THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:	Shari Feist Albrecht, Chair
	Jay Emler
	Pat Apple

In the Matter of the General Investigation Into the Appropriateness of Certain Sections of the) Kansas Corporation Commission's Electric and) Docket No. 15-GIMX-344-GIV Natural Gas Billing Standards Related to On-Premises Collections

ORDER ADOPTING STAFF'S REPORT AND RECOMMENDATION AND OPENING GENERAL INVESTIGATION

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This matter comes before the State Corporation Commission of the State of Kansas ("Commission"). Having examined Staff's Report and Recommendation submitted by Staff in this matter and being duly advised in the premises, the Commission finds as follows:

I. BACKGROUND

On February 5, 2015, Staff prepared a Report and Recommendation ("R&R") 1.

informing the Commission that a general investigation docket needs to be opened to review the appropriateness of certain sections of the Kansas Corporation Commission's electric and natural gas billing standards related to on-premises collections.¹ Specifically, a general investigation docket needs to be opened to evaluate the appropriateness and implication of eliminating the "knock and collect" requirement prior to disconnection of utility service.²

2. Staff recommended that the scope of the general investigation be limited to Section IV, Item C (2); Section IV, Item G; and Section V, Item D (2) of the Billing Standards.³

3. Staff further recommended soliciting input from interested parties on how the general investigation should proceed (e.g. responsive comments, roundtable discussions,

¹ Staff's Report and Recommendation, p. 3 (Feb 5, 2015).

² *Id.* at p. 1.

³ See id. at p. 3

contested docket with testimony, solicit white papers from the parties, etc.) to minimize the need for extensive comment periods.⁴

II. FINDINGS AND CONCLUSIONS

4. The Commission is satisfied that jurisdiction to conduct the requested investigation exists pursuant to K.S.A. 66-101 *et seq.* Specifically, the Commission may initiate an investigation into rates, rules, and regulations of gas and electric public utilities.⁵

5. Staff's Report and Recommendation dated February 5, 2015, is hereby adopted. A copy of Staff's Report and Recommendation is attached hereto as Attachment "A" and is hereby incorporated by reference.

6. The Commission finds and reaffirms the need for a full and comprehensive review of Section IV, Item C (2); Section IV, Item G; and Section V, Item D (2) of the Billing Standards to determine the appropriateness of eliminating the "knock and collect" requirement prior to disconnecting utility service.⁶

7. The Commission finds that all Kansas gas and electric public utilities should be made party to this proceeding and served with a copy of this Order. However, only parties filing an entry of appearance will be placed on the official service list and receive documents filed in this proceeding.

8. All entries of appearance must be filed no later than thirty days (30) from the date of this Order.

 $[\]frac{4}{1}$ Id at pp. 1, 3.

⁵ See K.S.A. 66-101d, 101g; K.S.A. 66-1,201, 204, 207.

⁶ The Commission previously detailed opening such an investigation in its Order Denying Application, p. 3, Docket No. 15-WSEE-188-MIS (Jan. 29, 2015).

9. The parties are directed to file comments to determine the most appropriate means with which this general investigation is to proceed within forty five (45) days from the date of this Order.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

(A) A general investigation evaluating the appropriateness of on-premises collections detailed in Section IV, Item C (2); Section IV, Item G; and Section V, Item D (2) of the Kansas Corporation Commission's electric and natural gas Billing Standards to determine the appropriateness of eliminating the "knock and collect" requirement prior to disconnecting utility service is hereby opened.

(B) Any Kansas gas or electric public utility that wishes to participate in this proceeding must enter an entry of appearance no later than thirty (30) days from the date of this Order.

(C) The parties are hereby ordered to file comments on how the general investigation should proceed to minimize the need for extensive comment periods (e.g. responsive comments, roundtable, contested docket with testimony, solicit white papers from the parties, etc.) within forty five (45) days from the date of this Order.

(D) The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2014 Supp. 77-529(a)(1).

(E) The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary and proper.

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(F) All Kansas gas and electric public utilities subject to the Kansas Corporation

Commission's jurisdiction are hereby made a party to this proceeding.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair, Emler, Commissioner, Apple, Commissioner

Dated: _____ FEB 2 6 2015

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ORDER MAILED FEB 2 7 2015

Neysa Thomas Acting Secretary

REV

ATTACHMENT "A"

Utilities Division 1500 SW Arrowhead Road Topeka, KS 66604-4027

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Sam Brownback, Governor

REPORT AND RECOMMENDATION UTILITIES DIVISION

- TO: Chair Shari Feist Albrecht Commissioner Jay Scott Emler Commissioner Pat Apple
- **FROM:** Jon Wilson, Research Economist Lana Ellis, Deputy Chief of Economics and Rates Jeff McClanahan, Director of Utilities
- DATE: February 5, 2015

SUBJECT: Request to open a general investigation into the appropriateness of certain sections of the Kansas Corporation Commission's Electric and Natural Gas Billing Standards (Billing Standards) related to on-premises collections.

EXECUTIVE SUMMARY:

The development of digital meters has presented electric companies an opportunity to reduce costs and save resources, but determining the appropriateness of a remote disconnect procedure is an important policy decision that requires careful consideration and input from a broad range of stakeholders. As such, this decision should not be piecemealed but should be given full, comprehensive attention.

