

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Complaint Against)
KCP&L by Jennifer Henry.)

Docket No. 14-KCPE-469-COM

NOTICE OF FILING OF STAFF REPORT & RECOMMENDATION

The Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) files the attached Report and Recommendation (R&R) and states as follows:

1. Staff hereby files the attached R&R. Staff recommends the Commission dismiss Ms. Henry's Complaint and find KCP&L properly charged its Commission-approved rates for her actual energy usage.

WHEREFORE Staff submits its Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and proper.

Respectfully submitted,



Andrew French, #24680
Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604
Phone: (785)-271-3361
Fax: (785)-271-3167
Email: a.french@kcc.ks.gov
Attorney for Commission Staff

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Pat Apple

FROM: Pat Renner, Compliance Officer
Lana Ellis, Deputy Chief of Economic Policy and Planning
Robert Glass, Chief of Economic Policy and Planning
Jeff McClanahan, Director of Utilities

DATE: September 12, 2014

SUBJECT: 14-KCPE-469-COM: In the Matter of the Complaint Against Kansas City Power & Light Company (KCPL) by Jennifer Henry

EXECUTIVE SUMMARY:

Jennifer Henry of Spring Hill, Kansas, (an All-Electric Residential customer of KCPL) filed this Complaint against KCPL for high electric bills received in the months of January and February 2014. Ms. Henry questioned her reported usage on these bills and KCPL's All-Electric Residential rates. KCPL has reported that Ms. Henry's meter tested within the meter accuracy standards listed in KCPL's tariffs and thus considers the usage on Ms. Henry's bills to be correct. Upon investigation, Kansas Corporation Commission Staff (KCC and Staff, respectively) finds Ms. Henry was charged the appropriate KCC-approved rates for her actual energy usage. Therefore, Staff recommends that the Complaint be dismissed.

BACKGROUND:

In this Complaint Jennifer Henry of 21808 S. Vine Street, Spring Hill, KS, questioned KCPL's high electric bills dated January 8, 2014, and February 11, 2014. Ms. Henry questioned the accuracy of her meter-energy usage and the KCC-approved KCPL Residential All-Electric rates.

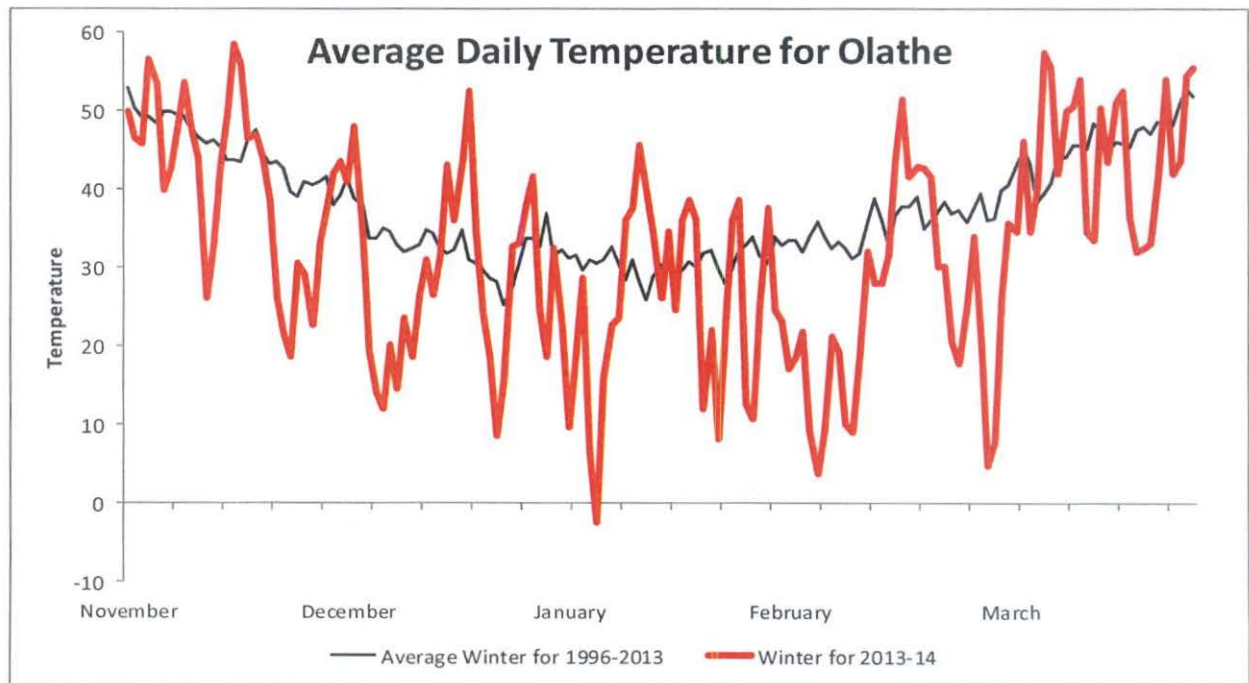
ANALYSIS:

