

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

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

In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Kansas Metro for a)
Variance from the Commission's Electric and) Docket No. 20-KCPE-205-TAR
Natural Gas Billing Standards)

**ORDER ADOPTING STAFF'S
REPORT AND RECOMMENDATION**

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records, the Commission makes the following findings and conclusions:

1. On November 1, 2019, Evergy Kansas Metro ("Evergy") filed an Application requesting a waiver of part of the Electric, Natural Gas, and Water Billing Standards ("Billing Standards").¹ Evergy also requested approval of changes to its General Rules and Regulations Applying to Electric Service ("Rules and Regulations") in order to allow it to implement the requested waiver.²

2. Evergy requests a waiver of §I.A.(1).a, which requires a bill state the beginning and ending meter registration for a billing period, and §I.A.(1).b, which requires a bill state the date a meter was read.³ Evergy incorporates §I.A.(1)a and §I.A.(1).b of the Billing Standards in §4.02.(A).(1) and §4.02.(A).(2) of its Rules and Regulations.⁴

¹ Application of Evergy Kansas Metro (Nov. 1, 2019) (Application).

² *Id.* at 3.

³ See Order Granting Staff's Motion to Amend the Terms of the Commission's Natural Gas, Electric, and Water Billing Standards, Docket No. 07-GIMX-446-GIV (Dec. 21, 2011) (07-446 Order).

⁴ Application at Appendix A.

3. The changes requested would apply to the bills of customers who take service under Evergy's Time of Use tariff, which has two or three daily billing periods and the rate applied to each period varies.⁵ Evergy requested and received approval to offer a pilot time of use and demand rate in Docket No. 18-KCPE-480-RTS.⁶ Evergy asserted in its Application that beginning and ending registered meter reads measuring cumulative data over the course of the billing period are not relevant to Time of Use customers; rather, the number of kWh consumed in each time period (e.g., on peak or off peak) were used to calculate the bills for customers taking service under this tariff.⁷ The number of kWh consumed in each time period is assessed using interval data.⁸

4. On March 12, 2020, Commission Staff ("Staff") issued its Report and Recommendation ("R&R"), which is attached hereto and incorporated by reference. Staff analyzed whether or not the proposed changes complied with §VI of the Billing Standards.⁹ §VI states, "[t]he 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."¹⁰

5. Staff's analysis concluded that the inclusion of both cumulative and interval data on Time of Use customers' bills would create confusion and lead to more frustration, customer complaints, and customer service inquiries.¹¹ For these reasons, Staff concluded compliance with the current language in the Billing Standards would not serve the interests of Evergy or its

⁵ *Id.* at 2.

⁶ *Id.* at 2-3. Effective October 8, 2019, Evergy Kansas Metro adopted the service territory and tariffs of Kansas City Power & Light Company ("KCP&L"). See, *Order Approving Name Change*, Docket No. 20-KCPE-122-CCN, dated October 8, 2019.

⁷ *Id.* at 2.

⁸ *Id.*

⁹ Staff's Report and Recommendation (Mar. 12, 2020) ("R&R").

¹⁰ 07-446 Order.

¹¹ R&R at 4.

customers.¹² Staff recommended that cumulative data should be left off of Time of Use customers' bills to avoid confusion and that Evergy's partial waiver of the Billing Standards should be granted.¹³ Staff also recommended the Commission approve Evergy's modification to its Rules and Regulations so that the bill requirement stated therein will correctly match the new bill requirements.¹⁴

6. After review of Staff's Report and Recommendation, the Commission finds that Evergy's proposed partial waiver of the Billing Standards and revision to its Rules and Regulations to reflect such waiver serves the interests of Evergy and its customers because it will avoid confusion and increased frustration, customer complaints, and customer service inquiries.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission hereby adopts Staff's Report and Recommendation and orders the approval of Evergy's requested waiver to §I.A.(1).a and §I.A.(1).b in the Billing Standards.

B. The Commission orders Evergy shall implement a modification of §4.01.(A).(1) and §4.02.(A).(2) in its Rules and Regulations to require only interval data for customers taking service under the Time of Use tariff.

C. 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. 77-529(a)(1).

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of issuing such further order, or orders, as it may deem necessary.

¹² R&R at 3.

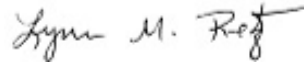
¹³ *Id.*

¹⁴ *Id.* at 4.

BY THE COMMISSION IT IS SO ORDERED.

