

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

Before Commissioners:                      Dwight D. Keen, Chair  
   Shari Feist Albrecht  
   Susan K. Duffy

In the Matter of a General Investigation                      )  
Regarding the Possible Implementation of a                      )  
separate Schools-only Tariff in Kansas City                      )                      Docket No. 19-GIME-504-GIE  
Power & Light's service territory.                      )

**ORDER OPENING GENERAL INVESTIGATION**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the file and records, and being properly advised, the Commission finds:

1.        On May 1, 2018, Kansas City Power & Light Company (KCP&L) filed for a \$32.9 million revenue increase, including property tax rebasing in Docket No. 18-KCPE-480-RTS (18-480 Docket).<sup>1</sup> As a result of the Commission's approval of the merger of KCP&L's parent company, Great Plains Energy, Inc. with Westar Energy, Inc., on May 24, 2018 (the merger), KCP&L reduced its requested revenue increase to \$22.6 million.<sup>2</sup>

2.        Olathe Public Schools USD 233; Johnson County Community College; Spring Hill School District USD 230; and Blue Valley Schools – Unified School District No. 229 (the Schools) were granted intervention in the 18-480 Docket, claiming they are paying inordinately high rates for electric service, and seeking a separate schools tariff for educational institutions to take service as a separate customer class.<sup>3</sup>

---

<sup>1</sup> Application, May 1, 2018, ¶ 3.

<sup>2</sup> Supplemental Direct Testimony of Darrin R. Ives, June 26, 2018, p 2.

<sup>3</sup> Direct Testimony of David W. Banks, Docket No. 18-KCPE-480-RTS, Sept. 12, 2018, p. 13.

3. On October 15, 2018, the Schools entered into a Joint Motion for Approval of Unanimous Settlement Agreement in the 18-480 Docket. Under one of the terms of the Unanimous Settlement Agreement, the Signatories agreed to ask the Commission to initiate a general investigation to evaluate whether KCP&L should implement a school tariff.<sup>4</sup>

4. On December 13, 2018, the Commission issued its Order Approving Unanimous Settlement Agreement in the 18-480 Docket. As part of its Order, the Commission agreed that a general investigation regarding a school tariff was appropriate and anticipated opening a general investigation by July 1, 2019.<sup>5</sup> The Commission directed KCP&L and the Schools to file comments delineating the scope of the general investigation into a possible school tariff by February 5, 2019, and Staff to file a Report and Recommendation based on those comments by March 18, 2019.<sup>6</sup>

5. On February 5, 2019, both KCP&L and the Schools filed comments. KCP&L recommends using in-house personnel to study the school tariff issue<sup>7</sup> and suggests the scope of the general investigation include:

- Defining “school” and identifying which accounts fall within that definition;
- Reviewing individual school usage, billings, and rates for KCP&L’s system using a 12-month test year ending in June 30, 2018 to compare schools’ usage against other customers’ usage or load profile from the same customer class;
- Utilizing KCP&L’s Class Cost of Service Study from the 18-KCPE-480-RTS Docket to segregate utility costs to serve schools from the Commercial & Industrial classes;

---

<sup>4</sup> Unanimous Settlement Agreement, Docket No. 18-KCPE-480-RTS (18-480 Docket), Oct. 15, 2018, ¶ 34.

<sup>5</sup> Order Approving Unanimous Settlement Agreement, 18-480 Docket, Dec. 31, 2018, ¶ 25.

<sup>6</sup> *Id.*

<sup>7</sup> Initial Comments of Kansas City Power & Light Company, 18-480 Docket, Feb. 5, 2019, ¶ 7.

