

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

In the Matter of the Joint Application of the)
Gas Utilities for a Waiver to the Commission’s)
Electric and Natural Gas Utilities’ Billing) Docket No. 24-GIMG-453-GIG
Standards Related to Allow for a Permanent)
Discontinuance of the Knock and Collect)
Provision in Said Billing Standards)

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

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively), and files the instant Report and Recommendation regarding the requests of Atmos Energy Corporation (“Atmos”), Kansas Gas Service, a Division of ONE Gas, Inc. (“KGS”) and Black Hills/Kansas Gas Utility Company, LLC d/b/a Black Hills Energy (“Black Hills”) to receive a permanent waiver of the Commission’s Electric and Natural Gas Billing Standards (“Billing Standards”) to allow for the discontinuance of the knock and requirement contained therein.

Staff recommends the Commission grant permanent waivers to the knock and collect provision of the Billing Standards to Atmos and KGS. Staff recommends that a permanent waiver be granted to Black Hills contingent on the implementation of a customer education program regarding the changes in procedure. Staff recommends that disconnection and reconnection fees should be reinstated for customers that cannot be disconnected or reconnected remotely. Staff further recommends that Atmos, KGS, and Black Hills maintain in their disconnection procedures that a technician encountering a customer during a disconnection visit should provide the customer a reasonable opportunity to make payment by phone or online to avoid disconnection, if so requested by the customer.

WHEREFORE, Staff submits its Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Carly R. Masenthin _____

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**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Douglas Hall, Senior Rate Analyst
Justin Grady, Deputy Director of Utilities
Jeff McClanahan, Director of Utilities

DATE: November 6, 2024

SUBJECT: Docket No. 24-GIMG-453-GIG: In the Matter of the Joint Application of the Gas Utilities for a Waiver to the Commission's Electric and Natural Gas Utilities' Billing Standards Related to Allow for a Permanent Discontinuance of the Knock and Collect Provision in Said Billing Standards

EXECUTIVE SUMMARY

On December 15, 2023, Atmos Energy Corporation (“Atmos”) and Kansas Gas Service, a Division of ONE Gas, Inc. (“KGS”) filed a Joint Application requesting that the Commission grant a permanent waiver to the Commission’s Electric and Natural Gas Billing Standards (“Billing Standards”) to allow for the discontinuance of the knock and collect¹ requirement prior to disconnecting gas service for nonpayment. On January 30, 2024, Black Hills/Kansas Gas Utility Company, LLC d/b/a Black Hills Energy (“Black Hills”) filed a Petition to Intervene in Support of Application expressing support for the initial Application and requesting a permanent waiver to the knock and collect provision.

The Joint Application in the instant docket seeks to conclude a Pilot Program started in Docket No. 15-GIMX-344-GIV (“15-344 Docket”) to determine whether a permanent waiver to the knock and collect provision of the Billing Standards should be granted to participating utilities. In the 15-344 Docket, Southern Pioneer Electric Company (“Southern Pioneer”) and Westar Energy, Inc. n/k/a Evergy Kansas Central (“Evergy”) sought to end the knock and collect procedure. In an Order filed on February 4, 2021, both utilities were granted a permanent waiver to the knock and

¹ Billing Standards, Section IV.G.(1) states that immediately prior to disconnection, the “employee of the utility who is to disconnect service shall ... make a reasonable effort to ... [c]ontact and identify himself or herself to the customer or responsible person then upon the premises and shall announce the purpose of his or her presence” and “[a]ccept payment of all amounts tendered to him which are necessary to avert disconnection”.

collect provision of the Billing Standards. Atmos and KGS were granted permission to continue with the procedure of substituting physical interaction at the door with additional phone and text notices to customers prior to disconnection.²

Based on the results of the Pilot Program, and the mitigation of risks to utility employees and customers, Staff recommends that the Commission grant permanent waivers to the knock and collect provision of the Billings Standards to Atmos and KGS. Staff recommends that a permanent waiver be granted to Black Hills contingent on the implementation of a customer education program regarding the changes in procedure. Staff also recommends that disconnection and reconnection fees should be reinstated for customers that cannot be disconnected or reconnected remotely. These disconnection and reconnection fees should be reset to the last Commission-approved fee specific to each utility. Thereafter, the fees should continue to be evaluated for reasonableness in rate cases.

BACKGROUND

On February 26, 2015, the Commission issued an Order Adopting Staff's Report and Recommendation and Opening General Investigation in response to a Report and Recommendation ("R&R") filed on February 5, 2015, to review portions of the Billing Standards pertaining to the knock and collect requirement prior to disconnecting utility service for nonpayment. The R&R was a response to a request by Westar Energy, Inc. ("Westar", n/k/a Evergy Kansas Central) to waive the knock and collect requirement and substitute an alternative form of communication with the customer prior to the disconnection. An Application for this request was filed in Docket No. 15-WSEE-188-MIS ("15-188 Docket"). A similar Application requesting a waiver for customers with digital meters, or Advanced Metering Infrastructure ("AMI"), was filed previously in Docket No. 13-WSEE-707-TAR ("13-707 Docket"). Staff recommended denial of Westar's Application in the 13-707 Docket,³ and subsequently recommended that the Application in the 15-188 Docket be dismissed and that a general investigation be opened to fully explore the matter.⁴