Duffy, Chair; Albrecht, Commissioner; Keen, Commissioner

Dated: 03/17/2020 _____



Lynn M. Retz
Executive Director

CRM

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chair Susan K. Duffy
Commissioner Shari Feist Albrecht
Commissioner Dwight D. Keen

FROM: Douglas Hall, Research Economist
Justin Prentiss, Senior Research Economist
Lana Ellis, Deputy Chief of Economics and Rates
Robert Glass, Chief of Economics and Rates
Jeff McClanahan, Director of Utilities

DATE: March 12, 2020

SUBJECT: Docket No. 20-KCPE-205-TAR: In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Kansas Metro for a Variance from the Commission's Electric and Natural Gas Billing Standards

EXECUTIVE SUMMARY:

Evergy Kansas Metro ("Evergy") filed an Application requesting a waiver of part of §I, Item A of the Electric, Natural Gas and Water Billing Standards (Billing Standards), which require the beginning and ending meter registration and the dates of those readings. Evergy has also requested approval of changes to its General Rules and Regulations Applying to Electric Service ("Rules and Regulations") in order to allow it to implement the requested waiver.

Beginning and ending meter registrations are used to calculate cumulative monthly usage. However, the Time of Use tariff calculates bills according to different times of usage within a day. Interval data is necessary for calculating bills according to the different times of usage, but interval data differs from cumulative data. Because the interval data and cumulative data differ, the inclusion of both interval and cumulative data would be confusing, leading to more frustration, more customer complaints, and more customer service inquiries. Therefore, compliance with the Billing Standards requirement of reporting beginning and ending meter reads would not serve the interests of either Evergy or its customers.

Because compliance with the current Billing Standards would not serve the interests of either Evergy or the customers of Evergy, the Commission should grant the waiver as requested. So that Evergy may implement the waiver, the Commission should also approve the modifications to Evergy's Rules and Regulations.

BACKGROUND:

On November 1, 2019, Evergy filed an Application requesting a waiver of part of Section I, Item A of the Billing Standards.¹ Specifically, Evergy requests waivers of §I.A.(1).a, which requires a bill state the beginning and ending meter registration for a billing period, and §I.A.(1).b, which requires a bill state the date the meter was read. Evergy incorporates §I.A.(1).a and §I.A.(1).b of the Billing Standards in §4.02.(A).(1) and §4.02.(A).(2) of its General Rules and Regulations Applying to Electric Service (“Rules and Regulations”). Consequently, Evergy would need to update those sections of its Rules and Regulations to reflect the respective changes recommended in this report.

ANALYSIS:

Jurisdiction

Kansas Law grants broad authority to the Commission to ensure public utilities provide reasonably efficient and sufficient service and facilities at just and reasonable rates. The Commission is given full power, authority, and jurisdiction to supervise and control the electric public utilities doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority, and jurisdiction.² As applied to the regulation of electric public utilities, the provisions of the Public Utilities Act and all grants of power, authority and jurisdiction made to the Commission shall be liberally construed.³

Evaluation Criteria

Billing Standard Mandates and Evergy’s Rules and Regulations

The Commission has maintained Billing Standards since 1979 to ensure protections for both customers and utilities.⁴ The Billing Standards require certain information be stated on a bill, which assists customers in understanding their bills.⁵

In particular, §I.A.(1).a requires that a bill contain the beginning and ending volumes registered on the meter and §I.A.(1).b requires that the date of the meter reading be stated. §I.A.(1).a and §I.A.(1).b of the Billing Standards are incorporated in §4.02.(A).(1) and §4.02.(A).(2) of Evergy’s Rules and Regulations, respectively.

Billing Standard Waiver Requirements

§VI in the Billing Standards 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

¹ Application for Evergy Metro, Inc., November 1, 2019. After some collaboration with Staff, Evergy filed an Amended Application on December 4, 2019, clarifying the reasoning for and certain aspects of the request. Amended Application for Limited Waiver, December 4, 2019.

² See K.S.A. 66-101.

³ See K.S.A. 66-101g.

⁴ Docket No. 114,337-U, August 21, 1979.

⁵ The current version of the Billing Standards has been in place since 2012. For the current version of the Billing Standards, See, Order Granting Staff’s Motion to Amend the Terms of The Commission’s Natural Gas, Electric and Water Billing Standards, Docket No. 07-GIMX-446-GIV, December 21, 2011 (Enacting the current version of the Billing Standards).

compliance with the requirement would not serve the interests of either the utility or the customer.

Thus, to grant Evergy's request, it must be shown that compliance with the beginning and ending meter read requirement would not serve the interests of Evergy or the interests of Evergy's customers.

Staff's Analysis

Evergy's Proposal

Evergy requests a waiver of §I.A.(1).a and §I.A.(1).b in the Billing Standards. To implement the waiver, Evergy also requests a modification of §4.02.(A).(1) in its Rules and Regulations to require only interval data for customers taking service under the Time of Use tariff. In addition, Evergy requests a modification of §4.02.(A).(2) in its Rules and Regulations to require the meter reading date on the bill only when applicable.

Staff analyzed Evergy's requests by determining whether compliance with the billing standards would not serve the interests of either Evergy or Evergy's customers. Staff then analyzed Evergy's proposed modification to §4.02.(A).(1) and §4.02.(A).(2) in its Rules and Regulations to determine whether they were necessary to implement the requested waiver.

