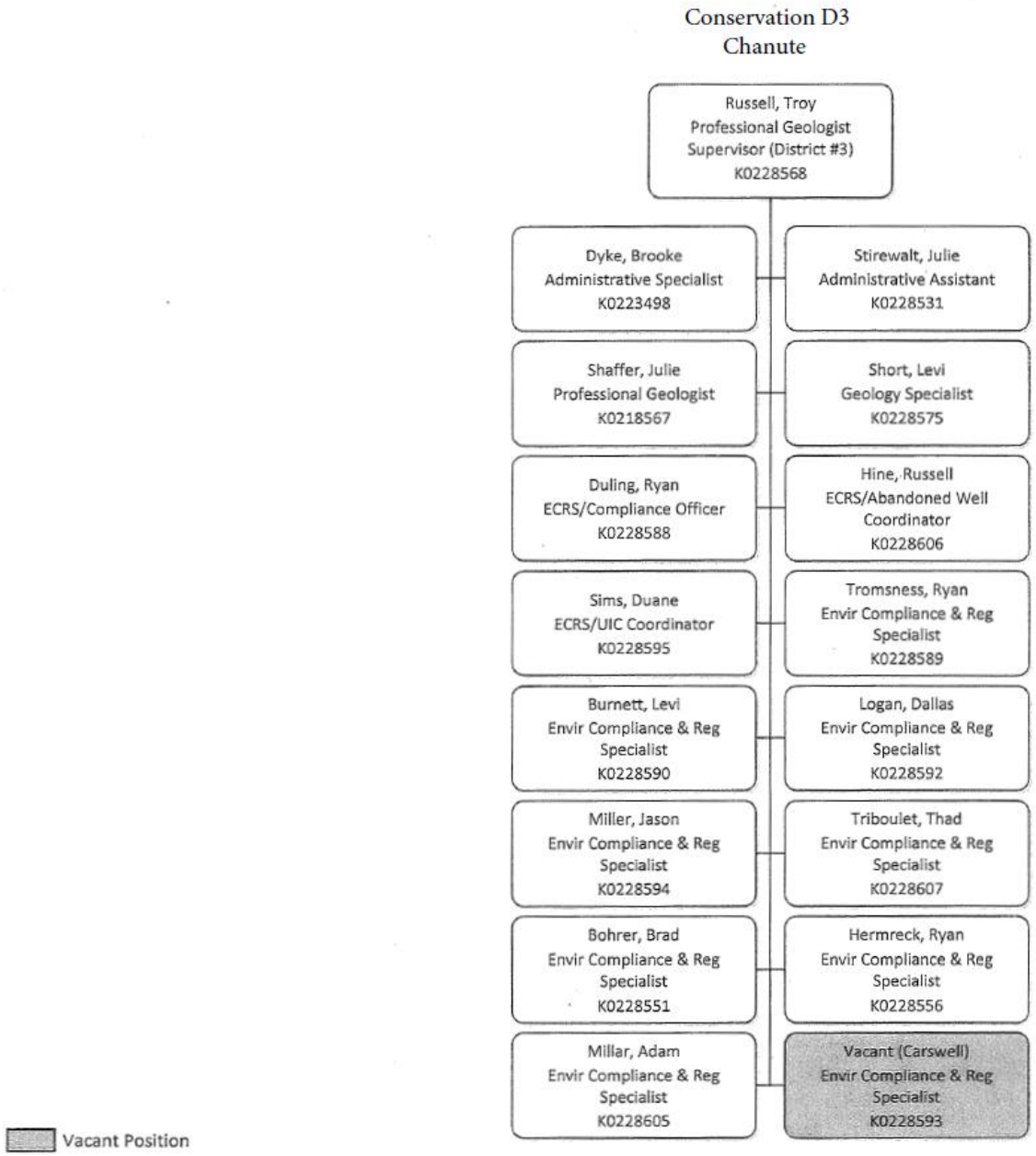
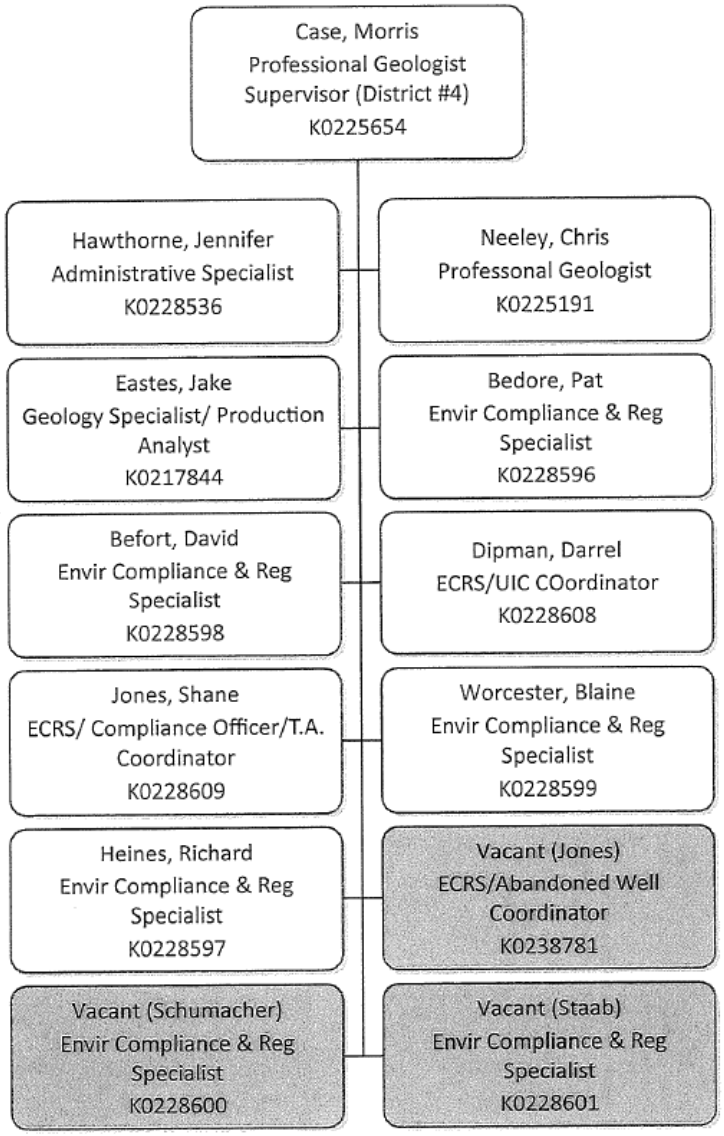
Specialist
K0228546
Vacant Position


Conservation D2
Wichita
Klock, Jeff
Professional Geologist
Supervisor (District #2)
K0223497
Sangster, Donna
Administrative Specialist
K0228535
Bollenback Jr, Dave
Professional Geologist
K0228576
Lake, Neil
Envir Compliance & Reg Specialist
K0228604
Fox, Daniel
ECRS/ Compliance Officer
K0229775
Hope, BJ
ECRS/Abandoned Well Coordinator
K0238779
Sparling, Jerry
Envir Compliance & Reg Specialist
K0228582
Clothier, Virgil
ECRS/UIC Coordinator
K0228583
Karlin, Keith
Envir Compliance & Reg Specialist
K0228584
Rupp, Neal
Envir Compliance & Reg Specialist
K0228585
Hogoboom, JR
Envir Compliance & Reg Specialist
K0228586
Vacant (Dennett)
Temporary Geology Intern
K0219892
Vacant (Streeter)
Envir Compliance & Reg Specialist
K0237261
Vacant Position


Conservation D3
Chanute
Russell, Troy
Professional Geologist
Supervisor (District #3)
K0228568
Dyke, Brooke
Administrative Specialist
K0223498
Stirewalt, Julie
Administrative Assistant
K0228531
Shaffer, Julie
Professional Geologist
K0218567
Short, Levi
Geology Specialist
K0228575
Duling, Ryan
ECRS/Compliance Officer
K0228588
Hine, Russell
ECRS/Abandoned Well
Coordinator
K0228606
Sims, Duane
ECRS/UIC Coordinator
K0228595
Tromsness, Ryan
Envir Compliance & Reg
Specialist
K0228589
Burnett, Levi
Envir Compliance & Reg
Specialist
K0228590
Logan, Dallas
Envir Compliance & Reg
Specialist
K0228592
Miller, Jason
Envir Compliance & Reg
Specialist
K0228594
Triboulet, Thad
Envir Compliance & Reg
Specialist
K0228607
Bohrer, Brad
Envir Compliance & Reg
Specialist
K0228551
Hermreck, Ryan
Envir Compliance & Reg
Specialist
K0228556
Millar, Adam
Envir Compliance & Reg
Specialist
K0228605
Vacant (Carswell)
Envir Compliance & Reg
Specialist
K0228593
Vacant Position

7/29/2026

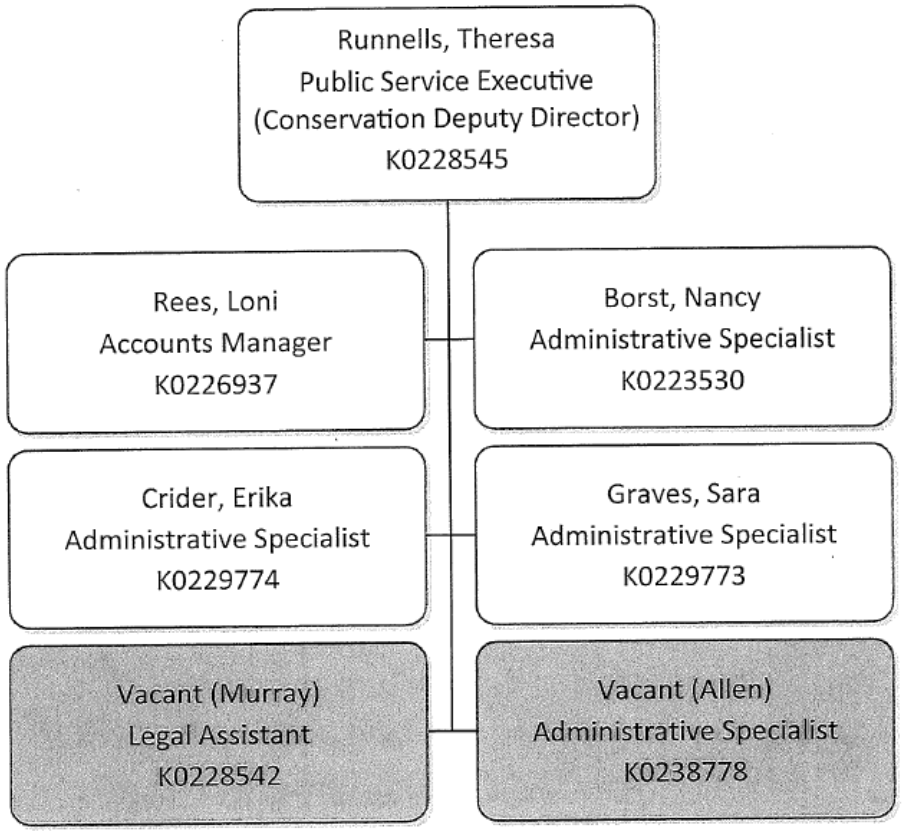
Conservation D4
Hays



Vacant Position

7/29/2026

Conservation



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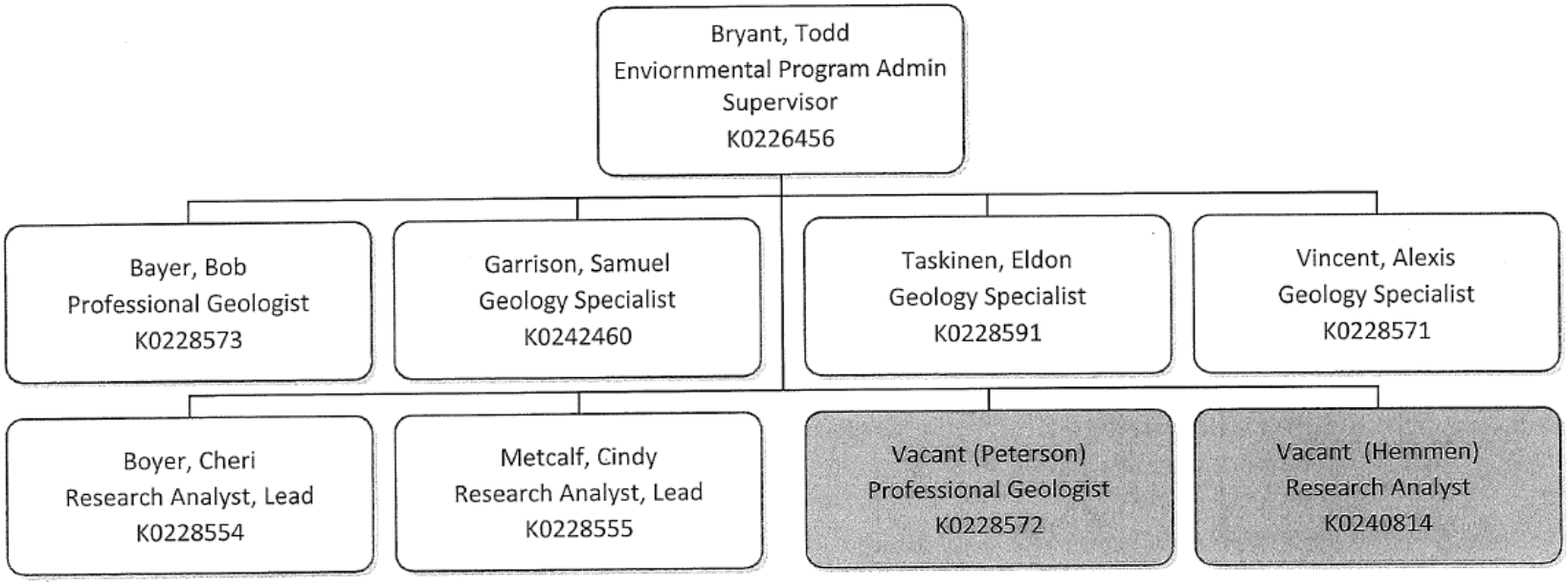
Conservation



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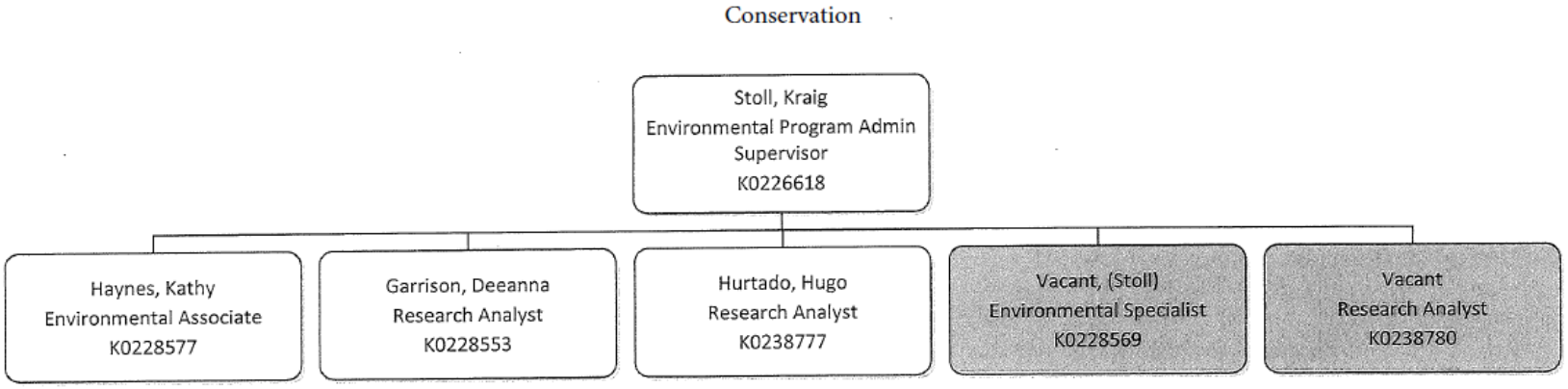


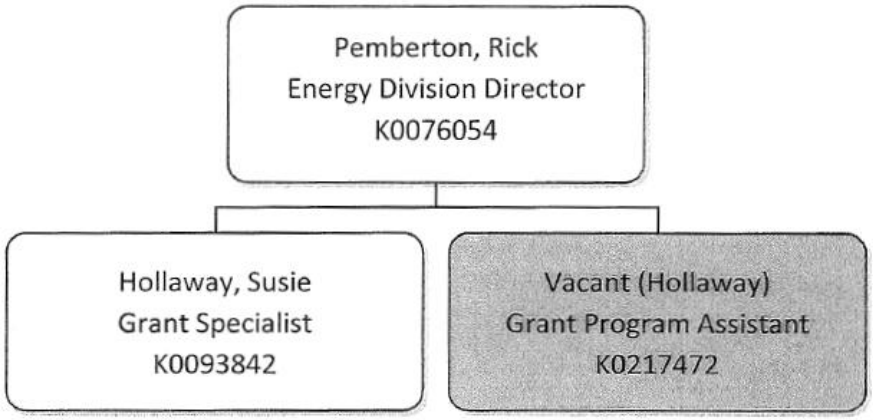
Vacant Position

Conservation



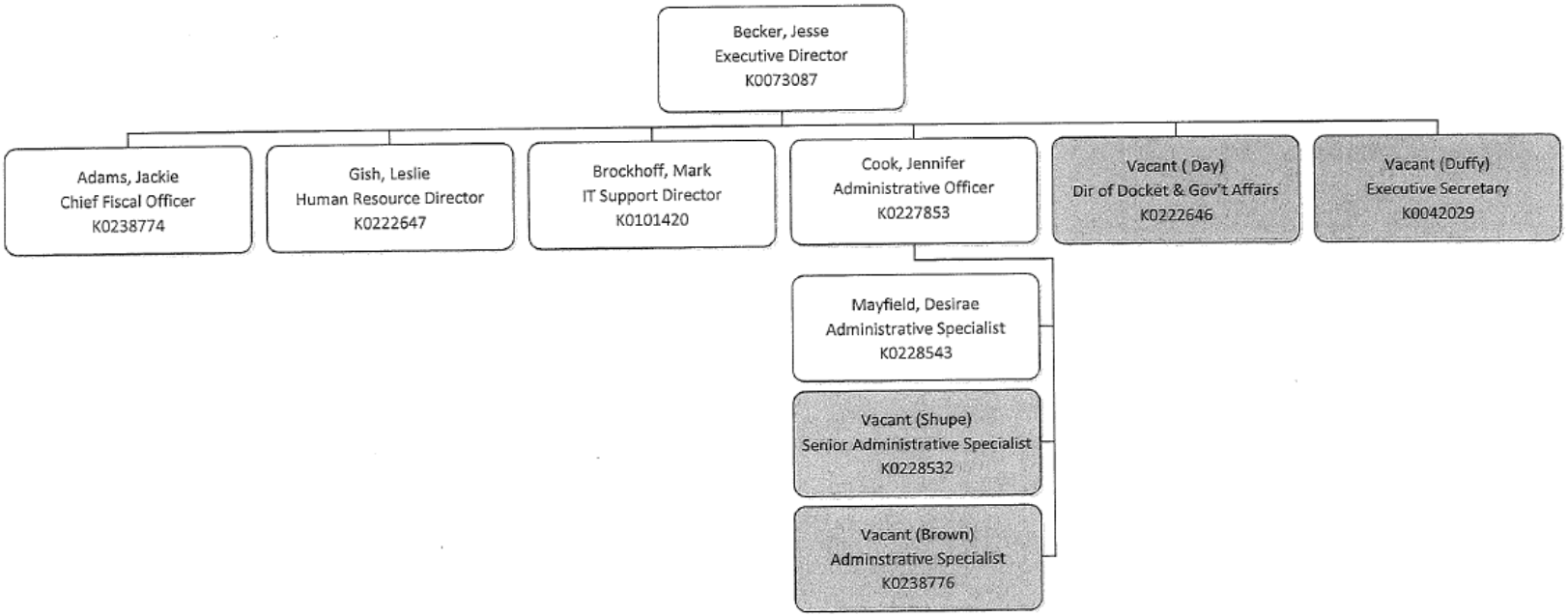
Vacant Position

Energy



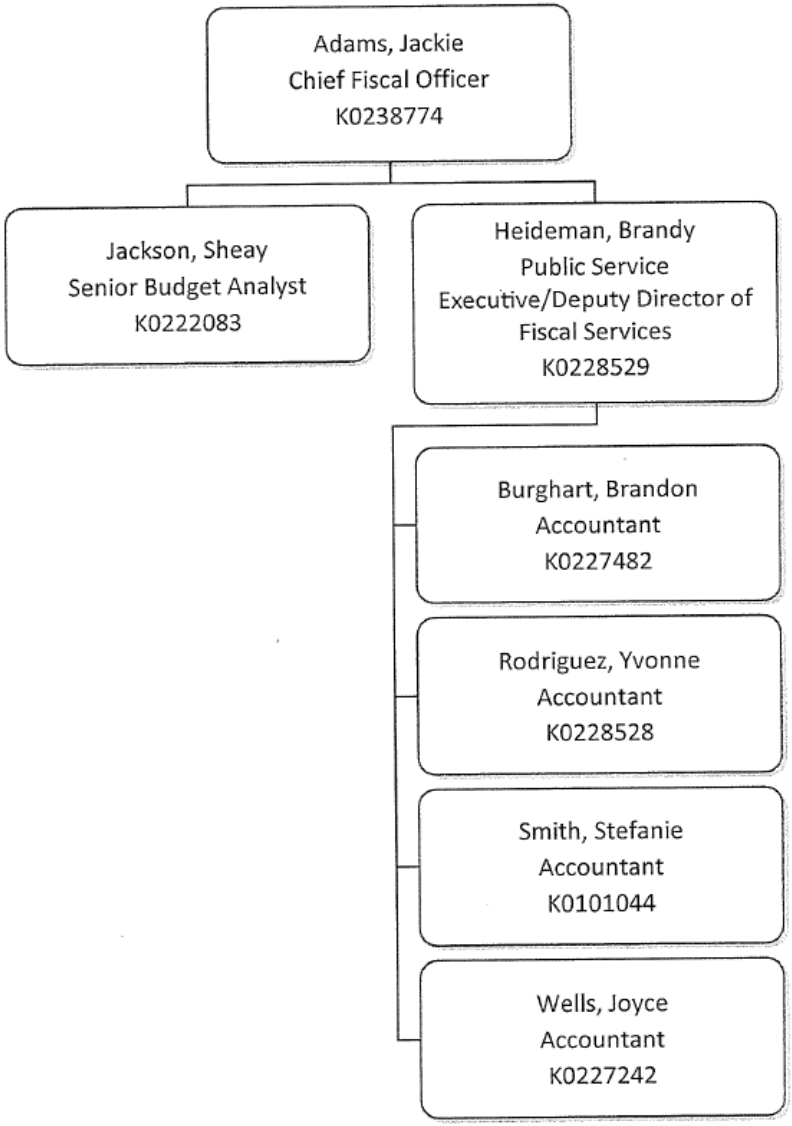
Vacant Position

Admin



Vacant Position

Fiscal



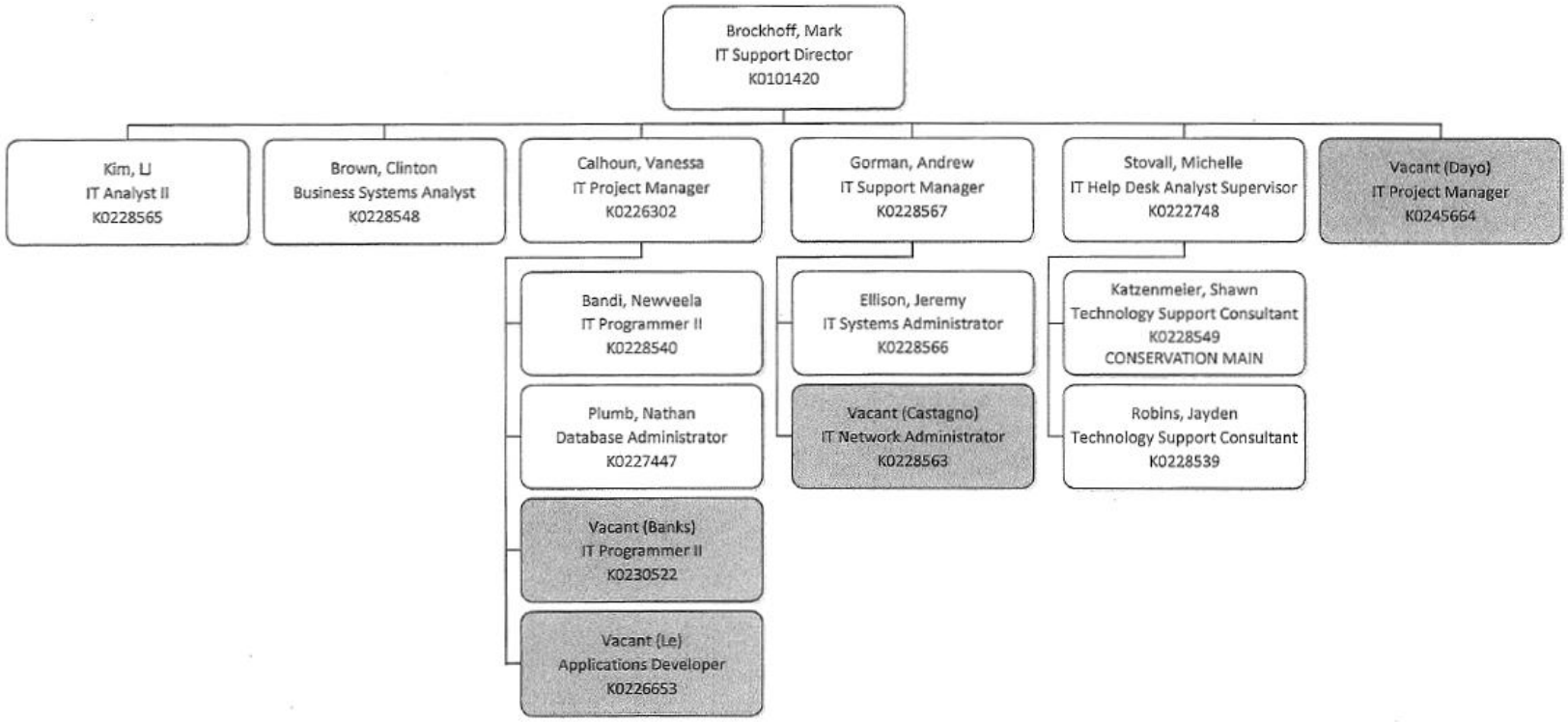
Vacant Position

HR

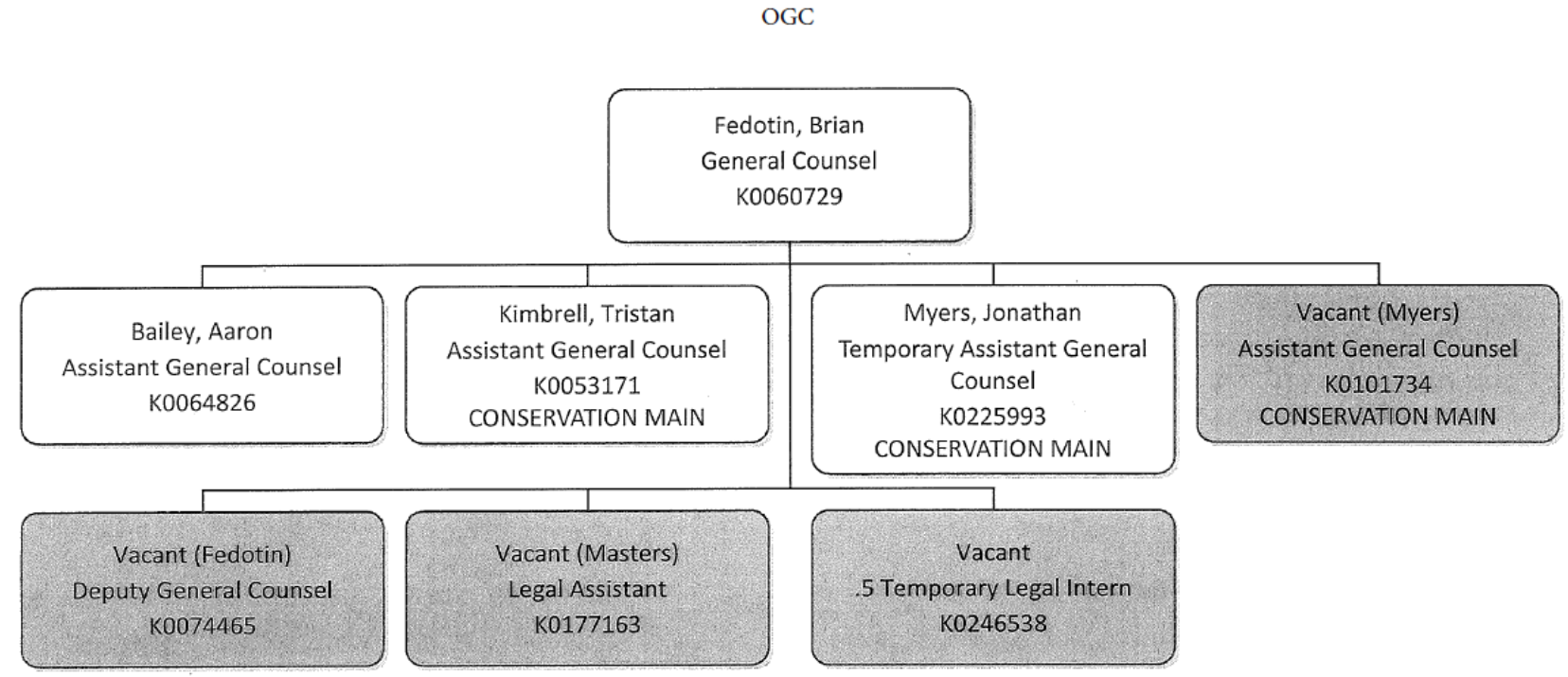


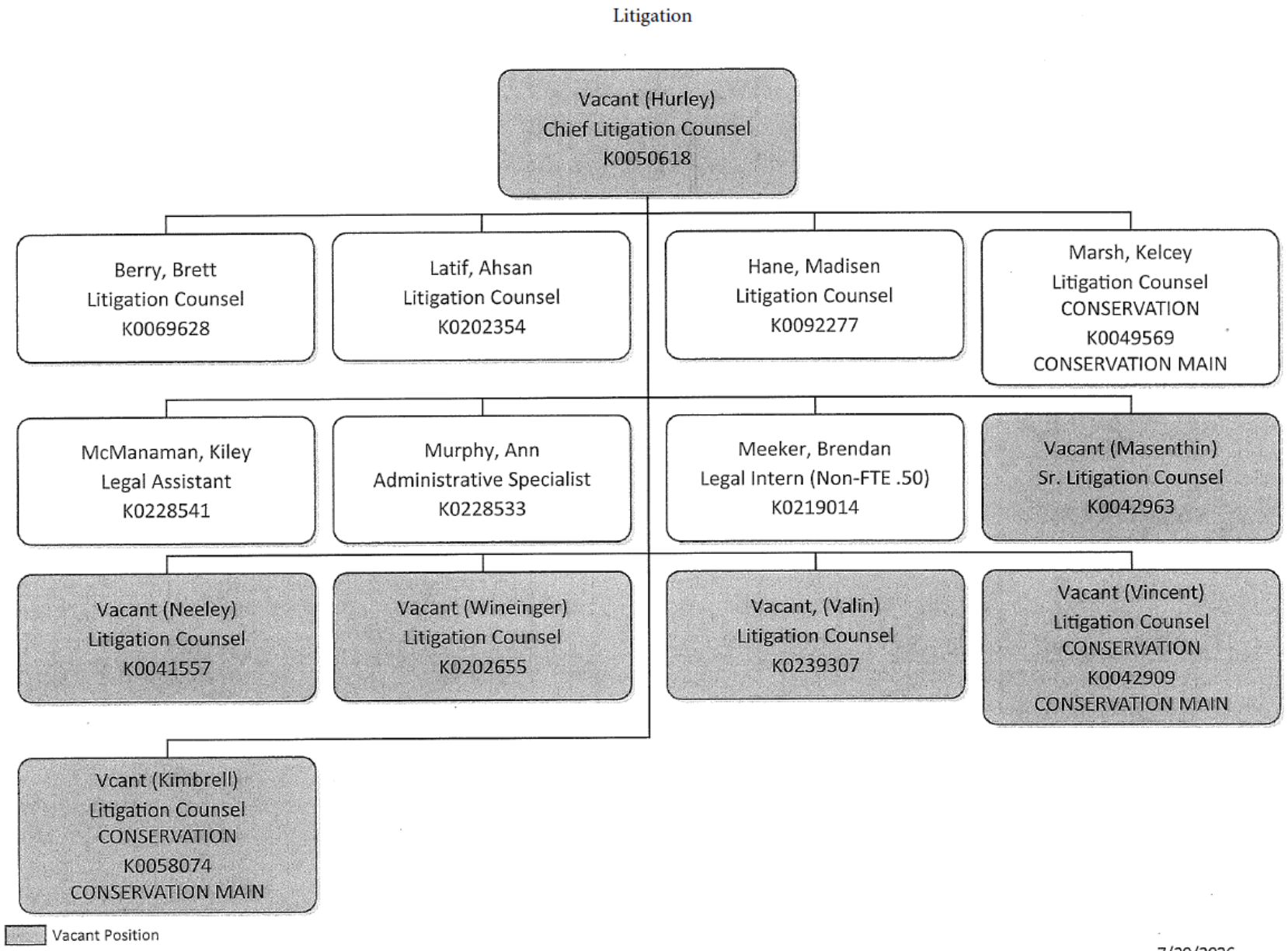
Vacant Position

IT



Vacant Position


OGC
Fedotin, Brian
General Counsel
K0060729
Bailey, Aaron
Assistant General Counsel
K0064826
Kimbrell, Tristan
Assistant General Counsel
K0053171
CONSERVATION MAIN
Myers, Jonathan
Temporary Assistant General Counsel
K0225993
CONSERVATION MAIN
Vacant (Myers)
Assistant General Counsel
K0101734
CONSERVATION MAIN
Vacant (Fedotin)
Deputy General Counsel
K0074465
Vacant (Masters)
Legal Assistant
K0177163
Vacant
.5 Temporary Legal Intern
K0246538
Vacant Position