The General Investigation in the 15-344 Docket led to an Order Approving Pilot Program, in which Westar and Southern Pioneer Electric Company ("Southern Pioneer") were granted a temporary waiver to the knock and collect provision of the Billings Standards for the duration of a Pilot Program to determine the feasibility of alternative communications in lieu of the knock and collect requirement.⁵ The Pilot Program covered only those customers that had AMI meters, as the Commission stated that it "believes the technological advances that AMI meters implement presents an opportunity to streamline utility operations and reduce costs to customers."⁶

On June 18, 2020, KGS filed a Motion to be Added to the Pilot Program in the 15-344 Docket, agreeing to "implement fee reductions consistent with the program", referring to disconnection and reconnection fees as a result of non-payment, while retaining the opportunity to reinstate such fees at the end of the Pilot Program.⁷ On July 13, 2020, Atmos filed its own Motion to be Added

² See Order on Knock and Collect Pilot Program, p. 15, 15-344 Docket (Feb 4, 2021).

³ See Notice of Filing of Staff Report and Recommendation, p. 3, 13-707 Docket (Nov. 4, 2013).

⁴ See Notice of Filing of Staff's Report and Recommendation, p. 4, 15-188 Docket (Dec. 30, 2014).

⁵ See Order Approving Pilot Program, p. 6, 15-344 Docket (Aug. 17, 2017).

⁶ *Id.*, p. 5.

⁷ See Motion to be Added to the Pilot Program, p. 1, 15-344 Docket (Jun. 18, 2020).

to the Pilot Program, similarly agreeing to a reduction of disconnection and reconnection fees as well as the opportunity to reinstate said fees at the end of the Pilot Program.⁸ The Commission filed Orders granting these Motions on July 14, 2020, and September 24, 2020, respectively. Since joining the Pilot Program, Atmos and KGS have filed semi-annual Compliance Reports including data on disconnections, reconnections, payment methods, and customer surveys.

On December 15, 2023, Atmos and KGS filed a Joint Application in the instant docket requesting that they be granted a permanent waiver to the knock and collect provision of the Billing Standards. On January 30, 2024, Black Hills filed a Petition to Intervene in Support of Application expressing support for the initial Application and requesting a permanent waiver to the knock and collect provision.⁹

ANALYSIS

In their Joint Application, Atmos and KGS cite Section VI of the Billing Standards, which states as follows: “The requirements contained in these standards may be waived in individual cases by the Commission upon written request by the utility and by showing that compliance with the requirement would not serve the interests of either the utility or the customer.”¹⁰ In the discussion below, Staff evaluates data Compliance Reports submitted during the Pilot Program as well as the history from dockets regarding the knock and collect provision to conclude that, on the whole, the provision no longer serves the interests of utilities or customers.

In the 15-344 Docket, Atmos and KGS were granted a temporary waiver to the knock and collect provision of the Billing Standards for the duration of a Pilot Program. KGS was allowed to enter the Pilot Program by the Commission’s Order Granting Motion to be Added to Pilot Program, filed July 14, 2020. Atmos was also permitted to enter the Pilot Program by the Commission’s Order Granting Motion to be Added to Pilot Program, filed September 24, 2020. Subsequent to entering the Pilot Program, both KGS and Atmos have submitted biannual compliance reports containing disconnection and reconnection data, as well as customer survey data.

An observer unaware of events unfolding in 2020 might question why the Pilot Program suddenly pivoted from utilities with AMI, hence having remote disconnection capabilities, to one that included gas utilities without the ability to remotely disconnect a customer. Ostensibly, the practicality of waiving the knock and collect provision comes from not having to send an employee to a customer’s door, potentially driving down costs by reducing labor hours, as well as gasoline and maintenance costs for vehicles, savings that would eventually benefit customers in future rate cases. However, 2020 saw a pandemic due to the COVID-19 virus resulting in social distancing measures, including the partial or full shutdown of some businesses. The health and safety of employees coming into close proximity with multiple customers per day became cause for concern in a novel way, and it is against this backdrop that utilities without AMI requested a temporary waiver to the knock and collect provision while participating in the Pilot Program.

Staff believes there are two key points for consideration with respect to granting a permanent waiver for the knock and collect provision of the Billing Standards. First, whether a utility’s

⁸ See Motion to be Added to the Pilot Program, p. 1, 15-344 Docket (Jul. 13, 2020).

⁹ Petition to Intervene in Support of Application, p. 4, (Jan. 30, 2024).

¹⁰ Joint Application, p. 5 (Dec. 15, 2023).

inability to remotely disconnect/reconnect customers should determine whether that utility's employees should be required to attempt to collect back payment in person prior to the act of disconnection. Second, if a permanent waiver of the requirement to knock and collect is granted, whether reinstatement of disconnection and reconnection fees is warranted. If the inability to disconnect/reconnect customers remotely should determine the requirement for a utility employee to attempt to collect payment in person prior to disconnection, then a permanent waiver of the knock and collect provision is not warranted, and the issue of disconnection or reconnection fees for nonpayment is moot; Atmos's and KGS's fees should be restored to what they were prior to the Pilot Program. If the inability to disconnect and reconnect customers remotely should not determine whether a utility employee should be required to attempt to collect back payment in person, then Staff believes there is no other reason why a permanent waiver to the knock and collect provision of the Billing Standards should not be granted, and the remaining question is what a just and reasonable fee for disconnection for nonpayment and subsequent reconnection would be, noting that the fees prior to the Pilot Program were already approved using such criteria.

