

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

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

**KANSAS CITY POWER & LIGHT COMPANY
AND WESTAR ENERGY, INC. INITIAL COMMENTS**

COME NOW Kansas City Power & Light Company (“KCP&L”) and Westar Energy, Inc. and Kansas Gas and Electric Company (referred to together herein as “Westar”) (collectively, “the Company”) and, pursuant to the schedule set forth in the State Corporation Commission of the State of Kansas (“Commission”) *Order Adopting Proposed Procedural Schedule* issued in this docket on October 16, 2018, states as follows:

I. BACKGROUND

1. Starting in November 2014, the Commission began receiving formal complaints from customers of Westar and KCP&L regarding the implementation and roll-out of Advanced Metering Infrastructure (“AMI”), including complaints about alleged health risks, cybersecurity concerns, and fire hazards posed by AMI. The Commission consolidated those complaints and issued a final Order on April 5, 2018, dismissing the complaints.¹

2. With respect to the concerns raised regarding alleged health risks of AMI, the Commission found the Complainants had “failed to prove that AMI technology present in Smart Meters installed by the Utilities is to blame for their conditions.”² Citing Staff’s Report and Recommendation, Federal Communications Commission guidelines, and decisions in other public

¹ Order, Docket No. 15-WSEE-211-COM, *et al.* (April 5, 2018); Order Nunc Pro Tunc, Docket No. 15-WSEE-211-COM, *et al.*, ¶ 2B (Aug. 4, 2018) (together as “AMI Complaint Order”).

² AMI Complaint Order, ¶ 26.

utility jurisdictions, the Commission indicated that the evidence demonstrated that AMI is safe,³ and that the effect of Radio Frequency (“RF”) exposure from AMI is “much lower than that received from cell phones, wireless phones, or microwave ovens.”⁴

3. With respect to the concerns raised about cybersecurity, the Commission found that “[n]o Complainant has provided or alleged a specific injury due to breach of privacy or a leak of their personal information that can be attributed to AMI. The Complainants’ allegations are purely speculative.”⁵ However, the Commission went on to require the utilities to update their tariffs concerning cybersecurity, bolstering their practices to protect customers’ private information.⁶ After discussions with Staff, it is the Company’s understanding that tariff details will be part of this docket. KCP&L and Westar will file their updated tariffs after further discussions with Staff take place.⁷

4. With respect to the concerns raised about AMI creating an alleged fire hazard, the Commission found that there was no allegation that any of the Complainants had been the “subject of a structural fire, the cause of which was a Smart Meter. The Commission cannot grant relief on a hypothetical claim”⁸ However, the Commission required the utilities to implement “increased monitoring and investigation” regarding fire safety, with annual reports of structural fires claiming fault of the utility equipment and use of temperature sensor equipment with AMI and a go-no go tool to test meter base quality during routine testing, meter change out and when the temperature alert is triggered.⁹ Details of the annual report filing regarding structural fires will be addressed in the compliance docket ordered by the Commission. All current and future AMI

³ AMI Complaint Order, ¶¶ 26-29.

⁴ AMI Complaint Order, ¶ 28.

⁵ AMI Complaint Order, ¶ 31.

⁶ AMI Complaint Order, ¶ 37.

⁷ Docket No. 19-GIME-012-GIE, dated July 24, 2018.

⁸ AMI Complaint Order, ¶ 32.

⁹ AMI Complaint Order, ¶¶ 38-39.

Meter purchases at KCP&L and Westar will have the required temperature sensor included. KCP&L and Westar have prepared process procedures and provided training for field personnel regarding the use of the go-no go tool when installing AMI in compliance with the Commission order.

5. The Commission concluded that the Complainants had not “demonstrated that AMI technology is dangerous to the public generally.”¹⁰

6. Several of the Complainants also mentioned the idea of an opt-out provision, which would allow customers to “opt-out” of the installation of AMI. In its Report and Recommendation filed in the consolidated complaint dockets, Staff recommended the Commission

[...] not require the Utilities to establish a program that allows customers to select the type of meter reading service they wish to have for their accounts. However, Staff also recognizes that it is within the authority of the Commission to require such an opt-out program. In the event the Commission orders such a requirement, Staff recommends that customers choosing to opt-out of the Company’s standard AMI meters be required to pay for the cost of such opt-out program and that the rate for such opt-out would be established within the respective tariffs of the utilities.¹¹

Staff also explained that it is not “in the public interest to create a special metering program that caters to the unproven concerns of a minority of ratepayers.”¹² The Commission decided that it would open a generic docket “in order to fully investigate the parameters and intricacies of AMI opt-out programs.”¹³

7. Subsequently, the Commission issued its Order Opening General Investigation in the above-captioned docket, indicating that “while making no particular finding regarding opt-out

¹⁰ AMI Complaint Order, ¶ 33.