Meter Accuracy-Energy Usage

KCPL has reported that on February 11, 2014, it tested Ms. Henry's meter and found it to be "accurate, recording usage at 100.01 percent." KCPL's KCC-approved General Rules

and Regulations, Section 9.15 Billing Adjustments, part (A) states, “Where, upon test, the average kilowatt-hour meter error is found to be 2% or less, no billing adjustment will be made therefor.” In addition, Section 9.14 Evidence of Consumption states, “The registration of the Company's meters will be accepted and received at all times and places as prima facie evidence of the amount of power and energy taken by the Customer.” Ms. Henry’s usage reported on her January and February 2014 electric bills is presumed accurate because her meter tested to 100.01% accuracy, which is within the 2% error range that is used to determine when a billing adjustment is necessary.

The unusually high Residential All Electric bills during the winter of 2013-2014 can be explained by comparing the average temperature before this past winter with the average daily temperature this past winter. Below is a graph that makes that comparison. Staff’s analysis indicates average 2013-2014 winter temperatures were substantially lower than previous years. Staff calculated the average daily temperature to be 26.8 degrees F for December 2013 through February 2014 and the daily average temperature for the December, January, February period 1996 through 2013 to be 33.0 degrees F. Therefore, Staff would expect Ms. Henry’s energy usage to be higher during the months in question. Upon review of meter accuracy test results and weather data, Staff finds Ms. Henry’s actual energy usage was properly measured by KCPL.



Ms. Henry also complained that she looked at the meter after KCPL checked the meter and found that it had been set back “a couple hundred from the previous day.” Staff has no means to verify this claim. KCPL states in its May 8, 2014, Answer paragraph 13,

“Simply stated, the kWh usage cannot be changed by running the meter backward.” Staff finds no merit to Ms. Henry’s claim on this issue.

KCPL All Electric Rates

Until 2010, KCPL’s Residential rate structure had changed little since the late 1980s and early 1990s. At that time, the KCPL rate structure was designed to sell as much electricity as possible to help offset the cost of constructing the Wolf Creek Nuclear Power Plant. In particular, the Residential winter rates for the All-Electric customers were particularly favorable, and as a sub-group, these All-Electric customers have benefited from these rates since at least the mid-1960s. The Final Order for the 10-KCPE-415-RTS rate case¹ changed KCPL’s Residential rate structure. Class Cost of Service Studies filed in the Docket by KCPL, Staff and the Citizens’ Utility Ratepayer Board all showed significant cross-subsidization of the Residential customers caused by Residential All-Electric discounts to the detriment of Regular Residential customers. The Commission adopted a Residential Rate Design proposed by KCPL that was based on its Class Cost of Service. The new rate design reduced, but did not eliminate, the Residential All-Electric discounts.

In the 12-KCPE-764-RTS rate case, the KCPL Class Cost of Service indicated that the new rate structure had significantly reduced the cross-subsidization between the Regular and All-Electric Residential customers. Neither KCPL nor Staff suggested changing the Residential Rate Structure, therefore, Residential rates for all sub-classes were raised proportionally to keep the basic rate structure intact. These rates became effective on January 1, 2013 and were charged during the December 2013 through February 2014 time period that this Complaint is focused on. As of January 1, 2013, the winter rates for KCPL Residential Regular and Residential All-Electric customers were:

Regular customers		
Customer Charge	\$10.48	per month
Energy Charge	\$0.07805	per kWh
All-Electric customers		
Customer Charge	\$10.48	per month
Energy Charge	\$0.07029	per kWh for the first 1,000 kWh
	\$0.06139	per kWh for all remaining kWh

Staff has reviewed Ms. Henry’s itemized KCPL electric bills dated January 8, 2014, and February 11, 2014, and has determined that they were calculated correctly using the KCC approved Residential Service Schedule R part C Residential General Use and Space Heat-One Meter (Residential All-Electric) tariff.

¹ Order: 1) Addressing Prudence; 2) Approving Application, in part; & 3) Ruling on Pending Requests, November 22, 2010.

RECOMMENDATION:

Upon investigation, Staff finds Ms. Henry was charged the appropriate KCC-approved rates for her actual energy usage. Therefore, Staff recommends the Complaint be dismissed.

CERTIFICATE OF SERVICE

14-KCPE-469-COM

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Notice of Filing of Staff Report and Recommendation was served via e-mail this 19th day of September, 2014, to the following:

JENNIFER HENRY
21808 S VINE ST
SPRING HILL, KS 66083
jenmhenry1@gmail.com
Also served via US mail

ROGER W. STEINER, CORPORATE COUNSEL
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
Fax: 816-556-2787
roger.steiner@kcpl.com

MARY TURNER, COMPLAINTS
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
Fax: 816-556-2110
mary.turner@kcpl.com

ANDREW FRENCH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3314
a.french@kcc.ks.gov

/s/ Vicki Jacobsen

Vicki Jacobsen