With respect to the first point, Staff looks to the Pilot Program and the semi-annual compliance reports. In the 15-344 Docket, Staff's recommendation to grant a permanent waiver to the knock and collect provision for Evergy and Southern Pioneer was centered around the ability to remotely disconnect and reconnect electric service for customers with AMI meters. The benefit to the utility was a cost savings in not having to send a technician to disconnect and reconnect service, and the benefit to affected customers was a savings in lower disconnection and reconnection fees. An indirect benefit to all customers stems from lower operations costs to be considered in future rates cases. In fact, the Commission ordered that the permanent waiver granted to Evergy and Southern Pioneer applied only to those customers that had AMI meters.¹¹

Since Atmos and KGS have joined the Pilot Program, there have been no formal complaints as a result of suspension of the knock and collect procedure. As such, Staff believes that while a waiver of that portion of the Billing Standards may not provide any tangible benefit to customers in the way of cost savings, the only adverse impact would be if a customer reliant on the ability to pay a past due amount to a technician at the door immediately prior to disconnection was no longer able to do so. Staff does not believe that customers will be negatively impacted in a significant way for the following reasons: 1) customers that need to make cash payments are not able to make payments at the door and would still need to go to a payment location or lockbox; and 2) the availability of non-cash payment options online or over the phone has expanded since the Billing Standards came into effect. Therefore, Staff does not believe that the ability to remotely disconnect/reconnect customers should be a precondition for a waiver of the knock and collect provision of the Billing Standards. Furthermore, there are safety concerns for both technicians and for customers of the requirement to physically request in person payment; technicians are sometimes subject to threats from customers, and customers can be targeted by scams in which money is demanded to purportedly prevent disconnection of service. Mitigation of these risks provides an indirect benefit to utilities and their employees, as well as to customers.

With respect to the second point, because gas utilities do not have remote disconnection and reconnection capabilities, and for any other utility without said capabilities, some cost is incurred to the utility as a result of having to send a technician to disconnect or reconnect service. The costs

¹¹ Order on Knock and Collect Pilot Program, p. 15, 15-344 Docket (Dec. 4, 2021)..

of maintenance, equipment, and labor must be borne by either customers or the utility (ultimately, investors in the case of a publicly owned utility, or residents in the case of a co-operative or municipally owned utility). Based on data provided in compliance reports filed in the 15-344 Docket, disconnections and reconnections for nonpayment occur for a relatively small set of customers: for Atmos and KGS combined, during the Pilot Program, the percentage of disconnections due to nonpayment against the total number of bills sent out is 0.42% for residential customers, and 0.02% for non-residential customers. There are real costs associated with the work being performed to effectuate these disconnections and reconnections, which are effectively being subsidized by other customers. K.S.A. 66-1,202 states that, “Every unjust or unreasonably discriminatory or unduly preferential rule, regulation, classification, rate, charge or exaction is prohibited, unlawful and void.” One possible interpretation of this statute is that the explicit subsidization of a service (disconnect/reconnect) that affects a small portion of customers, at the expense of the larger portion of customers could be prohibited. Hence, reinstatement of disconnection and reconnection fees should be allowed for utilities that do not have the capability to remotely disconnect/reconnect customers.

Whether Suspension of the Knock and Collect Provision Adversely Affect Customers of Utilities that Lack Remote Disconnection/Reconnection Capabilities

Staff’s interpretation of the knock and collect provision is that it is intended to provide customers with a final opportunity to prevent a disconnection for nonpayment. Utilities provide essential services; electricity, gas, and water are necessary for cooling, heating, cooking, and cleaning. It is reasonable to assume that a customer would not willingly forego service if said service were affordable to that customer, or that a customer would not willingly choose to pay more money for service, all other things being equal. It may seem obvious to some, then, that the primary reason that disconnections for nonpayment occur is not because a customer chooses to drop service for some purpose other than budgeting (conservation, for example), but because the customer does not have a sufficient amount of money to pay the amount due to maintain service.

In the 15-344 Docket, CURB states that it “believes that the real issue in non-payment is the lack of funds for some utility customers, and ‘knock and collect’ does not materially address that issue.”¹² Staff agrees with this point. A technician at the door immediately prior to disconnection does not provide a solution to a customer without a means to pay. The matter of all customers being able to have continuous access to service is of utmost importance and worthy of serious consideration, but is not solved by knock and collect. In the 15-344 Docket, the Commission wrote that it “encourages the parties to work together in an effort to help the nearly 270,000 Kansas households who experience utility bills in excess of 30% of income.”¹³ In the years that passed since 2021, Staff and CURB have both been actively involved in discussions with Kansas utilities and before the Kansas Legislature, working on issues of utility affordability for low-income Kansans. These discussions culminated in CURB proposing a bill in the 2023 Legislative Session that would allow the Commission to set discounted rates for low-income customers in the State. Ultimately that proposed bill received a hearing but it did not advance out of Committee, and it died in Committee at the conclusion of the 2024 Legislative Session. Staff will continue to be a part of these policy discussions to explore what can be done for customers that have difficulty

¹² CURB’s Recommendation Regarding Pilot Program, p. 21, 15-344 Docket (Dec. 15, 2020).

¹³ Order on Knock and Collect Program, p. 15, 15-344 Docket, (Feb. 4, 2021).

paying their utility bills, and to reduce the likelihood that customers are disconnected for nonpayment and have to go without service for any period of time.