¹¹ Staff Report and Recommendation, Docket No. 15-WSEE-211-COM, *et al.*, p. 8 (Jan. 15, 2016).

¹² *Id.* at p. 7.

¹³ AMI Complaint Order, Ordering Para. 2(B).

programs,” the Commission had ordered Staff to open this docket to “fully investigate the parameters and intricacies of AMI opt-out programs.”¹⁴

8. The Company agrees with Staff’s recommendation made in the consolidated complaint dockets that utilities should not be required to establish opt-out programs. As is discussed below, because the Commission has already found that AMI meters do not pose safety or cybersecurity risks to the public, it is not necessary to allow customers to opt-out of AMI installation. Such an opt-out option would only increase costs and administrative burden associated with meter installation and would provide no safety or other benefit to customers or the public.

II. AMI DEPLOYMENT STATUS AND BENEFITS

9. Both KCP&L and Westar have made substantial progress with AMI deployment. In 2010, KCP&L deployed 14,000 AMI meters as part of its Smart Grid Pilot project. Thereafter, in 2014, KCP&L began deployment of AMI meters in Johnson County, Kansas. Currently, Johnson County is fully deployed as is a portion of Wyandotte County. Kansas deployment continues and is expected to be completed by 2020. By mid-year 2015, nearly all of legacy KCP&L Missouri was completed. The total number of AMI meters deployed by KCP&L at that point was approximately 500,000. Next, the Kansas City metropolitan areas served by KCP&L Greater Missouri Operations Company (“GMO”) territory began deployment, exchanging approximately 200,000 meters between August 2015 and July 2016.

10. In November 2010, Westar deployed 1500 AMI meters as part of its Smart Grid Pilot in Lawrence, Kansas and then, in 2011, Westar completed deployment for Lawrence. Thereafter, in 2014, Westar began mass deployment of AMI meters in Rossville and Silver Lake,

¹⁴ Order Opening General Investigation, Docket No. 19-GIME-012-GIE, ¶ 3 (July 24, 2018).

Kansas, moving next to the Wichita area. Completing Wichita in mid-2016, Westar then moved to the Arkansas City, Salina, Manhattan, Topeka, and Shawnee areas, completing those in 2017. In 2018, Westar completed its deployment of AMI meters to the rest of the service territory (Hiawatha, Parsons, Humboldt, Ft Scott, Independence, Leavenworth, Emporia, Atchison, Pittsburg) for a total of 708,000 AMI Meters deployed.

11. Figure 1 below outlines the number of customers as of November 15, 2018 in KCP&L Missouri, GMO, KCP&L Kansas, and Westar service territories with AMI meters and non-AMI meters compared to total number of customers in the territory.

Figure 1

Jurisdiction	AMI Meters	Non-AMI Meters	Total Meters	Percentage of AMI Deployed
GMO	188,894	135,571	322,465	58.58%
KCP&L-KS	239,216	31,505	270,491	88.44%
KCP&L-MO	285,082	11,541	296,623	96.11%
Westar	708,975	4,045	713,020	99.43%

12. The Company has experienced exceptional performance of the AMI meter systems. The typical daily performance is approximately 99.9% of the daily reads.

13. The Company has taken steps to safeguard the AMI meter system. The AMI systems are operated by the Landis + Gyr (“L+G”) Network Operations Center and have unique network IDs for KCP&L, GMO and Westar, as well as encryption protocols. There is no customer identifiable data on the network, such as customer names, Social Security numbers, addresses or financials. All connections between L+G and the Company are encrypted and managed by IT Security.

14. There are many benefits associated with AMI meters, including the following:

- Meter can receive signals from the utility’s RF network for limited purposes. The two-way communication enables the utility to have better outage management information.

- AMI meters will enable customers to participate in time-based pricing rate schedules and other demand response programs.
- AMI meters have alarms that will report outages and abnormal operating conditions regarding the individual meter operation, the meter's communication system, or other unusual conditions that may occur on the distribution system. This capability allows the Company to be aware of these issues earlier rather than waiting for reporting by the customer and to more proactively address problems on the system, resulting in better service for customers.
- A majority of the AMI meters deployed by Westar have the ability to receive remote commands to reconnect or disconnect service to the customer.

