

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Notice and)
Application of Westar Energy, Inc.)
and Kansas Gas and Electric Company for) Docket No. 15-WSEE-188-MIS
a Limited Waiver of the Billing Standards)

APPLICATION

COME NOW Westar Energy, Inc. and Kansas Gas and Electric Company (collectively referred to as “Westar”) and file this Application for a limited waiver of the requirements stated in the Commission’s Electric and Natural Gas Billing Standards (Billing Standards), Section IV, Item C (2), Section IV, Item G, and Section V, Item D (2) for all customers. In support of its Application, Westar states:

1. Westar North and Westar South are corporations duly organized under the laws of the State of Kansas engaged, among other things, in the business of electric public utilities, as defined by K.S.A. 66-104, in legally designated areas within the State of Kansas. Westar holds certificates of convenience and authority issued by this Commission authorizing it to engage in such utility business.

2. Section IV, Item C (2) of the Commission’s Billing Standards states, “[e]xcept for discontinuance pursuant to IV.A.(1), (3), (7) and (8), a utility shall not discontinue service unless . . . (2) The utility employee who is to disconnect service is also authorized to accept payment of amounts due for utility charges and thereby either avert disconnection or provide for reconnection.”

3. Section IV, Item G of the Commission’s Billing Standards states,

[t]he employee of the utility who is to disconnect service shall: (1) Immediately preceding the discontinuance of service, make a reasonable effort to: (a) Contact and identify himself or herself to the customer or responsible person then upon the premises and

shall announce the purpose of his or her presence; (b) Identify and record the name of the person contacted; (c) Accept payment of all amounts tendered to him which are necessary to avert disconnection; (d) Record statements disputing the accuracy of the delinquent bill; (e) Record statements disputing the accuracy of the utility's findings concerning the cause for discontinuance; and (f) Record statements concerning the medical condition of any permanent resident of the premises.

4. Section V, Item D (2) applies during the Cold Weather Rule period and requires the utility to

[s]end one written notice mailed first-class at least 10 days prior to termination of service. A customer may not be disconnected until a 48-hour forecast above the activating temperature is predicted by the National Weather Service. During the first 24 hours, which will be the day prior to disconnection, the utility shall make at least one telephone call attempt with the customer of record and make one attempt at a personal contact with the customer of record on the day prior to termination of service if telephone contact on that day was not made. The telephone call attempt(s) and personal contact the day prior to disconnection is in addition to the already existing notice requirements contained in the Commission's standards under Section IV. If the customer is not contacted during the phone call(s) or the personal contact the day prior to termination of service, the utility employee shall leave a disconnect message on the door on the day prior to disconnect . . .

5. Together, these standards require a Westar employee to attempt to make personal contact with a customer and offer an opportunity to make payment at the door before disconnecting the customer's service ("knock and collect requirements").

6. Westar is requesting a waiver of the knock and collect requirements – Section IV, Item C (2), Section IV, Item G, and Section V, Item D (2) – for all customers. Instead of requiring personal contact and collection of payment at the door, Westar proposes to add one additional contact with a customer prior to shut-off using the method of the customer's choice (text, phone call, or email). If Westar's waiver request is granted, no trip to the customer's

residence will be necessary for customers with digital meters because disconnection and reconnection can be completed remotely.

7. Westar's proposal will leverage advancing technology and help control costs by saving the cost of a service person's time and the truck roll for customers with digital meters.

8. In Docket No. 13-WSEE-707-TAR, Westar filed an application requesting waiver of the knock and collect requirements for only those customers with digital meters. Staff, in its Report and Recommendation, p. 2, in that docket, stated:

Granting a waiver in this case would eliminate the customer's opportunity to avert disconnection by making payment at the door while customers without a digital meter will continue to be able to make payments at the door when the service personnel are on site to make the disconnection. This creates an unfair condition, wherein one group of customers has the option to make payments in the moment and another group of customers has this option removed from them merely because of the advancement of technology.

9. The Commission's Order in Docket No. 13-WSEE-707-TAR stated that "[i]f approved, the waiver would create an unfair situation because the 9% minority of customers on digital meters would get one less chance to avoid disconnection than the customers on non-digital meters." Order Denying Application, ¶ 4, Docket No. 13-WSEE-707-TAR (Dec. 4, 2013).

10. In this Application, Westar is requesting that the waiver apply to all customers in order to address Staff's and the Commission's concerns about fairness.