Cash Payments Are Not Accepted at the Door

One possible rebuttal against a waiver of the knock and collect provision is that there may be customers that for one reason or another may be reliant on an employee to collect payment at the door prior to disconnection of service. Such reasons include a customer that does not have access to reliable transportation to a pay kiosk or lockbox, a checkbook, a debit card, or a credit card. However, a customer with none of these options would still not be able to make a payment should an employee attempt to “knock and collect”. Neither KGS nor Atmos accept cash payment at the door.^{14,15}

The policy of employees not being required to accept cash at the door can be traced back to a Commission Order filed March 14, 2011, in Docket No. 11-KGSG-503-MIS (“11-503 Docket”) denying a request by KGS for a limited waiver of the Billing Standards and the Minimum Standards for Payment Methods for Utility Bills and Allowing the Acceptance of Credit Cards by Kansas Jurisdictional Electric, Natural Gas and Water Utilities (“Payment Standards”) to not accept cash at the door. The reason for the denial is that the Commission found that neither the Billing Standards nor the Payment Standards require the acceptance of cash payment at the door.¹⁶

Because cash is not accepted at the door, the knock and collect policy would not aid a customer who does not have access to other payment options. While KGS and Atmos note that prior to the temporary waiver, a technician was permitted to wait at the door or delay a disconnection until later in the same day while a customer made a payment, a lack of response from the customer or an inability to make an immediate payment would still result in disconnection of service.^{17,18} Staff believes that the 48 and 24 hour notifications serve the purpose of impressing on the customer the urgency of the situation, while providing the same or a similar window of time for the customer to make a payment and avoid disconnection of service.

Staff is aware of and sensitive to the fact that such constraints are most likely to impact vulnerable customers, those without any of reliable transportation, checking accounts, or credit or debit cards. In no case, however, does Staff believe that a scenario where a customer that has received notice of pending disconnection due to nonpayment chooses to wait for the disconnection in order to pay a technician at the door provide greater benefit than attempting to take advantage of other options first. Even in the event that a customer is not able to secure transportation to a payment location prior to the day of disconnection, the customer could still call the utility to request additional time to travel to the payment location.

Should the Commission grant utilities without the ability to disconnect service remotely, a waiver to the knock and collect provision of the Billing Standards, Staff requests that those utilities maintain in their procedures that a technician encountering a customer during a disconnection visit provide that customer a reasonable opportunity to make a payment by phone or online to avoid

¹⁴ See CURB DR 3 to KGS, p. 2. A copy of referenced discovery responses is attached hereto as Appendix A.

¹⁵ CURB DR 4 to Atmos, p. 1.

¹⁶ Order, p. 5, 11-503 Docket (Mar. 14, 2011).

¹⁷ CURB DR 3 to KGS, p. 2.

¹⁸ CURB DR 4 to Atmos, p. 2.

disconnection, if so requested by the customer. A waiver to the knock and collect provision means that a technician is not required to initiate contact with a customer prior to disconnection, but there may be instances where a customer notices a technician on the premises and has means to make a payment. Codifying internal procedures providing an opportunity for a customer to request a reasonable opportunity (for example, 15-20 minutes) to make a payment ensures consistency for both technicians and customers in what is likely to be an uncommon scenario. This limited time accommodation could potentially avoid the opportunity to reconnect service a short time after the disconnection, ultimately saving both time and money for the utility and its customers.

Payment Method Preferences

Preferred methods of payment for transactions of every kind have changed over time. Cash and checks, once the primary means of paying for any good or service, have been increasingly displaced by credit and debit cards. Cards have evolved from requiring cumbersome carbon copy imprints to be mailed in or physically deposited to a myriad of payment options not limited to simply swiping a physical card. Payments can be made and verified practically instantaneously online or through an automated telephone system. Bank check transactions have also evolved to allow for electronic checks to be cashed, or to use the account information for an Automated Clearinghouse (“ACH”) deposit.

It is difficult to overstate the ubiquity of these payment options. Many businesses pay employees through either a check or direct deposit (an ACH deposit). Pay cards are a newer option for employees that may not have access to bank account; these are effectively a prepaid debit card that is not attached to a bank account. Generally speaking, employers are very unlikely to pay employees with cash. While Atmos and KGS still charge fees for payments made with credit or debit cards, some utilities such as Evergy have socialized those processing fees for residential customers. This policy change is representative of shifting preferences regarding payment types and the ease of transactions. Staff believes that the data from the Pilot Program support the conclusion that electronic checks, ACH deposits, credit and debit cards now cover the majority of customers’ transaction needs. However, the importance of having a network of pay stations and the availability of drop boxes for customers that do not have access to those forms of payment cannot be stressed enough. A waiver of the knock and collect provision has no impact on these payment options.

More specifically, data from the Pilot Program compliance reports show that twice as many customers of Atmos pay with a credit or debit card as opposed to an electronic check or ACH deposit when paying before disconnection occurs. The number of customers paying with a credit or debit card jumps after disconnection to over 27%, almost quadruple that of the 7% paying with an electronic check. Payment kiosks, payment locations, and lockboxes are used for fewer than 1% of payments prior to disconnection, more than doubling after disconnection to 2.39% of payments. Customers of KGS tend to prefer making payments with electronic checks, both before and after disconnection of service. After the 5 to 7 day notification and the 24 hour notification, approximately 14% and 15% of customers made a payment using a check, respectively. Fewer than 1% of disconnection notifications result in payment at a payment location or lockbox until the 24 notification, when it rises to 2.2%, and remaining above 2% after disconnection. In total, across both Atmos and KGS customers, 2,229 payments were made at a payment location or lockbox after service was disconnected over the two and a half year period of the Pilot Program. That is in contrast to the over 24 million bills sent out during the same period. Staff does not

believe that reinstating the knock and collect provision of the Billing Standards would provide any significant benefit to customers or utilities, as the only forms of payment that are accepted when the technician arrives can be made online or over the phone. Therefore, Staff contends that a waiver of the knock and collect provision of the Billing Standards does not adversely impact customers.

