

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

**OCT 16 2012**

In the Matter of the Notice and Application of )  
Westar Energy, Inc. and Kansas Gas and )  
Electric Company for a Limited Waiver of a )  
Billing Standard Related to Registered Meter )  
Readings )

by  
State Corporation Commission  
of Kansas

Docket No. 13-WSEE-144-TAR

**NOTICE OF FILING OF STAFF'S REPORT AND RECOMMENDATION**

The Staff of the Corporation Commission of the State of Kansas ("Staff" and "Commission", respectively), files its Report and Recommendation, and states the following:

Staff hereby files the attached Report and Recommendation, jointly prepared by Thomas B. DeBaun and Andrew M. Fry, recommending the Commission approve Westar Energy, Inc. and Kansas Gas and Electric Company's ("Westar") request to waive the Billing Standards requirement for beginning and ending readings for the reading period when such data is not readily available and require Westar to make a compliance filing with a revised Sheet 11 of its General Terms and Conditions.

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,



Samuel Feather, #25475  
Litigation Counsel  
Kansas Corporation Commission  
1500 S.W. Arrowhead Road  
Topeka, KS 66604  
Phone: (785)-271-3240  
Fax: (785)-271-3167

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

STATE CORPORATION  
COMMISSION

**TO:** Chairman Mark Sievers  
Commissioner Thomas E. Wright  
Commissioner Shari Feist Albrecht

**OCT 15 2012**

**FROM:** Thomas B. DeBaun, Senior Energy Engineer  
Andrew M. Fry, EIT, Energy Engineer

PATRICE PETERSEN-KLEIN  
EXECUTIVE DIRECTOR

**DATE:** October 12, 2012

**DATE SUBMITTED TO EXECUTIVE DIRECTOR:** 10/15/12

**DATE SUBMITTED TO LEGAL:** 10-15-12

**DATE SUBMITTED TO COMMISSIONERS:** 10-16-12

**SUBJECT:** Docket No. 13-WSEE-144-TAR, *In the Matter of the Notice and Application of Westar Energy, Inc. and Kansas Gas and Electric Company for Limited Waiver of a Billing Standard Related to Registered Meter Readings*

**EXECUTIVE SUMMARY:**

A provision in the Commission's Billing Standards requires that customer billings show beginning and ending meter registrations for the "reading period".<sup>1</sup> Westar Energy, Inc. and Kansas Gas and Electric Company (together, "Westar") seek a waiver of this requirement.

Meter technology has progressed since the Commission adopted this requirement. Advanced electronic meters record usage in a different manner than conventional electro-mechanical meters and do not require a cumulative register to produce a record of total consumption for a given billing period. Westar has a number of electronic meters installed in Lawrence, Kansas that fall in this category.

Staff concludes that the subject standard does not seem to contemplate advanced meter technology and that compliance with the meter registration requirement would not serve the interests of either the utility or the customer when advanced metering is involved. Therefore, Staff recommends the Commission grant Westar a waiver of the portion of the Billing Standards

<sup>1</sup> Kansas Corporation Commission, *Electric, Natural Gas and Water Billing Standards* ("Billing Standards"), Section I, A (1), "The beginning and ending meter registration for the reading period, except that estimated billing shall disclose that it is based on estimated meter reading. The entire word "Estimated" must be shown on the bill." [http://kcc.ks.gov/pi/billing\\_2012.pdf](http://kcc.ks.gov/pi/billing_2012.pdf).

Section I, Item A (1) (a) that requires beginning and ending meter registration for the reading (billing) period.

**BACKGROUND:**

Westar requests a waiver of the Billing Standards requirement that customer billing statements show beginning and ending meter registrations for the reading period. This request is made pursuant to Billing Standards, Section VI, Waiver Requirements, which states:

The requirements contained in these standards may be waived in individual cases by the Commission upon written request by the utility and a showing that compliance with the requirement would not serve the interests of either the utility or the customer.

Should the Commission approve the requested waiver, Westar will need to revise Sheet 11 of its General Terms and Conditions (“GT&C”), Section 4.05.01, Information on a Bill in a subsequent compliance filing in this Docket.

Westar intends to continue supplying beginning and ending meter registrations for existing and future meter installations that have this information readily obtainable. However, certain electronic meters provide the needed usage data for a given billing period, but they do not maintain a readily accessible cumulative total of energy (kilowatt hours, kWh) delivered through the meter over all of its time in service. In response to a data request, Westar indicated that “All of these [electronic] meters have the capability to provide a beginning and ending meter reading for a period of time referred to a register read.”<sup>2</sup> However, Westar also stated, “In regards to electronic meters, it is the programming necessary to extract the data from the meters and make the data usable for billing purposes that is more difficult.”<sup>3</sup>

Westar is in the process of installing electronic meters in Lawrence as part of a smart-meter conversion program, SmartStar Lawrence, and eventually expects to replace approximately 45,000 meter under the program.<sup>4</sup> Without additional work and programming, these electronic meters do not provide the traditional beginning and ending meter registration.<sup>5</sup> The Company estimates that a total of 1,800 FTE hours would be required for programming and testing to enable the meters to provide traditional register reads.<sup>6</sup>

Westar recently requested and received permission from the Commission to offer a pilot residential time of use (TOU) rate in Docket No. 12-WSEE-112-RTS.<sup>7</sup> The pilot program will be limited to 1,000 customers. Under TOU rates the beginning and ending meter registration values alone, as required under the Billing Standards, offer insufficient data for bill calculation.

