

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

In the Matter of a General Investigation )  
of Kansas City Power & Light ) Docket No. 16-GIME-576-GIE  
Company's All Electric Residential )  
Rates. )

**SUBMISSION OF CITIZENS' UTILITY RATEPAYER BOARD OF PROPOSED  
FILING DEADLINE FOR REPORT OF RATE-DESIGN METHODOLOGIES**

COMES NOW the Citizens' Utility Ratepayer Board (CURB) and hereby conditionally proposes a deadline for the parties to submit a report and testimony with the Commission in connection with alternative means in which the Commission can analyze the benefits KCP&L's residential all-electric space heating customers have provided to the KCP&L system as a whole and KCP&L's other residential customers.

1. CURB is composed of five volunteer consumer advocate members and is statutorily authorized to represent the interests of Kansas residential and small commercial ratepayers in utility proceedings.

2. CURB's Consumer Counsel is authorized to intervene and represent the interests of Kansas residential and small commercial ratepayers, or any portion thereof, in utility proceedings before the Commission under K.S.A. 66-1223 et seq.

3. The Commission opened an investigation in this docket by Order Opening General Investigation issued on June 21, 2016.<sup>1</sup> In that Order, the Commission recognized that the issue of special discounted rates for all-electric heating customers had been an issue

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<sup>1</sup> Order Opening General Investigation (June 21, 2016).

of concern for some time, and wanted to evaluate KCP&L's rates for all-electric heating customers from a fresh perspective.<sup>2</sup>

4. On September 22, 2016, the Commission issued a Procedural Order for this docket.<sup>3</sup> Under the Procedural Order, the parties were granted a period ending November 7, 2016, to submit a proposed deadline when parties could file with the Commission written reports analyzing alternative methodologies for determining the benefit, if any, that residential all-electric space heating customers provide to the KCP&L system and KCP&L's residential non-all-electric space heating customers.<sup>4</sup> The Commission required certain questions to be addressed in these reports.<sup>5</sup>

5. Due to certain statutory and regulatory requirements pertaining to the process of submitting and obtaining approval of a Request for Proposal (RFP) to obtain a consultant to be retained to prepare and submit the report and to prepare testimony and

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<sup>2</sup> Order Opening General Investigation, ¶ 3 (June 21, 2016).

<sup>3</sup> Procedural Order (September 22, 2016).

<sup>4</sup> Procedural Order, ¶ 7 (September 22, 2016).

<sup>5</sup> These questions were:

Historically, are KCP&L's residential non-all-electric space heating customers better off than they would be had KCP&L not provided a discounted electric rate for residential all-electric space heating customers? If so, how should that benefit be quantified?

a. Does KCP&L have a significantly larger residential customer base that uses electric space heating equipment than other utilities who do not offer residential electric space heating discounts? In other words, was KCP&L's program successful at increasing the number of residential all-electric space heating customers?

b. Quantify the benefits, if any, for having residential all-electric space heating customers on the system as compared to a utility that has not or does not incentivize residential all-electric space heating customers.

c. On a Benefit/Cost basis, should KCP&L's residential all-electric space heating customers receive a discount, and if they should, about how large should the discount be? Are residential all-electric space heating customers paying the costs they cause for the system, more than the costs they cause, or less than the costs they cause?

d. Alternatively, if KCP&L's residential all-electric space heating customers were to convert to an alternative heating source such as geothermal, solar, natural gas or propane, what would be the cost to KCP&L's system as a whole and what would be the cost to KCP&L's other residential customers?

Procedural Order, ¶ 5 (September 22, 2016).

provide support at any hearing which may arise therefrom, CURB was unable to meet the November 7, 2016 deadline to submit the proposed date, as required by the Procedural Order.

6. Accordingly, CURB filed a motion with the Commission on October 17, 2016, requesting an extension of the November 7, 2016 deadline to December 6, 2016, for all parties in this docket to submit proposed dates for their reports to be filed.<sup>6</sup> The Commission granted CURB's motion by Order issued on November 8, 2016.<sup>7</sup>

7. By Staff's Status Update, filed on November 7, 2016, Staff advised the Commission that it had already begun preparing a report detailing the background and evolution of KCP&L's residential all-electric heating discounts, different cost-allocation methodologies, and policy considerations, but understood that the Kansas Procurement Rules prevented CURB from retaining a consultant prior to the November 7, 2016, deadline for submitting an initial proposed report date.<sup>8</sup> Therefore, Staff sought permission to file its forthcoming report concurrently with CURB.<sup>9</sup> In the event CURB is unable to retain a consultant within CURB's requested 30-day extension, however, Staff anticipated it would be able to submit a report to the Commission on April 25, 2017. CURB has no objection to Staff's request and suggests that the July 1, 2017, deadline proposed herein shall apply to all parties.

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<sup>6</sup> Motion of Citizens' Utility Ratepayer Board to Extend Filing Deadline for Thirty Days (October 17, 2016).

<sup>7</sup> Order Granting Citizens' Utility Ratepayer Board Motion to Extend Filing Deadline (November 8, 2016).