Benefits of Suspending the Knock and Collect Provision

Staff believes that cessation of the knock and collect policy would reduce safety risk to both technicians and customers. One of the primary reasons for having utilities without the ability to perform remote disconnection of services join in the knock and collect Pilot Program was to maximize social distancing during the COVID-19 Pandemic. The waiver of the knock and collect provision would allow technicians to perform necessary work while minimizing close contact with customers. Staff believes that continuing to minimize face-to-face interactions in the field between technicians and customers is in the best interest of the technicians. While rare, safety incidents have been recorded where a technician or other employee of a Utility has been threatened by a customer with physical violence.^{19,20} Given the declining success of collecting payment at the door, Staff is currently more concerned with preventing the safety risk to technicians than reinstating a minimal benefit once enjoyed by customers.

Stopping the knock and collect procedure would also reduce risk to customers of falling victim to scams. When employees accept payment at the door, an opportunity arises for impersonators to demand payment to prevent immediate disconnection of services. Normalization of not accepting payment at the door may aid customers in identifying risky interactions and contact the Utility's customer service for verification or to report the incident.

Historical Support

In the 15-344 Docket, the Commission granted Evergy and Southern Pioneer permanent waivers of the knock and collect provision of the Billing Standards. Over the past three years, Staff is unaware of any formal complaints or issues that have arisen as a result of the permanent waiver. Likewise, the temporary waiver of the knock and collect provision granted to Atmos and KGS has not raised any concerns in the way of complaints or other issues. At this point in time, the Pilot Program has carried on for almost seven years with the participation of four Utilities, of which two have already received a permanent waiver. In Staff's view, it appears that the Pilot Program is functioning properly, so no substantive change in procedure is required. It is also important to note that in the 15-344 Docket, Staff expressed "that implementing a waiver is acceptable because it provides a mechanism to pause remote disconnections should a future scenario warrant it."²¹

Reinstatement of Fees for Disconnection and Reconnecting as a Result of Nonpayment

There is one distinction between the manner in which an electric and a gas utility disconnect or reconnect utility service. Evergy and Southern Pioneer provide the majority of their customers AMI meters, which allow for remote disconnection or reconnection of service. Gas utilities, on the other hand, cannot perform these functions remotely, even when automated meter reading equipment is present. One of the benefits of suspending knock and collect claimed by electric

¹⁹ CURB DR 6 to Atmos.

²⁰ CURB DR 6 to KGS.

²¹ Staff Notice of Filing Report and Recommendation, p. 13, Docket 15-344 (Dec. 15, 2020)

utilities cannot be claimed by gas utilities. Both disconnection and reconnection of gas service still requires a technician to go onsite. It is Staff's position that the requirement of a technician's presence does not undermine the benefits to customers and to utilities of waiving the knock and collect provision. It does, however, justify the recouping of the labor and equipment costs caused by a disconnection for nonpayment, and subsequent reconnection. As noted above, eliminating these fees would result in a subsidization of additional labor and equipment costs by other customers, including those in classes other than Residential or Small Business. Prior to the Pilot Program, fees for disconnection as a result of nonpayment and subsequent reconnection were approved by the Commission. Staff contends that these fees were and continue to be just and reasonable. For this reason, Staff recommends that the fees for disconnection for nonpayment and reconnection be reinstated for gas utilities. These disconnection and reconnection fees should be reset to the last Commission-approved fee specific to each utility. Thereafter, the costs should continue to be evaluated for reasonableness in rate cases.

Staff does note that the disconnection and reconnection fees are effectively required per the Billing Standards. Section II.F reads:

The utility may discontinue service for a delinquent bill after issuing the notice required by Section IV. As stated in said notice, if collection is made at the customer's premises or service is discontinued because of non-payment of a bill, the utility shall require a collection or disconnection charge. Such collection or disconnection charge shall be as provided in rules and regulations filed with and approved by the Commission.

After disconnection of service for non-payment of a bill should service be reconnected in accordance with the appropriate provisions of the utility's rules, regulations and tariffs, a reconnection charge shall be applied. Such reconnection charge shall be as provided in rules and regulations filed with and approved by the Commission.

As such, without a reduction of costs realized by remote disconnection, Staff does not believe that a waiver to the knock and collect provision should necessarily be accompanied by a waiver to Section II.F of the Billing Standards. It is also worth noting that Atmos, KGS, and Black Hills charge a fee to customers requesting a connection for new service, stressing the cost based nature of fees related to sending a technician into the field.^{22,23,24}

Black Hills' Application

With respect to Black Hills Petition and request for a permanent waiver to the knock and collect provision of the Billing Standards, Staff believes there is sufficient evidence for the Commission to waive said provision to any utility that requests such a waiver. Staff reasons that the variations in time and Kansas geography through the Pilot Program, together with shifting trends in how payments are made, demonstrate that a waiver of the knock and collect provision could be

²² CURB DR 9 to Atmos.