11. Westar is providing the Direct Testimony of Michael Rinehart in support of this Application, attached hereto. Mr. Rinehart discusses the cost-savings benefits that can result from Westar's request in this Application and explains how Westar is attempting to leverage the benefits of advancing technology to benefit its customers. Mr. Rinehart also discusses the

customer protections currently in place for customers facing disconnection and the additional customer contact that Westar is proposing to add in this Application.

WHEREFORE, Westar respectfully requests that the Commission issue an order waiving Section IV, Item C (2), Section IV, Item G, and Section V, Item D (2) of the Billing Standards for all customers.

Respectfully submitted,

WESTAR ENERGY, INC.
KANSAS GAS AND ELECTRIC COMPANY



Cathryn J. Dinges, #20848
Senior Corporate Counsel
818 South Kansas Avenue
Topeka, Kansas 66612
Telephone: (785) 575-1986
Fax: (785) 575-8136

VERIFICATION

STATE OF KANSAS)
)
COUNTY OF SHAWNEE) ss:

Cathryn J. Dinges, being duly sworn upon her oath deposes and says that she is the attorney for Westar Energy, Inc. and Kansas Gas and Electric Company; that she is familiar with the foregoing **Application** that the statements therein are true and correct to the best of her knowledge and belief.

Cathryn Dinges
Cathryn J. Dinges

SUBSCRIBED AND SWORN to before me this 30th day of October, 2014.



Debbielee A. Papps
Notary Public

My Appointment Expires: June 26, 2017

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

**DIRECT TESTIMONY
OF
MIKE RINEHART
WESTAR ENERGY**

DOCKET NO. _____

I. INTRODUCTION

1

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. Mike Rinehart, 818 South Kansas, Avenue, Topeka, Kansas 66612.

4 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

5 A. Westar Energy, Inc. (Westar) as Director, Customer Account
6 Services.

7 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR
8 EDUCATIONAL BACKGROUND AND PROFESSIONAL
9 EXPERIENCE.**

10 A. I received a Bachelor of Science degree with majors in accounting
11 and business administration from Emporia State University. I
12 joined Westar in August 1989. While at Westar, I have served in
13 various financial accounting, budgeting, and customer
14 accounting/service roles. In my current position, I am responsible

1 for oversight of our retail billing, credit, and revenue assurance
2 departments.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

4 A. I discuss and support Westar's request for a waiver of the "knock
5 and collect" billing standards. I will discuss the cost savings that
6 can occur if Westar's Application is approved and how we can
7 incorporate the advantages of modern technology represented by
8 digital meters and modern communications such as text messages,
9 email and phone calls to provide a better customer experience and
10 ultimately help control costs for our customers.

11 **II. WESTAR'S REQUEST FOR WAIVER OF KNOCK AND**
12 **COLLECT REQUIREMENTS**

13 **Q. WHAT IS WESTAR REQUESTING IN THIS DOCKET?**

14 A. Westar is requesting a waiver for all customers of the "knock and
15 collect requirements" of the Commission's Electric and Natural Gas
16 Billing Standards (Billing Standards) that require a Westar
17 employee to attempt to make personal contact with a customer and
18 offer an opportunity to make payment at the door before
19 disconnecting the customer's service. These requirements are
20 found at Section IV, Item C (2), Section IV, Item G, and Section V,
21 Item D (2) of the Billing Standards.

22 For customers with digital meters, no trip to the customer's
23 residence is necessary because disconnection and reconnection
24 can be completed remotely by utilizing the technologies inherit in

1 the digital meters. Westar proposes to add an additional contact
2 with the customer in place of the personal contact prior to
3 disconnection using a method of the customer's choice (phone call,
4 email, or text message).

5 **Q. WHY SHOULD THE COMMISSION APPROVE WESTAR'S**
6 **WAIVER REQUEST?**

7 A. Waiver of the knock and collect requirements will leverage the
8 digital meter technology and help Westar control costs for the
9 benefit of all customers.

10 **III. COST CONTROL**

11 **Q. HOW WILL THE REQUESTED WAIVER HELP TO CONTROL**
12 **COSTS?**

13 A. We currently have 62,000 digital meters installed and project by
14 mid 2015 to have more than 120,000. For the Westar customers
15 that have these digital meters installed, if Westar's waiver request
16 is approved, employees will not be required to travel to the
17 customers' residence to disconnect power saving time, fuel, and
18 wear and tear on vehicles.

