

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

In the Matter of the General Investigation to)
Fully Investigate the Parameters and) Docket No. 19-GIME-012-GIE
Intricacies of a Customer Opt-Out Program for)
Advanced Metering Infrastructure Digital)
Electric Meters.)

REPLY COMMENTS OF
SOUTHERN PIONEER ELECTRIC COMPANY

COMES NOW Southern Pioneer Electric Company (“Southern Pioneer”) and pursuant to the State Corporation Commission of the State of Kansas (“Commission”) Order Opening General Investigation (“Order”) and Order Setting Procedural Schedule (“Procedural Schedule”), hereby files the following reply comments.

I. Background

1. On July 24, 2018, the Commission issued the Order opening this general investigation docket in order to examine the parameters and intricacies of an Advanced Metering Infrastructure (“AMI”) Opt-out program.¹

2. As directed by the Order, The Empire District Electric Company, Kansas City Power & Light Company, Westar and Southern Pioneer (collectively referred to hereafter as the “Jurisdictional Utilities”) entered their respective entry of appearance no later than thirty (30) days from the date of the Order² in this proceeding.

¹ Order, ¶4.

² Id. at ¶5.

3. Kansas Electric Cooperatives, Inc. (“KEC”)³ and the Citizens’ Utility Ratepayer Board (“CURB”)⁴ (collectively referred to hereafter as the “Interveners”) petitioned for and were granted intervention in this proceeding.

4. On October 16, 2018, the Commission issued an order setting the Procedural Schedule to include the submission of initial comments by the parties by no later than November 16, 2018 at 5:00 PM and reply comments by the parties by no later than January 18, 2019 at 5:00 PM.⁵

5. The Commission Staff, the Jurisdictional Utilities and Interveners (collectively referred to hereafter as “Parties”) submitted initial comments November 16, 2018.

6. Southern Pioneer’s reply comments to initial comments are provided in accordance with the Commission’s adopted Procedural Schedule.

II. Reply Comments

7. Southern Pioneer agrees with the initial comments of the Parties submitted in that the incumbent utility is best positioned to determine the type of AMI meters to use, identify or quantify installation and operating costs, and impacts of an AMI opt-out program on the utility.

8. Southern Pioneer agrees with the initial comments of the Parties that no AMI opt-out program is necessary as it will inhibit or limit the utility from maximizing the strategic value of deployed AMI to capture outage/usage data and provide safe and reliable service at the lowest possible cost.

9. While Southern Pioneer strongly advocates that no AMI opt-out program is necessary nor economically advisable, especially where the utility has already invested millions

³ KEC was granted intervention on September 18, 2018.

⁴ CURB was granted intervention on August 9, 2018.

⁵ Order Setting Procedural Schedule, Findings and Conclusions, p. 3 (February 16, 2017)

of dollars in its AMI system, Southern Pioneer recognizes the Commission maintains the authority to require such a program, if it so chooses.

10. Southern Pioneer remains concerned about the extent to which the decision of a small group of customers to opt-out from AMI will reduce the customer benefits to the public as a whole and eliminate these efficiencies and economies of scale, thus increasing the costs of its AMI program and diminishing the overall value of the program that Southern Pioneer originally calculated and communicated to its stakeholders. Should the Commission require such AMI opt-out program, it is Southern Pioneer's position it should be limited to residential customers (new or existing) opting out, and utilities should be allowed the flexibility to determine on a utility-by-utility basis those meters that would be the best fit for the specific utility's opt-out program (analog, AMI digital meters with limited or no radio communications, etc.). Opting out customers, as the cost causers, should bear the cost of implementing and maintaining the program to include capital cost if digital meter modification is required to limit communications, labor costs to program or change out meters, and due to the vast 10-county service territory additional monthly fees such as trip charge specific to rural areas and a trip charge specific to urban areas. The charges would apply on a meter-by-meter basis, regardless of the number of meters at the premise.

WHEREFORE, Southern Pioneer respectfully requests the Commission consider Southern Pioneer's reply comments and issue an Order finding that an AMI opt-out program is not required for Jurisdictional Utilities; but alternatively, should the Commission require an AMI opt-out program, Southern Pioneer requests the Commission limit it to residential customers and allow utilities to (i) determine on an individual basis those meters that best fit the specific utility's opt-out program, and in no event should an opt-out program require a utility to replace an existing AMI meter with an analog meter; and (ii) recover the prudently incurred costs of an opt-out

program from participating customers by way of an installation charge (if applicable) and monthly service charges.

Respectfully submitted,

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**ATTORNEY FOR SOUTHERN PIONEER
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CERTIFICATE OF SERVICE

I do hereby certify that on the 18th day of January, 2019, a true and correct copy of the above and foregoing Comments was electronically served to the following parties:

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