²³ CURB DR 15 to KGS.

²⁴ CURB DR 20 to Black Hills.

generalized. However, in the interest of allowing any utility that prefers to continue with the knock and collect procedure to do so, the Billing Standards should be preserved. Staff believes that the approval of permanent waivers of the knock and collect provision is the appropriate solution. Therefore, Staff recommends that Black Hills be granted a permanent waiver to the knock and collect provisions of the Billing Standards, contingent on the implementation of a customer education campaign and sufficient notification to its customers through bill inserts and website updates.

Conclusion

In the past, the knock and collect provision of the Billing Standards has been somewhat contentious. Staff believes that payment preferences and the availability of payment types has shifted, allowing customers easy access to payment through the use a phone, computer, tablet, or other similar device. To ensure that customers without access to those payment options can pay their utility bills, a network of payment locations and drop boxes is still available in accordance with the Billing Standards. In Staff's view, the knock and collect issue is relatively straightforward, but is nested within a much more difficult issue, which is how to aid customers that are unable to pay their utility bills, and how to avoid customers from being disconnected from utility service. What is desired is avoiding the disconnection of customers; unfortunately, the policy of knock and collect does not realize that end.

Based on data from the Pilot Program compliance reports, the length of time over which the Pilot Program has been run, the lack of adverse impact on customers, particularly due to cash payments not being accepted at the door by technicians, the availability of online or phone payments, and the mitigation of safety risks to technicians and customers, Staff recommends that a permanent waiver of the knock and collect provision of the Billing Standards meets the requirements set forth in Section VI of the Billing Standards.

Additionally, for utilities that do not have the capability to remotely disconnect or reconnect service, if a permanent waiver to the knock and collect provision of the Billing Standards is granted, fees for disconnection and reconnection should be reinstated to avoid subsidization by other customers of the costs incurred when a technician is sent onsite to perform a disconnection or reconnection as a result of nonpayment.

RECOMMENDATION

Based on the results of the Pilot Program, and the mitigation of safety risks to Utility employees against and customers, Staff recommends that the Commission grant permanent waivers to the knock and collect provision of the Billings Standards to Atmos and KGS. Staff also recommends that a permanent waiver be granted to Black Hills contingent on the implementation of a customer education program regarding the changes in procedure. Staff also recommends that disconnection and reconnection fees should be reinstated for customers that cannot be disconnected or reconnection remotely. Staff recommends that Atmos, KGS, and Black Hills maintain in their disconnection procedures that a technician encountering a customer during a disconnection visit should provide that customer a reasonable opportunity to make a payment by phone or online to avoid disconnection, if so requested by the customer.

Staff will continue to be a part of policy discussions to explore what can be done for customers that have difficulty paying their utility bills, and to reduce the likelihood that customers are disconnected for nonpayment and have to go without service for any period of time.

APPENDIX A

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 24-GIMG-453-GIG
Information Request

Data Request: 24-453 CURB-003
Issuer Organization: CURB
Request Date: 03-26-2024
Date Information Needed: 04-09-2024
Requested By: Della Smith

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RE: Process Description

Please provide the following: Comparing the Company's prior knock & collect protocols to the protocols under the waiver, please describe which processes must still be done on-premises for disconnection and which processes can be avoided under the waiver. In particular, please clarify whether the on-premises collection attempt was made immediately preceding disconnection or as a separate visit.

KGS Response:

The process for disconnection that must be completed at the premise under the Knock and Collect waiver is:

- Turn the gas off at the meter and seal;
- Complete leak survey of the premises; and
- Place a tag at the door informing the customer of the disconnect and how to contact KGS to reestablish service.

The process for reconnection that must be completed at the premise under the Knock and Collect waiver is:

- Inspect all visible piping inside the house;
- Remove seal from meter;
- Turn on the meter;
- Perform a "Shut-In Test" on the meter to identify any leaks;
- Complete leak survey of the premises; and
- Relight appliances.

Under the Knock and Collect waiver, KGS does not knock at the door and attempt to make contact with the customer prior to beginning the disconnection process outlined above.

Prior to the waiver, a technician would attempt to contact the customer at the premises to complete the disconnection. If contact was made, the technician would discuss the outstanding balance with the customer, let the customer know if he or she was eligible for a payment arrangement, and identify the amount of payment necessary for gas service to remain connected. The technician would also inform the customer of his or her payment options. A customer may pay bills by mail or at an Authorized Pay Station using check, cash or money

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Janet Buchanan

Date: 4/9/2024

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 24-GIMG-453-GIG
Information Request

Data Request: 24-453 CURB-003
Issuer Organization: CURB
Request Date: 03-26-2024
Date Information Needed: 04-09-2024
Requested By: Della Smith

Page 2 of 2

order. Additionally, a customer may pay by phone, either through the Company's Interactive Voice Response system or with the assistance of a live agent, using a phone check. A customer may also pay via the Company's website using a phone check, credit card or debit card. Customers also have the option to enroll in the Company's Automatic Bank Bill Payment Plan which authorizes the Company to withdraw payment directly from the customer's bank account on the due date of the current bill. Pursuant to Section 5.05 of Kansas Gas Service's General Terms and Conditions, KGS is not required to accept cash payments at a customer's premises. The technician would wait for payment confirmation, complete paperwork and provide the customer with a receipt for payment. If no payment was made or the customer was not on the premises, the disconnection process discussed above was followed.

