

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

In the Matter of the Application of Evergy )  
Metro, Inc. for Approval of Tariff Changes to ) Docket No. 20-EKME-358-TAR  
Implement Consolidated Customer Forward )  
Program. )

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

The Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively), submits its Notice of Filing of Staff's Report and Recommendation and states as follows:

Staff hereby files the attached Report and Recommendation dated October 12, 2020, recommending the Commission approve Evergy Metro's Application subject to Staff's recommended edits to the filed tariff language.

WHEREFORE, Staff requests the Commission consider its Report and Recommendation, and for any other further relief as the Commission deems just and reasonable.

Respectfully submitted,

s/Cole Bailey

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Susan K. Duffy, Chair  
Dwight D. Keen, Commissioner  
Andrew J. French, Commissioner

Laura Kelly, Governor

## REPORT AND RECOMMENDATION UTILITIES DIVISION

**TO:** Chair Susan Duffy  
Commissioner Dwight D. Keen  
Commissioner Andrew J. French

**FROM:** Douglas Hall, Rate Analyst  
Justin Grady, Chief of Revenue Requirements, Cost of Service and Finance  
Jeff McClanahan, Director of Utilities

**DATE:** October 12, 2020

**SUBJECT:** Docket No. 20-EKME-358-TAR—In the Matter of the Application of Evergy Metro, Inc. for Approval of Tariff Changes to Implement Consolidated Customer Forward Program.

### **EXECUTIVE SUMMARY:**

Evergy Metro, Inc. (Evergy Kansas Metro) is in the process of integrating various IT systems with Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., the latter two together as Evergy Kansas Central subsequent to the merger between Great Plains Energy Incorporated, Kansas City Power and Light Company, and Westar Energy, Inc., which the Commission approved in Docket No. 18-KCPE-095-MER (18-095 Docket). One such process is the integration and consolidation of the merged companies' customer service systems by moving the Evergy Kansas Central customers onto Evergy Kansas Metro's recently developed customer service system, in what the companies refer to as the Customer Forward Program. In order to align systems and processes across the company and to allow the implementation of the Customer Forward Program, Evergy Kansas Metro and Evergy Kansas Central have filed parallel Applications requesting a set of changes to their General Terms and Conditions (GTC). They also request that the Commission approve the proposed tariff changes to go into effect with the go-live date, which they plan to notify the Commission of with a filing in the Docket. Due to disruptions caused by the temporary State shutdown, and in accordance with the Commission's *Emergency Order Staying All Dockets*, Evergy Kansas Metro has requested, and the Commission has approved, the extension of the statutory deadline for a Commission Order in this Docket to November 11, 2020.

Staff recommends approval of Evergy Kansas Metro's Application subject to the Staff's recommended edits to the filed tariff language, as the proposed changes conform to the Commission's Billing Standards and Staff contends that these tariff changes are just and reasonable.

### **BACKGROUND:**

On February 14, 2020, Evergy Metro, Inc. (Evergy Kansas Metro) filed an Application requesting approval of tariff changes for its Customer Forward Program. A parallel Application was filed by Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., together as Evergy Kansas Central, in Docket No. 20-EKCE-357-TAR. The Customer Forward Program is a project to consolidate customer service systems and align customer policies subsequent to the merger between Great Plains Energy Incorporated, Kansas City Power & Light (now Evergy Metro, Inc.), and Westar Energy, Inc. (now Evergy Kansas Central, Inc.), and comprises a set of changes to Evergy Kansas Metro's GTC.

The proposed changes to the GTC are categorized by topic, and include Align length of time to pay after a billing adjustment (Section 4.02(B)), Estimation Process (Section 4.08), Commercial Credit Card Payments (Section 4.03(C)-(D)), and Diversion Charges (Section 5.10(B)(7)).

On September 2, 2020, Evergy Kansas Metro filed Supplemental Information in Support of Application to provide more detailed explanations of the proposed changes to the GTC.

On September 8, 2020, Staff and Evergy Kansas Metro filed a Joint Motion to Extend Statutory Deadline requesting that the statutory deadline be extended by 30 days to November 11, 2020, due to disruption caused by the COVID-19 pandemic. The Commission approved this request on September 17, 2020.

### **ANALYSIS:**

Staff examined the changes to the GTC proposed by Evergy Kansas Metro, and the analysis that follows organizes topics by the order in which they appear in the Application. Staff evaluates whether each proposed change conforms to the Commission's Electric, Natural Gas and Water Billing Standards (Billing Standards). One of the primary benefits listed by Evergy Kansas Metro in the Application is the efficiencies arising from having unified systems and consistent policies. Staff agrees that these efficiencies and consistent policies across the Evergy companies will provide customer benefits, in fact, it is these exact type of efficiencies and benefits that were contemplated when the Commission approved the merger in the 18-095 Docket.