15. The AMI meter program also benefits the Company and its customers by reducing the Company's manpower costs associated with reading and servicing meters, reducing the cost of service – and rates – for customers. For example, Westar does not charge reconnect charges and charges reduced disconnect fees for customers served by AMI meters due in part to the ability of the AMI meter to remotely do this work.

III. THE COMMISSION SHOULD NOT REQUIRE UTILITIES TO ESTABLISH AMI OPT-OUT PROGRAMS

16. The Commission should not require utilities to establish opt-out programs that would permit customers to select the type of meter that will be installed for their account when the Commission has found that AMI meters do not pose health risks, cybersecurity risks or fire hazard risks. As Commission Staff noted in the consolidated complaint dockets, “it is not in the public interest to create a special metering program that caters to the unproven concerns of a minority of ratepayers.”¹⁵ As indicated above, the Commission has already determined that the concerns

¹⁵ Staff Report and Recommendation, Docket No. 15-WSEE-211-COM, *et al.*, p. 7 (Jan. 15, 2016).

raised by customers regarding the alleged health risks, cybersecurity risks, and fire hazards are not valid. As a result, there is no basis on which to establish an opt-out program.

17. Requiring an AMI opt-out program would increase costs and administrative burden associated with meter installation and would provide no safety or other benefit to customers or the public. On the other hand, implementation of an opt-out program would have a number of negative consequences, including:

- The utility would have to purchase special meters that do not have AMI capability;
- The utility would have to establish special meter reading routes and cycles to accommodate opt-out customers – additional administrative time and other costs would be incurred to manage the billing for these customers;
- The utility would incur additional costs to dispatch meter readers to travel to, and read the meter of, each opt-out customer;
- Information on whether opt-out customers were being affected by service outages would be limited to either the customer notifying the utility or through a personal visit;
- Opt-out customers would no longer be a part of the system reliability trouble-shooting capability provided by AMI.

18. KCP&L's experience with the AMI opt-out program in Missouri supports the Company's recommendation that the Commission not require such a program. KCP&L Missouri has an opt-out tariff in place that allows a customer to select a digital meter without RF instead of an AMI meter.¹⁶ The customer is required to pay an initial fee of \$150 and an additional monthly

¹⁶ It is important to note that in the event the Commission chooses to require implementation of an opt-out program, the alternative to an AMI meter will have to be a digital meter without radio frequency. It is not possible for customers to select analog meters, which many of the Complainants in the consolidated complaint dockets referenced. To the Company's knowledge, analog meters are no longer manufactured and are technologically obsolete. Additionally, if the Commission required an opt-out program, it would be essential that the costs associated with providing such a unique service be borne by the customer requesting the service.

amount of \$45 in order to participate in the opt-out program. Of the 188,894 GMO customers in Missouri with AMI installed, only three customers have decided to participate in the opt-out program. Of the 285,082 KCP&L Missouri customers with AMI installed, only two are participating in the opt-out program. KCP&L's experience has been that the opt-out program is very difficult to administer and questions the value of such a program given the very small number of customers participating.

19. There is no basis for requiring implementation of opt-out programs, given the Commission's findings that AMI meters are safe and do not pose any risks to the public, and implementation of an opt-out program would have negative consequences. As a result, the Company recommends that the Commission not require implementation of such a program.

WHEREFORE, the Company respectfully requests that the Commission issue an order finding that required implementation of an AMI opt-out program would not be in the public interest and is therefore not required for Kansas electric utilities.

Respectfully submitted,

/s/ Roger W. Steiner

Robert J. Hack (KS #12826)
Telephone: (816) 556-2791
Roger W. Steiner (KS #26159)
Telephone: (816) 556-2314
Kansas City Power & Light Company
One Kansas City Place
1200 Main Street – 16th Floor
Kansas City, Missouri 64105
Facsimile: (816) 556-2780
E-mail: rob.hack@kcpl.com
E-mail: roger.steiner@kcpl.com

/s/ Cathryn J. Dinges

Cathryn J. Dinges (#20848)
Telephone: (785) 575-1986
818 S. Kansas Avenue,
P.O. Box 889
Topeka, Kansas 66601
Facsimile: (785) 575-8136
Email: cathy.dinges@westarenergy.com

COUNSEL FOR KANSAS CITY POWER & LIGHT COMPANY & WESTAR ENERGY, INC., and KANSAS GAS AND ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that on this 16th day of November 2018, a true and correct copy of the above and foregoing was electronically served, hand-delivered or mailed, postage prepaid, to the counsel for all parties to this docket.

/s/ Roger W. Steiner

Roger W. Steiner