Prepared by: Janet Buchanan

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Janet Buchanan

Date: 4/9/2024

Docket No. 24-GIMG-453-GIG
Atmos Energy Corporation, Kansas Division
CURB DR Set No. 1
Question No. 1-4
Page 1 of 1

REQUEST:

Please describe how a technician is expected to respond if, while the technician is on-site for a disconnection, they are approached by the customer. In your response, please address the following:

Does the company provide training materials or have documented internal policy in this regard? If so, please provide.

Are such encounters documented? If so, please provide a record of any such encounters that occurred during the knock & collect temporary waiver period.

Is the technician authorized to accept payment and cancel the disconnection? If yes, what forms of payment are acceptable (e.g., cash, check, digital receipt)? And if payment is accepted, is the customer assessed a collection fee?

RESPONSE:

Our technicians are not allowed to collect cash or check payments. Instead, our technician directs the customer to call our Contact Center or assists in connecting the customer with an agent over the phone. If the customer only has cash, that customer must visit a payment center prior to the disconnection date reflected on their termination notice. When possible, our technicians do work with our customers who have cash available for payment to avoid disconnection. For example, the technicians may allow the customer to go to a payment center when the technician arrives onsite, and the technician then will follow up on the disconnection order later that day to confirm that the payment was made. The Company does not have a documented policy around this process.

A customer is assessed a fee if payment is made via the web or phone while the tech is onsite. This only happens if the customer approaches the tech and tries to pay to prevent disconnection. The tech must return their order advising payment was made while onsite which triggers the \$8.00 collection fee. The technician is not personally collecting the payment; payments are made via online or by phone.

Docket No. 24-GIMG-453-GIG
Atmos Energy Corporation, Kansas Division
CURB DR Set No. 1
Question No. 1-6
Page 1 of 1

REQUEST:

How are safety incidents (e.g., technician injuries, encounters with hostile customers or animals, etc.) during on-premises collection attempts or disconnections documented? Please provide a record of such events for at least the five-year period prior to the temporary waiver, but further back if reasonably possible.

RESPONSE:

If a technician is injured while performing any service order, the technician is required to report to their supervisor and is sent to our Work Comp clinic for evaluation, along with completing an AIMS report. Depending on the severity of a hostile customer interaction, we alert the authorities when necessary and assign a safety alert to that customer's premises. The safety alert will notify any technician going to that address in the future of a possible hostile customer. Regarding animals, we either note it in the service order or if an animal injures the employee, we contact the local animal control officer for that jurisdiction and follow the injury reporting protocol noted above.

Please see Attachment 1 for a list of events over the last five years.

ATTACHMENT:

CURB_1-06 Att1 - Five Year Safety Alerts.xlsx

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 24-GIMG-453-GIG
Information Request

Data Request: 24-453 CURB-006
Issuer Organization: CURB
Request Date: 03-26-2024
Date Information Needed: 04-09-2024
Requested By: Della Smith

Page 1 of 2

RE: Safety Incidents

Please provide the following: How are safety incidents (e.g., technician injuries, encounters with hostile customers or animals, etc.) during on-premises collection attempts or disconnections documented? Please provide a record of such events for at least the five-year period prior to the temporary waiver, but further back if reasonably possible.

KGS Response:

The current procedure for documenting a customer threat is:

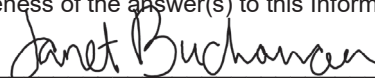
1. Field employee removes himself or herself from the situation/threat (safe place);
2. Field employee notifies his or her immediate supervisor of the event;
3. Supervisor immediately notifies the Customer Relations team by phone or email;
4. Supervisor obtains full written description of the incident from any/all field employees involved and provides the statement to the Customer Relations team by email. The email should indicate whether or not a "Notice of Right to Deny Natural Gas Service"¹ letter is to be sent to the customer prior to service restoration;
5. Customer Relations team confirms whether the Field team is agreeable to restoring service. Customer Relations team will:
 - Note the customer account with "Do Not Turn On" flag and Threat Alert
 - Perform any additional research necessary, including reviewing records for any additional accounts for the customer
 - Provide details to Legal team for drafting the "Notice of Right to Deny Natural Gas Service" letter to be sent to the customer
 - Ensure customer alleviates the reason for the service interruption (pays bill, deposit, required repairs have been made, etc.) and returns the acknowledgement form attached to the "Notice of Right to Deny Natural Gas Service" letter
6. Customer Relations team contacts the customer regarding the restoration of Service. Customer Relations team notifies the Field Supervisor and Manager of any pending service orders to arrange for a police escort or additional personnel; and,
7. Customer Relations team adds a note to the customer account that will follow the customer for all future interactions and service orders.

KGS began this formal process of documenting customer threats in 2018. The number of threats documented each year are:

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____



Date: 4/9/2024

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 24-GIMG-453-GIG
Information Request

Data Request: 24-453 CURB-006
Issuer Organization: CURB
Request Date: 03-26-2024
Date Information Needed: 04-09-2024
Requested By: Della Smith

Page 2 of 2

Number of Customer Threats

2018	0
2019	3
2020	2
2021	16
2022	12
2023	14
2024*	5

*2024 data is through February.