Litigation
Vacant (Hurley)
Chief Litigation Counsel
K0050618
Berry, Brett
Litigation Counsel
K0069628
Latif, Ahsan
Litigation Counsel
K0202354
Hane, Madisen
Litigation Counsel
K0092277
Marsh, Kelcey
Litigation Counsel
CONSERVATION
K0049569
CONSERVATION MAIN
McManaman, Kiley
Legal Assistant
K0228541
Murphy, Ann
Administrative Specialist
K0228533
Meeker, Brendan
Legal Intern (Non-FTE .50)
K0219014
Vacant (Masenthin)
Sr. Litigation Counsel
K0042963
Vacant (Neeley)
Litigation Counsel
K0041557
Vacant (Wineinger)
Litigation Counsel
K0202655
Vacant, (Valin)
Litigation Counsel
K0239307
Vacant (Vincent)
Litigation Counsel
CONSERVATION
K0042909
CONSERVATION MAIN
Vcant (Kimbrell)
Litigation Counsel
CONSERVATION
K0058074
CONSERVATION MAIN
Vacant Position
7/29/2026

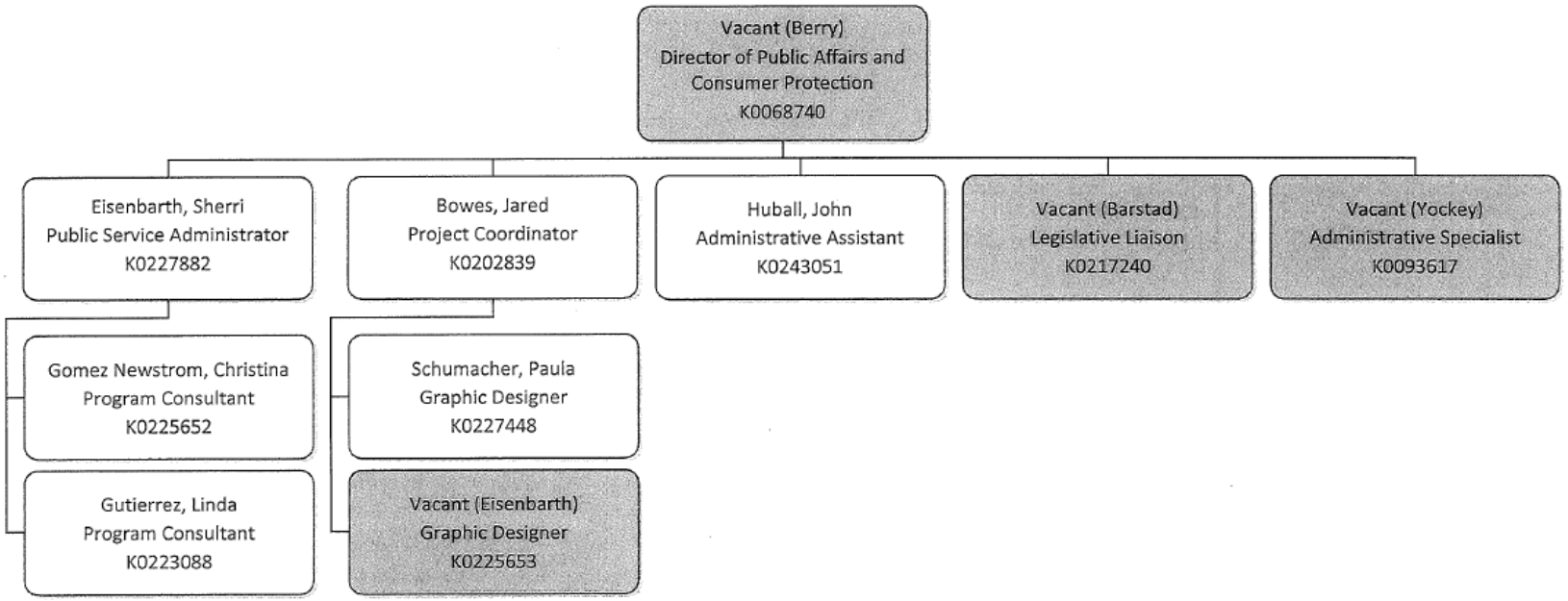
Narrative Information – DA 400

Division of the Budget

State of Kansas

Agency Kansas Corporation Commission

PACP



Vacant Position

Narrative Information – DA 400

Division of the Budget

State of Kansas

Agency Kansas Corporation Commission

Narrative Information – DA 400

Division of the Budget

State of Kansas

Agency Kansas Corporation Commission

Program Administration Division

In SFY2027 Position K0217056 was reported as .75 FTE which the position is a .5 FTE. This has been reflected in SFY2028 position module.

2027 FTE by Program

Row Labels	Sum of filled	Sum of vacant
Conservation/Central	20	12
Conservation/Chanute	16	1
Conservation/Dodge City	11	2
Conservation/Hays	10	3
Conservation/Wichita	11	1.5
Docket	1	3
Energy	2	1
Fiscal	7	0
Front Office	5	1.75
Gas Pipeline Safety/Utilities	14.5	1
Human Resources	2	0
Information Technology	12	1
Legal	5.5	5
OGC	3.5	2.5
PACP	7	3
Transportation	14	5
Utilities	21	3
Grand Total	**162.5**	**45.75**

Total	**208.25**
Temporary Employees	**-3.50**
Total FTE's	**204.75**

2028 FTE by Program

Row Labels	Sum of filled	Sum of vacant
Conservation/Central	20	12
Conservation/Chanute	16	1
Conservation/Dodge City	11	2
Conservation/Hays	10	3
Conservation/Wichita	11	1.5
Docket	1	3
Energy	2	1
Fiscal	7	0
Front Office	5	1.5
Gas Pipeline Safety/Utilities	14.5	1
Human Resources	2	0
Information Technology	12	1
Legal	5.5	5
OGC	3.5	2.5
PACP	7	3
Transportation	14	5
Utilities	21	3
Grand Total	**162.5**	**45.50**

Total	**208.00**
Temporary Employees	**-3.50**
Total FTE's	**204.50**

ADMINISTRATIVE SERVICES

The Office of the Commission consists of the three Commissioners, the Executive Director, and an Administrative Officer. Administrative Services is comprised of the following sections: Litigation; Office of General Counsel; Public Affairs and Consumer Protection; Human Resource Services; Information Technology Services; Docket Room; and Fiscal Services.

The Commission has organized its legal staff into two separate divisions: The Office of General Counsel (OGC), which represents the Commission, and Litigation Division (Litigation), which represents the Commission's technical staff across the Conservation, Transportation and Utilities Divisions, and the public generally. OGC and Litigation staff have different "client" duties and responsibilities in dockets that come before the Commission. Outside of dockets before the Commission, attorneys from both divisions provide legal advice, guidance, and support to the Commission across all core divisions and Administrative Services. This type of support includes advising on the Kansas Open Records Act, the Kansas Open Meetings Act, ensure compliance with the Kansas Administrative Procedures Act (KAPA) and interactions with the public, to name a few. Additionally, legal staff from both divisions may provide support and advice to the Commission on matters before the Federal Energy Regulatory Commission (FERC), Federal Communications Commission (FCC), the Southwest Power Pool (SPP), and the Interstate Oil and Gas Compact Commission (IOGCC), and may participate in inter/intra agency workgroups to proactively address federal mandates, which impact Commission-jurisdictional entities, and provide technical support to statewide economic development initiatives involving energy issues.

Non-docket related representation includes, but is not limited to, working closely with the Commission, technical staff, and administrative staff on all aspects of Commission functions, including but not limited to, reviewing contracts and grants, ensuring compliance with federal programs, collaborating with stakeholders on industry and legislative initiatives, and drafting and updating KCC policies, rules, and regulations. Because both Divisions provide support to all Commission divisions, and legal advice in their respective roles, their function is responsive in nature, making it hard to quantify performance from day-to-day or year-to-year, as the issues presented change, and the divisions have little to no control over the magnitude and complexity of the issues they must address.

Fiscal

OBJECTIVE #1:

Process all fiscal related transactions for the Agency. Provide support to the Divisions by ensuring purchases are cost effective and within budget. Maintain financial integrity of the KCC.

Strategies for Objective #1:

- Develop and submit an annual budget on or before September 15.
- Integrate Department of Administration guidelines and circulars into Commission policies and procedures.
- Provide guidance to implement federal grants and new programs/activities.
- Monitor federal grants ensuring costs and activities are correctly coded and within budget.
- Review, audit, and process all payment vouchers, interfunds, expense reports, daily deposits, and general journal entries.
- Reconcile and pay over 140 agency credit cards monthly.
- Process and distribute over 10,000 assessments per year including quarterly, annual, CURB, and gas pipeline assessments.
- Deposit daily receivables including assessment payments, penalty and fine payments, and reimbursements.
- Testify to budget committees and provide agency information to the Department of Administration, Division of Budget, Kansas Legislative Research Department, Department of Energy and other federal agencies.
- Maintain fiduciary compliance and participate in Federal, Legislative Post Audit and Department of Administration audits.
- Complete all financial reports, including the Annual Comprehensive Financial Report (ACFR) report and submit within the annual deadlines.
- Prepare all supporting documentation for the Indirect Cost Rate analysis and coordinate with the contractor for completion and submission of analysis to the Department of Energy (DOE).

Information Technology

PROGRAM GOAL:

To provide support to strategic regulatory divisions, i.e. Conservation, Utilities, Transportation, and Energy, and assist them in carrying out their mission, as part of the agency's overall regulatory mandate.

OBJECTIVE #1:

To provide responsive, cost effective, and efficient administration and information technology services to the regulatory units of the KCC and external stakeholders.

Strategies for Objective #1:

- Allocate resources wisely to further agency mission.
- Integrate services to be complementary to the agency operational plan.
- Ensure transparency of information for internal/external customers.
- Recruit and maintain high-quality staff.
- Actively identify and address the emerging issues affecting the agency and Kansas.
- Develop compliance tracking and reporting system(s).

These sections provide critical support to the strategic regulatory units, inter-intra agency working groups, and the mission of the KCC.

OBJECTIVE #1:

To provide responsive, cost effective and efficient administrative and information technology services to the regulatory units of the KCC and external stakeholders.

Strategies for Objective #1:

- Improve the efficient and effective use of existing resources and expand use of technical resources.
- Provide efficient intake of electronic information and documents to ensure KCC staff have faster access to valid and current information pertaining to KCC business.
- Inform the public and agency staff of pertinent KCC activity.
- Coordinate and lead software development workgroups.
- Improve information system workflows and business processes.
- Provide cybersecurity for the agency.

The PC lease plan is based on a three-year rotation. The goal is to reduce turnover approximately thirty-three percent of all agency PCs each fiscal year.

The KCC has continued to make a strong effort to use information technology to provide efficient services to internal customers as well as access to external customers.

The KCC provides e-filing that permits regulated entities, consumers, and attorneys to file documents electronically without the need to file paper copies. The KCC also maintains an electronic docket management and information system with an internal user interface for the Commission and staff. All non-confidential docket filings and approved orders are published to the KCC website, giving the public, as well as staff, the opportunity to research Commission rulings, policies, and decisions.

The KCC continues to utilize its use of video conferencing to hold hearings, meetings, interviews and training sessions. This technology is beneficial to all staff across the state, regulated entities and the public. The KCC provides live streaming for business meetings, public hearings, and work studies resulting in increased accessibility for the public. This reduces expenses for interested parties who would otherwise have to travel to attend a hearing and increases access to the public.

Docket Management System

This system is essential to the organizational business flow of the agency. The current docket management system (Salesforce / Docusign ecosystem) is a Software as a Service (SaaS) software implemented and supported by Pacific Point. The Salesforce / Docusign ecosystem includes
eFiling, docket management, document management, and case management system. It is the "core" KCC business system going forward.

Document Management System

The KCC implemented OpenText document management system in FY2019 that provided an electronic filing system and a framework for organizing all digital documents. All operational units are currently utilizing the system. The document management system provides the KCC staff with centralized access to current information pertaining to KCC business.

RBDMS and KOLAR Systems

The KCC will continue to maintain the database behind the Risk-Based Data Management System (RBDMS) application. The KCC will also continue its collaboration with KGS to maintain the Kansas On-Line Automated Reporting system (KOLAR) application.

The agency needs to modernize the Risk-Based Data Management System (RBDMS) application, which is based on a Microsoft Access front end. The goal of this modernization is to position the application so that it is in line with industry standards and the future support and maintenance is in a framework that allows support staff to quickly adjust and adapt to the dynamic changes of the KCC Conservation Division in future years. KCC is currently waiting for federal grant funding to be provided to GPWC to proceed with a complete redesign by a third party.

Application Modernization

The KCC has several systems that are currently utilizing older technology and need modernization.

The agency has undertaken a comprehensive transformation of its divisional business applications, moving away from the legacy Oracle Forms and Reports, which had served as the backbone of its client-server front-end for years but reached the end of its production lifecycle. After completing an in-depth documentation and business workflow analysis of these Oracle Forms and Reports

applications, the agency began the modernization journey—a complex and demanding process due to the intricate business logic embedded within these legacy systems over decades.

Initially, the Timesheets and Inventory applications were replaced, with the agency adopting the State's centralized SHARP Time and Labor system and a third-party solution for IT inventory tracking. Following this, Oracle Forms and Reports was replaced by Oracle APEX, providing a more flexible platform for application development and maintenance. Now, the agency is gradually transitioning APEX functionalities to the Salesforce and Docusign ecosystem, leveraging their separate integrations to streamline operations and further modernize workflows. Converting into these Low-Code environments, enables more efficient patching, maintenance, and upgrades of both the code base and supporting databases.

KCC completed its migration to Office 365 in the fourth quarter of FY2024 and the first quarter of FY2025, further enhancing its technological infrastructure and operational capabilities.

OFFICE OF GENERAL COUNSEL

PROGRAM GOAL:

The goal of the Office of General Counsel is to ensure due process in Commission proceedings and ensure compliance with applicable statutes and regulations. The Office of General Counsel represents the Commission, provides legal advice to the Commission, drafts orders, and defends Commission orders on appeal.

Objective #1:

The Office of General Counsel represents the Commission by providing legal advice, drafting orders, and defending Commission orders on appeal.

Strategies for Objective #1:

The Office of General Counsel has three major roles: (1) serve as the Commissioners' legal advisors; (2) serve as prehearing officer to handle discovery and procedural matters before the evidentiary hearing stage; and (3) provide legal advice and representation to the Commission as a whole. In serving as Commissioners' legal advisors, the Office of General Counsel plays a crucial role in keeping the Commissioners up to date on major dockets. One of the Office of General Counsel's main responsibilities is drafting and finalizing orders for the Commission. This responsibility includes legal research and a thorough review of the evidentiary record. The Office of General Counsel is responsible for the integrity of the official record. (See K.S.A. 77-532). The Office of General Counsel ensures Commission orders are: (1) timely issued; (2) concisely and specifically state the relevant law and facts that the Commission relied on to reach it decision (See K.S.A. 77-526(c); K.A.R. 82-232(a)(3)); and (3) able to withstand judicial review under K.S.A. 77-621. Members of the Office of General Counsel may be deputized as Special Assistant Attorneys General, enabling them to represent and defend the Commission in state and federal court. Most of the Office of General Counsel's court-related work involves defending Commission orders on appeal, including filing legal briefs and pleadings and making oral argument at court. The Office of General Counsel also represents the Commission in lawsuits brought against the Commission seeking damages or injunctive relief. In this capacity, the Office of General Counsel will often coordinate its defense with outside counsel.

The Office of General Counsel provides legal advice to the Commissioners, including during evidentiary hearings, as part of its responsibility to ensure the Commission follows due process. The Office of General Counsel assists the Commission in making evidentiary rulings on what evidence is admitted into the record and then assists with relevant research and the issuance of a Commission Order. Additionally, the Office of General Counsel also serve as presiding officers on various dockets and conduct prehearing conferences, issue protective orders, and rule on discovery disputes. (See K.S.A. 77-517)

LITIGATION DIVISION

PROGRAM GOAL

The goal of the Litigation Division is to represent the Commission's technical Staff and the public generally by advocating positions beneficial to the public interest. The Litigation Division furthers this goal by working with technical staff across the core divisions and support/administrative divisions of the organization to meet the Commission's mandate "to do all things necessary and convenient for the exercise" of its power and authority to supervise and control jurisdictional public utilities.

Objective #1:

The legal responsibility of the Litigation Division is to protect the public interest through fair, impartial, efficient, and transparent legal resolution of all jurisdictional issues.

Strategies for Objective #1:

As applications, petitions, and other pleadings are filed before the Commission for consideration and approval, the Litigation Division reviews the statutory basis under which the pleadings are made, and identifies the appropriate statutory deadline applicable, if any. Where a statutory deadline is applicable, Litigation Counsel works with technical staff to ensure the docket procedure is sufficiently established to ensure the Commission is able to meet the deadline. Where necessary, the Litigation Division may request the assignment of an OGC attorney on contested matters.

In understanding the distinction between OGC and Litigation, it is helpful to view Litigation Division attorneys as equivalent to attorneys representing parties in a civil litigation matter in District Court. As such, Litigation Division attorneys are responsible for representing staff before the Commission from the inception of a docket, through the issuance of an Order or other resolution

before the Commission. This representation includes, but is not limited to, legal research, the filing of various pleadings such as motions, testimony, and briefs; issuance of discovery; negotiations; oral arguments; and evidentiary hearing presentations involving the direct and cross-examination of witnesses.

It is rare the Commission initiates its own dockets - dockets are opened by individual parties, therefore these numbers vary year-to-year depending on filings.

Data Includes OGC and Litigation Divisions:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Number of Orders issued by Fiscal Year	2,897	3,164	318
Number of Hours KCC Attorneys spent on Rate Cases	290.25	500	500
Number of Hours spent on Southwest Power Pool and FERC	872.75	900	900
Number of dockets related to deregulated issues[1]	4	4	0
Number of dockets opened	1,111	1,427	181
Number of rate change applications filed and reviewed	5	4	0
Number of merger/acquisition applications filed	0	1	0

[1]Deregulated issues include Cooperative elections to self-regulate, and generation not otherwise in rate base, such as wind and solar farm opt-outs.

Docket Room

Docket Room staff are responsible for docketing and distribution of new applications to commissioners and assigned staff. A detailed record of all filings and documents related to each docket is maintained in a computerized format. Docket information is maintained and made available through the agency website.

OBJECTIVE #1

Maintain all official utility and common carrier dockets for the agency, from the initial application or filing to the final order and appeals.

Strategies for Objective #1

1. Receive all documents and enter into docket management database.
2. Distribute relevant documents to the Front Office and staff within 24 hours of receipt.
3. Process documents within workflow of docket management database.

OBJECTIVE #2:

Ensure timely filing of compliance dockets and related filings. Assist with all inquiries regarding compliance dockets and filings.

Strategies for Objective #2:

1. File dockets and related pleadings timely.
2. Provide queries and reports.

Legislative

Legislative staff provide information to legislators, legislative staff, and legislative committees as requested. Additionally, legislative staff monitor legislative activities as it relates to subject matters under the agency's regulatory authority.

OBJECTIVE #1

The state corporation commission's objective is to serve as a resource for the legislative process by providing information to legislators, their staff, or legislative committees in regard to subject matters under the agency's regulatory authority such as utilities, electric transmission, state energy office, motor carriers, pipeline safety, oil and natural gas production, and telecommunications.

Strategies for Objective #1:

The Corporation Commission will:

1. Provide fiscal notes, testimony and relevant information as requested by legislators, their staff, or legislative committees;
2. Attend and/or participate in meetings relevant to the agency's responsibilities;
3. Provide reports as required by state law including; Abandoned Oil and Gas Well and Remediation Status Report, Annual Report on Land Spreading, Annual Price Deregulation Report, Annual Report of Public Utilities and Common Carriers, Annual Statewide Retail Rate Impact Report and Biennial Report on Electric Supply and Demand; and
4. Systematically track and implement all legislative mandates directed to the KCC.

Public Affairs and Consumer Protection (PACP)

PROGRAM GOAL:

PACP supports the core mission of the agency by educating and assisting the public with regulatory issues. PACP assists with legislative initiatives, public outreach, stakeholder communication and collaboration as it relates to various special projects and serves as liaison between the agency and the news media. In addition, PACP works to assist consumers in resolving complaints and inquiries with regulated entities. PACP has a broad range of customers, including the ratepayer, utility company, public-at-large, legislature, executive branch, state agencies, other stakeholders, news media, and KCC staff. PACP is comprised of seven staff members.

OBJECTIVES:

Provide a streamlined process for public participation, education, and consumer protection for the general public regarding regulatory issues.

Provide an opportunity for public participation in the regulatory process through public hearings and comment periods.

Public participation and input during rate cases are important parts of the regulatory process. When rate cases for major utilities are filed, public hearings before the Commission are scheduled to provide an opportunity for utility customers to learn the details of the application, ask questions and express any concerns they may have. Public hearings are also held in accordance with K.S.A. 66-1-78 when an application is filed to site a transmission line at least five miles in length and used for the bulk transfer of 230 kilovolts or more of electricity. The line siting hearings offer information on the line and an opportunity for public comment on the proposed route.

PACP coordinates in-person public hearings throughout the state as well as virtual events. Providing multiple options for public participation is a priority. Participation via Zoom is offered for those unable to attend in person. In addition, hearings are broadcast on the agency's YouTube channel and recorded so the public has the opportunity to view the event live or later. Closed captioning is available. Written public comments are also accepted.

During FY2026, the Commission held five **(5)** public hearings. A public hearing was held for Atmos Energy customers in Overland Park on December 2, 2025. The hearing, in Docket 26-ATMG-026-RTS, provided an opportunity to learn more about the company's request for a rate increase, ask questions and make comments before the Commission. Attendees were both in-person and participating virtually. The hearing was livestreamed on YouTube.

The Commission held open houses and public hearings in Sedan, on January 7, 2026, and Winfield on January 8, 2026 in Docket No. 26-EKCE-0148-STG to discuss Evergy's application for approval to site a 133-mile 345 kV transmission lines through four Kansas counties (Sedgwick, Sumner, Cowley, and Chautauqua). Both in-person and virtual attendance were offered, as well as a livestream on YouTube.

On January 21, 2026, a public hearing was held in Hutchinson on Docket No. 26-EKCE-0149-STG, related to Evergy's application for approval to site a 15-mile 345kV transmission line in Reno County that would connect a new natural gas fired electric plant to the power grid. Participants were given the opportunity to ask questions and make a public comment. Attendees were both in-person and participating virtually. The hearing was livestreamed on YouTube.

A public hearing was held for Liberty-Empire Electric customers was held on May 12, 2026 in Columbus on Docket 26-EPDE-0180-RTS. The hearing provided an opportunity to learn more about the company's request for a rate increase, ask questions and make comments before the Commission. Attendees were both in-person and participating virtually. The hearing was livestreamed on YouTube.

In advance of a public hearing, a utility is required to provide notification to its customers and affected landowners (in the case of a line siting). All public notice materials are approved by the PACP office. The notice provides information about the application or request to change rates, public hearing details, and instructions on how to submit a public comment.

There are four ways Kansans may submit a public comment on rate cases and other dockets with comment periods – online, via email, written letter, or a phone call to the KCC Office of Public Affairs. In FY2026, PACP accepted public comments in four dockets for a total of 678 comments. All comment filings are publicly available on the KCC website.

Investigate, resolve, track, and analyze consumers' complaints and inquiries.

PACP staff members answer consumer questions, investigate complaints, and work to reduce the amount of time to resolve disputes between the customer and the utility. Complaints involve billing issues, quality and timeliness of service, service connection and disconnection, and customer service. Kansas statutes **(K.S.A. 74-601 to 74-631)**, KCC billing standards, and various Commission orders provide the standards and processes used to **resolve** complaints.

In FY2026, Kansas consumers contacted PACP staff via phone, email and the Commission's online complaint form. As a result of these interactions, PACP staff logged **1,258** informal complaints. By industry, **482 (38.3%)** pertained to electric; **271 (21.5%)** pertained to natural gas; **300 (23.8%)** pertained to other/miscellaneous complaints and inquiries; **197 (15.8%)** pertained to telecommunications complaints; and **8 (0.6%)** pertained to water. *Please note due to system changes, before November 2025, public comments were counted as complaints. In November 2025, public comments no longer count as complaints. The table below provides a breakdown of FY2026 informal complaints by complaint category. (Note: complaints can include more than one category).

Informal Complaints and Inquiries by Description	Total Count	% of Total
Billing/Pay Arrangements	**313**	**24.9%**
Customer Service	**67**	**5.3%**
Deposits	**7**	**0.6%**
Disconnection and Refusal of Service	**136**	**10.8%**
Metering	**21**	**1.7%**
Nonregulated Miscellaneous	**298**	**23.7%**
Quality of Service	**296**	**23.5%**
Rates and Charges	**63**	**5%**
Telephone Service Charges	**57**	**4.5%**
Total for FY 2025	**1,258**	**100%**

PACP records and tracks financial resolutions of disputed amounts between the consumer and the utility company. From July of 2025, when PACP started tracking this information, to the end of FY2026, KCC intervention on complaints has saved Kansas consumers a total of **$25,298.41**. Records indicate a total disputed amount of **$6,171.78** for an overall recovery rate of more than 100%. These monies generally

represent disputes with billing errors and tariff or billing standard**s** violations that were identified and corrected, some resulting in more money returned than originally requested by the consumer.

Formal Complaints: Nineteen (19) consumers filed formal complaints with the KCC in FY2026. This happens when consumers are unable to resolve their complaint through the informal complaint process. Formal complaints represent **1.5%** of the total informal complaints. This highlights the success rate in reaching a resolution in more than **98%** of informal complaints.

Educate the public through educational materials and programs.

PACP provides education and outreach programs using news releases, the KCC website, social media, various publications, technology, collaboration with stakeholders, community leaders, and other agencies.

PACP provides various educational materials to senior centers, Area Agencies on Aging, Head Start, American Red Cross, United Way, Community Action Programs, Kansas Legal Aid, and Kansas Department for Children and Families. Topics include the Cold Weather Rule (CWR), Lifeline, and a listing of utility and weatherization assistance programs. Publications are also available in PDF format (English/Spanish) for printing on the KCC website. In addition, PACP provides memes for agencies to use on their social media sites to reach a broader audience.

Cold Weather Rule: PACP administers the CWR, a program that ensures all Kansans have gas and electric service during the cold winter months. The CWR is in effect from November 1 through March 31 of each year. The Rule establishes that jurisdictional utilities cannot disconnect a customer's utility service when the temperature is forecasted to drop below 35 degrees within the following 48-hour period. PACP ensures the CWR is followed by utilities and assists customers with questions and complaints.

One-Call Program: The KCC has a safety role in relation to the implementation of the Kansas Underground Utility Damage Prevention Act (KUUDPA). PACP staff collaborate with the Pipeline Safety Section, within the Utilities Division, to provide intake information. This partnership provides education on the requirements of the One-Call law and facilitates the resolution of logistical problems that occur between excavators and utility operators. PACP coordinates promotions designating April as Safe Digging Month to increase public awareness of the One-Call Program.

Lifeline: Each September, PACP promotes Lifeline Awareness Week through media releases, social media, and the KCC website. In addition, PACP develops informational campaigns to share with social service agencies. An increased

emphasis has been placed on reaching the educational community (school boards, district social workers and administrators) to help identify families that could benefit from telephone and internet service discounts.

Energy Education: An energy education contract with Kansas State University Engineering Extension, established in FY2016, continues. PACP assists with the promotion, and planning of numerous activities and events. In FY2026, those events included promotion of the KidWind competition, an Energy Efficiency Day, and the K-12 Benchmarking program. Other promotional activities focus on no cost energy audits for small business and agriculture producers in rural areas, the creation of educational videos and classroom tools posted on the KCC website, the creation of energy efficiency displays for school and community events and the marketing of energy efficiency workshops for students, adults and industry professionals.