<sup>8</sup> Staff's Status Update, ¶¶ 5-7 (November 7, 2016)

<sup>9</sup> Staff's Status Update, ¶ 7 (November 7, 2016)

8. CURB has now obtained a proposal from a rate design expert/consultant in response to its RFP and is in the process of obtaining approval of a contract with said consultant to prepare and file a report as directed by the Commission in the Procedural Order and to otherwise assist in this docket. Conditioned upon approval of said contract by the Kansas Department of Administration, CURB would propose a deadline of July 1, 2017, for the parties to submit the report and testimony set out in the Procedural Order.

9. CURB earnestly and respectfully submits that the deadline of July 1, 2017, is reasonable due to the fact that generation of the subject report will require substantial time, and that CURB is a very small agency presently engaged in a number of dockets before the Commission; these proceedings will take up most of CURB's staff until late May 2017. A deadline of July 1, 2017, avails CURB a reasonable amount of time to prepare a meaningful report addressing the questions and issues set out in the Procedural Order. Indeed, given that Staff has already begun preparing its report and is very familiar with the issues involved in this matter, CURB's proposed deadline is not inconsistent with the time requirements which Staff had suggested for itself in the event that CURB was unable to present a report.

10. Moreover, the Commission has stated that it will not implement any changes to KCPL's tariff of rates in this docket, and CURB anticipates that it may be some time until billing determinants can be determined in a KCPL rate case so that the alternatives presented in this docket may have application. Therefore, CURB believes that no party will be prejudiced if the Commission approves a deadline of July 1, 2017, for the parties to submit the report and testimony set out in the Procedural Order.

11. CURB has no objection to Staff's request that it be allowed to file its forthcoming report concurrently with CURB's report. CURB suggests that the July 1, 2017 deadline proposed herein shall apply to all parties.

12. Out of ethical concern, CURB's attorneys should acknowledge that they have advocated on behalf of the residential and small commercial rate classes generally for a cost of service study methodology as being proper, reasonable and beneficial to residential and small commercial rate classes in several utility rate cases before the Commission. To avoid a conflict in philosophies which may be prohibited by legal ethical rules, therefore, CURB will only be able to present its report in this particular proceeding for and on behalf of the portion of KCPL residential ratepayers who use electric space heating in the winter period. In doing so, CURB preserves its right to continue to advocate on behalf of the residential and small commercial rate classes generally for a cost of service study methodology as being proper, reasonable and beneficial to residential and small commercial rate classes in any and all future utility rate cases before the Commission.

13. Moreover, CURB's report (and representation of the portion of KCPL residential ratepayers who use electric space heating in the winter period) is further narrowed by the answers to the set of hypothetical questions which are set forth in the Commission's Procedural Order.<sup>10</sup> Thus, in presenting its report in this docket, CURB is limiting its advocated perspective in this docket to the very narrow circumstances outlined by the Commission in this general investigation.

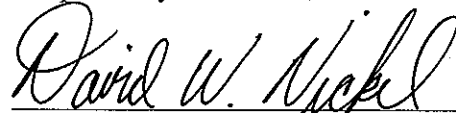
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<sup>10</sup> See Footnote #5 above. Procedural Order, ¶ 5 (September 22, 2016).

14. In no way is CURB advocating any change in its general position regarding a cost of service study methodology as being proper, reasonable and beneficial to residential and small commercial rate classes in several utility rate cases before the Commission. In these regards, CURB notes that this is merely a general investigation, and desires to present its report on behalf of the portion of KCPL residential ratepayers who use electric space heating in the winter period. In presenting its report, admittedly from this narrow perspective, CURB anticipates that the Commission will have a broad array of evidence from different perspectives so that it can evaluate and balance the interests of the parties in this docket.

WHEREFORE, CURB respectfully requests that the Commission approve a deadline of July 1, 2017, for the parties to submit the report and testimony set out in the Procedural Order, and grant such other relief and the Commission deems proper.

Respectfully submitted,

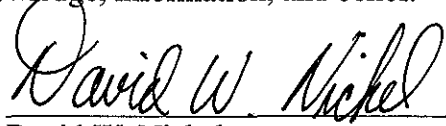


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VERIFICATION

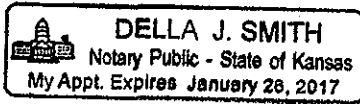
STATE OF KANSAS                     )  
COUNTY OF SHAWNEE             )     ss:


I, David W. Nickel, of lawful age and being first duly sworn upon my oath, state that I am an attorney for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.

  
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David W. Nickel

SUBSCRIBED AND SWORN to before me this 6<sup>th</sup> day of December, 2016.



  
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Notary Public

My Commission expires: 01-26-2017.

**CERTIFICATE OF SERVICE**

16-GIME-576-GIE

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 6<sup>th</sup> day of December, 2016, to the following parties:

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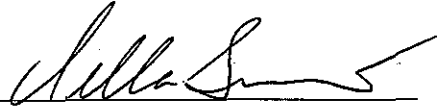
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