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<sup>2</sup> Westar response to Staff Data Request No. 1.3.

<sup>3</sup> Westar response to Staff Data Request No. 1.5.

<sup>4</sup> Westar Energy website; <http://smartstarlawrence.com/2010/11/lawrence>.

<sup>5</sup> 13-WSEE-144-TAR, Application, ¶ 3.

<sup>6</sup> *Ibid.* Application, footnote 1.

<sup>7</sup> Docket No. 12-WSEE-112-RTS, *In the Matter of the Joint Application of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in Their Charges for Electric Service*, Order Approving Nonunanimous Stipulation and Agreement with Modification, ¶ 31.

## ANALYSIS:

The language requiring meter readings in the current Commission Billing Standards evolved from Commission policy established in Docket No. 114,337-U<sup>8</sup> in 1979 and remains essentially the same in the present version.

The practice of including present and previous meter readings on customer billing apparently preceded the Commission Billing Standards. Review of a superseded Westar tariff from 1955 indicates that the practice has been a part of Westar's (Formerly Kansas Power and Light Company) rules and regulations for some time, as seen below:

Bills rendered to customers for metered service furnished will show the reading of the meter at the beginning and at the end of the period for which the bill is rendered and will give the date of present reading and number or units of service supplied.<sup>9</sup>

Conventional electro-mechanical meters have a visible register that simply displays a record of the cumulative energy that has been delivered through the meter since it was placed in service (or the last time it was manually reset to zero). In order to determine kilowatt-hour (kWh) usage during a billing period, one must know the reading at the end of the previous billing period and subtract that value from the present reading, hence the Billing Standards requirement. The meter itself does not make the calculation of total kWh consumed in a given time period.

In contrast, an electronic meter produces a record of the total kWh consumption for the billing period. At the end of each reading period the recorded consumption is transferred to the Company's computer system. At the time of the data transfer the meter, in effect, resets to zero (0) and starts counting kWh again.

Westar's residential TOU rate has two (Winter Period) or three (Summer Period) daily reading periods with different rates applied to each of the daily periods, along with additional differentiations for weekdays, weekends, and holidays. In this application, an electronic meter can log interval usage data and provide an aggregate record of kWhs used during multiple daily billing periods over the monthly billing cycle. In the TOU situation, the Billing Standard requirement of a beginning and an ending meter registration for a billing period is of no assistance in calculating a final statement of usage when two or three different hourly rates apply.

Finally, in the case of TOU rates, if the standard of providing beginning and ending registrations for each "reading period" is applied very literally, the resultant bill could have as many as three "reading periods" per day over the course of an entire monthly billing period. Staff believes this would be an onerous requirement as long as paper billing is the prevalent method for producing

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<sup>8</sup> Docket No. 114,335-U, Order, *In the Matter of a General Investigation to Establish a Policy Concerning Billing Practices, Security Deposits, Late Payment Charges, and Discontinuances of Service*, August 21, 1979.

<sup>9</sup> The Kansas Power and Light Company; Schedule: Rules and Regulations, General; effective April 1, 1955, sheet 7 of 31.

customer statements. Customers using SmartStar have on-line access to extensive detail regarding usage throughout a billing period at anytime.

**RECOMMENDATION:**

Staff has two recommendations for the Commission:

- 1) Approve the Westar request to waive the Billing Standards requirement for beginning and ending readings for the reading period when such data is not readily available.
- 2) Require Westar to make a compliance filing with a revised Sheet 11 of its General Terms and Conditions, as follows:

Section 4.05.01, Information on a Bill: Customer's bill will show:

- a) The beginning and ending meter reading for the billing period **or the usage for the billing period obtained from an electronic meter**, except that an estimated billing shall disclose that it is based on estimated usage and the word "Estimated" shall appear on the bill;<sup>10</sup>

cc: Patrice Petersen-Klein, Executive Director  
Jeff McClanahan, Director of Utilities  
Michael Wegner, Chief of Energy Operations  
Jesse Borjon, Director Public Affairs and Consumer Protection  
Samuel Feather, Litigation Counsel

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<sup>10</sup> Emphasis is on added language for clarity in this Report and Recommendation. The published version of 4.05.01 (a) would not use boldface type.

## CERTIFICATE OF SERVICE

13-WSEE-144-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation was placed in the United States mail, postage prepaid, or hand-delivered this 16th day of October, 2012, to the following:

NIKI CHRISTOPHER, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
n.christopher@curb.kansas.gov  
\*\*\*Hand Delivered\*\*\*

C. STEVEN RARRICK, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
s.rarrick@curb.kansas.gov  
\*\*\*Hand Delivered\*\*\*

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

SHONDA SMITH  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
sd.smith@curb.kansas.gov  
\*\*\*Hand Delivered\*\*\*

DAVID SPRINGE, CONSUMER COUNSEL  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
d.springe@curb.kansas.gov  
\*\*\*Hand Delivered\*\*\*

SAMUEL FEATHER, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604-4027  
Fax: 785-271-3167  
s.feather@kcc.ks.gov  
\*\*\*Hand Delivered\*\*\*

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

  
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Pamela Griffeth  
Administrative Specialist