

278.040 Public Service Commission operations -- Hearings -- Compensation -- Contracts -- Jurisdiction -- Regulations.

- (1)
 - (a) The Public Service Commission shall constitute an independent department of state government within the meaning of KRS Chapter 12 and shall be administratively attached to the Energy and Environment Cabinet only for those limited functions and purposes expressly requested by the commission to be performed by the Energy and Environment Cabinet.
 - (b) The commission shall have sole discretion as to which functions shall be deemed necessary for its efficient operation.
 - (c) The commission shall consist of the five (5) commissioners appointed under KRS 378.038, an executive director appointed under KRS 278.100, and other agents and employees as necessary to carry out the commission's obligations under this chapter.
- (2) Notwithstanding any provision of law to the contrary:
 - (a) The commission shall conduct all procurements necessary for the performance of its duties in accordance with the procurement procedures outlined in KRS Chapter 45A, this chapter, and the administrative regulations promulgated under this chapter, but the commission shall not be subject to any provision of KRS Chapter 45A that requires the approval of any Finance and Administration Cabinet official for the commission to proceed with any aspect of the procurement process;
 - (b) Upon approval of the commission, the executive director shall be deemed the chief purchasing officer for the purposes of conducting procurements for the commission and shall have all of the authority and responsibility with regard to the commission's procurements as the secretary of the Finance and Administration Cabinet has for procurements under KRS Chapter 45A; and
 - (c) In the bidding and negotiation processes, the executive director, upon approval of the commission, shall perform his or her own bidding and procurement in accordance with the procedures established by KRS Chapter 45A.
- (3)
 - (a) Except as provided in paragraph (b) of this subsection, in any matter to be decided by the commission, the chair of the commission shall assign three (3) commissioners to hear and decide the matter. No more than two (2) of the assigned commissioners shall be of the same political party.
 - (b) In his or her sole discretion, the chair may assign all five (5) commissioners to hear and decide a matter before the commission.
- (4)
 - (a) Notwithstanding KRS 64.640 or any provision of KRS Chapter 18A to the contrary, the commission may, in its sole discretion, identify and determine the compensation for categories of its professional employees at the amounts it deems necessary to recruit and retain employees who have the experience, expertise, and education required to perform their job responsibilities with the commission.
 - (b) Noncontractual employees of the commission shall otherwise be subject to the requirements and benefits of KRS Chapter 18A.

- (5) The commission may engage hearing officers, consultants, and other persons and entities on a contractual basis as needed to assist with the performance of the commission's duties under this chapter and the administrative regulations promulgated thereunder. The scope of responsibilities and duties held by a hearing officer shall be established by the commission by rule.
- (6) All personal service contracts entered into by the commission shall be subject to review by the Government Contract Review Committee established by KRS 45A.705.
- (7) The commission shall regulate utilities, enforce the provisions of this chapter and the rules and administrative regulations promulgated hereunder, and exercise all powers necessary and incidental thereto. The commission shall be a body corporate, with power to sue and be sued in its corporate name. The commission may adopt a seal bearing the name "Public Service Commission of Kentucky," which seal shall be affixed to all writs and official documents, and to such other instruments as the commission directs, and all courts shall take judicial note of the seal.
- (8) The jurisdiction of the commission shall extend to all utilities in this state. The commission shall have exclusive jurisdiction over the regulation of rates and service of utilities, but with that exception nothing in this chapter is intended to limit or restrict the police jurisdiction, contract rights or powers of cities or political subdivisions.
- (9) The commission may promulgate in accordance with KRS Chapter 13A reasonable administrative regulations to implement the provisions of KRS Chapter 278 and investigate the methods and practices of utilities to require them to conform to the laws of this state, and to all reasonable rules, regulations and orders of the commission not contrary to law.
- (10) The commission shall not be subject to reorganization under KRS Chapter 12.

Effective: April 15, 2026

History: Amended 2026 Ky. Acts ch. 185, sec. 2, effective April 15, 2026. -- Amended 1982 Ky. Acts ch. 82, sec. 7, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 379, sec. 8, effective April 1, 1979. -- Amended 1976 Ky. Acts ch. 88, sec. 2, effective March 29, 1976. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 3952-2, 3952-12, 3952-13, 3952-27.