Energy Efficiency: PACP provides promotional assistance and public awareness support to the KCC Energy Office as the new KS Home Rebates program and other grant opportunities are made available to consumers, businesses, and communities.

TRANSPORTATION DIVISION: MOTOR CARRIERS

PROGRAM GOAL:

To ensure balanced and effective regulation/oversight of motor carriers, promotes public safety, and protects the public interest through comprehensive planning, licensing, inspection, and other administrative procedures to achieve effective and efficient operations and to ease the burden of regulation while ensuring protection of the public interest and safety.

To demonstrate our success at achieving our program goal, we have selected three performance measures that illustrate the Transportation Division's success in minimizing the burden yet maximizing public safety.

PERFORMANCE MEASURES:

1. Reduce the number of accidents involving Kansas based carriers in comparison to carriers based in Midwest States, as well as the national average.
2. Reduce the number of Conditional and Unsatisfactory-rated Kansas based carriers compared to carriers based in Midwest States, as well as the national average.
3. Maintain high rate of compliance of Kansas based carriers with Unified Carrier Registration (UCR) requirements.

Performance Measure #1- Crash Data Comparison

The clearest indicator of the effectiveness of the Division's safety efforts is the crash data of the state of Kansas compared to other Midwest states. The Motor Carrier Management Information Systems (MCMIS) provides a snapshot of all crashes from US-domiciled motor carriers (MC) operating in both intrastate and interstate commerce. This direct comparison demonstrates the Division's effectiveness in reducing crashes compared to similarly situated states in the Midwest region.

	% Commercial Motor Vehicles Involved in Crashes		
	CY2023	CY2024	CY2025
Midwest	2.50	2.30	2.25
KS	2.05	1.86	1.87
IA	2.68	2.54	2.36
IL	3.17	2.91	2.89
IN	2.52	2.36	2.51
MI	3.15	2.88	2.66
MN	1.98	1.89	1.79
MO	2.63	2.11	2.07
OH	2.10	2.16	2.34
WI	2.34	2.00	1.95

NE	2.42	2.31	2.06

State	% Motor Carriers Involved in Crashes		
	CY2023	CY2024	CY2025
Midwest	8.25	7.96	8.57
KS	7.85	7.08	7.63
IA	8.15	7.45	7.74
IL	10.21	10.08	10.73
IN	9.44	8.95	10.26
MI	9.88	9.67	10.60
MN	7.26	6.75	7.19
MO	9.16	9.10	9.39
OH	7.46	7.95	9.55
WI	7.71	7.19	7.42
NE	542	5.38	5.18

For perspective, this chart shows the number of power units and motor carriers per State:

State	Number of Carriers			Number of Power Units		
	CY2023	CY2024	CY2025	CY2023	CY2024	CY2025
Midwest	**411070**	**414869**	**416521**	**2014293**	**2061395**	**2100593**
KS	18229	18241	18029	98326	91784	88582
IA	25868	25877	25674	127259	126490	126465
IL	48908	49350	48968	334842	355398	377149
IN	43768	44001	44254	207105	214569	218963
MI	72913	73716	74110	280042	287637	291352
MN	69640	71095	72158	232964	233550	235386
MO	24538	24375	24097	178250	183178	179208
OH	46458	46472	46683	313490	320749	337046
WI	60748	61752	62548	242015	248040	246442
NE	27949	28218	28184	104479	106773	106409

Performance Measure #2 -- Compliance Review (CR) Performance Measures:

The Safety Management Systems (SMS) provides a calendar year snapshot of the 10 Midwest States domiciled MC operating in interstate commerce. The tables below include data comparisons for Kansas based MC conditional and unsatisfactory rated CR data to the surrounding Midwest States MC data.

State	Year	CR total	Conditional	Unsatisfactory	Conditional Rate	Unsat Rate	Cond/Unsat Rate
Iowa	2023	21	15	2	71.43%	9.52%	80.95%
Illinois	2023	129	79	29	61.24%	22.48%	83.72%
Indiana	2023	98	53	26	54.08%	26.53%	80.61%
Kansas	2023	118	19	18	16.10%	15.25%	31.35%
Michigan	2023	142	53	17	37.32%	11.97%	49.29%
Minnesota	2023	87	38	26	43.68%	29.89%	73.57%
Missouri	2023	69	28	5	40.58%	7.25%	47.83%
Nebraska	2023	28	14	8	50%	28.57%	78.57%
Ohio	2023	308	136	57	44.16%	18.51%	62.67%
Wisconsin	2023	99	39	8	39.39%	8.08%	47.47%

State	Year	CR total	Conditional	Unsatisfactory	Conditional Rate	Unsat Rate	Cond/Unsat Rate
Iowa	2024	33	15	2	45.45%	6.06%	51.51%

Illinois	2024	144	81	27	**56.25%**	**18.75%**	**75%**
Indiana	2024	125	74	24	**59.20%**	**19.20%**	**78.40%**
Kansas	2024	103	11	15	**10.68%**	**14.56%**	**25.24%**
Michigan	2024	135	64	18	**47.41%**	**13.33%**	**60.74%**
Minnesota	2024	81	50	16	**61.73%**	**19.75%**	**81.48%**
Missouri	2024	93	47	10	**50.54%**	**10.72%**	**61.29%**
Nebraska	2024	31	16	7	**51.61%**	**22.58%**	**74.19%**
Ohio	2024	349	161	64	**46.13%**	**18.34%**	**64.47%**
Wisconsin	2024	88	32	11	**36.36%**	**12.50%**	**48.86%**

State	Year	CR total	Conditional	Unsatisfactory	Conditional Rate	Unsat Rate	Cond/Unsat Rate
Iowa	2025	18	1	1	5.56%	5.56%	11.12%
Illinois	2025	50	14	1	28%	2%	30%
Indiana	2025	39	8	2	20.51%	5.13%	25.82%
Kansas	2025	49	10	1	20.41%	2.04%	22.45%
Michigan	2025	78	10	8	12.82%	10.26%	23.08%
Minnesota	2025	40	8	3	20%	7.5%	27.5%
Missouri	2025	18	4	0	22.22%	0%	22.22%
Nebraska	2025	15	4	5	26.67%	33.33%	60%
Ohio	2025	342	38	11	11.11%	3.22%	14.33%
Wisconsin	2025	41	4	1	9.76%	2.44%	12.2%

Conditional Rating: A Conditional Rating is defined as: a motor carrier does not have adequate Safety Management Controls in place to ensure compliance with the Safety Fitness Standard that could result in occurrences listed in Federal Motor Carrier Safety Regulations, Rules and Notices (FMCSRs) § 385.5 (a) through (k).

Unsatisfactory Rating: Unsatisfactory Safety Rating means a motor carrier does not have adequate Safety Management Controls in place to ensure compliance with the Safety Fitness Standard which has resulted in occurrences listed in FMCSRs § 385.5 (a) through (k).

This data demonstrates the Division's effectiveness in reducing the number of conditional and unsatisfactory rated Kansas based carriers when compared to the surrounding Midwest States data.

- CY 2025, Kansas had the 5th lowest percent of Conditional/Unsatisfactory Rated CRs, out of the 10 Midwest States.
- CY 2024, Kansas had the lowest percent of Conditional/Unsatisfactory Rated CRs, out of the 10 Midwest States.
- CY 2023, Kansas had the lowest percent of Conditional/Unsatisfactory Rated CRs, out of the 10 Midwest States.

Strategies to Achieve Performance Measures #1 & #2 include:

- Develop regulations for the implementation of legislative changes and deal effectively with federal law.
- Provide compliance information through seminars, mailings, industry meetings and partnerships with County Treasurers.
- Conduct comprehensive investigations and Compliance Reviews (CRs) on high risk, existing and new motor carriers; take appropriate action when unsafe conditions are found.
- Continue as active collaborative partners with the KHP and the Federal Motor Carrier Safety Administration (FMCSA) in pursuing the reduction of accidents involving motor carriers by promulgating regulations, enforcing those regulations, and educating the industry, as well as the motoring public.

Performance Measure #3 – Unified Carrier Registration (UCR) Performance

The Transportation Division's comprehensive efforts to educate and communicate with Kansas based motor carriers leads to a higher percentage of UCR registrants when directly compared with surrounding states.

	Percent Compliance by Year		
State	**CY2024**	**CY2025**	**CY2026**
Nationwide	89.15%	93.71%	88.10%
Midwest States	92.38%	95.61%	91.19%
Kansas	97.95%	98.60%	96.64%
Iowa	91.25%	95.05%	91.96%
Illinois	92.90%	96.17%	90.67%
Indiana	93.14%	96.86%	91.72%
Michigan	91.99%	95.23%	89.26%
Minnesota	89.92%	93.02%	88.60%

Missouri	93.59%	96.79%	92.92%
Nebraska	92.88%	95.73%	91.63%
Ohio	89.97%	94.79%	88.21%
Wisconsin	90.30%	93.70%	90.32%

The UCR requires all interstate "for-hire" motor carriers who transport property or passengers and those interstate "private" motor carriers transporting property to register with the United States Department of Transportation (USDOT) and to pay UCR fees. Brokers, freight forwarders, and leasing companies (collectively referred to as UCR registrants) are also required to register and to pay UCR fees.

To achieve the Program Goal and provide the results illustrated by the performance measures, the Transportation Division has implemented several strategies that combine education, regulation, and enforcement. The combination of these three approaches helps achieve the results demonstrated above.

Strategies for Achieving Performance Measure #3 include:

1. Develop regulations for the implementation of legislative changes and deal effectively with federal law.
2. Provide compliance information through seminars, mailings, industry meetings, and through the Kansas Trucking Regulatory Assistance Network (KTRAN).
3. Continue as active collaborative partners with Kansas county treasurers, Kansas Department of Revenue (KDOR) and the Kansas Department of Transportation (KDOT) Permit Section.
4. Continue as active collaborative partners with the KHP and the FMCSA in pursuing the education and enforcement of motor carriers subject to the UCR Act.

Core Program Performance Measures:

As the agency that regulates motor carriers and businesses that operate commercial motor vehicles in the state, the performance measures identified above are a product of the core programs listed below and the ability to communicate with our partners. In pursuit of its goals, the Division strives to be professional, adaptable, and committed to customer service and safety. To be most effective, the Division has developed strong relationships with state, federal and local authorities, as well as the regulated community.

The Division conducts free, half-day compliance seminars throughout the state for thousands of motor carriers annually. The seminars cover all safety and operating authority regulations, federal new entrant requirements and hazardous materials regulations, and the unified carrier registration, among other things. The Division's goal is to emphasize education before regulation and to encourage compliance and prevent accidents by commercial motor vehicles.

The Division also manages and maintains Kansas's Administrative Regulations and Statutes applicable to motor carriers. Motor carrier regulations are developed by adopting the federal motor carrier safety regulations for state law. The Division meets annually with representatives from the KHP to review the motor carrier regulations (K.A.R. 82-4-1 *et. seq*.). There is a three-year window to adopt the federal rules as state law.

The compliance program continues to provide the checks and balances necessary to achieve the goal of reducing accidents and protecting the motoring public. The adoption of the federal Comprehensive Safety Analysis (CSA) program has improved enforcement efforts and refined the ability to identify high-risk carriers and drivers. As a result, the program makes it possible for the Division to apply a wider range of intervention tactics aimed at correcting high-risk behavior.

In developing KTRAN, the Division created a modernized motor carrier one-stop-shop to serve both the agency and public users. The program enhances the ability to serve customers by providing a compliance wizard, personalized customer account, interactive dashboards, electronic applications, and the UCR Portal.

Educational Program:

PERFORMANCE MEASURES:	Actuals FY 2025	Current FY 2026	Allocated FY 2027	Allocated FY 2028
Educational seminars, classes or programs given:	75	38	75	75
Attendees at seminars, classes or programs:	759	361	800	800
New Entrant letters mailed to intrastate MC's:	316	321	325	325

New Entrant letters mailed to interstate MC's:	863	848	850	850

In FY 2022, the Division began mailing letters to all new intrastate and interstate MC's that applied for a USDOT number. The letters invited the MC's to create a KTRAN account to receive regulatory alerts, informed them of potential operating authority and interstate UCR requirements, and invites them to answer a questionnaire to determine both economic and safety applicability to ensure they start up in compliance.

As the motor carrier industry continues to expand, it is necessary for the Division to establish an effective and efficient infrastructure that focuses on sound safety training and enforcement programs aimed at identifying and minimizing unsafe conditions potentially harmful to the motor carrier and the traveling public. The Division continues to focus on training and maintains a full safety training program schedule available for all public and private motor carriers in Kansas.

KCC's Special Investigators (SIs) are involved in conducting educational safety seminars to help educate new carriers, and out of compliance motor carriers, about current rules and regulations. Up until 2020, these classes were held six times a month in person throughout the state. Due to the pandemic and COVID-19 restrictions, the Transportation Division made the decision to switch to a virtual format when conducting safety seminars. The Zoom Seminars are presented by the Divisions SIs. Anyone interested in attending may sign up on the Transportation website and select a class that fits their schedule.

Conducting the safety seminars virtually has allowed the Division to conduct more seminars and has allowed motor carriers easier access to these seminars. Motor Carriers no longer have to travel and take time off work. These seminars can be accessed by anyone with access to a computer or smart phone. The SIs also conduct individual "refresher" safety programs when specifically requested by a motor carrier. Motor carriers are notified of seminar dates at the time they apply for KCC authority. Safety seminar information is also located on the KCC website. Safety training information is forwarded to various transportation associations for inclusion in their newsletters and websites.

The KCC has put an emphasis on serving rural motor carriers and ensured that those in our rural areas do not have far to go to attend class. Additionally, rural motor carriers have access to motor carrier inspectors assigned to regions all over the state. Our inspectors serve as a local resource to carriers that can respond to specific questions that come up in the field.

Human Trafficking Awareness Training was added to the Education Program. In 2016, the KCC partnered with the Attorney General's Office, Kansas Highway Patrol (KHP), Kansas Motor Carriers Association (KMCA) and Truckers Against Trafficking (TAT) to include training in identifying and reporting suspected human trafficking as part of the motor carrier safety seminars which take place throughout the state. The Truckers Against Trafficking training is part of a focus aimed at reducing human trafficking by enlisting the help of motor carriers to report suspicious activity they encounter as they travel the nation's highways.

The number of motor carriers attending the safety compliance seminars remains relatively consistent. There has been a downward trend in violations cited during routine compliance reviews over the past three fiscal years due to increased public awareness of the safety program. The new entrants receive notices through the KTRAN. The safety seminars aid the Division in meeting all three major objectives. The more knowledge Kansas based carriers have about their requirements and responsibilities regarding compliance, the more likely they are to succeed.

Kansas Administrative Regulation Update Performance Measures:

The development and implementation of motor carrier regulations and adoption of federal motor carrier safety regulations is a core function of the Division. The Division meets with representatives from the KHP to annually review the motor carrier regulations (K.A.R. 82-4-1 *et. seq.*) and draft proposed updates, amendments, and additions and/or deletions.

External Assessment:

The KCC completes its review and drafts proposed regulations, which are then submitted to the Division of Budget for a review of the economic impacts of any changes. After approval by the Office of Budget, the regulations are sent to the Department of Administration for a review of grammar and form. The Attorney General's office then performs a legal review. These external reviews can add uncertainty to the overall completion time of the motor carrier regulation review and update.

Developing a regulation strategy that meets federal regulations and is calibrated for Kansas based carriers helps set a level of regulation that considers the types of carriers operating in Kansas, and how enforcement of the applicable regulations best apply. Setting unrealistic expectations without evaluating the realities facing Kansas based carriers would hinder program goals and negatively affect performance measures.

New - Automated Driving System (ADS) Equipped Vehicles:

The 2022 Legislature passed SB 313, which allows the operation of driverless-capable vehicles and On-demand Driverless-capable Vehicle Networks without a human driver under certain circumstances. Provisions added by the bill will be added to the Uniform Act Regulating Traffic on Highways. The bill created an Autonomous Vehicle Advisory Committee (AV Advisory Committee). The membership of the AV Advisory Committee includes legislators, other appointees, and organization representatives. The Chair of the Commission will appoint two members to the AV Committee.

Concerns with the Bill:

- Section #2, the bill attempts to limit the weight/size of the ADS equipped vehicles to 34,000 pounds, however, the language used only limits the tandem axles to 34,000 pounds not the commercial motor vehicle (CMV).
- Section #2, provides exemptions for requiring a conventional human driver in the ADS engaged vehicles if they meet certain criteria.
- Section #3, Financial Responsibility, the bill references minimum limits under K.S.A. 40-3104 and K.S.A. 40-3107.
- Section #4, Duties if an injury or fatality crash occurs, there is no provision to require the company to cease operations pending official review.
- Section #6, Authority for Regulation, the bill requires KHP to promulgate rules and regulations; these are the duties of the KCC to regulate motor carriers in Kansas.

The Transportation Division participated with stakeholders on a trailer bill to supplement these and other deficiencies prior to the 2023 legislature. The Division also met with the Senate Transportation Chair to clarify and emphasize our concerns with the initial bill. Neither the legislature nor the Governor's Office acted on suggestions from the stakeholders to improve and/or clarify the roles for the various State Agencies involved and identified in the initial ADS Bill. To date, there has been no further discussion by the stakeholders and the KHP has not received an application to operate an ADS Equipped Vehicle.

Compliance Reviews

K.S.A 66-1,114(c) and 66-1,114b (d) require the KCC to verify motor carrier compliance with the KCC's safety rules and regulations within 18 months of receiving intrastate public motor carrier operating authority. Also, within 18 months of requesting and obtaining

either an intrastate or interstate USDOT number from the FMCSA, staff verifies that motor carriers are compliant with the KCC's safety rules and regulations. This verification is accomplished through either a safety audit or CR.

Comprehensive Safety Analysis (CSA) Program:

In 2009, the FMCSA implemented a new operational model through its CSA initiative. The model uses the FMCSA's resources to identify those drivers and operators whose records indicate they are a high safety risk. Spotlighting the driver or carrier in this manner allows for immediate intervention. The goal of CSA program is to develop and implement more effective and efficient ways for the FMCSA, its state partners and industry to reduce commercial motor vehicle accidents, fatalities, and injuries.

The CSA program has proven effective in contacting more carriers and drivers and in providing improved data, which better identifies high risk carriers and drivers. As a result, the program makes it possible for the FMCSA and state enforcement agencies to apply a wider range of intervention tactics aimed at correcting high-risk behavior.

COMPLIANCE PROGRAM STATISTICS:	Actuals FY 2024	Actuals FY 2025	Current FY 2026	Allocated FY 2027	Allocated FY 2028
CRs that result in zero violations:	20%	20%	5%	15%	15%
CRs that identify safety violations:	80%	68%	95%	85%	85%
CRs that result in Penalty Orders:	70%	71%	85%	70%	70%
Average number of violations per CR:	11	16.29	33.84	23	23
MCs assessed civil fines:	137	60	45	125	125

MCs requesting a hearing:	5	0	0	1	1
Actual hearings held:	1	0	0	0	0
Complaints that result in zero violations:	5%	0%	0%	5%	5%
Complaints that result in violations:	95%	100%	100%	95%	95%
Complaints that result in Penalty Orders (PO):	95%	100%	100%	80%	80%
Total number of active Kansas based USDOT numbers:	18,187	18,241	17,995	18,500	18,500
Kansas based MCs registered for KCC authority:					
MCs reviewed and audited for safety:					
MC complaints received:	5,777	5,712	5,595	6,000	6,000
	190	88	53	220	220

46	21	11	45	45

COMPLIANCE REVIEWS AND COMPLAINTS:

In FY 2025, the Division conducted 88 Compliance Reviews resulting in civil assessment penalties against 60 motor carriers for violations of the KCC's safety and operating authority rules and regulations. The following is a summary of the violations identified during this fiscal year:

# of Violations	49 C.F.R Part	Description of Violation
0	172	HAZMAT
12	383	COMMERCIAL DRIVERS LICENSE STDS
446	395	RECORDS OF DUTY VIOLATIONS
0	180	CARGO TANK VIOLATIONS
321	396	MAINTENANCE VIOLATIONS
1	107	HAZMAT
178	382	SUBSTANCE/ALCOHOL TESTING VIOLATIONS
2	387	INSURANCE VIOLATIONS
290	391	DRIVER QUALIFICATION VIOLATIONS

0	380	SPECIAL TRAINING REQUIREMENTS
16	390	GENERAL VIOLATIONS
401	392	RULES OF THE ROAD VIOLATIONS

1,167 Total

Civil Assessment Performance Measures:

The KCC and KHP partnered to enhance the Kansas Safety Compliance Program with the goal of reducing the number of injury/fatality accidents involving Commercial Motor Vehicles. The Civil Assessment Program was designed and implemented for the purpose of distinguishing the responsibilities of drivers from those of the motor carriers under the Federal Motor Carrier Safety Regulations (FMCSRs) regarding "Out-Of-Service" violations. Out-of-Service (OOS) violations are those violations designated as serious by the Commercial Vehicle Safety Alliance (CVSA) and require that a driver or vehicle be removed from service until the violations are corrected. CVSA is a non-profit organization consisting of federal and state regulatory agencies, motor carrier industry, and representatives dedicated to improving motor carrier safety.

The program focuses on the safety of the driver, equipment and the traveling public. The KCC and KHP work to enforce/educate OOS violations of the FMCSRs discovered during roadside inspections. The KCC will only issue one civil penalty for each OOS violation per category. For example, if the truck-tractor of a combination vehicle is placed OOS for brakes and the trailer is also placed OOS for brakes, the company will be documented for both OOS violations but only fined for one. The KHP and KCC will allow civil assessments to be waived for OOS violations that are outside the obvious normal method of company operations. The KHP trooper or local enforcement officer will have the ability to provide information to recommend that no civil assessment be issued. If the carrier has demonstrated, at the roadside inspection, that the violation was 1) potentially unavoidable; 2) the carrier has processes in place to prevent

the violation; and 3) the carrier clearly has the means to correct the violation, the trooper/officer may recommend no civil assessment be issued. In all cases, the field decision may be superseded after the inspection is reviewed.

The Civil Assessment Program allows for enforcement of the responsibilities taught to carriers at their safety seminars. Without roadside enforcement, Kansas based carriers have no incentive to achieve compliance. However, the routine enforcement of the motor carrier regulations at roadside pushes carriers toward compliance.

Calculating the effectiveness of the roadside inspection program is based on information provided by the FMCSA's Analysis and Information (A&I) database. The Kansas roadside inspections include both Kansas based and foreign based motor carriers, which includes both intrastate and interstate commerce.

For CY 2025, A & I indicate the indicates the inspections performed in Kansas have a slightly higher driver OOS rate of 7.36% compared to the national driver OOS rate of 7.25%. Kansas vehicle inspections continue to experience a lower OOS rate of 16.62% compared to the national vehicle OOS rate of 23.52% for CY 2025. When comparing inspection for hazardous materials (HM) OOS, Kansas maintains a slightly higher OOS rate of 4.74% compared to the national HM OOS rate of 4.37%. These numbers reflect a stable trend in driver and vehicle OOS rates both nationally and statewide, see table below.

ROADSIDE INSPECTION OUT-OF-SERVICE RATES:	Actual CY 2025	Current CY 2026	Allocated CY 2027	Allocated CY 2028
Out-of-Service Rate:				
KS Driver Inspections:	37,119	13,831	38,000	38,000
KS Driver Inspections with OOS Violations:	2,746	1,259	2,600	2,600
KS Driver OOS Rate:	7.40%	9.10%	5%	5%
National Driver OOS Rate:	7.93%	8.33%	5%	5%
KS Vehicle Inspections:	24,524	9,135	26,000	26,000
KS Vehicle Inspections with OOS Violations:	4,091	1,723	4,000	4,000
KS Vehicle OOS Rate:	16.68%	18.85%	15%	15%
National Vehicle OOS Rate:	23.60%	24.92%	20%	20%
KS Hazardous Material (HM) Inspections:	2,671	802	2,800	2,800
KS HM Inspections with OOS:	126	43	175	175
KS HM OOS Rate:	4.72%	5.36%	5%	5%

National HM OOS Rate:	4.32%	4.05%	4%	4%
Civil invoices issued:	5221	8,921	7,000	7,000
Motor carriers requesting a hearing:	1	3	5	5
Actual hearings held:	0	0	0	0
Civil invoices processed by staff:	4,949	4,168	4,200	4,200

Physical Waiver Program:

K.S.A. 66-1,129(a) requires the KCC to adopt safety rules and regulations, which include the requirements for Commercial Motor Vehicle (CMV) driver physical qualifications found in K.A.R. 82-4-3g. Certain physical requirement standards are absolute, providing no discretion to the medical examiner. These include vision, insulin using diabetics, epilepsy, and loss or impairment of limbs. Drivers not meeting physical standards may seek a waiver and skill performance evaluation at the state level under K.A.R. 82-4-6d, and an exemption at the federal level.

In FY 2024, the KCC issued 6 physical waivers, a significant reduction from past years. Since the early 2000s, Kansas has issued medical waivers for vision, diabetes, seizures and missing or impaired limbs. FMCSA has been working with medical providers for several years to make the process more efficient while maintaining highway safety. In November of 2019, FMCSA eliminated the diabetes exemption (waiver) program by creating a more extensive examination form for diabetes (MCSA 5780.) In March 2022, they eliminated the vision exemption (waiver) program with the creation of a more extensive examination form for vision impairments (MCSA 5871.) These changes have reduced the number of waivers the KCC issues from nearly 180 to currently 6.

All waivers are reviewed by KCC staff and a third-party physician to make certain the waivers are granted and renewed with a focus on the CMV driver's and general motoring public's safety. Since the implementation of the KTRAN program in May of 2017, paper waivers are no longer issued. Moving forward the process of requesting and issuing waivers will be done electronically. The following is a summary of the waivers issued:

PERFORMANCE MEASURES:	Actual	Actual	Current	Allocated	Allocated
Active Vision Waivers:	0	0	0	0	0
Active Diabetic Waivers:	0	0	0	0	0
Active Physical/Limb Waivers:	3	3	5	6	6
Active Seizure Waivers:	3	1	0	0	0
TOTAL Active Waivers:	6	4	5	6	6
New Waivers issued:	0	0	1	1	1

USDOT Registration:

The Division's goal is to provide quality customer service to the motor carrier base and to ease the burden and cost of regulation on the Kansas motor carrier industry.

Strategies for USDOT Registration

1. Remain an active partner with the motor carrier industry, local and state government, and the FMCSA to educate the motor carrier industry regarding the requirements of the USDOT number and the compliance associated with such number. The USDOT number serves as a unique identifier for the collection and monitoring of a company's safety information acquired during audits, compliance reviews, crash investigations, and roadside inspections.

PERFORMANCE MEASURES:	Actual FY 2024	Actual FY 2025	Current FY 2026	Allocated FY 2027	Allocated FY 2028
Total active Kansas based USDOT #s:	18,229	18,241	17,955	18,250	19,700
New intrastate USDOT #s issued:	316	321	323	350	350
New interstate USDOT #s issued:	863	848	812	1,100	1,100
Performance and Registration Information Systems Management (PRISM) out-of-service orders issued:					
PRISM out-of-service orders reinstated:	111	121	0	20	20
Out-of-Service for failure to pay penalty order:					
Failure-to-pay orders reinstated:	9	10	0	10	10
Out-of-Service for failure to participate in a compliance review:					
Failure to participate in a compliance review orders reinstated:	6	38	5	5	5
	8	5	5	5	5
	4	0	5	5	5

Intrastate Authority:

Strategies for Objective #2 – Intrastate Authority

1. Remain an active partner with the Information Network of Kansas and educate the motor carrier industry about the virtual re-registration application process.
2. Maintain the KCC's electronic virtual motor carrier application system so that it is effective, efficient, and easily accessible at all times. This allows intrastate motor carriers to easily update and/or renew their KCC operating authority.

PERFORMANCE MEASURES:	Actual FY 2024	Actual FY 2025	Current FY 2026	Allocated FY 2027	Current FY 2028
Intrastate MCs holding KCC authority:	881	818	764	1,000	1,000
Vehicles registered to intrastate MCs:	4,485	4,481	4,395	4,481	5,000
Intra/interstate MCs holding KCC authority:	5,816	5,777	5,595	5,777	6,000
New Intrastate Common Authority applications granted:	332	301	263	400	400
New Private Authority applications granted:	75	57	50	100	100

PERFORMANCE MEASURES:	Actual FY 2023	Actual FY 2024	Current FY 2026	Actual FY 2024	Current FY 2025
Intrastate MCs renewing their authority online:	100%	100%	100%	100%	100%
MCs renewing their authority in house:	0%	0%	0%	0%	0%

Applications dismissed:	115	106	84	120	120
Cancel by request orders:		41	16		50
Abandonment orders:	60	41	16	75	75
Insurance suspension notices:	308	294	491	200	200

Unified Carrier Registration:

Strategies for achieving the Unified Carrier Registration (UCR):

1. KTRAN directs motor carriers wanting to renew their current or previous year's UCR to the National Registration System (NRS) for renewal and adjustments.
2. The Division is able to remind motor carriers of their UCR renewal obligations through the NRS and KTRAN portals. The KCC's compliance staff also enforces unpaid UCR fees at the time of the Compliance Review. The KHP enforces UCR through roadside inspections conducted at the ports of entry and during new entrant safety audits. The Department of Revenue verifies UCR compliance prior to renewing the motor carrier's International Registration Plan and International Fuel Tax Agreement. Pre-Pass staff verifies UCR registration as part of its screening criteria. All newly issued online USDOT numbers are reviewed for UCR compliance and in-person requests for new USDOT numbers are screened for UCR compliance.
3. The USDOT numbers are a major component of the UCR tracking mechanism. The KCC staff works jointly with the FMSCA to help new and existing motor carriers apply for intra/interstate USDOT numbers, bi-annual updates, and any changes to their operation.
4. Collection of UCR fees directly affect a state's receipt of its allotment of federal funds. Kansas is focused on making the UCR program work well. The Division closely monitors the program and participates through quarterly conference calls with the FMCSA and fellow state representatives. Staff has consistently responded to many calls for assistance and has shared information now found in the UCR program's best practice guide.

PERFORMANCE MEASURES:	Actuals CY 2024	Actuals CY 2025	Current CY 2026	Allocated CY 2027	Allocated CY 2028
All MCs nationwide in compliance with UCR	89.15%	93.71%	88.10%	92.0%	92.0%
All MCs nationwide not in compliance with UCR	10.85%	6.29%	11.90%	8.0%	8.0%
KS based MCs in compliance with UCR	97.95%	98.60%	96.64%	99%	99%
KS based MCs not in compliance with UCR	2.05%	1.40%	3.36%	1%	1%
KS based MCs receiving UCR violations, in KS	92	62	40	40	40
Out-of-state based carriers receiving violations, in KS, for no UCR	511	455	380	500	500
KS based MC's audited for Focused Anomaly Reviews[1] (FARs)	34	[4]			
KS based MC's audited for Retreats[2]	19				
KS based MC's audited for Inspection[3]	64				

[1]A FARs audit is generated when a motor carrier registers for UCR in a lower bracket than the number of Apportioned Registered CMVs it owns or operates.