#### **Align length of time to pay after a billing adjustment**

Evergy Kansas Metro proposes a change to Section 4.02(B), Schedule 1.23, of its GTC adding language to allow for more flexibility in the amount of time given to a customer to pay a balance due as a result of a billing adjustment. Currently, Section 4.02(B) reads in part:

If the Customer owes the Company additional money as a result of the adjustment, except in cases under Rule 5.01(H) the Customer, upon his request, shall be permitted to pay the additional charge in equal installments over the same amount of time as the length of the adjusted billing period.

The proposed change would read (emphasis added):

If the Customer owes the Company additional money as a result of the adjustment, except in cases under Rule 5.01(H) the Customer, upon his request, shall be permitted to pay the additional charge in equal monthly installments over a period ~~the same amount~~ of time at least equal to ~~as the length of~~ the adjusted billing period.

Everygy Kansas Metro states in the supplement to their Application that the intention of the added language is to allow customers up to two times the number of months to pay as was adjusted, though Staff notes this intent is not explicit in the choice of verbiage.<sup>1</sup> However, the use of “at least” does not remove any benefit from customers, and could be beneficial to customers by making an adjusted bill more manageable; doubling the amount of time to repay the adjustment would halve the monthly payment. Staff supports the addition of this language to Section 4.02(B) of the GTC, and recommends approval of the proposed changes.

### **Estimation Process**

Everygy Kansas Metro proposes a change to Section 4.08 Schedule, 1.31A, of its GTC. The proposed tariff would clarify the estimated bill procedure in cases where the meter cannot be read, distinguishing between customers that have Advanced Metering Infrastructure (AMI) meters, and customers with non-AMI (analog) meters. The estimation process itself is not changing, but the language will reflect how the system handles the estimation.

Section 4.08 would read (emphasis added):

#### **A. Estimation Method:**

1. For customers with Advanced Metering Infrastructure (AMI) meters, when a current meter read is unavailable, the system will average consumption from the last read plus three-prior days to estimate the read. If that information is not available, a second estimation attempt will be made. The system will average the usage from five historical reads from the previous year. It will average the usage from the read in prior year from the same day as being estimated along with the three days prior and one day after. If the second estimation attempt is not successful, then the estimation is a manual process. The Billing Department will estimate usage based on historical usage information from the same premise and if and not available, the usage of customers with like premises.

2. For customers with non-AMI meters, when a current meter read is unavailable, the system will average the usage from the prior year in the same billing month the usage 35 days before and the usage 35 days after that month. ~~and the following billing month.~~ If that information is not available, a second read estimation attempt will be made by averaging the usage from the prior two readings. If the second estimation attempt is not successful, then the estimation is a manual process. The Billing Department will estimate usage based on historic usage information from the same premise and if not available, the usage of customers with like premises.

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<sup>1</sup> Everygy Kansas Metro Notice of Filing Supplemental Information in Support of Application, p. 1, Docket No. 20-EKME-358-TAR (Sep. 2, 2020).

Evergy Kansas Metro's Estimation Process was originally approved in Docket 18-KCPE-063-TAR.<sup>2</sup> Evergy Kansas Metro states that the process used to estimate reads is not changing, but it is requesting two changes in tariff language to clarify the process.

First, in Section 4.08, Evergy Kansas Metro requests that the time period estimated when a current meter read is unavailable be changed from "three-prior days" to "last read plus three-prior days". Second, in Section 4.08, Evergy Kansas Metro requests that the period over which the system will average usage be changed from "the usage from the prior year in the same billing month and the following billing month" to "the usage from the prior year in the same billing month, the usage 35 days before and the usage 35 days after that month."

As specified in the proposal, the estimate in the proposed Section 4.08 is unclear to Staff. Usage from the same billing month, the prior month, and following month could be read as a three month period. In order to clarify that the estimation is based on a 70 day window, Staff recommends that the sentence in question be amended as follows:

For customers with non-AMI meters, when a current meter read is unavailable, the system will average usage from 35 days prior to and 35 days after the same date of the previous year.

Conditioned upon Staff's recommended change, Staff supports the proposed changes to Section 4.08 of the GTC, and recommends approval of the changes.

### **Commercial Credit Card Payments**

Evergy Kansas Metro proposes a change to Section 4.03(C)-(D), Schedule 1.24-1.25, of its GTC that would allow commercial customers to make payments using a credit card. The card transaction fee would be set at 2.7% of the transaction amount with a transaction limit of \$5,000. Multiple transactions in a given month would be permitted. Residential customers would not be affected by the change.