- Reviewing Westar’s School tariffs;
- Determining whether to recommend a special school rate;
- If a special school rate is warranted, establishing the design of a proposed tariff for KCP&L’s next general rate case.<sup>8</sup>

KCP&L envisions filing a report outlining its findings on those issues and allowing the other participants in the Docket to file responses to its report.<sup>9</sup> The Schools recommend a series of roundtable discussions involving the Schools, KCP&L, and Commission Staff in hopes of making a joint proposal to the Commission.<sup>10</sup> The Schools suggest a much broader scope for the general investigation. In the first phase, the Schools believe the investigation should address:

- Whether Schools are currently paying excessively high rates due to unique electricity usage characteristics;
- Whether Kansas schools outside KCP&L’s service territory have specifically-designed school tariffs;
- Whether Schools pay higher prices for electricity than Kansas schools outside KCP&L’s service territory;
- Whether KCP&L’s commercial rates are transparent and understandable to Schools;
- Whether KCP&L’s commercial rates create incentives for Schools to be energy efficient;
- Whether Schools’ current KCP&L rates are just and reasonable.

If the Commission finds a separate School tariff is warranted, the Schools believe the Commission should accept *any* relevant evidence on how to design and implement a tariff or tariffs.<sup>11</sup>

---

<sup>8</sup> *Id.*, ¶ 9.

<sup>9</sup> *Id.*, ¶ 11.

<sup>10</sup> Comments on Scope of School Tariff Investigation, 18-480 Docket, Feb. 5, 2019, ¶ 8.

<sup>11</sup> *Id.*, ¶ 6.

6. On February 15, 2019, KCP&L and the Schools responded to each other's initial comments. KCP&L expresses concern over the scope of the investigation proposed by the Schools,<sup>12</sup> and believes the primary scope should involve a quantitative evaluation of the available data.<sup>13</sup> KCP&L argues the tariffs available to schools outside KCP&L's service territory are irrelevant and dependent on data from other utilities that is not available to KCP&L.<sup>14</sup> Rather than consider subjective topics such as the clarity, understandability, and transparency of rates, KCP&L favors limiting the scope to objective measures.<sup>15</sup> Accordingly, KCP&L reiterates its recommendation to base the investigation on quantitative analysis only.<sup>16</sup>

7. The Schools believe it is premature to select a specific methodology to analyze the issues.<sup>17</sup> It appears the School's preference to delay analyzing the data is due in part to their failure to have engaged a consultant to review KCP&L's methodology.<sup>18</sup>

8. After reviewing the Parties' comments, the Commission adopts a three phase investigation. The first phase will address the threshold question of which schools should be part of this investigation. The Commission directs KCP&L, the Schools, and Staff to collaborate and submit a joint recommendation to the Commission by July 29, 2019, suggesting an appropriate definition for the schools that will be subject to this general investigation. The recommendation should address whether the subject schools include:

- Does it include Private, Charter, Parochial, and Public Schools;
- Does it include home schools;

---

<sup>12</sup> Response to Initial Comments, 18-480 Docket, Feb. 15, 2019, ¶ 1.

<sup>13</sup> *Id.*, at ¶ 2.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*, at ¶ 5.

<sup>16</sup> *Id.*, at ¶ 8.

<sup>17</sup> Reply Comments on Scope of School Tariff Investigation, 18-480 Docket, Feb. 15, 2019, ¶ 5.

<sup>18</sup> Comments on Scope of School Tariff Investigation, ¶ 4.

- Does it cover K-12, pre-K, secondary schools, universities; and
- For school campuses, is each metered building considered a separate school and are all buildings on campus, such as gymnasiums, considered as a school.

9. Once the definition of a school is established, the Commission favors the approach suggested by KCP&L, of identifying the accounts for schools, and reviewing those schools' usage, billing, and rates for a 12-month test year ending June 30, 2018. In Phase II, the focus will be on whether a separate school tariff is appropriate, based on whether the available data shows the schools are homogenous enough to form a class. KCP&L is directed to identify the relevant billing accounts, and review the relevant schools' usage, billings and rates for a 12-month test year ending June 30, 2018, and compare those rates and bills to the load profile of other customers from the same rate class. Based on its review, KCP&L will submit a report on whether to establish a school specific rate class by May 1, 2020. KCP&L shall make the underlying data used to formulate their report available to all parties to the Docket that have signed a non-disclosure agreement. If KCP&L's report finds a school specific tariff is justified, KCP&L is directed to propose a tariff design for its next general rate case.