19 Each time a Westar employee travels to a customer's
20 residence to disconnect service, it costs approximately \$13.25. In
21 2013, Westar worked over 54,000 non-pay shut-off orders, for a
22 total cost of approximately \$715,000. By eliminating the knock and
23 collect requirements for all customers, Westar will avoid these costs
24 for customers with digital meters. As the number of customers with

1 digital meters continues to increase, the associated cost savings
2 will also increase. Utilizing the technology in digital meters has also
3 provided Westar with the ability to restore service faster when a
4 customer has been disconnected and makes the necessary
5 payment to reestablish service and eliminates the cost associated
6 with returning to the residence to restore service.

7 **IV. CUSTOMER PROTECTIONS**

8 **Q. WHAT WOULD THE NOTIFICATION PROCESS BE PRIOR TO**
9 **DISCONNECTION IF WESTAR'S APPLICATION IS APPROVED?**

10 A. Exhibit MR-1, attached hereto, depicts the process we would follow
11 prior to disconnection if our Application is approved. This includes
12 the process followed today, without the personal contact and
13 opportunity to pay at the door, and with an additional contact prior
14 to disconnection using the method chosen by the customer (phone
15 call, email, or text message). Using this method, customers will
16 receive five notices and opportunities to make payment before their
17 service is disconnected during the Non Cold Weather Rule (CWR)
18 period and six notices during CWR period. It is also important to
19 remember that if the customer pays prior to shut-off, they also save
20 the \$15 collection/disconnect charge as well as the \$20
21 reconnection fee.

22 **Q. IF A CUSTOMER RECEIVES A NOTICE OF DISCONNECTION,**
23 **WHAT PAYMENT OPTIONS DO THEY HAVE?**

1 A. Customers have numerous options for making a payment – phone
2 checks, credit cards, payment stations, and payments through
3 Westar’s website. Of these options, all except for credit cards are
4 currently available to the customer without direct charge to the
5 customer.

6 With respect to payments by credit cards, Westar recently
7 filed an Application with the Commission in Docket No. 14-WSEE-
8 589-TAR requesting approval to eliminate the convenience fee for
9 residential customers using credit cards to pay their electric bills.
10 Eliminating the convenience fee will make it more affordable for
11 customers to utilize credit cards to pay their bills remotely – either
12 through our website or by phone – and avoid disconnection.

13 Westar is also currently working to add a significant number
14 of pay stations by 2015. These additional pay stations will be in
15 locations such as Wal-Mart and Dillons. Our hope is that these pay
16 stations will assist customers who may not get out of the house a
17 lot but still go out to buy groceries and other essential items. When
18 completed we will have doubled the number of pay stations that are
19 available today.

20 **Q. HOW SUCCESSFUL ARE THESE HOME COLLECTION**
21 **EFFORTS?**

22 A. Not only are these collection trips to homes with a digital meter an
23 unnecessary cost, we average less than 30% successful collection

1 attempts at the door prior to shut-off. We hope that providing an
2 alternative notification/collection attempt utilizing the modern
3 communication method preferred by the customer will result in a
4 larger percentage of success and thus avoid disconnection of
5 service for our customers. Replacing the knock with a more
6 modern method of contact chosen by the customer will increase the
7 likelihood of making contact with the customer and this will benefit
8 all customers, not just those with digital meters.

9 **Q. ARE THERE ANY ADDITIONAL BENEFITS FROM THE**
10 **REQUESTED WAIVER FOR CUSTOMERS?**

11 A. Eliminating the knock and collect requirements eliminates any
12 embarrassment that might occur for customers when a Westar
13 employee attempts to collect an outstanding bill at their door prior
14 to disconnection. Receiving a collection call can be difficult enough
15 for customers, but having an employee make a collection attempt at
16 the door and in front of neighbors could cause even more
17 embarrassment for customers. By notifying the customer of the
18 disconnection via phone, email, or text, the collection attempt
19 remains private and provides the customer with the option of
20 making a payment immediately (on the website, using a credit card,
21 or calling the customer relations center) to avoid disconnection.

1 **Q WILL THE FEES FOR DISCONNECTION AND RECONNECTION**
2 **BE REDUCED FOR DIGITAL METERS SINCE A TRIP TO THE**
3 **METER IS UNNECESSARY?**

4 A. Yes. There are still costs associated with the automatic
5 disconnection and reconnection but they are significantly less than
6 rolling a truck. Westar is in the process of reviewing these costs
7 and will be proposing reduced connection and disconnection fees
8 as part of its upcoming general rate case.

9 **Q. THANK YOU.**