1. A "Notice of Right to Deny Natural Gas Service" letter provides the date and description of the incident. It indicates that KGS cannot tolerate threats to its personnel and must take all threats seriously. The letter states that Section 2.05 of the General Terms and Conditions for Gas Service allows KGS to refuse service if it is unsafe for its personnel to perform work at the customer premises. In order to initiate service, the customer must return signed acknowledgement to KGS. The acknowledgement states that the customer agrees to provide safe access to KGS personnel.

Prepared by: Janet Buchanan

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Janet Buchanan

Date: _____

4/9/2024

Docket No. 24-GIMG-453-GIG
Atmos Energy Corporation, Kansas Division
CURB DR Set No. 1
Question No. 1-9
Page 1 of 1

REQUEST:

For customers in the following scenarios, please indicate whether a connection fee and/or a disconnection fee would be applicable. If charges are applicable, please indicate the amount of each fee and the corresponding tariff section establishing the fee. Please answer for existing protocols and, if different, future protocols if the Company's proposal in this docket is approved:

- 1) A new customer is requesting service for the first time.
- 2) An existing customer in good standing has requested to disconnect service. There is no accompanying request to initiate/connect service at another premise in the Company's service area.
- 3) An existing customer in good standing has requested to disconnect service at one premise and initiate/connect service at a different premise within the Company's service area.

RESPONSE:

Please refer to SCHEDULE II -SCHEDULE OF SERVICE FEES of the Company's tariff book.

- 1) The customer will be required to pay a charge of \$20.00 during normal business hours or \$25.00 other than normal business hours.
- 2) When Gas Service is disconnected for any of the reasons stated in Schedule I, Section 5, A. 1. of the Company Rules and Regulations, except when requested by the Customer, the Company will require a Disconnection Charge of \$15.00 During Normal Business Hours/\$20.00 Other Than Normal Business Hours, but not both a collection charge and a disconnection charge. After normal business hours, a disconnect fee can only be charged to the customer if the customer requests after hours service. If the disconnect is at the Company's choice, then the customer cannot be charged the after-hours fee.
- 3) When a customer requests to disconnect service, a disconnection fee is not charged. If the gas is turned off at the new premise, the customer will be charged a \$20.00 fee during normal business hours or a \$25.00 fee after normal business hours to initiate service.

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 24-GIMG-453-GIG
Information Request

Data Request: 24-453 CURB-015
Issuer Organization: CURB
Request Date: 08-22-2024
Date Information Needed: 09-06-2024
Requested By: David Nickel

Page 1 of 1

RE: Connection/Disconnection Scenarios

Please provide the following: For customers in the following scenarios, please indicate whether a connection fee and/or a disconnection fee would be applicable. If charges are applicable, please indicate the amount of each fee and the corresponding tariff section establishing the fee. Please answer for existing protocols and, if different, future protocols if the Company's proposal in this docket is approved:

- 1) A new customer is requesting service for the first time.
- 2) An existing customer in good standing has requested to disconnect service. There is no accompanying request to initiate/connect service at another premise in the Company's service area.
- 3) An existing customer in good standing has requested to disconnect service at one premise and initiate/connect service at a different premise within the Company's service area.


KGS Response:

1. As stated in section 2.13.01 of the tariff, a new customer requesting service is required to pay the Service Initiation Charge of \$10 as provided in Subsection 12.01 of the KGS tariff.
2. There is no charge.
3. As noted in section 2.13.01 of the tariff, a service initiation charge applies at each service location. The customer will be required to pay a Service Initiation Charge as stated in Subsection 12.01 of the KGS tariff for the connection of service at another premises. There is no charge for the disconnection of service.

Prepared by: Lorna Eaton

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 

Date: 09/06/2024

BLACK HILLS / KANSAS GAS UTILITY COMPANY, LLC
d/b/a BLACK HILLS ENERGY
DOCKET NO. 24-GIMG-453-GIG
CITIZEN'S UTILITY RATEPAYER BOARD
DATA REQUEST NO. CURB-20

DATE OF REQUEST: 08/22/2024
DATE RESPONSE DUE: 09/06/2024
REQUESTOR: Citizen's Utility Ratepayer Board
AUDITOR: David W. Nickel
ANSWERED BY: Nick Smith
DATE RESPONDED: 09/05/2024
SUBJECT: Connection/Disconnection Fees
REFERENCE:

REQUEST:

For customers in the following scenarios, please indicate whether a connection fee and/or a disconnection fee would be applicable. If charges are applicable, please indicate the amount of each fee and the corresponding tariff section establishing the fee. Please answer for existing protocols and, if different, future protocols if the Company's proposal in this docket is approved:

- 1) A new customer is requesting service for the first time.

- 2) An existing customer in good standing has requested to disconnect service. There is no accompanying request to initiate/connect service at another premise in the Company's service area.

- 3) An existing customer in good standing has requested to disconnect service at one premise and initiate/connect service at a different premise within the Company's service area.

RESPONSE:

- 1) The connection fee in this example would be \$20 (Tariff Section 2.1b).
- 2) The disconnection fee in this example would be \$0.
- 3) The disconnection fee in this example would be \$0, but the connection fee for the new premise would be \$20 (Tariff Section 2.1b).

ATTACHMENTS:

None

Verification of Response

I have read the foregoing information request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this information request.

Signed: /s/ Nick Smith

Date: 09/05/2024

CERTIFICATE OF SERVICE

24-GIMG-453-GIG

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 6th day of November, 2024, to the following:

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CERTIFICATE OF SERVICE

24-GIMG-453-GIG

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Ann Murphy

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