[2]A Retreat audit is generated when a motor carrier registers for UCR in a lower bracket than the number of CMVs listed on its MCS-150 Profile.

[3]An Inspection audit is generated when a motor carrier's CMV is inspected and is in violation for not registering its company for the current or previous year's UCR.

[4]At the beginning of the CY 2025, the UCR Contractor has assumed responsibility for auditing UCR variances as pAudit Assistance Program (AAP).

External Assessment:

The State of Kansas annually receives $4,344,290.00 from the UCR. Kansas is considered a recipient state. This means we receive all our allotment through the National Registration System (NRS) and the remaining amount through the UCR Depository.

Entities subject to the UCR fees:

The UCR Agreement requires all interstate "for-hire" motor carriers who transport property or passengers *and* those interstate "private" motor carriers transporting property to register with the USDOT and to pay UCR fees. Brokers, freight forwarders, and leasing companies (collectively referred to as UCR registrants) are also required to register and to pay UCR fees.

Entities not subject to the UCR fees:

There are two types of entities that are *not* subject to UCR fees: (1) purely intrastate carriers, that is, those motor carriers that do not handle interstate freight or make interstate movements, unless the State has elected to apply the provisions of the UCR Agreement to such intrastate carriers; and (2) private motor carriers transporting only passengers.

CMV definition:

A "commercial motor vehicle" is defined as a self-propelled vehicle used on the highways in commerce principally to transport passengers or cargo, if the vehicle:

- Has a gross vehicle weight rating or gross vehicle weight of at least 10,001 pounds, whichever is greater, or when connected to trailing equipment has a gross combination weight rating or gross combination weight of at least 10,001 pounds, whichever is greater, or
- Carries placarded amounts of hazardous materials, regardless of the vehicle's weight, or
- Is designed to carry more than 10 passengers, including the driver.

Unified Carrier Registration (UCR) Fees:

Under federal law, the Board of Directors of the Unified Carrier Registration Plan ("Board") is required to recommend to the United States Department of Transportation (USDOT), the level of fees to be assessed in each agreement year. Each December, the Board meets to review the amount of fees collected in the previous CY and recommends the six fee brackets for the upcoming registration year either be adjusted or maintained to the USDOT. The USDOT reviews the UCR Board's recommendation and either approves or adjusts the next year's registration fees. The Board recognizes that the recommended adjustments require action in a final rule by the Department and the Federal Motor Carrier Safety Administration (FMCSA). The following information reflects the current 2024, 2025 and current 2026 CY Fees along with the proposed fees for the upcoming 2027 CY UCR. The increase for CY 2025 is due to the residual impact of the COVID-19 years. During CY's 2021 and 2022 the FMCSA reported a significant increase nationwide in the number of USDOT numbers issued. With many new motor carriers entering the industry, UCR Board lowered fees as more registrants paid into the fund. CY 2024 is the first time in several years that the number of registrants has shrunk, necessitating fees to be increased in CY2025 and CY 2027.

Fee Schedule for CY 2024

CMV Fleet Size	Fee Per Company ($)
0-2	$37.00
3-5	$111.00
6-20	$221.00
21-100	$769.00
101-1,000	$3,670.00
More than 1,000	$35,836.00

Current Fee Schedule for CY 2025 & 2026

CMV Fleet Size	Fee Per Company ($)
0-2	$46.00
3-5	$138.00
6-20	$276.00
21-100	$963.00

101-1,000	$4,592.00
More than 1,000	$44,836.00

Proposed Fee Schedule for CY 2027

CMV Fleet Size	Fee Per Company ($)
0-2	$55.00
3-5	$167.00
6-20	$333.00
21-100	$1,163.00
101-1,000	$5,548.00
More than 1,000	$54,165.00

Kansas Trucking Regulatory Assistance Network (KTRAN):

Strategy for achieving the KTRAN:

Federal Grant:

KDOR is the lead agency for the Kansas Commercial Vehicle Information Systems and Networks (CVISN) program. Other agencies involved in the Kansas Expanded CVISN Program Plan are the KCC, KHP and KDOT. These agencies have a long-standing relationship and have partnered on numerous projects in the past.

Background:

The FMCSA reviewed and accepted the KDOR Core CVISN Program Plan/Top-Level Design and certified Kansas as Core CVISN compliant. The mission of the Kansas CVISN program is to create an information network using advanced technology that will enhance efficiency, safety, compliance, and enforcement for commercial vehicle operations. The information network includes the exchange of information and ideas between the government partners and the motor carrier industry. CVISN initiatives promote the economic well-being of Kansas by facilitating the movement of goods for business and industry.

Strategies for Objective #4

Effective July 2017, KTRAN serves to integrate information about Kansas motor carriers, commercial vehicles and commercial drivers. For example, roadside enforcement has access to KCC compliance information through CVIEW query windows utilizing a system-to-system interface built as part of this project. In another example, KCC officials are automatically notified of PRISM OOS status changes, as well as having a real-time interface to KSCVIEW for PRISM checking of carriers and vehicles prior to issuing KCC authorities.

EXPENDITURE JUSTIFICATION - Transportation Division

Account Code 100: Salaries and Wages

Summary: Staff protects the public interest and safety on Kansas highways through comprehensive education, planning, licensing, and inspection of

motor carriers. Of the 19 employees, twelve are special investigators (SI) located throughout the state. The Transportation Division has 19 regular unclassified authorized permanent FTE; as of June 30, 2024, 14 of the 19 FTE positions were filled.

Current Year FY 2027: $1,797,899 funds 19.0 FTE.

Budget Year FY 2028: $1,922,700 is requested.

Account Code 200-299: Contractual Services

Summary: Most of the contractual services requested are for communications expenses (which include cell phones). Other expenses include: contracts, rent, computer software maintenance and service, credit card and e-check fees, service repairs for nine (9) state vehicles, and staff travel. Investigator daily travel has been reduced by strategic placement within territories. The Division will continue to streamline costs where possible.

Current FMCSA regulation requires certified state and federal investigators to attend the CR and CVSA certification courses. Each investigator must attend an 80-hour CR course; a 40-hour CSA course; a 40-hour Basic Hazardous Materials course; an 80-hour CVSA

course; and a 40-hour Cargo Tank Inspection course. Each SI is also required to complete 32 CVSA Level I inspections each year. Compliance reviews must be conducted per policies stated in the FMCSA Field Operations Training Manual to ensure uniformity between each SI on the Division's staff and between Division staff and its federal counterparts. Once certified, SIs must successfully complete any FMCSA and/or CVSA required refresher or in-service training to maintain their minimum federal certification requirements.

Rents include: copier, portion of Savin copier, and assigned office space at 1500 SW Arrowhead Road for Transportation staff. Other fees charged

include, but are not limited to, DofA enterprise application fees, credit cards and Secretary of State fees.

Most of the in-state travel subsistence is for the twelve SIs. They travel and occasionally have overnight expenses due to complaint follow-up, educational training sessions, and mandatory training programs. SIs provide educational programs for new and existing carriers and must visit a new entry public motor carrier on-site. As COVID restrictions ended, we continue to offer our training through both in-person and zoom format to best accommodate the carriers. The SIs also investigate complaints regarding motor carriers based in Kansas and attend certified training and education seminars to stay current in their field. Out-of-state travel expenses permit staff to attend compliance review school, the CVSA Conference, and the National Conference of State Transportation Specialists. These conferences allow Kansas to keep current on federal regulations and participate in other state's activities and transportation industry issues nationwide.

The Division has a $3,000 contract with INK to support the on-line Kansas Trucking Connection portal. This portal allows the Division to accept

credit cards and e-checks, and to provide information to the trucking industry.

Current Year FY 2027: $190,554 is requested. Rent, communication, contracts, IT maintenance, copiers, credit card fees, internet access, publications in the Register, maintenance, DofA fees, travel and vehicle service repairs make up most expenditures in these account codes.

Budget Year FY 2028: $740,250 is requested. Rent, communication, contracts, IT maintenance, licenses and subscriptions (this includes the docket system license fees), copiers, credit card fees, internet access, publications in the Register, maintenance, DofA fees, travel and vehicle service repairs make up the majority of expenditures in these account codes.

Account Code 300 - 399: Commodities

Summary: The major portion of commodities expenditures includes fuel for state vehicles, car parts, rental car fees, software, stationery, office

supplies, and professional and scientific supplies. Office supplies include authority cards, instruction letters, application and invoice forms, envelopes, file folders, data processing supplies and other miscellaneous office supplies. Professional and scientific supplies include the underwriters' handbook, Session Laws, Statute Pocket Parts, Statutes, Code of Federal Register Title 62 and 49 and Safety and Hazardous Material Regulations. Funding is also included for the Division's portion of costs of housekeeping supplies for the building.

Current Year FY 2027: $33,200 is requested. The largest portion of this amount is used for fuel and motor vehicle parts. Other costs include software, staff safety clothes, stationery, envelopes, and office supplies needed to correspond with motor carriers.

Budget Year FY 2028: $40,989 is requested. The largest portion of this amount is used for fuel and motor vehicle parts. Other costs

include software, staff safety clothes, stationery, envelopes, and office supplies needed to correspond with motor carriers.

Account Code: 400 Capital Outlay

Summary: The majority of items purchased from this category are IT replacements and upgrades based on the KCC IT plan. The investigators work

out of their vehicles and require portable equipment such as cell phones, laptops and a printer/copier. The Division continues to search for efficiencies with the use of technology. Also included in this category are vehicle replacements that reach the mileage threshold and have high maintenance costs.

The Division has twelve vehicles for daily operations. In addition to meeting mileage thresholds, the KCC reviews vehicle usage and cost of repairs on vehicles before targeting a vehicle for replacement. For the safety of employees and the public, the agency believes it is imperative to timely replace

the vehicles meeting or projected to meet the replacement criteria. The SIs are on the road daily regulating the motor carrier industry by providing inspections, audits, educational training, and investigating complaints. The field staff carry in their vehicles a laptop, printer/copier, creeper, wheel chocks, safety cones, and regulatory material. The field staff inspects businesses at various locations and some are off highway routes.

PROGRAM	TAG#	LAST NAME	DEPARTMENT	TYPE	YEAR	THRESHOLD	END ODO	ANNUAL MILES	MONTHLY MILEAGE AVERAGE	EXPENSES-REPAIRS	EXPENSES - FUEL	TOTAL EXPENSES (Repairs & Fuels)	LIFE OF VEHICLE EXPENSES REPAIRS
TRANSPORTATION	16686	PARGAS	TRANSPORTATION	SUV	2015	150,000	112,349	4,552	650	$ 343.47	$ 809.56	$1,153.03	$ 5,114.61
TRANSPORTATION	16025	BARAJAS	TRANSPORTATION	SUV	2014	150,000	108,809	8,633	719	$ 786.21	$1,270.24	$2,056.45	$11,828.19
TRANSPORTATION	16687	STIPE	TRANSPORTATION	SUV	2015	150,000	90,711	8,327	694	$ 230.44	$1,362.94	$1,593.38	$ 2,618.89
TRANSPORTATION	17473	CLARK	TRANSPORTATION	SUV	2017	150,000	89,912	16,992	1,416	$2,171.45	$2,674.37	$4,845.82	$13,410.09
TRANSPORTATION	17106	ROSE	TRANSPORTATION	SUV	2016	150,000	80,826	7,770	648	$ 678.47	$1,303.20	$1,981.67	$ 3,379.18
TRANSPORTATION	23724	HEENAN	TRANSPORTATION	SUV	2019	150,000	55,013	6,172	514	$1,082.01	$ 919.77	$2,001.78	$ 2,902.23
TRANSPORTATION	17472	LLAMAS	TRANSPORTATION	SUV	2017	150,000	46,999	12,796	1,066	$1,078.36	$1,967.42	$3,045.78	$ 2,715.09
TRANSPORTATION	18243	ADAMS	TRANSPORTATION	SUV	2018	150,000	44,183	7,263	605	$1,424.20	$1,058.04	$2,482.24	$ 2,556.22
TRANSPORTATION	26482	FRYBACK	TRANSPORTATION	SUV	2023	150,000	22,588	20,904	1,900	$ 762.55	$2,850.44	$3,612.99	$ 886.14
TRANSPORTATION	26483	HANDY	TRANSPORTATION	SUV	2023	150,000	9,701	8,211	684	$ 418.43	$1,309.72	$1,728.15	$ 647.41
TRANSPORTATION	26623	ASKREN	TRANSPORTATION	SUV	2023	150,000	8,915	8,915	743	$1,221.56	$1,281.27	$2,502.83	$ 1,221.56
TRANSPORTATION	26622	PATTERSON	TRANSPORTATION	SUV	2023	150,000	5,359	5,359	447	$ 99.99	$ 856.56	$ 956.55	$ 99.99

Current FY 2027: We are requesting two new vehicle purchases in **FY 2027.** We plan to replace vehicle # 16686. This vehicle is a 2015 model with approximately 130,000 miles. To ensure reliable safe and cost-effective transportation for operational needs, we are requesting that this vehicle be replaced. The 2nd vehicle purchase is needed as we will be hiring a new SI. Approval of this request will support continued efficiency while reducing long-term costs. The KCC IT plan includes cell phones, tablets, printers, laptops, scanners, monitors, Microsoft upgrades, software, servers and an allocation for the Docket Management System upgrade.

Budget Year FY 2028: $264,396 is requested. The KCC IT plan includes equipment upgrades, scanners, laptops, monitors, scanners, software upgrades, including Microsoft and an allocated amount for the continued upgrade to the Docket Management System.

Update - Account Code: 700 Transfer of Funds

Summary: The Unified Carrier Registration Act provides nationwide entitlement dollars for the 41 participating States. The revenue was calculated by using the 2004 Single State Registration System's (SSRS) registration year, each State reported the amount of entitlement dollars for their jurisdiction, with Kansas reporting $4,344,290.00.

The States agreed to have the legal authority, resources, and qualified personnel necessary to administer the agreement in accordance with the rules and regulations promulgated by the Board of Directors and UCR Act. The UCR Act also requires the States to demonstrate that an amount at least equal to the revenue derived by the State from the UCR Agreement shall be used for motor carrier safety programs, enforcement, or administration of the UCR plan and UCR Agreement. As a result, the Division has worked with the Kansas Highway Patrol to transfer funds to ensure the UCR dollars received by Kansas are used as intended. Last year the two agencies worked together to increase the transfer from $1,300,000 to $2,000,000 dollars. The two bills below summarize the transfer between the two agencies.

SB 28 - The transfer of funds from the KCC is addressed on page 190:

- (c) Except as provided further, on July 1, 2024, October 1, 2024, January 1, 2025, and April 1, 2025, or as soon thereafter each such date as moneys are available, the director of accounts and reports shall transfer an amount specified by the executive director of the state corporation commission, with the approval of the director of the budget, of not more than $500,000 from the motor carrier license fees fund (143-00-2812-5500) of the state corporation commission to the motor carrier safety assistance program state fund (280-00-2208) of the Kansas highway patrol: Provided, however, That the total of all transfers shall not exceed $2,000,000 in fiscal year 2025.

UTILITIES DIVISION

The Utilities Division is responsible for administering the laws and regulations applicable to jurisdictional electric, natural gas, telecommunication, and water utilities. The Utilities Division staff is comprised of four sections that are responsible for providing recommendations and advice to the Commission to promote and assure sufficient, efficient, and safe utility services at reasonable and non-discriminatory rates for consumers.

The four sections within the Utilities Division are Accounting and Financial Analysis, Economics and Rates, Energy Operations and Pipeline Safety, and Telecommunications. These sections are responsible for the following:

1. The Accounting and Financial Analysis section is responsible for investigating, analyzing and making recommendations to the Commission on accounting and financial issues relating to the electric, natural gas, telecommunication, and water industries. In rate cases, this section is responsible for analyzing and developing the overall revenue requirement calculation and class cost of service. In addition, this section reviews all surcharges and riders that come before the Commission and participates in the annual review of Transmission Formula Rates before the Federal Energy Regulatory Commission.

2. The Economics and Rates section is responsible for investigating and making recommendations on economic issues relating to natural gas, electricity, telecommunication, and water industries to the Commission, as well as the Kansas Legislature and other State Agencies. In rate cases, this section is also responsible for developing a rate design.

3. The Energy Operations and Pipeline Safety section provides technical expertise relating to electric utility operations, reliability, safety, electric transmission siting, and electric and gas consumer service, as well as analyzing requested changes to natural gas and electric certificates. Pipeline Safety's primary responsibility is to ensure safe operation of all gas utilities through enforcement of federal and state regulations.

4. The Telecommunications section is responsible for researching, investigating, analyzing, and making recommendations on courses of action for all telecommunications matters that come before the Commission.

PROGRAM GOAL FOR ELECTRIC, LIQUID PIPELINE, NATURAL GAS, WATER, AND KANSAS UNIVERSAL SERVICE RATES:

The Commission is mandated to establish just and reasonable rates per K.S.A. 66-101b, which states in relevant part "The commission shall have the power, after notice and hearing in accordance with the provisions of the Kansas administrative procedure act, to require all electric public utilities governed by this act to establish and maintain just and reasonable rates when the same are reasonably necessary in order to maintain reasonably sufficient and efficient service from such electric public utilities."

In establishing just and reasonable rates, the courts have mandated the Commission to consider certain interests. These interests include the goal that rates should be fixed within a zone of reasonableness after the application of a balancing test in which the interests of all concerned parties are considered. This effectively means that the KCC is required to balance the public need for adequate, efficient, and affordable service with a public utility's need for sufficient revenue to meet the cost of furnishing service and the opportunity to earn a reasonable profit. There is also a constitutional relevance for the just and reasonable standard. If the Commission were to set rates that specifically favor customers over investors by ignoring legitimate utility costs and investments, then the Commission will most likely have violated the Takings Clause of the Fifth Amendment, as well as the Due Process Clause of the Fourteenth Amendment. Therefore, the program goal is to balance the public interest through impartial, efficient, and transparent resolution of jurisdictional issues through the regulation of rates for jurisdictional electric, natural gas, water, and the KUSF subsidies for Rural Local Exchange public utilities through rate cases.

The Utilities Division is reactive to rate cases because utilities are entitled by statute to file applications to increase rates when their internal analysis of capital expenditures, depreciation, operating and maintenance costs, and taxes indicate they are earning below their KCC authorized returns on their investments. Once a utility files an application to increase rates, the Utilities Division Staff assigned to the docket assess their time to the utility. Due to the complexities of the ratemaking process, accomplishing a complete and thorough review of a rate case generally takes a great deal of Staff time. On average, the Utilities Division Staff issue approximately 300 discovery requests in a rate case to gather the facts and evidence necessary to complete their review and determine the amount of revenue needed, as well as the rates to assign to each customer class.

OBJECTIVE #1:

Ensure that electric, gas and water utility rates, as well as Kansas Universal Service Fund (KUSF) subsidies, are just, reasonable, and nondiscriminatory by reviewing utility costs and investment for reasonableness and need (e.g. whether utility assets used and required to be used) and by reviewing the design of rate tariffs and special customer contracts for proper cost recovery, consistent with statutes, rules and regulations, and Commission policy or decisions.

Strategies for Objective #1:

1. Recruit, train and retain staff with the technical and communication skills, experience, and knowledge necessary for the regulation of utilities. Retain consultants when necessary for special expertise or extra workload.
2. Review, audit, and investigate rate change filings affecting rates. Staff will be assigned to each filing or proposal based on content of filing, staff expertise, and workload.
3. Propose accounting and financial adjustments to rate change applications based on sound regulatory theory and established Commission policy and/or practice, while balancing the interests of the utility and all classes of ratepayers.
4. Provide Commissioners with information, advice, and recommendations through written and live testimony and by developing a full and complete record so that decisions are fully informed and supported.

OUTPUT MEASURES**:**

	Actual FY 2025	Current Year FY 2026	Allocated FY 2027
Number of rate case applications filed and reviewed	5	3	3
Percentage of filed applications reviewed within 240 day statutory deadline	100%	100%	100%

Explanation of Output Measures:

As noted above, the KCC is generally reactive to utilities filing rate cases when they believe financial circumstances warrant a rate increase. The Utilities Division also can and does request the Commission issue show cause Orders to utilities who may be overearning (prompting a rate case).

OUTCOME MEASURES:	Actual FY 2025	Current Year FY 2026	Allocated FY 2027
Average Rate Ranking by State (Lowest Price No. 1)			
Electricity (All Customers)*[1]	23rd	25th	25th
Natural Gas (Residential)*[2]	22nd1	25th	25th
Percentage of Investor-Owned Utilities Ranked as Investment Grade by S&P, Fitch, and Moody's (e.g. 6/6 = 100%)	100%	100%	100%
Average amount of rate increase granted as a percentage of requested amount **	75.37%	50%	50%

* Source: Energy Information Administration

** FY 2025 consisted of five rate cases.

[1] ~~The Natural Gas Residential ranking is based on 2024 fiscal ye~~ar and 2025 fiscal year to date EIA data for residential customers.

Explanation of Outcome Measures:

As noted previously, the KCC is required to balance the public need for adequate, efficient, and reasonable service with a public utility's need for sufficient revenue to meet the cost of furnishing service and to earn a reasonable profit. The rate case process is also a legal process with due process rights for all intervening parties. Given these underlying circumstances, it would be inappropriate for Staff to have a predetermined desired outcome of where rates should be set. Therefore, it is difficult to derive relevant outcome measures for Staff's performance-based budgeting purposes since rate case outcomes are dependent on the merit of utilities' applications, other intervenors' positions, and what the Commission ultimately decides through its Order based upon the weight of the evidence presented. We have, therefore, selected benchmarks that demonstrate what the impact of rate case decisions have on both ratepayers and shareholders.

EFFICIENCY MEASURE:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Rolling three-year average hours spent per rate case for investor-owned utilities	2,0262,947	5,000	4,000
Highest number of hours for rate case(s) during Fiscal year	2,2896,051	6,000	5,400
Rolling three-year average Staff cost per rate case for investor-owned utilities	$136,808	$200,000	$175,000
Highest cost for a rate case(s) during the Fiscal year *	$194,104	$500,000	$350,000

Ratio of highest cost for a rate case during the Fiscal year to the rolling three-year average Staff cost per rate case *	1.41	2.0	2.0

* FY 2025 consisted of five rate cases. The projections for FY 2026 are higher to reflect the review and processing of the Evergy Kansas Central rate case filing.

Explanation of Efficiency Measures:

As stated previously, the Commission is required to issue an Order within 240 days and, to meet this deadline, the Utilities Division must complete its review within twelve to sixteen weeks for every rate case. Rate cases vary by complexity with some cases involving many unique and complex issues that require more assigned Staff and consultants and many more hours of Staff time. Other cases are less complex and require fewer assigned Staff and fewer overall hours of work. A three-year rolling average of hours spent per rate case, along with the total Staff cost, should capture both highly complex cases and less complex cases, which should provide a valid benchmark of how efficient Staff is in reviewing rate cases. By comparing the three-year average to the rate case(s) with the highest number of hours and costs in a given fiscal year, Staff's efficiency in reviewing a rate case can be measured. Staff will also evaluate the use of the three-year rolling average over time to determine if the number of years used in the average should be changed based on the frequency of rate case filings. Each actual fiscal year will also be footnoted to note the number of complex rate cases that raise the number of hours and cost.

PROGRAM GOAL FOR ELECTRIC, NATURAL GAS, AND WATER NON-RATE CASE APPLICATIONS:

Protect the public interest through impartial, efficient, and transparent resolution of non-rate case jurisdictional issues through regulation or oversight of rates, services, and safety of jurisdictional electric, natural gas, and water public utilities by ensuring that utility companies are providing safe and reliable services for all classes of customers in a reasonable and non-discriminatory manner.

OBJECTIVE #1:

Ensure that non-rate case filings for electric, natural gas, and water utilities meet applicable statutory requirements, are non-discriminatory, and provide adequate safety and reliability protections. Examples include, but are not limited to, tariff filings, certificate

filings, transmission line siting applications, accounting authority orders, review of fuel clauses, energy efficiency filings, informal and formal customer complaints, and quality of service filings.

As was noted previously in the rate case program goal section, the majority of the non-rate case filings balance the needs of the ratepayer with those of the shareholder. However, unlike rate cases, the majority of the non-rate case filings are less complicated, less time consuming, and generally do not have an immediate impact on rates. The statutory deadlines for these dockets vary, but most are between 180 days and 240 days. The Utilities Division Staff's goal is to complete all non-rate case filings within 180 days, regardless of whether the statutory deadline exceeds 180 days. While the Division's goal is to complete the filings within 180 days, there are dockets that take longer because a few are complicated or there is procedural or data issues. Just like in a rate case, the Utilities Division Staff assigned to the docket assess their time to the utility.

Strategies for Objective #1:

1. Recruit, train and retain staff with the technical and communication skills, experience, and knowledge necessary for the regulation of utilities. Retain consultants when necessary for special expertise or extra workload.
2. Review tariff filings and conduct inspections and investigations to determine company compliance with applicable KCC and statutory requirements regarding safety, reliability, quality of service, billing practices, and other service-related matters.
3. Coordinate with consumer protection staff to track and resolve customer complaints and investigate significant instances of safety and service concerns.
4. Review and/or propose and implement additional requirements or incentives for utility actions that will have beneficial effects on the provision of services through investigations or collaborative efforts with utilities.
5. Provide Commissioners with information, advice and recommendations through written or oral recommendations, testimony and other appropriate means so that decisions are fully informed and supported.

OUTPUT MEASURES:

	Actuals	Current Year	Allocated
	FY 2025	FY 2026	FY 2027

Number of applications filed and reviewed	97	150	150
Percentage of applications completed within statutory deadline	100%	100%	100%

Explanation of Output Measures:

As noted previously, the KCC is generally reactive to utilities filing applications. With non-rate case applications, some applications are statutorily required. Others are based upon specific circumstances of the filing utility. The Utilities Division averages over 100 open non-rate case applications at any one specific time.

OUTCOME MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Percentage of applications granted by Commission	86.21%	90%	90%
Percentage of applications denied by Commission	13.79%	10%	10%

Explanation of Outcome Measures:

As noted previously, the KCC is required to perform a balancing test between a utility's shareholders and its customers. The non-rate case process is a legal proceeding with due process rights for all intervening parties. As such, it would be inappropriate for Staff to have

a predetermined desired outcome for the various types of filings under this program goal. Therefore, it is difficult to derive relevant outcome measures for performance-based budgeting purposes since our outcomes are dependent on the merit of utilities' applications, what other intervenor's positions are, and what the Commission ultimately decides through its Orders. Having stated such, Staff has selected percentage of applications granted and percentage of applications denied as outcome measures because of the process Staff uses to review applications in this program. More specifically, Staff frequently meets with utilities, either in pre-filing meetings and/or meetings post-application. During these meetings, Staff strives to be transparent by outlining the issues and concerns we have with the applications. By doing so, Staff is attempting to work with the utilities to make any modifications or compromises necessary to meet either standards set by statutes, regulations, or regulatory theory and to be consistent with prior Commission decisions. In a few cases, the application has fatal flaws that need to be cured. This may lead the utility to withdraw the application and refile once the deficiencies are cured. The result is that Staff recommends most of the applications for approval.

EFFICIENCY MEASURE:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Average number of days to complete applications	135	120	120
Number of applications completed in less than 180 days	64	75	75
Percentage of applications completed in less than 180 days	80.00	90%	90%

Explanation of Efficiency Measures:

As noted above, the statutory deadlines for these dockets vary, but most are between 180 days and 240 days. The Utilities Division Staff's goal is to complete all non-rate case filings within 180 days, regardless of whether the statutory deadline exceeds 180 days. While the Division's goal is to complete the filings within 180 days, there are dockets that take longer, primarily because a few are complicated or there is procedural or data issues. As an efficiency measure, Staff believes its focus on completing these generally less complicated applications in as timely a manner as possible is an appropriate gauge of our efficiency.

PROGRAM GOAL FOR PIPELINE SAFETY:

Minimize the safety risk of natural gas pipeline operations throughout the State by assuring safe operation through compliance with pipeline safety regulations. Initiate action to educate operators on current requirements, modify current law, or recommend alternative enforcement/ratemaking treatment to lower safety risk of the natural gas system.

OBJECTIVE #1:

Minimize the safety risk of natural gas intrastate pipeline operations.

Strategies for Objective #1:

1. Recruit, train, and retain staff with the technical and communication skills, experience, and knowledge necessary to inspect natural gas pipelines.
2. Inspect all jurisdictional pipeline operators at least every two years to ensure compliance with pipeline safety regulations.
3. Provide and assist small operators with training opportunities to maximize their understanding of pipeline safety regulations and the latest federal initiatives.
4. Maximize funding opportunities through federal grants with the Pipeline and Hazardous Materials Administration of the U.S. Department of Transportation (USDOT).

OUTPUT MEASURES:

	Actuals	Current Year	Allocated
	FY 2025	FY 2026	FY 2027
Complete 520 person-days of field inspections throughout the state	716	549	549

Explanation of Output Measures:

Kansas has 167 inspection units that are inspected for compliance with pipeline safety regulations. The minimum number of person-days for conducting inspections is derived from a formula developed through a methodology approved by the U.S. DOT Pipeline and Hazardous Materials Administration. For the most recent data available, the PHMSA-derived formula indicates Kansas inspectors are expected to conduct 555 person-days/year of field inspections. Historically, the program averages over 600 person-days per year of field inspections. FY 2025 actual numbers are based on calendar year 2024 data, which aligns with the latest federal reporting period.

OUTCOME MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Number of leaks per 100 miles of pipe	13.8	16	16
Number of Inspection units inspected	121	120	120

Explanation of Outcome Measures:

All numbers are based on calendar year data, which aligns with federal reporting requirements. Data is derived from federal reporting requirements. A fundamental aspect of pipeline safety involves maintaining the integrity of the pipelines through which the natural gas is transported and consumed. The number of leaks in a piping system is an indication of the integrity of a pipeline. Kansas has approximately 36,000 miles of natural gas piping that is jurisdictional to the KCC. The number of leaks per mile of jurisdictional pipeline provides a snapshot of the overall safety of the piping system as a means of gas transportation. Low leakage rates demonstrate the performance of all stakeholders (pipeline operators, customers, and KCC regulators) in achieving a safe operating environment. The number of inspection units inspected per year demonstrates the performance of the KCC program at ensuring compliance with regulations and establishing a statewide presence. Inspection units are typically related to onsite field inspections.

EFFICIENCY MEASURES:

	Actuals	Current Year	Allocated

	FY 2025	FY 2026	FY 2027
Average number of field person-days per inspector	110	100	100
Percentage of field inspection cases closed per calendar year	96	95	95
Kansas share of Program cost per operator unit inspected	$4,030	$4,000	$4,000

Explanation of Efficiency Measures:

All numbers are based on calendar year data, which aligns with federal reporting requirements. The number of field person-days per inspector represents the productivity of KCC staff in conducting field inspections. Of the 245 available person-days in a calendar year, the inspector spends 45% of his time in the field. The remaining time is spent doing casework and training. The percentage of cases closed represents the cases found and completed each year. The Kansas share of program costs per operator inspected demonstrates the cost to Kansas for the pipeline safety program after deducting reimbursements from federal grant funds. The amount of available federal funding depends on the program's ability to meet federal expectations and the availability of federal grant funds for a given year.