10. The Schools will have an opportunity to file comments in response to KCP&L's report by August 3, 2020. The August 3, 2020 deadline should ensure the Schools have ample time to retain a consultant to review KCP&L's report. Staff is directed to file a Report and Recommendation, evaluating KCP&L's proposal and the Schools' comments by November 2, 2020, and making a recommendation based on its evaluation.

11. If the Commission finds a separate school tariff is advisable, Phase III will focus on how to enact the tariff. For example, will schools be able to elect whether they are included in the new school tariff or will they be automatically transferred to the school rate class. If this

investigation proceeds to Phase III, the Commission will issue a schedule with Phase III deadlines. The Commission may elect to schedule a work study before August 3, 2020, or before November 2, 2020, or after receiving Staff's Report and Recommendation.

12. The Commission designates Brian G. Fedotin, Deputy General Counsel, 1500 SW Arrowhead Road, Topeka, KS 66604-4027, telephone number (785) 271-3105, [b.fedotin@kcc.ks.gov](mailto:b.fedotin@kcc.ks.gov) to serve as Prehearing Officer in this proceeding.<sup>19</sup> The Commission may designate other staff members to serve in this capacity. The Commission approves the use of electronic service of all filings, without requiring provision of follow-up hard copies as required by K.A.R. 82-1-216(a)(6). Filings must be served electronically by 5:00 p.m., on the date due, without requiring service among the parties of a follow-up hard copy. The Commission directs electronic service of filings to include service on the Prehearing Officer at [b.fedotin@kcc.ks.gov](mailto:b.fedotin@kcc.ks.gov).

**THEREFORE, THE COMMISSION ORDERS:**

A. KCP&L, the Schools, and Staff are directed to collaborate and submit a joint recommendation to the Commission by July 29, 2019, suggesting an appropriate definition for the schools that will be subject to this general investigation.

B. By May 1, 2020, KCP&L is directed to submit a report on whether to establish a school specific rate class. If KCP&L's report finds a school specific tariff is justified, KCP&L is directed to propose a tariff design for their next general rate case.

C. The Schools will have an opportunity to file comments in response to KCP&L's report by August 3, 2020.

D. Staff is directed to file a Report and Recommendation, evaluating KCP&L's proposal and the Schools' comments by November 2, 2020.

---

<sup>19</sup> K.S.A. 77-514; K.S.A. 77-516; K.S.A. 77-551.

E. Brian G. Fedotin is designated as the Prehearing Officer for this Docket.

F. The parties have 15 days from the date this Order was electronically served to petition for reconsideration.<sup>20</sup>

G. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner.

Dated: 06/27/2019 \_\_\_\_\_.



---

Lynn M. Retz  
Secretary to the Commission

BGF

---

<sup>20</sup> K.S.A. 66-118b; K.S.A. 529(a)(1).

## CERTIFICATE OF SERVICE

19-GIME-504-GIE

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 06/27/2019.

JAMES G. FLAHERTY, ATTORNEY  
ANDERSON & BYRD, L.L.P.  
216 S HICKORY  
PO BOX 17  
OTTAWA, KS 66067  
Fax: 785-242-1279  
jflaherty@andersonbyrd.com

MARTIN J. BREGMAN  
BREGMAN LAW OFFICE, L.L.C.  
311 PARKER CIRCLE  
LAWRENCE, KS 66049  
mjb@mjbregmanlaw.com

GLEND A CAFER, ATTORNEY  
CAFER PEMBERTON LLC  
3321 SW 6TH ST  
TOPEKA, KS 66606  
Fax: 785-233-3040  
glenda@caferlaw.com

TERRI PEMBERTON, ATTORNEY  
CAFER PEMBERTON LLC  
3321 SW 6TH ST  
TOPEKA, KS 66606  
Fax: 785-233-3040  
terri@caferlaw.com

