

**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) Docket No. 15-WSEE-188-MIS
Electric Company for a Limited Waiver of the)
Billing Standards)

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 recommending the Commission dismiss the Application and open 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.

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**

TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Pat Apple

FROM: Jon Wilson, Research Economist
Tyler Page, Research Economist
Luis Solorio, Senior Research Economist
Lana Ellis, Deputy Chief of Economics and Rates
Robert Glass, Chief of Economics and Rates
Jeff McClanahan, Director of Utilities

DATE: December 19, 2014

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

EXECUTIVE SUMMARY:

Westar Energy, Inc. and Kansas Gas and Electric Company (collectively referred to as Westar) are making a request to waive requirements related to the “knock and collect” issue. Staff has looked at this issue before in Docket No. 13-WSEE-707-TAR, which related only to those customers that had the digital meters. The new request would cover all customers, regardless of the presence of the digital meters. Staff recommends dismissing this Docket and opening a General Investigation at this time. Staff also recommends limiting the scope of the investigation to evaluating the appropriateness of 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 (Billing Standards) and the implication of modifying these requirements.

BACKGROUND:

On October 30, 2014, Westar filed an Application 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) are requested. These standards require a Westar 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 is proposing to add 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 requesting a waiver of the “knock and collect” requirements for only those customers with digital meters. Staff, in its Report and Recommendation¹ 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 digital-meter 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]

Therefore, Staff recommended 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

ANALYSIS:

Only nine percent of Westar’s customers had the Advanced Metering Infrastructure (AMI) meters at the time of the original waiver request in Docket No. 13-WSEE-707-TAR. But now, both Westar and Kansas City Power & Light (KCPL) are expecting to expand their installation and usage of digital meters. Westar anticipates 200,000–220,000 AMI meters to be in use by the end of 2015.³ Similarly, KCPL is expected to have nearly all of Johnson County covered by early 2015.⁴

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. Therefore, Staff recommends dismissing this Docket and 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

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 Discussion with Westar, December 10, 2014.

⁴ Discussion with KCPL, December 10, 2014.

Standards specifically addressing the “knock and collect” requirements.⁵ 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.).

RECOMMENDATION:

Because of the rapid expansion of digital meters and the importance of the policy decision presented here, Staff recommends closing this Docket and 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. Staff plans to file a motion with an R&R detailing the scope of the General Investigation and 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.

⁵ Section IV, Item C (2); Section IV, Item G; and Section V, Item D (2).

CERTIFICATE OF SERVICE

15-WSEE-188-MIS

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 served by electronic service on this 30th day of December, 2014, to the following:

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

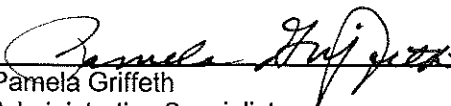
DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov

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

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

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

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



Pamela Griffeth
Administrative Specialist