OBJECTIVE #2:

Lower the risk to public safety by reducing excavator damages to pipelines.

Strategies for Objective #2:

1. Provide on-site investigation of damages reported to KCC.
2. Conduct outreach program to educate excavators and keep all stakeholders involved in best management practices.
3. Mediate communications between excavators and utility operators to resolve complaints.

OUTPUT MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Number of compliance actions taken from damage investigations	503	300	300

Explanation of Output Measures:

KCC has two inspectors dedicated to investigating damages to underground utilities that are caused by excavators. The output measure reflects the number of compliance actions taken as a result of the inspectors' investigations.

OUTCOME MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Number of gas damages per 1,000 locate tickets	2.3	2.0	2.0
Number of damages from all utilities per 1,000 tickets statewide	4.51	4.0	4.0

Explanation of Outcome Measures:

All numbers are based on calendar year data, which aligns with federal reporting requirements. A locate ticket is an industry jargon that describes an excavator's request to have the utility operator provide an indication of the location of buried facilities in the vicinity of the planned excavation site. The number of damages per locate request provides insight into how effective the industry stakeholders (excavators, utilities, and state regulators) are at preventing damage to existing underground facilities.

EFFICIENCY MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Compliance Actions taken per number of incidents of utility damage that are investigated by Staff	82%	75%	75%

Explanation of Efficiency Measures:

All numbers are based on calendar year data, which aligns with federal reporting requirements. Compliance actions represent notices of violation of the Kansas Underground Utility Damage Prevention Act that were issued by the inspector to the party determined to be at fault for the damage. The number of damages investigated represents the combination of the number of damages investigated by the inspector and the number of complaints investigated/mediated by the inspector. The metric demonstrates consistency in enforcement on a year over year basis.

PROGRAM GOAL FOR TELECOMMUNICATIONS:

Protect the public interest through impartial, efficient, and transparent resolution of all jurisdictional issues through regulation or oversight of rates, services, and quality of service of jurisdictional telecommunications public utilities.

OBJECTIVE #1:

Pursuant to K.S.A. 66-2001, every Kansan will have access to a first-class telecommunications infrastructure that provides excellent services at an affordable price and consumers should realize the benefits of competition through increased services and improved telecommunications facilities and infrastructure at reduced rates. In addition, the Utilities Division seeks to protect consumers of telecommunications services from fraudulent business practices and practices that are inconsistent with the public interest, convenience and necessity.

Utilities Division Staff is responsible for the economic regulation, including but not limited to: (1) processing incumbent local exchange carrier tariff filings and switched access rate filings; (2) analyzing tariffs for compliance with KCC rules and regulations; (3) administering consumer and carrier complaints; (4) processing certificate filings, service cessations, and name changes; (5) reviewing carrier-to-carrier interconnection agreements and providing mediation when necessary; (6) ensuring the quality of services provided by incumbent local exchange carriers; (7) processing video service applications; and (8) processing eligible telecommunications carriers filings. The statutory deadlines for these filings vary, but most are between 180 days and 240 days. The Division's goal is to complete all telecommunications filings within 180 days, regardless of whether the statutory deadline exceeds 180 days. While the Division's goal is to complete the filings within 180 days, there are dockets that take longer because a few are complicated or there is procedural or data issues. The Utilities Division Staff assigned to the docket assess their time to the utility.

Strategies for Objective #1:

1. Recruit, train and retain staff with the technical and communication skills, experience, and knowledge necessary for the regulation of utilities. Retain consultants when necessary for special expertise or extra workload.
2. Review and investigate proposed changes to rates or other issues affecting rates and ensure such proposals are consistent with state and federal requirements. Staff will be assigned to each filing or proposal based on content of filing, staff expertise and workload.
3. Require the filing of annual Eligible Telecommunications Carrier (ETC) certifications regarding the state and federal support monies and use of such monies for investment, maintenance, and operations of telecommunications plant and assets in accordance with state and federal requirements.
4. Review and investigate certificate, ETC, reduced regulation, cease applications, and other proposals or filings affecting competition. Staff will be assigned to each filing or proposal based on content of filing, staff expertise and workload.
5. Review quality of service reports, and follow-up, when necessary, to ensure quality services are provided to Kansans.
6. Coordinate with consumer protection staff to resolve consumer complaints and review and investigate formal complaint filings. Staff will be assigned to each filing or proposal based on content of filing, staff expertise and workload.
7. Initiate show cause proceedings when necessary to ensure telecommunications carriers are abiding by state statutes and KCC rules.
8. Provide the Commissioners with information, advice, and recommendations through written or oral recommendations, testimony, and other appropriate means so that decisions are fully informed and supported.

OUTPUT MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Number of applications filed and reviewed	63	100	100
Percentage of filed applications reviewed within statutory deadline	100%	100%	100%

Explanation of Output Measures:

As noted previously, the KCC is generally reactive to utilities filing applications. Some applications are statutorily required, while others are based upon specific circumstances of the filing utility. The Utilities Division averages over 20 applications related to this category at any one specific point in time.

OUTCOME MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Percentage of applications granted	84.13%	90%	90%
Percentage of applications denied	0%	10%	10%
Number of show cause proceedings initiated by Staff to enforce statutory or regulatory compliance	3	5	5
Percentage of show cause proceedings resulting in compliance by the carrier or resulting in revocation of the carrier's certificate	100%	100%	100%

* *No applications were denied; however, applications were withdrawn or dismissed.*

Explanation of Outcome Measures:

As noted previously, the KCC is required to perform a balancing test between a utility's shareholders and its customers. While these applications are not rate cases, they are nonetheless subject to legal proceedings with due process rights for all intervening parties. As such, it would be inappropriate for Staff to have a predetermined desired outcome for the various types of filings under this program goal. Therefore, it is difficult to derive relevant outcome measures for performance-based budgeting purposes since the outcomes are dependent on the merit of utilities' applications, the positions of interveners, and the decision of the Commission set out through its Orders and based upon the weight of the evidence presented. Having stated such, Staff has selected the percentage of applications granted and the percentage of applications denied as outcome measures. These measures align with the process Staff uses to review applications in this program. Specifically, Staff frequently meets with utilities, in pre-filing meetings and/or meetings post-application. During these meetings, Staff strives to be transparent by outlining the issues and concerns Staff has with the applications. By doing so, Staff is attempting to work with the utilities to make any modifications or compromises necessary to meet standards set by statutes, regulations, or regulatory theory and to be consistent with prior Commission decisions. In some cases, the application has fatal flaws that need to be cured. Rather than having the application denied by the Commission, a utility will withdraw the application and refile once the deficiencies are cured. This results in Staff recommending most applications for approval.

EFFICIENCY MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Average number of days to complete applications	89.60	85	85
Number of applications completed in less than 180 days	56	90	90
Percentage of applications completed in less than 180 days	80.00%	85%	85%

Explanation of Efficiency Measures:

As noted above, the statutory deadlines for these dockets vary, but most are between 180 days and 240 days. The Utilities Division Staff's goal is to complete its review of telecommunications case filings within 180 days, regardless of whether the statutory deadline exceeds 180 days. While the Division's goal is to complete the filings within 180 days, there are dockets that take longer, primarily because complex issues are being addressed or there is procedural or data issues. As an efficiency measure, Staff believes focusing on completing these applications in as timely a manner as possible is an appropriate gauge of efficiency.

PROGRAM GOAL FOR THE ADMINISTRATION OF THE KANSAS UNIVERSAL SERVICE FUND:

Pursuant to the Kansas Telecommunications Act, the KCC shall: (1) ensure distributions from the KUSF are made in a competitively neutral manner to qualified telecommunications public utilities, telecommunications carriers, and wireless telecommunications providers that are deemed eligible both under subsection (e)(1) of section 214 of the federal act and by the KCC; (2) ensure carriers are contributing to the KUSF; (3) periodically review the KUSF to determine if the costs of qualified telecommunications public utilities, telecommunications carriers and wireless telecommunications service providers to provide local service justify modification of the KUSF (K.S.A. 66-2008); and (4) effectively administer the fund through a third-party administrator (K.S.A. 66-2010).

OBJECTIVE #1:

Ensure that contributions to the KUSF are made on an equitable and nondiscriminatory basis and KUSF support distributed to companies is reasonable, nondiscriminatory, and consistent with Federal and State statutory and regulatory requirements. The Commission ensures that KUSF recipients are eligible to receive such support and that the support received was expended appropriately through its annual certification process. Staff, in conjunction with the KUSF third-party administrator, oversees the KUSF to ensure that providers are reporting and remitting appropriate revenues and assessments to the KUSF. KUSF funds are distributed to local telephone companies and designated eligible telecommunication carriers to offset the costs of network enhancements and upgrades in rural areas to provide quality services. KUSF funds are also utilized for Lifeline support to provide more affordable service to Kansans with low incomes, and for the provision of telephone accessibility to Kansans who are deaf, deaf-blind, or hard of hearing, and to those who need specialized terminal equipment.

Strategies for Objective #1:

1. Recruit, train, and retain staff with the technical and communication skills, experience, and knowledge necessary for the regulation of utilities. Retain consultants when necessary for special expertise or extra workload.
2. Review price cap carriers' annual KUSF support filings to ensure only eligible lines receive KUSF support.

3. Contract with a bonded, neutral, third-party administrator to perform the day-to-day operations of the KUSF.
4. Contract with the third-party administrator to perform carrier audits to ensure contributions are made on an equitable and nondiscriminatory basis and consistent with federal and state statutory and regulatory requirements.
5. Obtain an annual independent audit of the third-party administrator's KUSF financial statements and internal controls through an Agreed Upon Procedures Audit (AUP).
6. Provide the Commission with information, advice and recommendations through written or oral recommendations, testimony and other appropriate means so that Commission decisions are fully informed and supported.

OUTPUT MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Achieve an unqualified opinion from independent auditor on KUSF financial statements & AUP Audit	Yes	Yes	Yes
Percentage of KUSF recipients reviewed to determine compliance with KUSF reporting requirements on a monthly basis	100%	100%	100%
Percentage of identified contributing carriers reviewed to determine compliance with submitting KUSF contribution requirements on a quarterly basis	100%	100%	100%

Explanation of Output Measures:
Utilities Division Staff reviews the monthly reports submitted by the KUSF third-party administrator to verify each KUSF recipient has filed its report and has paid the assessment due. Staff maintains a master file of all KUSF contributors, updated to include each new company identified as a KUSF contributor and to remove companies no longer identified as a KUSF contributor. The master file is provided to the KUSF administrator after the end of each Fiscal Year quarter to ensure all KUSF contributors are identified. Furthermore, the master file prepared for the fourth quarter of each year is also compared to the KCC's databases to ensure the KCC's database and KUSF master file reflect all companies identified as KUSF contributors.

OUTCOME MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Number of show cause proceedings initiated by Staff to enforce compliance with KUSF obligations	3	3	3
Percentage of show cause proceedings resulting in compliance by the carrier or resulting in revocation of the carriers' certificate	100%	100%	100%

Explanation of Outcome Measures:

Regarding show cause proceedings, Staff does have a desired outcome to ensure all telecommunications carriers subject to statutory KUSF assessment and reporting responsibilities are following such obligations. Staff and the third-party administrator work diligently with carriers on compliance issues on an informal basis prior to initiating a show cause proceeding. Typically, a show cause proceeding is initiated after all other avenues to comply have been exhausted.

EFFICIENCY MEASURES:

	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027

Rolling three-year average hours spent per KUSF show cause proceeding	12	20	20
Average hours spent per show cause proceeding for Fiscal year	24	12	12
Highest number of hours spent for show cause proceeding during Fiscal year	17.25	12	12
Rolling three-year average of dollars spent per KUSF show cause proceeding	$559	$2,000	$2,100
Average dollars spent per show cause proceeding for Fiscal year	$969	$1,000	$1,100
Highest cost for a show cause proceeding during Fiscal year	$1,444	$1,500	$1,575

EXTERNAL/INTERNAL ASSESSMENT:

Kansas Regulatory Environment:

The KCC continues to adopt new procedures and practices as the public utility industries change and evolve. Both federal and state efforts to introduce or further promote changes in various aspects of utility services create changes in the way the Utilities Division performs its duties and/or affects the costs for utilities to provide services. Consequently, the Division must monitor and respond to changes, as well as evaluate what regulatory actions are appropriate and necessary. To accomplish this, the Division actively participates in the Kansas legislative process and in regional and national forums where Kansas' interests are at stake. Current and future broad areas of high priority are: (1) the Kansas legislative process; (2) participating in electric transmission, resource adequacy and integrated market issues addressed through the Southwest Power Pool (SPP) planning and stakeholder processes; (3) monitoring and responding to Federal Energy Regulatory Commission (FERC) and Federal Communications Commission (FCC) initiatives; (4) monitoring any new Environmental Protection Agency (EPA) rules, and reviewing the major utility construction projects required to meet such rules; and (5) monitoring national and regional discussions on issues such as renewable energy, energy storage, production tax credits, early

retirement of fossil fuel generating units, distributed generation, demand-side management, cybersecurity, grid resiliency and distribution automation, and alternative ratemaking issues.

Electric, Natural Gas, and Water Issues:

The KCC continues to see significant rate case activity and formula rate applications by the largest investor-owned utilities. For natural gas utilities, these rate cases are driven primarily by a continuing emphasis on accelerating the replacement of aging natural gas distribution infrastructure across the country. With electric utilities having already completed many large-scale generation environmental retrofits, utilities are now focusing on hardening and replacing the aging transmission and distribution system in the state, as well as responding to the growing needs for additional generating capacity to serve load growth and new economic development. Additionally, electric utilities are continuing to evaluate the early retirement of existing fossil fuel-fired generation for environmental and economic reasons. Any early retirement of these generating units coupled with replacement of these units with renewable energy generation, alternative dispatchable energy, or natural gas-fired generation will require the Commission to process predetermination proceedings and rate cases to review the prudence and reasonableness of the new investments and to address the rate treatment of stranded asset costs created by these requirements. In the 2021 legislative session, a securitization bill (Senate Sub. for HB 2072) was passed that will enable early retirements of generation assets to be securitized with lower-cost bonds, which will lower costs of the energy transition for ratepayers. These trends are expected to continue for the foreseeable future. The KCC also typically has several rate cases filed by electric cooperatives (transmission formula rates), water companies, and KUSF audits.

Another pressing issue is the development of residential, commercial, and industrial distributed generation. The number of residential customers adding distributed generation has increased in the past several years. In addition, the low subsidized price of large-scale renewable energy has created demand for special programs to make cheap, renewable energy available to commercial and industrial firms. The KCC has worked with utilities to develop programs that benefit commercial and industrial customers without adding additional cost burdens to residential customers.

A potential issue is the introduction of data centers and other large load customers in Kansas. Evergy has filed an application, in Docket No. 25-EKME-315-TAR, requesting approval of Large Load Power Service Rate Plan and the associated tariffs. A benefit of new large load customers is that there will be more energy demand to spread fixed costs over. However, there are also concerns about the need for and the cost of increased infrastructure upgrades and additional generation capacity, as well as the potential for stranded assets. Staff are working to understand how best to serve large load customers while also protecting existing customers from the potential burden of subsidizing large load customers.

The KCC is continuing to address various aspects of demand-side management programs of natural gas and electric utilities. The Utilities Division will continue to evaluate utilities' current and future energy efficiency and demand response programs, as well as the related cost recovery mechanisms to ensure that such proposals are in the public interest. Demand response programs in particular are receiving a closer review after the winter weather event of February 2021 given the increasingly slim reserve margins of electric utilities due to load growth and economic development.

FERC and SPP Related Activities:

Because of past FERC initiatives to encourage formation of Regional Transmission Organizations (RTOs), the SPP filed for and obtained FERC certification as an RTO in 2004. As part of this initiative, a Regional State Committee (RSC) was formed to provide regulators of SPP utilities with a role in determining resource adequacy, regional planning (including whether transmission upgrades for remote resources will be included in the regional planning process), transmission access pricing, and cost allocation of transmission services. The KCC participates in the RSC's quarterly meetings. In addition, the KCC is actively involved in the RSC's Cost Allocation Working Group, the Regional Tariff Working Group, the Market Working Group, the Markets and Operations Policy Committee, the Regional Allocation Review Task Force, and monitoring other groups and committees by participating in discussions and policy initiatives. In 2022, SPP and its stakeholders examined both resource adequacy and availability throughout the SPP region in response to Winter Storm Uri and Winter Storm Elliot, resulting in changes to SPP's Planning Reserve Margin (PRM). Following the SPP stakeholder process and FERC approval, SPP adopted a PRM of 15% in 2023 to deal with SPP's shrinking capacity reserve margin. At their August 5-6, 2024 meetings, the SPP approved increases to the PRM. The new minimum requirements for PRM are 36% during the winter season and 16% during the summer season, effective beginning summer of 2026 and winter 2026/2027. These requests are currently pending at FERC. During the May 5-6, 2025, meetings, the SPP approved a longer term PRM requirement for the summer of 2029, and winter 2029/2030. The 2029 Summer PRM requirement will now be 17%, with the 29/30 PRM requirement being 38%. SPP will file these requests at FERC soon.

In addition to supporting the SPP stakeholder processes, the KCC may also intervene directly and participate in FERC proceedings that involve SPP operations to issue the Commission's supporting or opposing viewpoints to various SPP proposals that impact Kansas ratepayers. During 2024 and 2025, Staff participated in the following list of FERC Dockets directly related to SPP's operations.

FERC Order No. 2222 – Docket No. ER22-1697

The KCC participated in the SPP stakeholder process to address and comply with FERC Order No. 2222 (Order 2222): Market Participation for Distributed Energy Resources. FERC Order 2222 allows distributed energy resources to more easily join and participate in the wholesale energy markets to sell energy directly into the RTO and ISO marketplaces. On April 28, 2022, SPP issued its initial compliance filing with Order 2222 in Docket No. ER22-1697. In response, FERC requested additional supporting documentation to help evaluate SPP's filing. On March 1, 2024, FERC issued an Order accepting the April 2022 filing; however, FERC determined SPP's compliance filing only partially complied with Order 2222. FERC requested that SPP issue an additional compliance filing to be

submitted by April 30, 2024. In the Order, the Commission directed SPP to file a proposed effective date in the third quarter of 2025. On December 13, 2024, SPP filed its Second Compliance filing with FERC Order 2222, which included a multi-nodal framework for Distributed Energy Resource (DER) aggregation, over the originally filed single-nodal DER framework.

Protests and comments in response were filed on January 3, 2025, and January 13, 2025. SPP filed an Answer on January 21, 2025. Responses were filed February 11, 2025, and February 24, 2025.

On February 28, 2024, Evergy and Oklahoma Gas & Electric Company filed a Motion for Leave to Comment and Supplemental Comments. The Joint-Commenter's supplemental response focused on the Mid-Continent Independent System Operator (MISO)'s Order[2], which showed that MISO's analysis did not support the feasibility of a multi-nodal approach for DER aggregation. the Joint Commenters urged the Commission to reject the multi-nodal proposal in the Second Compliance Filing. Although SPP has flexibility in its methodology, SPP must still assess reliability impacts and technical feasibility in a reasonable manner. SPP's proposal must reasonably proceed from those results. The Joint Commenters' concerns stem not from the fact that SPP took an alternative approach to analyzing congestion, but because SPP has reached a different outcome despite having identified similar concerns as MISO. That is, MISO ruled out the feasibility of a multi-nodal approach following its analysis, while SPP proposed a multi-nodal approach despite observing comparable congestion issues. In light of the MISO Order, the Commission should instead allow SPP to comply with Order No. 2222's directive with a single-nodal model, as SPP originally proposed.

The KCC continues to monitor the docket activity and awaiting FERC's ruling on SPP's compliance filing with Order 2222.

Docket Nos. ER22-1846 & ER24-1583

Though not formally consolidated, these proceedings both involve SPP's proposed waiver to allow the costs of certain Byway Facilities to be allocated on a region-wide basis. SPP's original proposal in Docket No. ER22-1846 (ER22-1846 Docket) has a history wherein FERC approved the proposal but subsequently reversed its decision and rejected the proposal. With FERC's decision in the ER22-1846 Docket on appeal to the DC Circuit, SPP developed a revised proposal that it submitted in Docket No. ER24-1583 (ER24-1583 Docket) on March 20, 2024. The KCC intervened in the ER24-1583 Docket on April 10, 2024, and submitted pleadings in support of SPP's proposed waiver process. FERC approved SPP's revised proposal on May 31, 2024. It denied rehearing by law on August 1, 2024. Parties that ultimately prevailed in the ER22-1846 Docket appealed FERC's ruling in Docket No. ER24-1583 to the DC Circuit. All

[2] See Midcontinent Indep. Sys. Operator, Inc., 190 FERC ¶ 61,031 (2025).

appeals to both dockets have been consolidated.[3] On its own motion, the DC Circuit held these appeals in abeyance in a December 25, 2024, order in light of the pendency of the related appeals in Case Nos. 24-1270, et al. The KCC is a party to the consolidated proceeding.

Docket Nos. ER24-1317 and EL24-96

Though not formally consolidated, these proceedings address the accreditation methodologies SPP uses to value the resources that load-serving entities rely on to meet their resource adequacy obligations. On February 23. 2024, SPP submitted a proposal to FERC to: (1) measure the effective load carrying capacity (ELCC) of wind and solar resources in the footprint; and (2) implement a performance-based accreditation methodology for thermal and conventional resources in Docket ER24-1317. SPP requested an effective date of October 1, 2025, so that the new methodologies could be implemented by the summer of 2026. The KCC intervened and sponsored comments in support of SPP's proposal. The Sierra Club and the Natural Resources Defense Council protested SPP's proposal on the grounds that it discriminates in favor of conventional thermal generation resources and fails to appropriately value the capacity contributions of renewable resources.

On March 29, 2024, the Sierra Club and National Defense Council submitted a Section 206 complaint in Docket No. EL24-96 that essentially makes the same arguments because their complaints in the above proceeding exceeded the scope of SPP's proposal. The KCC intervened in the complaint proceeding on April 9, 2024, given the overlap with the proceedings.

SPP submitted the required filing and tariff revisions on June 21, 2024. SPP proposed revising Attachment AA, section 4.0 (Planning Reserve Margin) of its Tariff to provide a non-exhaustive list of factors considered in the LOLE study and a sentence stating that SPP will use the LOLE study to recommend a PRM value and implementation timeline to the RSC and the SPP Board. SPP also proposed Tariff changes outlining a process and timeline for implementing PRM changes.

FERC issued an order on SPP's compliance filing on October 17, 2024. FERC found that SPP's proposed Tariff revisions complied with the compliance directives and accepted them, effective April 10, 2024.

Docket No. ER24-1583

SPP's March 20, 2024, filing for approval of tariff revisions to allow the costs of certain Byway Facilities to be allocated on a region-wide basis. This is a re-formulated proposal for obtaining the same substantive relief that FERC previously rejected (flip/flop) in ER22-1846, which is on appeal before the DC Circuit n Case Nos. 23-1264, et al.

The KCC filed a doc-less notice of intervention on April 10, 2024. On that same day, the KCC joined Sunflower and KEPCo in submitting comments in support of SPP's proposed revisions.

In a May 31, 2024, order, FERC approved SPP's proposal to be effective June 1, 2024.

[3] *See* DC Circuit Case Nos. 23-1264, *et al*.

There was a request for rehearing made by TOs and municipal utilities, and Louisiana PSC, made July 1, 2024. FERC denied rehearing August 1, 2024. Opposition filed various PFRs. See Case Nos. 24-1270, et al. and FERC eventually upheld its decision in an order issued November 21, 2024. The cases are currently being briefed.

Docket Nos. ER24-1317 & ER24-2953 (Consolidated): SPP Resource Adequacy Initiatives
SPP's February 23, 2024, filing in ER24-1317 for approval of tariff revisions to adopt the ELCC accreditation methodology for wind, solar, and electric storage resources, and a performance-based methodology to accredit conventional resources, and (ii) September 3, 2024, filing in ER24-2953 for approval of a Fuel Assurance mechanism for the performance-based methodology. These proceedings are related to the Section 206 complaint in EL24-96 discussed below.

The KCC filed comments in ER24-1317 in support of SPP's proposal on April 9, 2024.

On January 16, 2025, FERC issued an Order conditionally accepting SPP's proposals to establish the ELCC accreditation methodology for intermittent and storage resources, the PBA methodology for conventional resources, and fuel assurance proposal. FERC's conditional acceptance goes into effect October 1, 2025. FERC has established paper hearing procedures to provide an opportunity for parties to address the combined impact of the proposals in the now-consolidated dockets. Initial briefs came in Tuesday, Feb 18, 2025, and reply to briefs Monday, March 10, 2025.
The KCC is awaiting FERC's Order.

Docket No. ER25-2296
On May 22, 2025, May 22, 2025, SPP filed for approval of its "ERAS" process to facilitate expedited development of generation capacity advance of a shortfall expected in 2030. The KCC filed a petition to intervene and comments in support of SPP's proposal. SPP has requested an effective date of July 22, 2025.

Other Notable Filings:

Docket No. ER24-2397
On June 28, 2024, SPP filed to request a tariff amendment to extend SPP's Summer Season Resource Adequacy Requirement to the Winter Season, replacing the existing Winter Season Obligation with a Winter Season Resource Adequacy Requirement and associated deficiency payment for LREs that do not meet the requirement. Winter Season Resource Adequacy Requirement would begin with the 2025/2026 Winter Season and carry a PRM of 15% (set to mirror summer PRM – has since moved upward in subsequent PRM setting measures).

On December 4, 2024, Market Monitoring Unit filed request for rehearing, arguing the definition of forced outage (referenced within the definition of "authorized outage") should have been in the tariff and SPP provided insufficient detail re outage scheduling procedures & therefore the filing violated the "rule of reason."

FERC denied by operation of law on January 6, 2025. On March 20, 2025, FERC issued a substantive order rejecting the request. FERC stated that even though the definition of "forced outage" wasn't in the tariff, the omission did not make the definition of "authorized outage" so ambiguous that it is not just and reasonable. FERC argued that the definition of Authorized Outages only encompasses those outages that have received authorization from SPP, and the Balancing Authority does not authorize forced outages. Furthermore, the SPP Balancing Authority does not study forced outages, derates, or extensions for the purpose of authorization or approval of the submitted outage.

FERC rejected the MMU arguments that SPP provided insufficient detail regarding the outage scheduling procedures in its Tariff to satisfy the "Rule of Reason[4]"

Arguments regarding how SPP will study outages and whether the tariff contains sufficient detail are beyond the scope of the proceeding because nothing in SPP's filing modified or was intended to modify how SPP studies outage requests. Finally, SPP's proposed Tariff language does not need to include the outage study procedures, which exist to provide additional details and transparency about SPP's operations. SPP continues to believe stakeholder input is valuable in the outage study procedures and discuss future changes in the tariff going forward.

Docket No. ER25-89: Winter PRM/Summer PRM revision

SPP is requesting to raise from 15% to 16% for summer and from 15% to 36% in the winter seasons, effective October 1, 2025. Comments have been filed by Arkansas Electric Power Cooperative (supported by East TX Electric Cooperative), Eolian, L.P (CA renewable energy investment co) and the MMU on November 1, 2024. SPP filed a response to commentors on November 18, 2024. No action from FERC yet.

FERC Order No. 898
The order revises the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts (USofA) to include specific accounting treatments for renewable energy and storage technologies. This is aimed at addressing the rapid technological advancements and changes in the energy resource mix in the U.S.

[4] The rule of reason states that, due to the "infinitude of practices affecting rates and services … only those practices that affect rates and services significantly, that are realistically susceptible of specification, and that are not so generally understood in any contractual arrangement as to render recitation superfluous" must be in tariffs.

FERC Order 898 establishes new accounts for renewable energy credits (now termed Environmental Credits) and introduces functional details for accounting related to solar, wind, and other renewable energy sources. This includes creating subfunctions such as Solar Production, Wind Production, and Other Renewable Production.

FERC Order 898 became effective on January 1, 2025, allowing utilities to prepare for new reporting requirements. Staff addressed these changes in its June 6, 2025, testimony in the Evergy Central rate case filing in Docket No. 25-EKCE-294-RTS.

Utilities Division – Audit Activities

The Utilities Division remains active in the review of Transmission Formula Rate filings at FERC to examine Kansas utilities transmission investment in facilities that are paid for by Kansas ratepayers. Over the past decade, the SPP region has invested billions of dollars in transmission projects that flow through the Transmission Formula Rates of regional utilities. Most of this transmission investment has been from projects approved through SPP's transmission planning processes. SPP is currently conducting its Triennial Integrated Transmission Planning Assessment (ITP) in 2024 with minor modifications in its underlying assumptions discussed in its 2024 ITP Scope document. SPP has provided a target date for the completed Assessment Report by October of 2024.

At the beginning of the SPP Integrated Marketplace (IM) in March of 2014, the KCC implemented a monthly review process to monitor the marketplace activity of the three largest vertically integrated electric utilities in the state of Kansas. Evergy Kansas Metro, Evergy Kansas Central, and Empire District submit monthly activity reports to the KCC's Utilities Division that track each company's operations in the SPP IM. The KCC examines the companies' hedging activities within the market and receives reports on individual financial transactions made on behalf of Kansas ratepayers. Additionally, the KCC is actively involved in monthly meetings with SPP's Market Working Group, which is responsible for the development and coordination of the changes necessary to support any SPP-administered wholesale markets for energy, congestion management, and market monitoring, and the Regional Tariff Working Group, which is responsible for development, recommendation, overall implementation and oversight of SPP's Open Access Transmission Tariff.

As a result of FERC Order No. 1000 (Order 1000), SPP implemented a competitive bidding process to determine the company that will build certain transmission projects. This has resulted in several entities within SPP, including Kansas utilities, forming new competitive transmission-only companies whose sole focus is to compete for the right to build transmission projects. These new entities filed requests at FERC for Transmission Formula Rates (TFRs) that offer the flexibility to submit bids that deviate from the actual cost of constructing and maintaining these transmission assets. Generally, Order 1000 sought to promote more efficient or cost-effective transmission development by opening opportunities for non-incumbent transmission developers to propose and develop regional transmission facilities through a competitive process. The competitive-bidding process was meant to drive investment in cost-effective regional and interregional transmission projects. The list of regionally developed projects has been limited. The most recent project being awarded to Transource Oklahoma, LLC to build the Mathewson to Redbud transmission project for the 38.4-mile line from the

Mathewson substation to the Redbud substation in Oklahoma with an estimated cost to construct of $72 million. The line is expected to be completed in 2027.

In recent years, FERC Commissioners have begun to recognize publicly that the Order 1000 process is not working as intended and the solutions to overcome existing obstacles that limit the development of competitive transmission projects are challenging given the general complexity of the Order 1000 process. RTOs and Independent System Operators (ISOs) have developed a wide range of project eligibility requirements, regional planning criteria, and time-based project restrictions set forth by the regional stakeholders, which precludes the development of the vast majority of transmission from the competitive-bidding process. Transmission studies from industry groups, such as the Brattle Group, continue to illustrate the cost-saving benefits of competitive transmission development. These groups have called on federal and state policymakers to re-examine Order 1000 or expand the scope of competitive transmission development by removing restrictive regional planning criteria and/or expanding the project eligibility requirements.