TODD E. LOVE, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
d.nickel@curb.kansas.gov

SHONDA RABB  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
s.rabb@curb.kansas.gov

DELLA SMITH  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
d.smith@curb.kansas.gov

ROBERT J. HACK, LEAD REGULATORY COUNSEL  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PL, 1200 MAIN ST  
19TH FLOOR  
KANSAS CITY, MO 64105  
Fax: 816-556-2787  
rob.hack@kcpl.com

DARRIN R. IVES, VICE PRESIDENT, REGULATORY  
AFFAIRS  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PL, 1200 MAIN ST  
19TH FLOOR  
KANSAS CITY, MO 64105  
Fax: 816-556-2110  
darrin.ives@kcpl.com



## CERTIFICATE OF SERVICE

19-GIME-504-GIE

RONALD A. KLOTE, DIRECTOR, REGULATORY AFFAIRS  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PLACE  
1200 MAIN, 19TH FLOOR  
KANSAS CITY, MO 64105  
Fax: 816-556-2110  
ronald.klote@kcpl.com

ROGER W. STEINER, CORPORATE COUNSEL  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PL, 1200 MAIN ST  
19TH FLOOR  
KANSAS CITY, MO 64105  
Fax: 816-556-2787  
roger.steiner@kcpl.com

BRIAN G. FEDOTIN, DEPUTY GENERAL COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3354  
b.fedotin@kcc.ks.gov

ROBERT VINCENT, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3354  
r.vincent@kcc.ks.gov

JENNIFER S. GRIFFIN  
LATHROP & GAGE, L.C.  
314 East High Street  
Jefferson City, MO 65101  
Fax: 816-292-2001  
jgriffin@lathropgage.com

ANDREW J. FRENCH, ATTORNEY AT LAW  
SMITHYMAN & ZAKOURA, CHTD.  
7400 W 110TH ST STE 750  
OVERLAND PARK, KS 66210-2362  
Fax: 913-661-9863  
andrew@smizak-law.com

TIM RUSH, DIR. REGULATORY AFFAIRS  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PL, 1200 MAIN ST  
19TH FLOOR  
KANSAS CITY, MO 64105  
Fax: 816-556-2110  
tim.rush@kcpl.com

ANTHONY WESTENKIRCHNER, SENIOR PARALEGAL  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PL, 1200 MAIN ST  
19TH FLOOR  
KANSAS CITY, MO 64105  
Fax: 816-556-2787  
anthony.westenkirchner@kcpl.com

CARLY MASENTHIN, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3354  
c.masenthin@kcc.ks.gov

JUDY JENKINS HITCHY, MANAGING ATTORNEY  
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.  
7421 W 129TH ST  
OVERLAND PARK, KS 66213-2713  
Fax: 913-319-8622  
judy.jenkins@onegas.com

GRANT HARSE  
LATHROP & GAGE, L.C.  
2345 Grand Blvd.  
Suite 2200  
Kansas City, MO 64108  
Fax: 816-292-2001  
gharse@lathropgage.com

JAMES P. ZAKOURA, ATTORNEY  
SMITHYMAN & ZAKOURA, CHTD.  
7400 W 110TH ST STE 750  
OVERLAND PARK, KS 66210-2362  
Fax: 913-661-9863  
jim@smizak-law.com

**CERTIFICATE OF SERVICE**

19-GIME-504-GIE

CATHRYN J. DINGES, CORPORATE COUNSEL  
WESTAR ENERGY, INC.  
818 S KANSAS AVE  
PO BOX 889  
TOPEKA, KS 66601-0889  
Fax: 785-575-8136  
cathy.dinges@westarenergy.com

DAVID L. WOODSMALL  
WOODSMALL LAW OFFICE  
308 E HIGH ST STE 204  
JEFFERSON CITY, MO 65101  
Fax: 573-635-7523  
david.woodsmall@woodsmalllaw.com

/S/ DeeAnn Shupe  
DeeAnn Shupe

---