Therefore, Staff recommends the Commission open a general investigation to evaluate the appropriateness and implication of eliminating the "knock and collect" requirement prior to disconnection of utility service. The scope of the general investigation should therefore be limited to the relevant sections of the Billing Standards. Staff further recommends soliciting input from interested parties on how the general investigation should proceed (e.g. responsive comments, roundtable, contested docket with testimony, solicit white papers from the parties, etc.) to minimize the need for extensive comment periods.

BACKGROUND:

On October 30, 2014, Westar filed an Application in Docket No. 15-WSEE-188-MIS (15-188) requesting a waiver of the requirements stated in the Billing Standards. Specifically, waivers of Section IV, Item C (2); Section IV, Item G; and Section V, Item D (2) were requested. These standards require a utility employee to attempt to offer the customer an opportunity to make payment at the door before disconnecting the customer's service (knock and collect). Instead,



Westar proposed adding an additional customer contact (text, phone call, or email) prior to disconnecting service, using the customer's preferred contact method.

Previously, Westar filed a similar Application in Docket No. 13-WSEE-707-TAR (13-707) requesting a waiver of the "knock and collect" requirements for only those customers with digital meters. Staff, in its Report and Recommendation (R&R)¹ stated:

[m]erely because Westar has the technical ability to remotely disconnect the meter, does not mean it is appropriate to grant this waiver request. Granting a waiver would eliminate the digitalmeter customer's opportunity to avoid disconnection and additional reconnection fees. Moreover, granting the waiver would eliminate the customer's opportunity to dispute the cause for disconnection. Because the customer's opportunity to dispute the disconnection and to avoid additional fees should be preserved, it is inappropriate to grant this waiver request. [Footnote omitted]

Staff filed a R&R recommending denial of that Application and instead recommended the Commission take up this issue in a General Investigation Docket when digital meters become more prevalent.² Similarly, on December 30, 2014, Staff filed a R&R in Docket No. 15-188 recommending dismissal of the Application and the opening of a general investigation docket limited to evaluating the appropriateness of Section IV, Item C(2); Section IV Item G; and Section V Item D(2) of the Billing Standards.

Both Westar and CURB responded to Staff's R&R on January 7, 2015. Westar stated that they are not opposed to Staff's recommendation to open a general docket, but emphasized the need for a timely resolution focused on the knock and collect requirements. CURB agrees with Staff's recommendation due to the fact that changing policy should include the balancing of interests and notice to affected customers.

ANALYSIS:

Only nine percent of Westar's customers had the Advanced Metering Infrastructure (AMI) meters at the time of the original waiver request in 13-707. But now, both Westar and Kansas City Power & Light (KCPL) are expecting to expand their installation and usage of digital meters. Not all meters will have the remote disconnect capability.³

Staff agrees that the development of digital meters provides an opportunity to reduce costs and save resources, but determining whether remote disconnect is appropriate is an important policy decision that requires careful consideration and input from a broad range of stakeholders. As such, this decision should not be piecemealed but should be given full, comprehensive attention.

¹ Staff's Report and Recommendation, Docket No. 13-WSEE-707-TAR, pp. 2-3.

² "When digital meters become more prevalent, Staff recommends the Commission take up this issue in a general investigation docket to consider whether the new meter technology warrants a waiver of the billing standards. If it is determined that the relevant billing standards should be waived, then the generic docket could also consider the necessary or appropriate changes to the disconnect/reconnect tariff fees." Staff's Report and Recommendation, Docket No. 13-WSEE-707-TAR, p. 4.

³ Two-way communication is required for the digital meters to have this capability.

Therefore, Staff recommends opening a general investigation to evaluate the appropriateness and implication of eliminating the "knock and collect" requirements.

Due to the rapid expansion of the implementation of digital meters, the issue should be addressed quickly. Because of the need to resolve this issue quickly, Staff recommends limiting the scope of the general investigation to evaluating the appropriateness of the sections of the Billing Standards specifically addressing the "knock and collect" requirements.⁴ In addition, Staff recommends soliciting input from interested parties on how the general investigation should proceed to minimize the need for extensive comment periods (e.g. responsive comments, roundtable, contested docket with testimony, solicit white papers from the parties, etc.).

As indicated previously, in the 15-188 Docket both Westar and CURB responded to Staff's R&R on January 7, 2015, and agree that a general investigation is appropriate. On January 29, 2015, the Commission denied Westar's Application. The Commission also ordered Staff to initiate a general investigation "with due haste".⁵ No specific timeline was established, though the Commission stated that Staff should work with interveners to develop a schedule to resolve this issue quickly while maintaining a reasonable amount of time to develop a complete analysis and recommendation.⁶

RECOMMENDATION:

Because of the rapid expansion of digital meters and the importance of the policy decision presented here, Staff recommends opening a general investigation limited to evaluating the appropriateness of Section IV, Item C (2); Section IV, Item G; and Section V, Item D (2) of the Billing Standards. Further, Staff proposes specifically asking interested parties how the general investigation should proceed (e.g. responsive comments, roundtable, contested docket with testimony, solicit white papers from the parties, etc.) to minimize the need for extensive comment periods.

⁴ Section IV, Item C (2); Section IV, Item G; and Section V, Item D (2).

⁵ Order Denying Application, Jan. 29, 2015, p. 3.

⁶ Order Denying Application, Jan. 29, 2015, p. 3.

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