Each year, the KCC participates in a small number of ratemaking dockets that are initiated by FERC and/or as part of other FERC Dockets, such as a Notice of Proposed Rulemaking or a Notice of Inquiry (NOI). The KCC remains active in the following FERC Dockets for Proposed Public Rulemaking; however, Staff did not perform any substantial activities in this area in the 2024/2025 fiscal year.

Docket Nos. ER24-3107, ER24-3108, ER24-3114, and ER24-3115
Evergy filed four dockets to implement depreciation rates that align with the depreciation rates determined in KCC Docket 23-EKCE-775-RTS and the rates identified in the most recent depreciation study of Evergy's utility plant asset.

This filing also makes changes to clean up EKC's transmission formula rate (both in its own OATT and in the SPP Tariff), as well as portions of the GFR and the McPherson contract.

The KCC filed a doc-less notice of intervention on October 16, 2024, in each of the four dockets.

KMEA, KPP, and KEPCo filed a joint protest on October 28, 2024, alleging that the depreciation study filed with the KCC (and accompanying testimony) does not adequately explain why or how Evergy's proposed rates are justified for inclusion in transmission and wholesale rates. The Protest states that FERC is not bound by state commission decisions and further, the rates were a part of a black box settlement agreement not specifically reviewed by the KCC. Evergy's stance is that there is no need to file a new wholesale depreciation study in lieu of the retail depreciation study, and the assumptions in the study are reasonable and sufficient for the Commission to decide on this filing.

On November 29, 2024, FERC issued an Order accepting Evergy's revisions to become effective December 1, 2024, subject to refund.

On December 23, KEPCo, et al requested rehearing on FERC's November 29th Order. FERC denied the petition on January 23, 2025.

On May 30, 2025, KEPCo, KPP, KMEA, and Trial Staff presented a proposed settlement offer. Evergy's response is due June 18, and a settlement conference is scheduled for June 26 and 27.

FERC Gas Activities:

The gas service provided by KCC-regulated utilities is also affected by FERC actions. While the cost of gas at the wellhead has been deregulated, the cost of transporting natural gas from the wellhead to local distribution companies, municipalities, and large industrial customers remains jurisdictional to the FERC. Because the cost of transporting gas is typically a pass-through for local distribution companies, the KCC closely monitors these costs at FERC.

The KCC's primary involvement in natural gas activities at the FERC is in pipeline rate dockets. These dockets directly affect the gas transportation costs of the local utilities within the KCC's Kansas jurisdiction, as well as municipalities and industrial users throughout the state. The KCC also monitors and intervenes in interstate pipeline gas storage dockets that affect gas storage facilities located in Kansas.

In addition, the KCC intervenes in a variety of other filings by interstate gas transmission companies including annual fuel and lost and unaccounted for gas filings (FL&U), construction and abandonment filings, tariff change filings, gas quality specifications filings, as well as rulemaking and policy dockets that affect the cost of gas transportation.

In 2024, the KCC remained active in the annual fuel and Capital Cost Recovery Mechanism (CRM) surcharge filing submitted by Southern Star Central Gas Pipeline (Southern Star).

Docket No. RP-25-467

In compliance with the Order and Opinion approving the Settlement Agreement filed on May 25, 2022, Southern Star filed its second annual modernization surcharge rate (CRM) filing on January 31, 2025. Southern Star's filing included $55.3 million in capital investment that it completed and placed into service during 2024. Southern Star's filing was adjusted for certain issues and the final CRM Surcharge rates were based on the billing determinants for the maximum daily transport quantity (MDTQ) of usage for transportation rates and maximum daily withdrawal quantity (MDWQ) for storage rates, resulting in a surcharge of $0.0147 per MDTQ for the transportation production area, $0.0148 per MDTQ for the transportation market area, and $0.0108 per MDWQ for storage. The KCC continues to audit and participate in the Modernization project review process with Southern Star.

Pipeline Safety:

Pipeline safety regulations originate with the federal Natural Gas Pipeline Safety Act. This Act provides for regulation of intrastate natural gas pipelines and gas storage facilities by a state authority if the state obtains a certification from the USDOT to adopt and enforce applicable federal regulations. Upon certification, USDOT will provide up to 80% of the state's costs for its pipeline safety program. Under the jurisdiction provided by the Kansas legislature, the KCC has maintained this certification with the USDOT since the 1970s by adopting federal regulations into Kansas pipeline safety regulations and implementing a statewide pipeline safety inspection program. Beginning in CY2020, the Utilities Division incorporated inspection of the four intrastate natural gas storage operations into its pipeline safety program.

The KCC pipeline safety program provides regulatory oversight to 117 operators of natural gas pipelines, 13 gas gathering companies, and four gas storage fields in Kansas. Over 50% of Kansas operators are small companies or are distribution systems owned by a municipality. The KCC pipeline safety staff has a very good rapport with Kansas pipeline operators and, for the smaller operator, serves a role as an educator, as well as providing regulatory oversight. The Pipeline Safety Section is currently fully staffed with six full time pipeline safety inspectors but, because of employee attrition over the last few years, only two inspectors have more than five years of regulatory experience. Using the approach of on-the-job training coupled with more formal training offered by PHMSA, the pipeline safety program is able to provide quality inspections with less experienced staff. Because pipeline operations are located throughout Kansas, field inspections require extensive travel using state issued vehicles.

Telecommunications Issues:

The Division completed the initial round of cost-based audits of the incumbent rate-of-return providers to determine eligibility for support from the KUSF. Subsequent audits are performed for incumbent rate-of-return carriers when, based on its annual eligible telecommunications carrier certification analyses, the Division believes a carrier is over earning and recommends its KUSF support be reviewed to determine whether it is appropriate and cost-based. Incumbent rate-of-return carrier audits also occur when a carrier files a request for additional KUSF support.

The KCC continues to implement the FCC's reform of the Federal Universal Service Fund (FUSF) and Intercarrier Compensation (ICC). The Division continues to monitor the FCC's reforms related to broadband, mobility funding, the Lifeline program, telephone relay service, competition and universal service issues.

Since the enactment of Senate Bill 449, the Video Competition Act found in K.S.A 2010 Supp. 12-2021 through 12-2026, during the 2006 Legislative session, the KCC has issued statewide franchises for video/cable service. SB 449 created statewide franchising for cable operators and other video service providers other than those using wireless technology.

On January 30, 2020, the FCC adopted the Rural Digital Opportunity Fund (RDOF) Report and Order, which establishes the framework for the funding to continue the build-out of voice and broadband services in census blocks in which the price cap carrier did not accept an earlier form of support and was not the winning bidder for RDOF, Phase I support. AT&T Kansas, CenturyLink, and FairPoint did not submit bids and/or were not the winning bidders in the census blocks that qualified for the RDOF auction. The RDOF auction budget is $20.4 billion for a ten-year period to support areas that lack both voice and broadband services of 25 Megabits per second down (Mbps) and 3 Mbps up (25/3). The RDOF program also funds an increase in the minimum, supported broadband service speed from 10/1 Mbps to 25/3 Mbps in areas where no unsubsidized company provides 25/3 Mbps broadband service, prioritizing faster broadband speeds of up to one Gigabit per second (Gbps). The Phase I auction opened October 29, 2020, and ended on November 25, 2020. On December 7, 2020, the FCC announced the Auction 904 winners, awarding $9.23 billion to 180 companies for a ten-year period to deploy service to 5,295,771 locations in 61,766 census blocks in 49 states and one territory. Eleven companies were awarded a total of $62.1 million to deploy service to 46,827 Kansas locations. The Commission granted Eligible Telecommunications Carrier designation to ten companies, allowing them to be eligible to receive, in total, $58.9 million of RDOF support. One company withdrew its application before the Commission since the Company filed an extension waiver with the FCC that was denied. The FCC determined that once an RDOF recipient is authorized to receive support, it must begin to offer and provision voice services to customers within its awarded census blocks and the price cap carrier is relieved of its the federal high-cost ETC obligation to offer voice telephony on the first day of the month after a new Rural Digital Opportunity Fund support recipient is authorized to receive support. As of December 2022, the ten companies awarded RDOF support have started to receive that support.

RDOF Phase II support will cover locations in census blocks that are partially served, as well as locations not funded in Phase I. The Rural Digital Opportunity Fund will ensure that networks stand the test of time by prioritizing higher network speeds and lower latency, so that those benefiting from these networks will be able to use tomorrow's Internet applications as well as today's.

On July 23, 2023, the FCC adopted the Enhanced Alternative Connect America Cost Model (A-CAM) for rate-of-return carriers currently receiving A-CAM support and those receiving legacy federal high-cost support. A carrier may voluntarily elect to receive Enhanced A-CAM to deploy 100/20 Mbps broadband service throughout its study area. The Enhanced A-CAM program furthers the goal of promoting the availability of voice and broadband networks, while taking measures to minimize the burden on the nation's ratepayers. The FCC adopted requirements for the Enhanced A-CAM program to complement existing federal, state, and local funding programs to ensure broadband funding is used efficiently to maximize the deployment of high-quality broadband service across the United States. The Enhanced A-CAM program extends the current A-CAM program an additional 10 years, for a total of 15 years, the term of support for electing carriers, and set a methodology for determining support amounts for locations without 100/20 Mbps broadband service. The potential budget will be no more than $1.27 billion annually, or no more than $1.33 billion annually if certain

conditions are met, using an updated version of the A-CAM. Each Enhanced A-CAM recipient will be required to deploy, by the end of 2028, 100/20 Mbps or faster broadband service, with a latency of 100 milliseconds or less, to all Enhanced A-CAM required locations in their service areas.

On January 11, 2024, due to a lack of additional funding from Congress, the FCC released an Order announcing steps to wind down the Affordable Connectivity Program (ACP). As requested by the Commission's delegation to the Wireline Competition Bureau in the ACP Order, the Bureau issued an order that lays out wind-down procedures for the ACP. The resulting impact on the KCC is increased Lifeline only ETC filings. Staff continue to monitor any action taken by the FCC and Congress.

The FCC's Net Neutrality Order adopted this year re-categorizing broadband internet access service as Title II telecommunications is on hold. The U.S. Court of Appeals for the Sixth Circuit has granted a long-term stay of the Order pending resolution of its appeal on merits. The Order was initially scheduled to take effect July 22, 2024, later pushed back two weeks to August 5th with the court granting a temporary stay. Now, the Order may not take effect for several months because oral arguments are currently scheduled for October 28 – November 1, 2024. Regardless of the Sixth Circuit outcome, the Order is expected to be appealed by the losing party to the Supreme Court. Staff will continue to monitor the situation and will evaluate impacts on Kansas if a decision to re-categorize broadband internet access service as Title II telecommunications.

ogy. Any change the FCC ultimately makes to the federal universal service contribution methodology will affect the KUSF because current statutes require the KUSF contribution methodology to be the same as the contribution methodology for the federal universal service fund.

The FCC has also been considering how it can transition from a Public Switched Telephone Network world to an Internet Protocol (IP)-based world. One of the primary issues being examined by the FCC is IP interconnection. All of these proceedings will potentially affect state regulatory authority and Kansas carriers. Staff will continue to monitor any action taken by the FCC and will evaluate impacts on Kansas.

In June 2025, the FCC issued a Further Notice of Proposed Rulemaking (FNPRM) to address new 911 capabilities. The FCC proposes rules that would help ensure that the emerging Next Generation 911 (NG911) networks are reliable and interoperable. NG911 is replacing legacy 911 technology across the country with Internet Protocol (IP)- based infrastructure that will support new 911 capabilities, including text, video, and data. For NG911 to be as effective as possible, the NG911 networks must ensure the reliability of critical components and support the interoperability needed to seamlessly transfer 911 calls and data from one network to another. This proposed rulemaking is opened to ensure that the transition to NG911 does not inadvertently create vulnerabilities in public safety networks. The rulemaking proposes to update the definition of ‘‘covered 911 service provider’’ used in existing 911 reliability rules to ensure that the rules apply to service providers that control or operate critical pathways and components in NG911 networks. It also proposes updating the reliability standards for providers of critical NG911 functions to ensure the reliable delivery of 911 traffic to NG911 delivery points. It also proposes to establish NG911 interoperability requirements for interstate transfer of 911 traffic between Emergency Services IP Networks (ESInets). In addition, the FNPRM proposes to modify the certification and oversight mechanisms in the current 911 reliability rules to improve reliability and interoperability in NG911 systems while minimizing burdens on service providers and proposes to empower state and local 911 Authorities to obtain reliability and interoperability certifications directly from covered 911 service providers. The transition to NG911 may impose additional costs on carriers to comply with new requirements. Staff will continue to monitor any action taken by the FCC and will evaluate impacts on Kansas.

EXPENDITURES JUSTIFICATION – Utilities Division

Account Code 100: Salaries and Wages

Summary: The Utilities Division has 39.5 authorized FTE positions of which 35.5 were filled as of June 30, 2026.

Two-permanent FTE positions continue to be funded by USDOT grant for conducting KUUDPA compliance investigations in the Kansas City and Wichita metropolitan areas. KUUDPA enforcement presence in these two population centers has shown a reduction in excavator damage to natural gas and telecommunications infrastructure. We continue to have difficulties filling technical and professional positions within the division.

Current Year FY 2027: $4,458,819 is requested.

Over the last several years it has become increasingly difficult for the Commission to attract quality applicants in the Utilities Division. The technical positions require advanced technical training and/or college degrees, and we receive fewer than five applicants for most job postings. Additionally, the division has had applicants reject job offers for employment due to higher starting salary offers elsewhere. Finally, we continue to struggle with the retention of our current technical and professional staff, as they move to the private sector for higher salaries. The Commission continues to review retention and recruitment options including salary comparison and flexible work arrangements.

Budget Year FY 2028: $4,669,181 is requested.

Account Codes 200 - 290: Contractual Services

Summary: Most contractual expenditures are committed to professional services and rent for floor space occupied by the Division.

Obligations include phone and mail services, computer software maintenance and service, travel and subsistence, rental vehicle expense, and ongoing education and training activities for professional staff. Given the dynamics of the various regulatory sectors, it is imperative that the

Division has the flexibility to obtain specialized consultants as needs arise, and that there are sufficient travel and training resources. Funding for consultant services makes it possible for staff to effectively meet legal deadlines and protect stakeholder interests that may be affected by federal courts or agencies. Travel and training are critical to participating in various proceedings and activities, and to maintain necessary skills and knowledge.

Consultant expenditures are incurred when internal resources are insufficient. The main drivers are workload volume, staff turnover, and complex issues requiring specialized knowledge. Expenditures fluctuate year by year, depending on the number of cases that are initiated and the nature of the issues presented. The KCC frequently needs consultants well versed in environmental issues, cost analyses, depreciation studies, rate-based and rate-of-return comparisons, field audits, rate structures, cost-of-service, capital structure, cost allocation manuals, revenue requirements, affiliate transactions, and other subjects. Although the budget for consultants is contained in the account code for "accountants and auditors," other expertise is also needed

Current Year FY 2027: $2,382,619 is requested.

Budget Year FY 2028: $3,653,053 is requested.

Account Code 300 - 390: Commodities

Summary: The major portion of this request is allocated to motor vehicle fuel and vehicle parts. The Pipeline Safety staff has eight permanently assigned KCC vehicles for inspections and emergencies. Other costs are for routine operating necessities, such as office and computer-related supplies; steel-toed boots for the Pipeline Safety Inspectors; building maintenance materials; professional materials, and supplies and services.

While these expenses are minimal, they are necessary to maintain effective operation of the division.

NOTE: The In-service Workshop Revolving Fund was established for in-service workshops and conferences conducted by the Commission. The

Commission has authorization to fix, charge, and collect fees for such in-service workshops and conferences. Registration fees are assessed to recover the costs of conducting workshops and conferences. This fund is used for the annual Pipeline Safety Conference.

Current Year FY 2027: $36,162 is requested.

Budget Year FY 2028: $36,162 is requested.

Account Code 400: Capital Outlay

Summary: Most items purchased from this category are IT replacements and upgrades based on the KCC IT plan. Vehicle replacements that have reached the mileage threshold are included within this category. In addition to meeting the mileage threshold, the KCC reviews the usage of vehicles and cost of repairs on vehicles before targeting a vehicle replacement. As a matter of safety for employees and the public, the agency believes it is imperative to replace the vehicles timely meeting the replacement criteria. The Pipeline Safety Section has eight vehicles for use in their daily operations.

Field staff travel across the state to regulate and inspect natural gas utilities and gas pipelines. Staff are called out on emergencies and provide follow-up investigations after accidents occur.

ROGRAM	TAG#	LAST NAME	DEPART	TYPE	YEAR	THRESH	END ODO	ANN. MILES	MON. MILE AVG	2025 TOTAL EXPENSES (Maint, Repair, Fuel)	PRIOR YEAR LIFE OF VEHICLE EXPENSES REPAIRS	V EX
UTILITIES	18241	TBR - Surplus	SDP	SUV	2018	150,000	172,597	15,136	1,261	2,496.72	1,975.99	
UTILITIES	14199	SPARE	PIPELINE	CAR	2010	150,000	151,176	6,910	864	984.63	4,014.02	
UTILITIES	17518	TBR - Surplus	PIPELINE	TRUCK	2017	150,000	150,829	11,792	983	2,099.74	8,212.67	
UTILITIES	18242	WILLIAMS	SDP	SUV	2018	150,000	107,731	16,212	1,351	3,398.99	4,184.41	
UTILITIES	23741	MCCURRY	PIPELINE	SUV	2019	150,000	104,577	18,397	1,533	9,028.63	1,090.36	
UTILITIES	17494	RAK	PIPELINE	SUV	2017	150,000	103,683	8,639	720	3,709.16	2,188.20	
UTILITIES	16685	SPARE	PIPELINE	CAR	2015	150,000	102,430	2,498	312	412.94	2,001.29	
UTILITIES	23740	SCHUMACHER	PIPELINE	SUV	2019	150,000	68,965	11,549	962	2,280.15	1,602.17	

UTILITIES	27375	POWERS	PIPELINE	SUV	2024	150,000	18,809	18,809	1,567	2,040.48	-	
UTILITIES	27656	BOLINDER	PIPELINE	TRUCK	2025	150,000	4,129	4,129	1,376	537.60	-	
UTILITIES	27655	HERTLEIN	PIPELINE	TRUCK	2025	150,000	4,025	4,025	1,342	517.40	-	

TBR = To Be Retired

Current Year FY 2027: $86,877 is requested. One vehicle will be replaced due to mileage.

Allocated Budget Year FY 2028: $86,877 is requested. One vehicle will be replaced due to mileage

Account Code 700: Non Expense

Summary: The KCC has indirect expenses related to the federal Gas Pipeline Safety grant and the State Damage Prevention grant. The indirect funds are transferred to the 2019 Public Service Regulation fund where Administrative Services staff expenses are incurred.

Current Year FY 2027: The estimated indirect amount is budgeted at $100,000.

Allocated Budget Year FY 2028: The estimated indirect amount is budgeted at $100,000.

ENERGY DIVISION

PROGRAM GOAL:

The Energy Division is funded through U.S. Department of Energy (DOE) State Energy Program (SEP) funds and various other grants and the program goals are designed to meet the requirements/criteria of the various grants it is responsible for administering. This complies with K.S.A. 74-616 and 74-617. The Energy Division is a non-regulatory division within the Commission. The annual SEP grant is a three-year application grant with annual renewals. The Energy Division continues to identify opportunities to encourage energy conservation, while fostering business development and efficient delivery of public services, particularly in rural Kansas. To date, the Energy Division has not yet received approval on funding under its SEP annual grant from DOE for this fiscal year 2027. The Energy Division received the application documents for this fiscal year annual SEP grant in August 2026 and the Energy Division has filed its application, including the annual budget and project descriptions, but has not yet received DOE approval of its projects. The Energy Division expects full approval later this fiscal year.

It remains the Energy Division's goal to encourage energy conservation in small rural businesses and public buildings through both education and direct services and further expand K-12 educational outreach efforts. These efforts are to be achieved through a partnership with Kansas State University – Engineering Extension staff. DOE requires quarterly reports on the predetermined milestones and metrics as outlined in the SEP application. The Energy Division focuses on meeting all milestones and metrics agreed to by the parties. Energy Division funds will continue to increase over the next several years with funding from the Infrastructure Investment and Jobs Act (IIJA). This will require the establishment of several new programs that will primarily be "pass-through" grants with sub-awardees, with the program goals designed to meet the various requirements. This includes: Grid Resilience (40101(d)), Energy Efficiency Conservation Block Grant (EECBG), Energy Efficiency Revolving Loan Fund (EERLF), the Energy Efficiency Contractor Training Grant (Training for Residential Energy Contractors (TREC)) and State Energy Program-IIJA (one-time supplement to the annual SEP). The funding on several of these grants will extend multiple years with some started in FY24 and some started in FY25. The Energy Division will also receive additional federal funds from the Inflation Reduction Act (IRA) with two rebate programs. These rebate programs are focused

on residential energy efficiency related rebates. Pre-award administration funds were received starting in FY24 through FY26 and will continue until expended. Funds for the actual rebate awards to residential entities will start after final approval of the KCC's application, expected in FY27 to continue through FY31. Funding for many of these programs were placed on hold by DOE for several months during FY 2026 and some programs are still on hold into FY 2027.

NOTE: K.S.A. 75-37,128 requires the secretary of administration to adopt rules and regulations for state agencies to conduct energy audits at least every five years on all state-owned property. The 2018 Legislature amended this statute to allow the secretary of administration to waive this requirement if not economically feasible. K.S.A. 75-1259 authorizes the secretary of administration to determine the appropriate energy conservation standards for capital improvement projects or major repairs or improvements to buildings for the use or benefit of state agencies. Additionally, K.S.A. 66-1227 specifically prohibits the KCC from adopting or enforcing energy efficiency standards for residential, commercial or industrial structures.

OBJECTIVE #1:

Conduct the Facility Conservation Improvement Program (FCIP) pursuant to K.S.A. 75-37,125 and encourage public entities to increase energy efficiency of their buildings. This program is part of the annual SEP federal grant and promotes guaranteed energy performance contracting. Total funding of the annual SEP federal grant will equal $817,709.74, when KCC's application for funding for FY 2027 is approved by DOE.

Strategies for Objective #1:

- Maintain a pre-approved Energy Service Companies (ESCO) list that would allow public entities to enter into an initial energy audit and allow them to expedite the procurement process
- Provide assistance to local governmental entities that obtain services from energy service companies through the state FCIP contract
- Increase awareness about the FCIP program via presentations, the KCC website, and distribution of written material

Performance Measures for Objective #1:

PERFORMANCE MEASURES

	Actuals FY 2026	Current Year FY 2027	Allocated FY 2028
Number of FCIP presentations	1	4	6
Public entities supported through energy performance contracting process	4	2	3

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OBJECTIVE #2:

Encourage improved energy conservation among small rural businesses.

Strategies for Objective #2:

- Secure federal funding for the small rural business energy conservation program via the SEP annual grant from the U.S. Department of Energy.

- Increase the number of small rural business programs through a purchase of services agreement with Kansas State University-Engineering Extension.

Performance Measures for Objective #2:

PERFORMANCE MEASURES

Measure	Actuals FY 2026	Current Year FY 2027	Allocated FY 2028
Potential energy savings identified kWh	209,487	204,000	204,000

PERFORMANCE MEASURES

Measure	Actuals FY 2025	Current Year FY 2026	Allocated FY 2027
Number of energy assessment audits for rural businesses performed	3	6	6
Percent of small businesses applying for the USDA REAP grant	88%[1]	30%	30%

[1]The USDA has temporarily suspended taking REAP applications for energy efficiency audits. However, it is anticipated that work will resume in FY2027 when the suspension is lifted.

OBJECTIVE #3:

Provide information and encourage more efficient use of energy resources.

Strategies for Objective #3:

- Maintain both a physical and online energy conservation resource library of books, fact sheets, videos, training materials and equipment for energy conservation education.
- Participate in and present energy conservation information at public events to promote FCIP and small business energy programs and generally promote residential and commercial energy conservation improvement activities.
- These measures are funded by the DOE's annual SEP program

PERFORMANCE MEASURES

Measure	Actuals FY 2026	Current Year FY 2027	Projected FY 2028
Participate in and present energy efficiency information at public events to promote energy efficiency/conservation, the small rural business audit program and FCIP.	43	43	40
Number of people contacted via webinar, direct mail, or other marketing/outreach efforts	4,420	4,344	4,040

Measure	Actuals FY 2026	Current Year FY 2027	Projected FY 2028
Develop energy fact sheets and information about energy conservation/efficiency for schools, residences, and small businesses	17	5	5

Objective #4

Oversee the Grid Resilience 40101(d) grant, by issuing solicitation for proposals and selecting appropriate grid resiliency projects from eligible entities. The program will be administered pursuant to US DOE guidance and requirements.

PERFORMANCE MEASURES

Measure	Actuals FY 2026[1]	Current Year FY 2027	Projected FY 2028
Issue notice of solicitation for sub-awardees	0	1	0
Number of projects selected and submitted to DOE for funding	0	20	0

[1]This is an IIJA grant and the award for Kansas was made in July 2023 (FY24) with a two-year grant allocation in the amount of $13,313,126 that required a state match of $1,996,969. These funds will be expended over a period of five years, based on selected and approved projects. In July 2024 (FY25), Kansas was awarded an additional grant allocation of $6,489,249 that requires a state match of $973,386.90. The DOE's project officer has stated that DOE has delayed the award for FY26 but that the award for FY26

and FY27 will be made sometime during FY27, which should total approximately $13,000,000 with a state cost match equal to $1,950,000. These funds will pass through to utilities for grid resiliency projects that meet DOE criteria.

OBJECTIVE #5:

Administer the Energy Efficiency Conservation Block Grant pursuant to US DOE guidance and requirements.

PERFORMANCE MEASURES*

Measure	Actuals FY 2026[1]	Current Year FY 2027	Projected FY 2028
Issue notice of solicitation for sub-awardees (Municipalities)	0	0	0
Number of sub-awards approved.	0	0	0

[1]These are one-time funds through the IIJA and the award for Kansas was made in February 2024 (FY 2024) in the amount of $1,914,100. These funds have been sub-awarded to 19 cities in Kansas. This grant will be completed during FY27.

OBJECTIVE #6:

Administer the Energy Efficiency Revolving Loan Fund (EERLF) to promote energy efficiency improvements with an emphasis on colleges and universities in the State. This will follow US DOE guidance and requirements.

PERFORMANCE MEASURES*

Measure	Actuals FY 2026[1]	Current Year FY 2027	Projected FY 2028
Number of notice of grant solicitation	0	1	0
Number of loans issued or audits performed	0	5	15

[1]These are one-time funds through the IIJA and the award for Kansas was made in July 2024 (FY 2025) in the amount of $6,415,220. The loans will be repaid at a varied rate. During FY27, we anticipate revising some restrictions for loans and audits which should generate more interest in the program.

OBJECTIVE #7:

Establish programs to promote energy efficiency in compliance with the US DOE supplemental SEP-IIJA funds.

PERFORMANCE MEASURES*

Measure	Actuals FY 2026	Current Year FY 2027	Projected FY 2028
Establish a program to provide energy assessments and best practices for small municipalities with water/wastewater treatment facilities	0	1	1
Number of municipalities provided best practice information	0	0	5
Number of energy assessments completed for municipal water facilities	0	1	25
Number of energy efficiency presentations for municipal water facilities	0	0	5
Meetings held with Electric Cooperatives or Municipalities concerning Fire Mitigation Planning	1	2	3
Number of Electric Cooperatives and Municipal Utilities assisted with fire mitigation plans	27	33	42
Consultant retained for gap/risk analysis of SESP	0	0	1

These are one-time funds through the SEP IIJA and subawards were made in August 2024 (FY 25) to Kansas Electric Cooperatives for wildfire mitigation planning for their participating member electric cooperatives and municipal electric utilities. In April 2026 a subaward agreement was executed by Kansas Municipal Energy to provide energy efficiency audits for water and wastewater facilities for their member small communities, especially those small communities that have received out of compliance notices.

OBJECTIVE #8:

Administer the IRA Home Energy Rebates (50121 & 50122) pursuant to US DOE guidance and requirements.

PERFORMANCE MEASURES*

Measure	Actuals FY 2026[1]	Current Year FY 2027	Allocated FY 2028
Launch the IRA Home Energy Rebate Program 50121	0	1	0
Launch the IRA Home Energy Rebate Program 50122	0	1	0
Rebates Administered	0	50	100

[1]These are one-time funds through the IIJA and the early administrative funds award for Kansas was made in April 2024 (FY 2024). Kansas was awarded $1,324,297 for 50121 and $1,316,598 for 50122. The KCC filed its timely application with DOE for funding the rebate traches in December 2025, but the program was postponed for federal administrative review. We anticipate receiving the remainder of the funding (tranches) in FY2027 and FY2028 with remaining award amounts of $51,540,677 for 50121 and $51,317,312 for 50122. We anticipate granting rebates to Kansans in late FY2027.

External/Internal Assessment:

The KCC continues to review and implement improvements for the division consistent with the DOE, SEP grants, and state statutes. The continued partnership with Kansas State University-Engineering Extension has allowed the division to increase the level of technical support for both the FCIP and small rural business audits, and further develop K-12 outreach, which has increased the awareness of energy conservation.

The KidWind Challenge was held in person this year and 11 teams from Kansas advanced to the National KidWind Challenges in Phenix, Arizona. Kansas had 57 schools, 106 teams, and 387 students compete for State. Ten Kansas teams were invited to the World

KidWind Challenge and nine were able to participate at the World event. The nine Kansas teams won 14 awards (Elementary-3, Middle School-6, High School-5). Kansas also won three Solar Champion Awards (one for each age group), Rookie of the Year for 5 teams, and several other category awards.

EXPENDITURE JUSTIFICATION – Energy

Account Code 100: Salaries and Wages

Summary:

The Energy Division has 3 FTE Unclassified positions (2 FTE filled and 1 FTE vacant).

Current Year FY 2027: $300,873is requested.

Budget Year FY 2028: $315,735is requested.

Account Code 200-299: Contractual Services

Summary: The major portion of contractual service is for technical support of the programs, communication, professional services, rents, copiers, printing of materials, computer software maintenance and service, in-state and out-of-state travel and dues to professional organizations such as the National Association of State Energy Officials and the Energy Services Coalition.

Current Year FY 2027: $14,012,637is requested. Several of the Infrastructure Investment Jobs Act (IIJA) and the Inflation Reduction Act (IRA) programs will require experience with financial and rebate programs to include planning and implementation. These are rough estimates based on current DOE guidance and status of the grant process.

Budget Year FY 2028: $19,092,637 is requested.

Account Codes 300–390: Commodities

Summary: The major portion of requests in these account codes include expenses for office supplies, software and professional scientific supplies

associated with energy education and energy efficiency audits conferences and FCIP workshops.

Current Year FY 2027: $11,600is requested.