Compliance with the Requirement Would Not Serve the Interests of Evergy or Its Customers

The Billing Standards require Evergy to report the beginning and ending meter reads on customers' bills each month. These beginning and ending reads are used to calculate a customer's cumulative monthly usage. However, cumulative monthly usage does not work for Time of Use customers because beginning and ending reads do not show at which time a customer used his/her energy, which is necessary for determining the applicable rate for that particular usage. Instead, interval meter data is necessary for accurate time of use billing because it does allow Evergy to determine the level of usage for each pricing period. Thus, interval meter data needs to be reported on the bill for Time of Use customers.

While interval meter data is necessary for accurate billing, the interval data and cumulative monthly readings differ slightly when reporting total usage due to rounding. Thus, including both cumulative and interval data for Time of Use customers may produce confusion and frustration for customers as they try to understand their bills. Evergy would be able to keep its bills for Time of Use customers accurate and lessen confusion by omitting the beginning and ending monthly readings.

This accuracy and clarity could assist in customers understanding their bills, in eliminating some complaints, and in eliminating some avoidable customer service inquiries. Fewer potential customer complaints and customer service inquiries would result in savings for Evergy. Therefore, including only interval data on Time of Use customers' bills is the most efficient and accurate means of informing this type of customer of their billing details.

For the above reasons, if Evergy were to comply with the Billing Standards, it would not serve the interests of Evergy or its customers. Therefore, Staff recommends that a partial waiver of the Billing Standards be granted.

Modification to Evergy's Rules and Regulations is Necessary

If Evergy were to be granted this waiver, Evergy's Rules and Regulations would need to be updated for implementation of the waiver. As they currently read, Evergy's Rules and Regulations require that Evergy provide the beginning and ending meter readings on customers' bills. More specifically, §4.02.(A).(1) requires that each bill for electric service shows:

The beginning and ending meter registration for the reading period, except that an estimated bill should disclose that it is based on estimated usage.

To implement the waiver, however, Evergy's §4.02.(A).(1) would need to add language allowing only interval data to be stated on bills for Time of Use customers. Evergy proposes the following changes to §4.02.(A).(1), requiring each electric bill show (changed text in italics):

For customers taking service under the Residential Time of Use Pilot tariff, the interval data provided by the electric meter. For all other customers, the
beginning and ending meter registration for the reading period. *For all customers, except that an estimated bill must*~~should~~ disclose that it is based on estimated usage⁶.

The additional language is necessary for Evergy to implement the waiver. Therefore, Staff recommends approval of these changes.

Currently, §4.02.(A).(2) of Evergy's rules and regulations requires "The date the meter was read and the date of the bill" on customer bills. However, interval data does not have an exact beginning and ending meter read time, as the readings occur more frequently, happening multiple times each day and are then aggregated together for each interval.

Because the dates of meter reads become irrelevant as the usage is aggregated for each interval, meter read dates would not be applicable to Time of Use customer bills. Evergy would need to modify §4.02.(A).(2) to require meter read dates only when applicable. Evergy proposes the following changes to §4.02.(A).(2), requiring each electric bill show (changed text in italics):

The date the meter was read, *when applicable*, and the date of the bill;

Because limiting the §4.02.(A).(2) requirements for read dates to situations when beginning and ending reads are applicable is necessary, Staff recommends approval of these changes.

Conclusion

Compliance with the Billing Standards requirement of reporting beginning and ending meter reads would not serve the interests of either Evergy or its Time of Use customers. The Billing Standards require that beginning and ending reads must be shown on the bill. However, interval data is necessary for calculating time of use bills, and due to rounding, the interval data and cumulative monthly readings differ slightly when reporting total usage. Therefore, inclusion of both interval and cumulative data on Time of Use customers' bills would create confusion, leading to more frustration, more customer complaints, and more customer service inquiries. To avoid confusion,

⁶ While changing "should" to "must" is unrelated to the type of data on the bill, it more accurately aligns with the Billing Standards.

the cumulative data should be left off of Time of Use customers' bills. Thus, Evergy's partial waiver of the Billing Standards should be granted.

Furthermore, to implement the waiver, Evergy would need approval of the modified Rules and Regulations, §4.02.(A).(1) and §4.02.(A).(2), so the bill requirements stated in the Rules and Regulations will correctly match the new bill requirements. Thus, Evergy's proposed §4.02.(A).(1) and §4.02.(A).(2) modifications should also be granted.

RECOMMENDATION:

The Commission should grant a partial waiver for §I.A.(1).a and §I.A.(1).b as requested, as compliance with the Billing Standards would not serve the interests of either Evergy or Evergy's Time of Use customers. Also, so that Evergy may implement the waiver, the Commission should approve the modifications to §4.02.(A).(1) and §4.02.(A).(2) Evergy's Rules and Regulations.

CERTIFICATE OF SERVICE

20-KCPE-205-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 03/17/2020.

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