Staff contends that the proposed changes to the card transaction fee and transaction limit are consistent with the Minimum Standards for Payment Methods for Utility Bills (Payment Standards). Specifically, Section (I), "Credit card fees incurred by the customer must be reasonable", and Section (J), "The level of customer service must be preserved."<sup>3</sup>

The proposed transaction fee is reasonable as it is 0.55% lower than the approved transaction fee for Evergy Kansas Central commercial customers. Credit card payments are not currently allowed for Evergy Kansas Metro's commercial customers, and no other options are affected by the proposed change, so the level of customer service is not diminished. Commercial customers will be permitted to make multiple card transactions, so balances larger than the transaction limit will still be payable by credit or debit card. The transaction fee is percentage-based and not a flat fee, so multiple transactions would not affect the cost to the customer. Thus, the transaction limit does not diminish the level of customer service for commercial customers.

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<sup>2</sup> Order Adopting Staff's Report and Recommendation, p. 2, Docket No. 18-KCPE-063-TAR (Jan. 4, 2018).

<sup>3</sup> Minimum Standards for Payment Standards for Utility Bills (Nov. 22, 2005).

Because the proposed commercial credit card payment changes are consistent with the Payment Standards, Staff recommends approval of the proposed changes to Section 4.03(C)-(D) of the GTC.

### **Diversions Charges**

Evergy Kansas Metro proposes changes to Section 5.10(B)(7), Schedule 1.42, Sheet 42, and Section 6.10, Schedule 1.52, Sheet 52, of its GTC that would require full payment of all costs and charges related to tampering or diversion of service prior to restoration of service. Currently, customers that tamper with or steal service enter into an agreement for payment prior to restoration of service. The revised portion of Section 5.10(B)(7) would read (emphasis added to show changes):

Service disconnected under (5) must be restored as soon as possible after payment by the Customer of the full value of the diverted service, charges, costs, damages, plus deposit (refer to 6.10).

The revised version of Section 6.10 would read (emphasis added to show changes):

The Company may discontinue service to a customer and remove its facilities from the Customer's premises, pursuant to Rule 5, when evidence is found that any portion of the Company's facilities has been tampered with in such manner that the Customer may have received unauthorized service. In such event, the Company may estimate from available information to have been used, but not registered by the Company's meter, and collected together with all expenses incurred by Company on account of customer unauthorized act(s), and to increase the amount of his cash deposit or indemnity bond or other credit arrangement in accordance with 3.03(B) before electric service is restored; and, in addition thereto, the Customer shall be required to bear all costs incurred by the Company for such protective equipment as, in the judgment of the Company, may be necessary.

The provided reason for the change is to unify the policy with the proposed changes to Evergy Kansas Central's requested change to the GTC in Docket No. 20-EKCE-357-TAR. Effectively, full payment for all consequences of diverting or tampering with service would be required prior to restoring service.

As specified in the tariff, the estimate in the proposed Section 6.10 is unclear to Staff. In order to clarify language, Staff recommends that the sentence in question be amended as follows:

In such event, the Company may estimate from available information service to have been used, but not registered by the Company's meter, and collect this together with all expenses incurred by Company on account of customer unauthorized act(s), and to increase the amount of Customer's cash deposit or indemnity bond or other credit arrangement in accordance with 3.03(B) before electric service is restored...

With respect to restoration of service, Section IV.H(1) of the Billing Standards states that:

Upon the customer's request, a utility shall restore service promptly when the cause of discontinuance of service has been eliminated, applicable restoration charges paid and, if required, satisfactory credit arrangements have been made.

Given that cases of theft or diversion require some intentional action, it seems to Staff reasonable that charges, costs, and damages would be part of applicable restoration charges. A security deposit, if required, would be a component of satisfactory credit arrangements. Therefore, Staff contends that Evergy Kansas Metro requiring full payment of all costs and charges from a customer in cases of tampering or diversion of service conforms with the Billing Standards. Further, the proposed change would see that Sections 5.10(B)(7) and 6.10 both reference full payment, making the GTC language consistent. For these reasons, conditioned upon Staff's recommended change, Staff supports the proposed changes to Sections 5.10(B)(7) and 6.10 of the GTC.

**RECOMMENDATION:**

Staff recommends approval of Evergy Kansas Metro's proposed changes to its GTC because they conform to the Commission's Billing Standards and are therefore just and reasonable. For the Align length of time to pay after a billing adjustment (Section 4.02(B)) and Commercial Credit Card Payments (Section 4.03(C)-(D)), Staff recommends approval of the filed tariff language. For the Estimation Process (Section 4.08) and Diversion Charges (Sections 5.10(B)(7) and 6.10), Staff recommends approval conditioned upon Staff's suggested edits to the filed tariff language.

## CERTIFICATE OF SERVICE

20-EKME-358-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation was served via electronic service this 13th day of October, 2020, to the following:

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