Budget Year FY 2028: $14,350 is requested.

Account Codes 400 - Capital Outlay

Summary: The majority of items purchased from this category are IT replacements and upgrades based on the KCC IT plan.

Current Year FY 2027: $3,500 is requested.

Budget Year FY 2028: $8,120 is requested.

Account Codes 550 – Federal Aid Payments

Summary: FY2025 increase to $13,337,613 due to U.S. DOE federal grant funds from the IIJA and IRA. Specifically, the Energy Efficiency Conservation Block Grant (EECBG), Energy Efficiency Revolving Loan Fund (EERLF), Grid Resilience 40101(d) and IRA Rebates. These grant funds are pass-through grants that will require the KCC to put out solicitation notices to local governments, utilities (including electric cooperatives and small municipal utilities). The large IRA Rebate program for energy efficiency improvements to residential individuals with an emphasis on low-income and underserved communities will start to be expended in FY2026 and will continue for several years. The amounts expended in FY2025 and FY2026 are estimates depending on the U.S. Department of Energy's application and approval process. Any funds not expended in FY2025 and FY2026 will be carried over into the next fiscal year.

FY2027: $59,544,590 is requested.

FY2028: $59,544,590 is requested.

Account Codes 700 – Non-Expense Items:

Summary: The KCC receives indirect costs related to the State Energy Program (SEP) grant. The indirect costs are transferred to the 2019 Public

Service Regulation fund as Administrative Services staff expenses are incurred.

Current Year FY 2027: $43,565 is requested for indirect expenses related to the SEP Grant.

Allocated Budget FY 2028: $43,565 is requested for indirect expenses related to the SEP Grant.

CONSERVATION DIVISION

PROGRAM GOAL:

The Conservation Division is a fee funded division of the Kansas Corporation Commission that regulates, enforces laws, and supervises activities associated with the exploration and production of oil and gas to prevent degradation of land and water resources, prevent the waste in the production of crude oil and natural gas resources, and protect correlative rights of mineral owners and royalty interest holders. The Division timely reclaims and remediates land and water resources using allocated funds. In addition, the Division strives to provide efficient and transparent regulatory information to the oil and gas industry by maintaining a web-based electronic filing system. This same service is provided to the citizens of the state by furnishing all information filed electronically to the Kansas Geological Survey (KGS) for publication on its website.

Outlined above is a synopsis of the depth and breadth of activities under the purview of the Conservation Division. However, for performance-based budgeting purposes, the Conservation Division staff applies this program goal to three specific objectives aimed at protecting usable water: 1) Abandoned Well Plugging and Site Remediation, 2) Underground Injection Control (UIC), and 3) District Regulatory Enforcement Activities.

OBJECTIVE #1: Abandoned Well Plugging and Site Remediation

The Conservation Division oversees the plugging of abandoned oil and gas wells to protect usable waters from pollution and protect the public from safety hazards posed by abandoned wells. When the state well plugging funds assume responsibility for plugging abandoned wells, such wells are plugged based on the prioritization outlined in greater detail below. To further protect usable water, the Conservation Division engages in operations and monitoring at remediation sites throughout the state.

Priority I Wells: Action Levels

Level A, Surface Water – This category of abandoned wells includes those wells actively discharging oil, brine or other fluids into surface waters and presenting significant ongoing impacts to surface water. These wells may be located inside a sensitive groundwater area and include wells with moderate to high volumes of discharge impacting public water supplies or sole source water supplies.

Level A, Groundwater - This category of abandoned wells creates a significant ongoing or potential impact to groundwater supplies through water quality degradation or loss of water supplies through downward drainage. These wells may be located inside a sensitive groundwater area. The Conservation Division places an emphasis upon plugging abandoned wells that may affect groundwater used for public water supplies or sole source supplies, and on cases of active subsidence caused by downward drainage.

Level A, Public Safety – This category of abandoned wells creates an ongoing or current threat to public safety. These wells may have active gas flows, with danger of ignition or open large diameter wellbores or casings in urban or suburban settings.

Level B, Surface Water – This category of abandoned wells includes intermittently or actively discharging oil or brine into surface waters with ongoing impacts to surface water. These wells may be located inside a sensitive groundwater area. Surface Water Level B wells include wells with low to moderate volumes of discharge, impacting water resources outside of public water supplies when alternative water supplies are available.

Level B, Groundwater – This category of abandoned wells creates ongoing or potential impacts to groundwater supplies through water quality degradation or loss of water supplies through downward drainage. These wells may be located inside of a sensitive groundwater area. Groundwater Level B wells include those with impacts to groundwater supplies outside of public water supply areas and cases of strong potential for subsidence.

Level B, Public Safety - This category of abandoned wells creates a current or ongoing threat or potential danger to public safety. These wells may have active gas flows with danger of ignition and/or open large diameter wellbores or casings located in rural, low population areas.

Level C, Surface Water – This category of abandoned wells contains wells located outside of sensitive groundwater areas, which are intermittently discharging oil and/or brine, or have potential for discharge into surface waters.

Level C, Groundwater – This category of abandoned wells contains wells located outside of sensitive groundwater areas which have potential impacts to groundwater supplies or loss of water resources through downward drainage.

Level C, Public Safety – This category of wells contains wells creating a potential danger to public safety. These wells are secured gas wells in populated areas.

Priority II Wells: Action Level

Priority II wells were generally drilled using modern techniques and in accordance with modern regulatory well construction requirements. Therefore, these types of wells do not pose either an ongoing or potential threat to public safety or the environment. These wells have adequate surface pipes to protect shallow freshwater aquifers and are generally located in environmentally non-sensitive areas. Accordingly, these wells fall within the lowest priority ranking for authorization of plugging with Abandoned Oil and Gas Well / Remediation Fund monies. Priority II wells are entered into the abandoned well inventory and periodically inspected to determine if well conditions have changed to warrant upgrading to Priority I status.

Strategies for Objective #1:

1. Use State plugging funds to plug abandoned oil and gas wells and remediate pollution sites associated with oil and gas operations where there is no responsible party.
2. Utilize the Request for Proposal bid procurement procedure through the Division of Purchasing to contract plugging/remediation services.
3. Meet with potential plugging contractors to answer questions regarding the processes involved in becoming an approved vendor and to make improvements to the processes and forms used by the KCC encouraging competition among vendors.
4. Review abandoned well inventory requiring action based on location and the potential threats unique to those locations regarding pollution and safety.
5. Plug Priority 1A abandoned wells is a primary strategy.

Output Measure:	Actuals	Actuals	Current	Allocated
	FY 2025	FY 2026	FY 2027	FY 2027
Number of Priority 1A wells plugged annually	4	TBD*	TBD*	TBD*

("TBD" - the Division strives to plug 1A wells within the fiscal year they are identified and does not estimate the number from year to year.)*

Outcome Measure:	Actuals	Actuals	Current	Allocated
	FY 2025	FY 2026	FY 2027	FY2028
Median response time in days to single well project Priority 1A	N/A**	N/A	30	TBD*

abandoned wells
*(** The four (4) 1A wells plugged in FY 2025, were all in one project and therefore do not meet the requirements of the single well median response time. The four wells were plugged over the course of 42 days, or roughly 10.3 days per well.)*

External/Internal Assessment: Abandoned Well Plugging and Site Remediation

K.S.A. 55-192 provides for the plugging of abandoned wells and the remediation of contamination sites incidental to pre-July 1, 1996, oil and gas activities for which no responsible party exists. There are approximately 4,566 abandoned wells recorded as requiring action in the Abandoned Well Database as of June 1, 2025, in part due to several hundred abandoned wells which continue to be discovered and those being added to the inventory each year. The estimated total dollars available for this activity for FY 2026 is $3,028,887.49.

Since the inception of the Abandoned Well Plugging/Site Remediation program on July 1, 1996, the KCC has plugged in excess of 11,315 abandoned wells that had no responsible party. The KCC focuses on plugging as many of the higher ranked wells as possible each year. As a rule, the lower ranked wells are only plugged when incidental to the completion of a project consisting of primarily higher ranked wells.

The KCC is in the process of reviewing the remaining wells requiring action in the abandoned well inventory and re-evaluating those wells regarding the current or possible threat posed to usable water or safety. This review and evaluation will almost certainly result in more wells being plugged in central and western Kansas. Plugging these deeper wells will increase the cost to plug and reduce the total number of wells plugged during the year. The KCC currently oversees the remaining 47 sites and 37 have no responsible party. To date, 81 of the original 109 sites have been resolved.

The KCC abandoned well plugging efforts using currently available funds will focus primarily on high-priority wells due to the introduction of federal monies available to plug abandoned wells. From January 16, 2023, through June 13, 2025, the KCC was able to contract, oversee, and pay for the plugging of more than 2,533 wells across six separate projects in Kansas using Federal Initial Grant well plugging funds. Kansas was awarded a $25 million Initial Grant to address abandoned well plugging and provide quality oilfield jobs. Through July 30, 2025, the entire $25 million of Initial Grant has been paid to Kansas plugging contractors and an additional $636,423.28 has been paid to plug 258 additional wells using the value of sold salvaged materials. The KCC originally applied for the Phase 1 amount of $25 million out of the total $33.6 million in Formula Grant funding to plug approximately 1,879 additional abandoned wells in December of 2023. The Department of Interior (DOI) took no action on KCC's Phase 1 application.

On December 13, 2024, KCC applied for the full $33.6 million Formula Grant as part of the Phase 2 application process. The KCC has had discussions with DOI pertaining to the Phase 2 application and is awaiting further guidance as to when the grant monies will be available.

OBJECTIVE #2: Underground Injection Control Program

The Class II Underground Injection Control (UIC) program protects the quality of the fresh and usable groundwater by contamination through underground oil and natural gas industry injection activities in conformance with section 1425 of Title XIV of The Public Health Service Act: Safety of Public Water Systems (Safe Drinking Water Act). Satisfying important UIC objectives requires close communication between the Conservation field staff and the Environmental Protection Agency (EPA) to effectively manage more than 16,500 injection wells. Every Class II injection well is tested for well mechanical integrity (MIT) at least once every five years. The KCC is required to witness at least 25% of those tests each year in order to receive grant funding from the EPA. KCC regulations require injection wells failing MITs be repaired or plugged within 90 days of the test failure. Wells that fail MITs are required to be shut-in and disconnected immediately until they are repaired or plugged.

Strategies for Objective #2:

1. The UIC Department and Conservation District Offices monitor industry operations through inspections and injection well testing to ensure compliance with state regulations. UIC staff tracks and records the monthly injection volumes of each Class II well and is responsible for the transfer of injection authority among operators.

2. The UIC Department maintains eligibility for $300,000 (at least 25% matching from the Conservation Fee Fund) of annual EPA funding by effectively managing the program. This management includes witnessing in excess of the 25% of mechanical integrity tests required by the EPA and requiring well integrity failure remediation or plugging within the 90-day timeframe required in K.A.R. 82-3-407.

Output Measure	Actuals FFY 2024 FFY2028	Actuals[5] FFY 2025	Actuals FFY 2025	Current FFY 2026	Allocated FFY 2027	
MIT Failures	329	188	250	250	250	TBD*

[5] The UIC program measures are tracked based on the Federal Fiscal Year which runs from October 1 through September 30 and the information for FFY 2025 is ~~current through May 1, 2025. Allocated FFY2025 column repre~~sents the number projected for the federal fiscal year.

Outcome Measure	Actuals Allocated FFY 2024 FFY2028	Actuals FFY 2025	Actuals FFY 2025	Actuals FFY 2026	Current FFY 2027
Percentage of MIT failures (wells) remediated within 90 days	91%	91%	90%	90%	90% TBD*

Operators not achieving compliance by repairing or plugging injection wells that fail MITs within a proscribed 90-day window are subject to formal Commission enforcement action. This action includes monetary penalties and in even more severe circumstances can result in operator license suspension if compliance is not achieved.

External/Internal Assessment: Underground Injection Control

Staff is utilizing technology to become more efficient in the administration of the UIC program. The technological improvements are focused primarily on increasing the number of forms available on the Kansas On-Line Automated Reporting (KOLAR) system. In prior fiscal years, the Annual Report of Pressure Monitoring, Fluid Injection and Enhanced Recovery (U3-C) form was added to KOLAR and injection information is now required to be filed electronically. This electronic filing process has reduced the need for staff to manually review and enter data on more than 16,000 forms filed annually. The ability to have this data filed electronically is crucial for monitoring possible Class II injection related induced seismicity. The initial version of the U-7 form is finalized and available on KOLAR. The U-7 form is used by Conservation staff and the operator to memorialize the results of MITs. The electronic version of this form has reduced data entry errors as information on well construction is pre-populated from the KCC well database. This will also expedite the notification of MIT passage or failure more efficiently as the field staff utilize their laptop computers to send notifications from the field.

OBJECTIVE C: District Regulatory Enforcement Activities

The KCC Conservation Division consists of five offices - a central administrative office and four district offices located in Dodge City, Wichita, Chanute, and Hays. The District Offices are responsible for enforcing KCC's regulations in the field. The district staff routinely conducts more than 4,000 inspections annually to verify compliance with the KCC's regulations.

Output Measure	Actuals FY 2024	Actuals FY 2025	Actuals FY 2026	Current FY 2027	Allocated FY2028
Number of oil and gas facility inspections performed	3,911	5,292	4,000	4,000	TBD*

Outcome Measure	Actuals FY 2024	Actuals FY 2025	Actuals FY 2026	Current FY 2027	Allocated FY2028
Wells plugged in the course of regulatory enforcement	840	710	600	600	TBD*

External/Internal Assessment: District Regulatory Enforcement Activities

The KCC's four district offices have approximately 40 Environmental Compliance and Regulatory Specialists to perform field inspection and regulatory duties of the Conservation Division. As a part of their duties, district staff members discover potential regulatory violations and wells requiring immediate remedial activities. If the wells or violations cannot be remediated in a manner that complies with the KCC regulations and thereby protect usable water, the wells are plugged. These activities not only protect the state's usable water but also prevent problem wells from ending up in the abandoned well inventory. Enforcement of state regulations through district compliance activities prevented the state from becoming liable for $13,812,985.20 in plugging expenses for FY 2024[6] and $9,145,204.70 for FY 2025[7].

[6] The per well plugging cost used in this figure was $16,444.03 based on actual statewide plugging cost per well for FY 2024.

[7] ~~The per well plugging cost used in this figure was $12,880.57~~ based on actual statewide plugging cost per well for FY 2025.

Expenditure Justification – Conservation Division

Account Code 100: Salaries and Wages

Summary: The Conservation Division has 87.5 FTE positions with 19.5 FTE vacant positions as of June 30, 2025.

Current Year FY 2027: $$7,772,526 is requested. This is an increase of $198,410 primarily due to the legislative statewide employee salary increase.
Allocated Budget Year FY 2028: $8,201,417 is requested

Account Code 200-290: Contractual Services

Well Plugging and Remediation

Costs for plugging wells are allocated in account code 52400 Repairs and Services. The estimated cost is to plug abandoned wells in accordance with the established prioritization schedule. The estimate below is dependent upon multiple factors and actual costs can significantly deviate from the amounts provided below. It is important to note that these funds do not actually come out of the Conservation Fee Fund but instead come from the dedicated Abandoned Well Plugging Fund.

Further, KCC staff anticipates the opportunity to increase funds available for plugging abandoned wells by supplementing current statutory funds with federal funds from the Orphaned Well Site Plugging, Remediation, and Restoration program (Orphaned Well Program) established by Section 40601 of the Infrastructure Investment and Jobs Act (IIJA) which was established to create good-paying jobs and address the environmental harms caused by orphaned wells. The KCC was awarded $25 million in Initial Grant funding to plug more than 2,300 wells. Since January 16, 2023, the KCC has plugged more than 2,500 wells. The KCC has been awarded $33.6 million in Formula Grant funding to spend over the course of five years following the Initial Grant plugging efforts. KCC staff applied to receive the Formula Grant funding in December of 2023, but the application was not processed by the Department of Interior (DOI). The delay was due to the DOI adding requirements to the grant that were not required in the congressional legislation. The KCC applied for the full Phase II Formula Grant in December of 2024. DOI has initiated the review of that application and KCC has held contractor meetings in advance of putting the contract out to bid with the hopes of commencing plugging projects during FY 2025.

Travel is essential for the Environmental Compliance and Regulatory Specialists (ECRS) and Professional Geologists to carry out their statutorily
mandated programs in the field. These technicians and geologists travel an average of 1,500 to 3,000 miles per month, enforcing rules and regulations, responding to complaints, investigating spills and oilfield pollution, performing mechanical integrity tests and lease inspections, witnessing well plugging, investigating and inventorying abandoned wells, and checking pits and ponds for contamination. Training of staff is ongoing and essential. Out-of-state travel is required for certain types of training as well as keeping informed of national trends and issues. Other costs incurred are registrations, mileage or rental vehicles for central office and per diem associated with overnight travel.

Communication costs include but are not limited to cell phones, MiFi's for laptop use in the field, telephones and postage. Each field technician
and geologist has a vehicle equipped with "technology hardware" which maximizes the time spent in the field. They can receive additional assignments without returning to the district office.

Rent for the Conservation Division includes the central office in Wichita, and the four district offices in Dodge City, Wichita, Chanute, and Hays.
Rents also provide for costs for three copiers in the Wichita main office and one copier at each of the four district offices. Other rents include some
off-site storage of large equipment, janitorial and lab expenses related to district offices, and OSHA required clothing.

Contracts costs include Westlaw, court reporters, and temporary services for clerical support. The KOLAR project will continue in FY 2025 with the KGS. Funding is also requested to support and integrate the Risk-Based Database Management System (RBDMS) into KOLAR for sharing data information and to update the RBDMS to a modern platform. This request also includes payments for freight and express, utilities, postage scales, folding machine and inserter, mailing machine, computer software maintenance and service, repairing and servicing of equipment, publishing legal notices, annual dues, and other Department of Administration fees.

Current Year FY 2027: $19,930,220 is requested.

Budget Year FY 2028: 19,930,219 is requested. $18,000,000 is requested to plug abandoned wells in accordance with the established prioritization schedule and approved plugging plans and based on approved federal funding. This amount is an estimate dependent on the number of wells plugged and as noted above, actual costs will be dependent upon conditions at each wellbore. Other costs include communications, rents, travel and contractual services.

Account Codes 300-390: Commodities

Summary: The commodities' request is primarily for fuel, service, and vehicle parts. Other items include stationery and office supplies used in
day-to-day operations, software updates, computer supplies, safety clothing (boots, hard hats, safety gloves) and costs associated with vehicles
rentals. The Division purchases gasoline and diesel fuel for field trucks used in monitoring oil and gas wells. The Division purchases Hydrogen
Sulfide meters as safety equipment for field staff. Meters purchased are used for 2 years then replaced. $2,500 will be used to replace meters that
expires annually.

Fuel and vehicle parts
The Division currently has 48 agency owned vehicles (44 -½ ton 4X4 pick-up trucks, 1 - 4X4 compact ext. cab truck, 2- 4X4 Chevy Blazers, and 1
– 1 ton 4X4 pick-up truck) field staff spend most of the day traveling the state to oil well production and exploration sites. Each vehicle averages approximately 1,500 to 3,000 miles per month.

Current Year FY 2027: $214,350 is requested. The majority of travel expenses will be associated with fuel and vehicle parts for 48 KCC owned vehicles. Other costs include all weather protective clothing, office supplies, professional supplies and materials.

Budget Year FY 2028: $214,350 is requested. The majority of travel expenses will be associated with fuel and vehicle parts for 48 KCC owned vehicles. Other costs include all weather protective clothing, office supplies, professional supplies and materials.

Account Code 400: Capital Outlay

Summary: By using computer technology in the field, the Division can eliminate duplication of work effort and increase efficiency for the
technical field staff, thereby benefiting the industry. Field forms such as lease inspections, activity reports, MIT forms, travel/vehicle logs, and
well plugging agent report forms are in electronic format. Field staff can use laptops while on the lease to obtain information from RBDMS.

Global Positioning System units (GPS) and metal detectors are now used to permanently log the locations of these sites so that plugging crews and
equipment can return at a later date. The majority of items purchased from this category are IT replacements and upgrades based on the KCC IT
Plan. Also included in this category are vehicle replacements that reach the mileage threshold as well as estimated usage and cost to repair
considerations. The Conservation Division has 48 vehicles. Vehicles meeting the mileage standards will be replaced only as fund availability allows. For FY2028 seven vehicles are budgeted for replacement.

PROGRAM	TAG#	LAST NAME	DEPARTMENT	TYPE	YEAR	THRESHOLD	END ODO	ANNUAL MILES	MONTHLY MILEAGE AVERAGE	EXPENSES- REPAIRS	EXPENSES - FUEL	TOTAL EXPENSES (Repairs & Fuels)	LIFE OF VEHICLE EXPENSES REPAIRS
CONSERVATION	17124	TBR-Going To Surplus	DODGE	TRUCK	2016	150,000	188,922	0	0	$ -	$ -	$ -	$11,123.81
CONSERVATION	23859	TBR-Going To Surplus	DODGE	TRUCK	2019	150,000	170,685	29,642	2,470	$2,586.95	$5,581.99	$ 8,168.94	$11,135.49
CONSERVATION	17522	TBR-Going To Surplus	HAYS	TRUCK	2017	150,000	165,450	21,165	1,764	$2,052.14	$3,959.66	$ 6,011.80	$ 6,810.66
CONSERVATION	11846	TBR-Going To Surplus	HAYS	TRUCK	2007	150,000	165,028	7,323	666	$1,757.13	$1,539.18	$ 3,296.31	$11,219.26
CONSERVATION	17123	TBR-Going To Surplus	HAYS	TRUCK	2016	150,000	164,458	17,484	1,457	$2,520.41	$3,179.22	$ 5,699.63	$ 9,699.30
CONSERVATION	17130	KEPLEY	CHANUTE	TRUCK	2016	150,000	205,403	20,441	1,703	$3,650.69	$4,072.20	$ 7,722.89	$12,962.83
CONSERVATION	23721	BOHRER	CHANUTE	TRUCK	2019	150,000	158,746	19,316	1,610	$1,697.86	$4,548.45	$ 6,246.31	$ 7,016.46
CONSERVATION	17129	WEBSTER	CHANUTE	TRUCK	2016	150,000	150,769	17,942	1,631	$1,309.48	$3,448.92	$ 4,758.40	$ 7,646.18
CONSERVATION	17128	KRUEGER	W2	TRUCK	2016	150,000	150,462	17,527	1,461	$ 720.57	$3,038.97	$ 3,759.54	$ 4,573.74
CONSERVATION	23718	SCOFIELD	DODGE	TRUCK	2019	150,000	147,893	17,176	1,431	$ 868.55	$3,025.11	$ 3,893.66	$ 8,973.38
CONSERVATION	17521	SHAFFER	CHANUTE	TRUCK	2017	150,000	141,693	20,225	1,685	$1,903.05	$3,363.28	$ 5,266.33	$ 5,552.09
CONSERVATION	17520	SPARE	DODGE	TRUCK	2017	150,000	136,885	3,902	434	$1,560.25	$ 692.33	$ 2,252.58	$ 6,838.12
CONSERVATION	23857	SPARE	DODGE	TRUCK	2019	150,000	136,627	24,058	2,005	$2,751.52	$3,571.57	$ 6,323.09	$ 4,657.74
CONSERVATION	17523	BURNETT	CHANUTE	TRUCK	2017	150,000	133,522	27,718	2,310	$3,461.00	$5,850.35	$ 9,311.35	$ 6,517.74
CONSERVATION	16852	HARRIS	DODGE	TRUCK	2015	150,000	126,092	962	160	$ 52.30	$ 248.28	$ 300.58	$ 4,595.04
CONSERVATION	15391	NEELEY	HAYS	TRUCK	2013	150,000	124,225	7,542	686	$ 288.08	$1,360.72	$ 1,648.80	$ 5,218.47
CONSERVATION	24999	ALVARADO	DODGE	TRUCK	2021	150,000	122,358	35,721	2,977	$1,794.92	$6,194.28	$ 7,989.20	$ 3,298.36
CONSERVATION	16993	SPARE	CHANUTE	TRUCK	2016	150,000	115,574	2,460	273	$ 76.10	$ 617.59	$ 693.69	$ 8,297.06
CONSERVATION	23860	DIPMAN	HAYS	TRUCK	2019	150,000	110,799	17,204	1,434	$1,721.87	$3,499.35	$ 5,221.22	$ 7,563.63
CONSERVATION	24669	HERMRECK	CHANUTE	TRUCK	2020	150,000	106,623	20,018	1,668	$ 803.02	$3,689.66	$ 4,492.68	$ 4,450.82
CONSERVATION	24672	SPARLING	W2	TRUCK	2020	150,000	105,950	27,360	2,280	$ 509.28	$4,418.73	$ 4,928.01	$ 2,498.04
CONSERVATION	23858	BEDORE	HAYS	TRUCK	2019	150,000	105,333	19,050	1,588	$ 305.68	$3,757.69	$ 4,063.37	$ 4,711.23
CONSERVATION	23719	STAAB	HAYS	TRUCK	2019	150,000	102,681	18,305	1,525	$1,686.14	$3,377.64	$ 5,063.78	$ 5,991.82
CONSERVATION	17519	MORRIS	HAYS	TRUCK	2017	150,000	99,973	16,207	1,351	$ 354.51	$2,904.86	$ 3,259.37	$ 2,686.88
CONSERVATION	24997	RING	DODGE	TRUCK	2021	150,000	97,886	29,958	2,497	$9,174.40	$5,496.33	$14,670.73	$11,610.82
CONSERVATION	24995	LOGAN	CHANUTE	TRUCK	2021	150,000	94,634	35,500	2,958	$1,882.33	$6,246.17	$ 8,128.50	$ 3,502.28
CONSERVATION	17127	FOX	W2	TRUCK	2016	150,000	94,482	9,725	810	$ 231.29	$1,829.72	$ 2,061.01	$ 6,312.77

CONSERVATION	24671	CLOTHIER	W2	SUV	2020	150,000	92,390	21,065	1,755	$3,230.19	$3,821.53	$ 7,051.72	$ 9,388.65
CONSERVATION	24670	BEFORT	HAYS	TRUCK	2020	150,000	81,965	13,682	1,140	$ 392.92	$2,320.29	$ 2,713.21	$ 3,347.83
CONSERVATION	24993	HOPE	W2	TRUCK	2021	150,000	72,240	19,660	1,638	$1,391.98	$3,376.08	$ 4,768.06	$ 3,463.90
CONSERVATION	24426	RUNNELLS	WC	TRUCK	2020	150,000	69,809	18,371	1,531	$ 303.76	$2,426.74	$ 2,730.50	$ 614.95
CONSERVATION	24994	WORCHESTER	HAYS	TRUCK	2021	150,000	69,015	22,405	1,867	$2,013.90	$5,060.14	$ 7,074.04	$ 3,581.76
CONSERVATION	23720	TRIBOULET	CHANUTE	TRUCK	2019	150,000	66,550	17,425	1,452	$2,674.66	$3,727.42	$ 6,402.08	$ 8,134.70
CONSERVATION	26126	JONES	HAYS	TRUCK	2023	150,000	59,490	37,470	3,123	$2,355.75	$6,746.82	$ 9,102.57	$ 2,907.25
CONSERVATION	24998	RUPP	W2	TRUCK	2021	150,000	57,663	11,846	987	$2,014.70	$2,149.58	$ 4,164.28	$ 4,262.35
CONSERVATION	24996	DULING	CHANUTE	TRUCK	2021	150,000	57,335	13,432	1,119	$1,638.29	$2,399.73	$ 4,038.02	$ 2,955.53
CONSERVATION	26124	KARLIN	W2	TRUCK	2023	150,000	52,215	32,652	2,721	$2,011.60	$5,424.86	$ 7,436.46	$ 2,246.74
CONSERVATION	23739	KLOCK	W2	TRUCK	2019	150,000	49,356	10,303	1,030	$ 193.87	$1,878.82	$ 2,072.69	$ 1,921.24
CONSERVATION	26478	SIMS	CHANUTE	TRUCK	2023	150,000	38,380	36,047	3,004	$ 624.15	$5,208.89	$ 5,833.04	$ 624.15
CONSERVATION	26127	JEHLIK	DODGE	TRUCK	2023	150,000	38,102	23,311	1,943	$ 776.30	$5,013.83	$ 5,790.13	$ 2,011.68
CONSERVATION	26122	BALL	DODGE	TRUCK	2023	150,000	34,313	23,004	1,917	$2,097.50	$3,700.74	$ 5,798.24	$ 2,197.22
CONSERVATION	26121	CARSWELL	CHANUTE	TRUCK	2023	150,000	34,251	21,138	1,762	$1,850.02	$3,698.25	$ 5,548.27	$ 1,947.76
CONSERVATION	26125	HINE	CHANUTE	TRUCK	2023	150,000	29,083	17,772	1,481	$ 585.43	$2,607.28	$ 3,192.71	$ 726.68
CONSERVATION	26123	FELDKAMP	DODGE	TRUCK	2023	150,000	28,074	20,138	1,678	$1,728.90	$3,534.90	$ 5,263.80	$ 1,787.92
CONSERVATION	26480	SHORT	CHANUTE	TRUCK	2023	150,000	26,568	24,328	2,027	$1,852.11	$4,400.81	$ 6,252.92	$ 1,852.11
CONSERVATION	26344	MACLAREN	DODGE	TRUCK	2023	150,000	25,830	16,142	1,614	$1,524.46	$2,727.24	$ 4,251.70	$ 1,524.46
CONSERVATION	26479	TROMSNESS	CHANUTE	TRUCK	2023	150,000	24,085	21,764	1,979	$1,324.12	$3,707.35	$ 5,031.47	$ 1,324.12
CONSERVATION	26163	BOLLENBACK	W2	TRUCK	2023	150,000	23,087	14,920	1,243	$ 400.45	$3,361.93	$ 3,762.38	$ 498.68
CONSERVATION	26481	RUSSELL	CHANUTE	TRUCK	2023	150,000	18,069	16,463	1,372	$ 408.15	$2,559.05	$ 2,967.20	$ 408.15
CONSERVATION	26280	LAKE	W2	TRUCK	2023	150,000	15,654	11,772	981	$ 253.80	$1,798.98	$ 2,052.78	$ 253.80
CONSERVATION	27220	MAIER	DODGE	TRUCK	2024	150,000	0	0	0	$ -	$ -	$ -	$ -
CONSERVATION	27221	SULLIVAN	DODGE	TRUCK	2024	150,000	0	0	0	$ -	$ -	$ -	$ -
CONSERVATION	27222	SCHUMACHER	HAYS	TRUCK	2024	150,000	0	0	0	$ -	$ -	$ -	$ -
CONSERVATION	27223	WILLIAMS	HAYS	TRUCK	2024	150,000	0	0	0	$ -	$ -	$ -	$ -
CONSERVATION	27224	DINKEL	HAYS	TRUCK	2024	150,000	0	0	0	$ -	$ -	$ -	$ -

On KCC lot ready to go to Surplus

Replace in FY 2025

Replace in FY 2026

Current Year FY 2027: $805,000 is requested. This includes vehicle purchases and with the increased federal funds to plug abandoned wells, we are adding field staff and will need to expand the fleet, additional increases are due to IT related costs. The KCC's IT plan,

includes PCs, laptops, monitors, printers, mobile phones, Garmin's and Servers, information processing equipment, software and RBDMS migration. Replacement of 7 trucks as identified in the table above.

Budget Year FY 2028: $805,000 is requested. The KCC's IT plan, includes PCs, laptops, monitors, printers, mobile phones, Garmin's (GPS), servers, information processing equipment, software and continued migration and update to RBDMS and internal antiquated databases. The replacement of 7 trucks based on rotation taking mileage, along with repair costs and use of the vehicle.

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TRANSPORTATION

2812 MOTOR CARRIER LICENSE FEES FUND

Statutory History: K.S.A. 66-1,139, 66-1,140, 66-1,142 (Pursuant to L. 2022, ch. 81, § 46(e) civil fines and penalties are to be paid to the SGF)

Major Sources of revenue for the operation of the Transportation Division are regulatory fees. The greatest portion of the Motor Carrier Fee Fund revenue is derived from registration of trucks, truck tractors and passenger vehicles under the Unified Carrier Registration (UCR) program and Intrastate fees.

The Division receives most of its revenue from the UCR program. The funds are received from the National Registration System (NRS) at various times throughout the year as registration fees are collected. To maintain a sufficient balance in the fund and to manage transfers to the Kansas Highway Patrol (KHP) and the Kansas Department of Transportation (KDOT) who may also receive funding from this fund. In 2018, to address past shortfalls in the fund, the Division successfully increased its fund cap from $700,000 to $2,800,000. During the 2024 legislative session and through SB 28, the Division worked with the Kansas Highway Patrol to increase the transfer amount from $2,000,000 dollars. Pursuant to SB on July 1, 2024, October 1, 2024, January 1, 2025, and April 1, 2025, or as soon thereafter each such date as moneys are available, the director of accounts and reports shall transfer an amount specified by the executive director of the state corporation commission, with the approval of the director of the budget, of not more than $500,000 from the motor carrier license fees fund (143-00-2812-5500) of the state corporation commission to the motor carrier safety assistance program state fund (280-00-2208) of the Kansas highway patrol: Provided, however, that the total of all transfers shall not exceed $2,000,000 in fiscal year 2025.

The UCR Agreement requires all for-hire motor carriers transporting property or passengers and motor private carriers transporting property to register with the United States Department of Transportation (“USDOT”) as well as brokers, freight forwarders, and leasing companies (collectively referred to as UCR registrants) to pay UCR fees.

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Current Fees Structure:

CMV definition:

A "commercial motor vehicle" is defined as a self-propelled or towed vehicle used on the highways in commerce principally to transport passengers or cargo, if the vehicle:

(a) has a gross vehicle weight of 10,001 pounds or more;

(b) is designed to transport 11 or more passengers (including the driver); or

(c) is used in transporting hazardous materials in a quantity requiring placards.

Unified Carrier Registration (UCR) Fees:

Under federal law, the Board of Directors of the Unified Carrier Registration Plan ("Board") is required to recommend to the United States Department of Transportation (USDOT), the level of fees to be assessed in each agreement year. Each December, the Board meets to review the amount of fees collected in the previous CY and recommends the six fee brackets for the upcoming registration year either be adjusted or maintained to the USDOT. The USDOT reviews the UCR Board's recommendation and either approves or adjusts the next year's registration fees. The Board recognizes that the recommended adjustments require action in a final rule by the Department and the Federal Motor Carrier Safety Administration (FMCSA). The following information reflects the current 2026 CY UCR fee schedule and the proposed fees for the upcoming 2027 CY UCR fees.

The proposed increase for CY 2027 is due to two factors.First, the number of motor carriers that have inactivated their USDOT number over the past year and are no longer operating.Second, due to a new initiative by the FMCSA to remove the number of fraudulent motor carriers USDOT numbers from their database.

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Current Fee Schedule for CY 2026:

CY 2026 Fee Schedule (# of commercial vehicles)		Fee Per Company
From	**To**	
0	2	$46.00
3	5	$138.00
6	20	$276.00
21	100	$963.00
101	1,000	$4,592.00
More than 1,000		$44,836.00

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Proposed CY 2027 Fee Schedule (# of commercial vehicles)		Fee Per Company
From	**To**	
0	2	$55.00
3	5	$167.00
6	20	$333.00
21	100	$1,163.00
101	1,000	$5,548.00
More than 1,000		$54,165.00

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The KCC fee schedule for Intrastate is as follows:

K.S.A. 66-1,139(c)
Registration of regulated motor carrier equipment. $10.00 (re-register equipment annually).

K.A.R. 82-4-42 (K.S.A. 66-1,140(a))
Special or emergency clearances for motor carrier equipment which is utilized as extra or substitute equipment for firms having authority to operate in Kansas.

K.S.A. 66-1a01(b)
Applications (one-time fee) of motor carrier firms seeking authority to operate in Kansas - $250.00 (for hire) intrastate motor carrier and $100.00 (not for hire or only drives through state) intrastate private or exempt. (UCR has effectively stopped the sale of these permits).

K.S.A. 66-1a01(b)
Application for extension, rerouting, removal of restrictions or transfer of motor common carrier certificate and motor common carrier license. $100.00.
If increases proposed in rates, fares or charges when hearing is required $25.00.

K.S.A. 66-1a01

All fees collected for certified copies, etc., are deposited to the Motor Carrier Fee Fund.

K.S.A. 66-1a01

All fees collected for applications, duplicate cards, stamps, etc., are deposited to the Motor Carrier Fee Fund.

K.S.A. 66-123, 66-138, 66-177 (Pursuant to L. 2022, ch. 81, § 46(e) civil fines and penalties are to be paid to the SGF)

Fines, penalties, and forfeitures with minimum fines of $100 and maximum fines not to exceed $5,000 per offense. These are the Commission-show-cause proceedings.

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The KCC/KHP Civil Assessment program focuses on OOS violations by assessing a penalty based upon severity or impact to the motoring public.

The KCC requests the fund remain NO LIMIT.

Explanation of Receipt Estimates – DA 405

Division of the Budget — Agency Kansas Corporation Commission

State of Kansas

Utilities

2019 PUBLIC SERVICE REGULATION FUND (PSR)

Statutory History:

K.S.A. 66-1503

This assessment is levied quarterly against the public utilities and common carriers under KCC jurisdiction. The assessment calculation takes actual expenditures for the prior quarter, adds anticipated expenses for the ensuing quarter, and subtracts amounts collected under K.S.A. 66-1502 and K.S.A. 66-1a01. The amounts are assessed in proportion to the respective gross operating revenues and are limited to the greater of $100 or 0.2% of the company's gross operating revenue derived from intrastate operations, as reflected in the last annual report filed with the KCC, prior to the beginning of the KCC's fiscal year or made available to the KCC upon request.

K.S.A. 66-1a01, 66-151

Certified copies of commission orders are supplied to the utility companies and to other interested parties, and monies collected are deposited under this code. Copies of maps and miscellaneous publications are furnished to the public at cost.

K.S.A. 66-1a01

Fees are collected for applications to issue utility and common carrier securities; applications for a certificate of convenience; and authority to provide inter-exchange or competitive local exchange telecommunication services. The filing fee is $10 for application of certificate to authorize issuance of stocks, bonds, or other indebtedness plus a $25 processing fee. The application fee of $250 is obtained for certificate of convenience and for authority to provide inter-exchange telecommunications or competitive local exchange carrier services.

K.A.R. 82-15-1

Fees are collected for applications to provide video service authorization. The initial application filing fee is $1,000 and $250 to revise/amend the application.

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K.S.A. 66-123, 66-138, and 66-177 (Pursuant to L. 2022, ch. 81, § 46(e)) civil fines and penalties are to be paid to the SGF)

The KCC may take action for an entity's failure to file annual reports, statements, monthly or regular reports or special reports that are required. Likewise, common carriers or public utilities that violate, fail, neglect, or refuse to obey any lawful requirement or order of the commission, or any final judgment or decree made by any court upon appeal is subject to penalty.

K.S.A. 66-1502

The KCC is empowered to assess a utility or common carrier company undergoing investigation the cost of such examination when the cost exceeds $100. The assessment is limited to 0.6% of the gross revenue derived from the company's intrastate operations as reflected in the last annual report filed with the commission prior to the beginning of the commission fiscal year. In addition, the KCC may assess against an entity, other than a residential or small commercial ratepayer, actual expenses of any services extended, filings processed or actions certified by the KCC for the entity.

The Fund is used to finance payments for outside accounting, legal, and economic advisory services incurred in connection with this investigative work. Also, the Fund must pay salary and travel expenses incurred by KCC staff in such cases. All of these costs are subject to reimbursement by the company involved in the investigation. These outside services and staff expenses are billed and paid on a monthly basis, whereas assessments against the companies involved are made quarterly and sometimes after the investigation or hearing is completed. The time between payment of bills and reimbursement by assessment is always in arrears.

Per K.S.A. 75-3170a, ten percent (up to $100,000) of the gross receipts for this fund are deposited in the state general fund.

The KCC requests the fund remain NO LIMIT.

Explanation of Receipt Estimates – DA 405

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2023 GAS PIPELINE INSPECTION FUND

Statutory History:

K.S.A. 66-1,153, 66-1,154, 66-1,155

This program collects fees for inspecting the safety of natural gas pipeline equipment and operations from the entities that do not pay the Public Service Regulation (PSR) assessment under K.S.A. 66-1503, as amended by L. 2011.

Fees are paid by all gas pipeline utilities that are not subject to assessment under K.S.A. 66-1503 for inspection and supervision of gas pipeline safety standards under the Natural Gas Pipeline Safety Act; said assessment is based on the number of active meters within the gas pipeline utility's territory. The fee shall be fixed by rules and regulations (K.A.R. 82-11-11) adopted by the KCC, pursuant to K.S.A. 66-1,153 and 66-1,154. The current fee is $1.00/meter with a minimum assessment of $100 and a maximum assessment of $10,000.

Fees are due annually by September 1 of each year. This revenue only partially funds the gas pipeline safety program. Pursuant to K.S.A. 75-3170a, ten percent of the fees or penalties received are credited to the state general fund.

K.S.A. 66-1,151

Any violation of the law shall be subject to a civil penalty not to exceed $200,000 for each violation for each day that the violation persists, with the maximum civil penalty not exceeding $2,000,000 for any related series of violations.

Pursuant to K.S.A. 75-3170a ten percent (up to $100,000) of the gross receipts are deposited in the state general fund.

The KCC requests the fund remain NO LIMIT.

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2181 NATURAL GAS UNDERGROUND STORAGE FEE FUND

Statutory History:

K.S.A. 55-1,115, 1,116 – K.A.R. 82-3-1012

Legislation was passed during the 2001 Legislative Session to establish the Natural Gas Underground Storage Fee Fund. The KCC began receiving funds in October, 2002. A 2010 federal district court decision (*Colorado Interstate Gas Co. v. Wright,* 707 F Supp. 2d 1169) ruled that the KCC lacks jurisdiction to regulate the operation of interstate gas storage fields in Kansas. Therefore, the KCC regulatory jurisdiction is limited to intrastate gas storage fields. Due to this action, fewer wells require oversight. There are currently six facilities and 102 gas storage wells that are subject to fees.

Provisional permit fee per facility	$2,000
Provisional permit fee per well	$ 50
Provisional amendment	$ 250
Full authorization fee per facility	$2,500
Full authorization fee per well	$ 75
Full authorization amendment	$ 250
Annual operating fee per well	$ 240

In the initial year natural gas storage companies are required to pay an application fee along with a per well fee. In the second year only a per well fee is required. Year three requires a permit fee and a well fee. Subsequent years will only require a per well fee.

The KCC requests the fund remain NO LIMIT.

Explanation of Receipt Estimates – DA 405

Division of the Budget Agency Kansas Corporation Commission

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3633 ONE CALL - FEDERAL FUND

Statutory History:

The KCC acts as an agent for the federal government in making inspections and investigations under the Natural Gas Pipeline Safety Act of 1968, Public Law 92-01. The One Call is an annual grant that focuses on the Kansas City and/or Wichita area(s) due to significant construction activity. Indirects are transferred to the PSR Fund, as most administrative expenses are paid from this fund.

The KCC requests this fund remain NO LIMIT.

Explanation of Receipt Estimates – DA 405

Division of the Budget — Agency Kansas Corporation Commission

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2130 CONSERVATION FEE FUND (CFF)

Statutory History:

K.S.A. 55-609 (K.A.R. 82-3-206); K.S.A. 55-901 (K.A.R. 82-3-4128/25/2021, 82-3-118); K.S.A. 55-143(b); K.S.A. 55-176 (a); K.S.A. 55-711 (K.A.R. 82-3-307).

The major source of revenue for the CFF is the Oil Proration Assessment of 144.00 mills per barrel of oil marketed or used as authorized by K.A.R. 82-3-206; the natural gas assessment, assessed against natural gas producers at a rate established by K.A.R. 82-3-307 of 20.50 mills for each one thousand cubic feet (MCF) of gas produced. The chart below shows actual and estimated production based on historical production information provided by KDOR. Further, the chart also shows actual historical revenue and projected future revenue based on the estimated production.

FISCAL YEAR	ACTUAL / EST. KDOR GAS-MCF	ACTUAL / EST. KDOR OIL-BBLS	FISCAL YEAR	EXTRAPOLATED REVENUE-GAS*	EXTRAPOLATED REVENUE-OIL*	EXTRAPOLATED REVENUE-TOTAL	REVENUE NET CHANGE	REVENUE CHANGE	REVENUE % $ GAS	REVENUE % $ OIL
FY1998	637,100,000	39,735,000	FY1998	$3,714,293	$1,083,573	$4,797,866			77%	23%
FY1999	579,841,000	33,708,000	FY1999	$3,380,473	$919,217	$4,299,690	($498,176)	-10.4%	79%	21%
FY2000	550,640,000	34,217,000	FY2000	$3,210,231	$933,098	$4,143,329	($156,361)	-3.6%	77%	23%
FY2001	499,558,000	33,812,000	FY2001	$2,912,423	$922,053	$3,834,476	($308,852)	-7.5%	76%	24%
FY2002	475,668,000	32,236,000	FY2002	$4,342,849	$1,763,309	$6,106,158	$2,271,682	59.2%	71%	29%
FY2003	436,458,000	33,587,000	FY2003	$3,984,862	$1,837,209	$5,822,070	($284,088)	-4.7%	68%	32%
FY2004	413,217,000	34,052,000	FY2004	$3,772,671	$1,862,644	$5,635,316	($186,755)	-3.2%	67%	33%
FY2005	388,148,000	33,449,000	FY2005	$3,543,791	$1,829,660	$5,373,452	($261,864)	-4.6%	66%	34%
FY2006	375,550,000	34,853,000	FY2006	$3,428,772	$1,906,459	$5,335,231	($38,221)	-0.7%	64%	36%
FY2007	371,633,000	35,552,000	FY2007	$4,076,642	$3,235,232	$7,311,874	$1,976,644	37.0%	56%	44%
FY2008	376,849,000	38,286,000	FY2008	$4,861,352	$3,484,026	$8,345,378	$1,033,504	14.1%	58%	42%
FY2009	372,619,000	39,957,000	FY2009	$4,806,785	$3,636,087	$8,442,872	$97,494	1.2%	57%	43%
FY2010	343,864,000	39,558,000	FY2010	$4,435,846	$3,599,778	$8,035,624	($407,248)	-4.8%	55%	45%
FY2011	323,338,000	41,129,000	FY2011	$4,171,060	$3,742,739	$7,913,799	($121,824)	-1.5%	53%	47%
FY2012	303,937,000	42,569,000	FY2012	$3,920,787	$3,873,779	$7,794,566	($119,233)	-1.5%	50%	50%
FY2013	294,537,000	45,263,000	FY2013	$3,799,527	$4,118,933	$7,918,460	$123,894	1.6%	48%	52%
FY2014	291,025,000	47,759,000	FY2014	$3,754,223	$4,346,069	$8,100,292	$181,831	2.3%	46%	54%
FY2015	296,419,000	49,165,000	FY2015	$3,823,805	$4,474,015	$8,297,820	$197,529	2.4%	46%	54%
FY2016	261,461,000	41,292,000	FY2016	$3,372,847	$3,757,572	$7,130,419	($1,167,401)	-14.1%	47%	53%
FY2017	231,608,000	36,416,000	FY2017	$2,987,743	$3,313,856	$6,301,599	($828,820)	-11.6%	47%	53%
FY2018	207,059,000	35,745,000	FY2018	$2,671,061	$3,252,795	$5,923,856	($377,743)	-6.0%	45%	55%
FY2019	186,397,930	33,802,000	FY2019	$3,821,158	$4,867,488	$8,688,646	$2,764,789	46.7%	44%	56%
FY2020	155,429,000	28,232,000	FY2020	$3,186,295	$4,065,408	$7,251,703	($1,436,943)	-16.5%	44%	56%
FY2021	152,730,700	28,055,420	FY2021	$3,130,979	$4,039,980	$7,170,960	($80,743)	-1.1%	44%	56%
FY2022	152,451,990	28,103,537	FY2022	$3,125,266	$4,046,909	$7,172,175	$1,215	0.0%	44%	56%
FY2023	149,806,491	27,903,889	FY2023	$3,071,033	$4,018,160	$7,089,193	($82,982)	-1.2%	43%	57%
FY2024	132,757,280	28,002,077	FY2024	$2,721,524	$4,032,299	$6,753,823	($335,370)	-4.7%	40%	60%
FY25 EST	124,791,843	27,722,056	FY25 EST	$2,558,233	$3,991,976	$6,550,209	($203,614)	-3.0%	39%	61%
FY26 EST	117,304,333	27,444,836	FY26 EST	$2,404,739	$3,952,056	$6,356,795	($193,414)	-3.0%	38%	62%
FY27 EST	110,266,073	27,170,387	FY27 EST	$2,260,454	$3,912,536	$6,172,990	($183,805)	-2.9%	37%	63%

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GAS-MCF .00583 / .00913 / .01290 / .0205 **OIL-BBL .02727 / .0547 / .0910 / .1440**

CFF ASSESSMENTS: **GAS/MCF** - FY97 TO FY01 **$.00583**; FY02 TO DEC 06 **$.00913; JAN 07 TO JUN 18 $.01290; FY19 $.0205** // **OIL/BBL** - FY97 TO FY01 **$.02727**; FY02 TO DEC 06 $.05470; JAN 07 TO JUN 18 $.0910; FY 19 .144

In addition to this assessment, the KCC charges fees for specific services performed. A $200 fee is collected for repressuring or water-flooding approval for one lease, with $100 for an amended application. Applications for saltwater disposal are assessed a fee of $200 with a $100 charge for each amendment to the application, under authority of K.A.R. 82-3-412.

Repressuring charges: $200 per application, $100 per amendment or $50 if the well is less than 1,000 feet deep.
Salt Water Disposal: $200 per application, $100 per amendment or $50 if the well is less than 1,000 feet deep.
Plugging inspection and supervision fees 3-1/4¢ ($.0325) per foot plugged - minimum charge $35.

K.S.A. 55-169 et seq. – Kansas Surface Owner Notice Act
Operators are required to notify surface owners of intent to drill and transfer of operators. If operators do not notify, the KCC will charge $30.00 to notify the surface owner.

K.S.A. 55-155, K.A.R. 82-3-120
$100 annual application fee for operator and contractor license. $25 fee per drilling rig or well servicing equipment. Additionally, $25 per application or renewal for a personal use license for gas wells used on premises where personal use occurs.

K.S.A. 55-164 (Pursuant to L. 2022, ch. 81, § 46(e) civil fines and penalties are to be paid to the SGF)

Penalties for violations of provisions, not to exceed $10,000 per violation per day, are deposited into the Conservation Fee Fund before being transferred to the State General Fund. The rules and regulations which implement K.S.A. 55-164 include: K.A.R. 82-3-103, 82-3-106, 82-3-107, 82-3-111, 82-3-113, 82-3-115a, 82-3-115b, 82-3-117, 82-3-120, 82-3-126, 82-3-128, 82-3-130, 82-3-133, 82-3-136, 82-3-304, 82-3-305, 82-3-400, 82-3-404, 82-3-407, 82-3-408, 82-3-409, 82-3-410, 82-3-600, 82-3-602, 82-3-603, 82-3-603a, 82-3-604, 82-3-606, 82-3-607, 82-3-608, 82-3-701, 82-3-702, 82-3-703, 82-3-704, 82-3-705, 82-3-706, 82-3-707, 82-3-708, 82-3-709, 82-3-710, 82-3-801, 82-3-1002, 82-3-1003, 82-3-1005, 82-3-1006, 82-3-1007, 82-3-1008, 82-3-1009, 82-3-1010, 82-3-1011.

Land-Spreading
A fee of $250 is assessed for each application.

Per K.S.A. 75-3170a ten percent (up to $100,000) of the gross receipts for this fund are deposited in the state general fund.

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The KCC requests the fund remain No LIMIT.

Explanation of Receipt Estimates – DA 405

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2143 ABANDONDED OIL AND GAS WELL FUND

Statutory History:

K.S.A. 27-118

The fund also receives 50% of the state's share of the monies received from the federal government under the Mineral Leasing Act.

K.S.A. 55-192

In 1996, Senate Bill 755 established the Abandoned Oil and Gas Well Fund to provide the KCC with additional financial resources to plug abandoned oil and gas wells and perform remediation of contaminated oil and gas well sites in the state. Monies recovered from responsible parties on well sites or remediation sites are deposited in the Abandoned Oil and Gas Well Fund. The Abandoned Oil and Gas Well Fund is used only for paying costs to: 1) investigate contamination sites and well sites; 2) remediate contamination sites; and 3) plugging, replugging, or repairing wells and remediation well sites abandoned prior to July 1, 1996, which present an imminent threat to the public health or the environment. No monies credited to the Abandoned Oil and Gas Well Fund are used to pay administrative expenses or other personnel expenses of the KCC.

On July 1, 2021, the Abandoned Oil and Gas Well Fund contained within K.S.A. 55-192 absorbed the Well Plugging Assurance Fund described below in K.S.A. 55-166 and K.S.A. 55-167. House Bill 2022 made sweeping changes to the abandoned well plugging statutes related to operator plugging responsibility determinations by the Commission. These changes combined with an overhaul of the processes related to abandoned well plugging state contracts attracted more state-approved abandoned well plugging vendors than at any time in the history of the program. The increased number of abandoned well plugging vendors necessitated more capital to address the state's abandoned well problem. House Bill 2022 merged the two existing statutory abandoned well plugging funds so that the Commission would have all of the abandoned well plugging funds available for use. The merged Abandoned Oil and Gas Well Fund derives its revenues from the 50% share of monies received from the federal government under the Mineral Leasing Act as described above and through the financial assurance mechanism associated with operator licensure. Law mandates the Conservation division require financial assurance of all licensed operators in the state.

There are six different provisions for operators to demonstrate annual compliance of financial viability: (1) Individual performance bond or letter of credit in an amount equal to $.75 times the total aggregate depth of all wells of the operator; (2) Blanket performance bond or letter of credit equal to $7,500, $15,000, $30,000, $45,000, or $75,000 based on depth and number of wells; (3) Acceptable record

of demonstrated worthiness plus non-refundable payment of $100; (4) Non-refundable fee equal to 6% of the amount required by (2); (5) The state has a first lien on property of operator equal to not less than that required by (1) or (2); and (6) Operator has provided other financial assurance approved by the commission.

K.S.A. 55-193

The fund receives interest from the three sources described above.

The KCC requests the fund remain NO LIMIT.

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2180 WELL PLUGGING ASSURANCE FUND

Statutory History:

K.S.A. 55-166, 55-167

The Well Plugging Assurance Fund was established by the 2001 Legislature in House Bill 2200 to allow for those funds which were received after January 1, 1996 for financial assurance to be placed in a separate fund as a mechanism to plug any abandoned well drilled after July 1, 1996. Prior to the passage of this bill, the funds were maintained in the Abandoned Oil and Gas fund in a separate account. The law mandates the Conservation division require financial assurance of all licensed operators in the state.

There are six different provisions for operators to demonstrate annual compliance of financial viability: (1) Individual performance bond or letter of credit in an amount equal to $.75 times the total aggregate depth of all wells of the operator; (2) Blanket performance bond or letter of credit equal to $7,500, $15,000, $30,000, $45,000, or $75,000 based on depth and number of wells; (3) Acceptable record of demonstrated worthiness plus non-refundable payment of $100; (4) Non-refundable fee equal to 6% of the amount required by (2); (5) The state has a first lien on property of operator equal to not less than that required by (1) or (2); and (6) Operator has provided other financial assurance approved by the commission.

On July 1, 2021, the balance of the Well Plugging Assurance fund was transferred to the Abandoned Oil and Gas Well Fund as required by HB 2022 as discussed above. These funds may now be used to plug abandoned wells regardless of their drill date with the primary focus being the Commission's priority ranking system.

3656 ENERGY COMMUNITY REVITALIZATION GRANT - FEDERAL FUND – (a/k/a Orphaned Well Plugging Fund)
The KCC is responsible for administering the Orphaned Well Site Plugging, Remediation, and Restoration program (Orphaned Well Program) established by Section 40601 of the Infrastructure Investment and Jobs Act (IIJA) which was established to create good-paying jobs and address the environmental harms caused by orphaned wells. The initial award to Kansas is for $25,000,000 over three years to plug prioritized abandoned wells across the state.

2316 INSERVICE EDUCATION WORKSHOP FEE FUND

Statutory History:

The 1992 Legislature established an In-service Workshop Revolving Fund. This fund is for operating expenditures, including official hospitality, incurred for in-service workshops and conferences conducted by the KCC. The KCC is authorized to fix, charge, and collect fees for such in-service workshops and conferences. Registration fees are established to recover costs.

The KCC requests the fund remain NO LIMIT.

3768 UNDERGROUND INJECTION CONTROL PROGRAM FUND

Statutory History:
The Safe Drinking Water Act (SDWA) of 1974 (Public Law 93-523) authorizes the issuance of grants to states wishing to be delegated Primacy by the U.S. Environmental Protection Agency (EPA). The KCC, under Section 1425 of SDWA, administers the Class II (oil field disposal and enhance recovery injection wells) portion of the Federal Underground Injection Control (UIC) Program. The grants are administered by the U.S. EPA and only funds partial program expenses. This grant requires a 25% match from the state.

The KCC requests the fund remain NO LIMIT.

Explanation of Receipt Estimates – DA 405

Division of the Budget — Agency Kansas Corporation Commission

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3477 SPECIAL ONE CALL - FEDERAL FUND

Statutory History:

The KCC acts as an agent for the federal government in making inspections and investigations under the Natural Gas Pipeline Safety Act of 1968, Public Law 92-01. The Special One Call is an annual grant that focuses on the Kansas City and/or Wichita area(s) due to significant construction activity. Indirects are transferred to the PSR Fund, as the majority of administrative expenses are paid from this fund.

The KCC requests this fund remain NO LIMIT.

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Division of the Budget Agency Kansas Corporation Commission

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3639 UNDERGROUND NATURAL GAS STORAGE – FEDERAL FUND

KCC has received an Underground Natural Gas Storage grant (CFDA 20.725) which is a new CFDA number for the KCC. The grant is 100% federal funds with no state match with a purpose of conducting inspections of three intrastate operators and 4 intrastate facilities. Train pipeline safety inspection staff for underground storage inspection duties including attendance at the Inspector and Qualifications Division Seminar (TQ). Indirects are transferred to the PSR Fund, as the majority of administrative expenses are paid from this fund.

The KCC requests this fund remain NO LIMIT.

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Energy

2432 FACILITY CONSERVATION IMPROVEMENT PROGRAM (FCIP)

Statutory History:

K.S.A. 75-37,125 allows the KCC to fix, charge, and collect reasonable fees for administrative support of the program. As part of the FCIP program, fees are charged as part of the FCIP projects to administer the program. The fees are based on a sliding scale of a percent of the total cost of each project.

The KCC requests the fund remain NO LIMIT.

2667 ENERGY GRANTS MANAGEMENT FUND (Petroleum Violation Escrow)

Statutory History:

The KCC is responsible for administering Petroleum Violation Escrow (PVE) funds received by the State as a result of Department of Energy litigation against oil companies that violated price control between 1973 and 1981. There are several categories of acceptable uses for these funds, depending upon the specific court order in each settlement. In general, the funds and most of the interest accrued thereon are required to be spent for some specifically defined uses, within five federal energy-conservation programs, or for projects that will promote energy conservation.

The KCC requests the fund remain NO LIMIT.

3103 MULTIPURPOSE GRANT – FEDERAL FUND

KCC has received EPA grants under the Multipurpose Grants to States and Tribes (CFDA 66.204) which is a fairly new CFDA number for the KCC. The grant is 100% federal funds with no state match with a purpose of purchasing software that will monitor injection well and seismic activity from a single application. The software will have mapping capability as well as the ability to graphically represent the data as it pertains to injection volumes and earthquake occurrences for the purpose of protecting public health and safety.

The KCC requests this fund remain NO LIMIT.

3161 ARRA MAIN FEDERAL GRANT:

This fund was established to manage the Efficiency Kansas program. This was a revolving loan program that partnered with banks and utility companies to distribute federal loans for energy conservation measures to residences and small businesses. This fund is interest bearing and indirects are transferred to the PSR Fund, as the majority of administrative expenses are paid from this fund.

The KCC requests this fund remain NO LIMIT.

3633 ONE CALL - FEDERAL FUND

Statutory History:

The KCC acts as an agent for the federal government in making inspections and investigations under the Natural Gas Pipeline Safety Act of 1968, Public Law 92-01. The One Call is an annual grant that focuses on the Kansas City area due to significant construction activity. Indirects are transferred to the PSR Fund, as the majority of administrative expenses are paid from this fund.

The KCC requests this fund remain NO LIMIT.

3639 UNDERGROUND NATURAL GAS STORAGE – FEDERAL FUND

KCC has received an Underground Natural Gas Storage grant (CFDA 20.725) which is a new CFDA number for the KCC. The grant is 100% federal funds with no state match with a purpose of conducting inspections of three intrastate operators and 4 intrastate facilities. Train pipeline safety inspection staff for underground storage inspection duties including attendance at the Inspector and Qualifications Division Seminar (TQ). Indirects are transferred to the PSR Fund, as the majority of administrative expenses are paid from this fund.

The KCC requests this fund remain NO LIMIT.

Explanation of Receipt Estimates – DA 405

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3682 ENERGY CONSERVATION PLAN (EPCA) - FEDERAL FUND

Statutory History:

The Energy Policy and Conservation Act of 1975 established by P.L. 94-163 provides all funding for the development and implementation of state basic energy conservation plans. Participating states agree to accept mandatory energy conservation measures (thermal standards, lighting efficiency, rideshare programs and government procurement practices) with goals of reducing energy consumption. Additional conservation programs are created by states to meet state specific energy conservation needs. This grant requires a 20% match from the state. Indirects are transferred to the PSR Fund, as the majority of administrative expenses are paid from this fund.

The KCC requests the fund remain NO LIMIT.