

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 Standards Related) Docket No. 24-GIMG-453-GIG
to Allow for a Permanent Discontinuance of the)
Knock and Collect Provision in Said Billing)
Standards.)

**RESPONSE OF THE CITIZENS' UTILITY RATEPAYER BOARD TO STAFF'S
REPORT AND RECOMMENDATION**

COMES NOW, the Citizens' Utility Ratepayer Board ("CURB") and responds to the Report and Recommendation ("R&R") filed by the Staff ("Staff") of Kansas Corporation Commission ("Commission" or "KCC") on November 6, 2024. In support thereof, CURB states:

Background

1. This docket emanates out of Docket No. 15-GIMX-344-GIV ("15-344 Docket"). Both the 15-344 Docket and this docket center on utility disconnection procedures under the Commission's *Electric, Natural Gas, and Water Billing Standards* ("Billing Standards"), and the gas utilities in this docket seek similar relief to what was provided to the electric utilities in the 15-344 Docket. Therefore, the proceedings in the 15-344 Docket are important background to this docket and will be discussed below.

2. The Commission opened the precursor to this docket, the 15-344 Docket, on February 26, 2015.¹ Among other sections of the Billing Standards, the investigation centered on Section IV, (G), which governs the utility disconnection procedure, as follows:²

- G. The employee of the utility who is to disconnect service shall:
(1) Immediately preceding the discontinuance of service, make a reasonable effort to:

¹ Docket No. 15-GIMX-344-GIV, Order Adopting Staff's Report and Recommendation and Opening General Investigation, February 26, 2015.

² Id.

- a. Contact 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;
 - b. Identify and record the name of the person contacted;
 - c. Accept payment of all amounts tendered to him which are necessary to avert disconnection;
 - d. Record statements disputing the accuracy of the delinquent bill;
 - e. Record statements disputing the accuracy of the utility's findings concerning the cause for discontinuance; and
 - f. Record statements concerning the medical condition of any permanent resident of the premises.
- (2) If contact with the customer is not made, the employee shall leave a notice upon the premises in a manner conspicuous to the customer disclosing the date and time of discontinuance and giving the address and telephone number of the utility where the customer may arrange to have service restored.³

These required utility disconnection measures in the Billing Standards are sometimes referred to as “Knock and Collect Requirements.”

3. In its initial R&R in the 15-344 Docket, Staff recommended that the Commission investigate and evaluate the appropriateness and implication of eliminating the Knock and Collect Requirements prior to disconnection of utility service.⁴ Thereupon, the Commission ordered parties to the 15-344 Docket to “file comments on how the general investigation should proceed to minimize the need for extensive comment periods” within 45 days from the date of its order.⁵ By March 31, 2015, ten parties had entered appearances in the 15-344 Docket, and by April 13, 2015, nine parties had submitted comments.⁶ On January 22, 2016, Staff filed a second R&R that

³ Kansas Corporation Commission, Electric, Natural Gas and Water Billing Standards, pp. 23-24, Effective January 20, 2012.

⁴ Docket No. 15-GIMX-344-GIV, Order Adopting Staff’s Report and Recommendation and Opening General Investigation, February 26, 2015, p.1.

⁵ Id., at p. 3.

⁶ Docket No. 15-GIMX-344-GIV, Order Adopting Staff’s Report and Recommendation, February 11, 2016, p. 1.

proposed a procedural schedule aimed at resolving the issues in the 15-344 Docket.⁷ The Commission adopted Staff’s second R&R.⁸

4. On November 4, 2016, Staff filed a third R&R in the 15-344 Docket.⁹ In that R&R, Staff recognized the potential for cost savings arising out of remote disconnection of utility services through Advanced Metering Infrastructure (“AMI”) meters, commonly referred to as smart meters, versus disconnection through the Knock and Collect Requirements.¹⁰ However, Staff noted that only Westar Energy, Inc. and Kansas Gas and Electric Company (collectively, “Westar”), predecessor to Evergy Kansas Central (“Evergy”), as well as Southern Pioneer Electric Company (“Southern Pioneer”) had deployed sufficient AMI meters to warrant a change in the Billing Standards.¹¹

5. Therefore, in its November 4, 2016, R&R, Staff recommended that a temporary waiver of the billing standards be granted to Southern Pioneer and Westar (together, “participating utilities”). This allowed a three-year pilot program (“Pilot Program”) to be conducted, to gather information about the appropriateness and effects of eliminating the Knock and Collect Requirements.¹² Staff’s proposal contained certain reporting requirements, customer notice requirements, and limited the temporary waiver to periods not covered by the Cold Weather Rule (“CWR”).¹³

⁷ Docket No. 15-GIMX-344-GIV, Notice of Report and Recommendation, January 22, 2016.

⁸ Docket No. 15-GIMX-344-GIV, Order Adopting Staff’s Report and Recommendation, February 11, 2016, p. 4

⁹ Docket No. 15-GIMX-344-GIV, Notice of Report and Recommendation. November 4, 2016.

¹⁰ Id., p. 5-6.

¹¹ Id., p. 4.

¹² Id., p. 6.

¹³ Id.

6. On March 7, 2017, Staff, CURB, Southern Pioneer, and Westar filed a *Joint Motion to Approve Temporary Waiver*.¹⁴ These parties requested the Commission approve a temporary waiver of the Knock and Collect Requirements for the participating utilities for a maximum period of three years, only to apply to customers with AMI meters installed.¹⁵ Separating the procedure as to CWR and non-CWR periods, the participating utilities were required to submit biannual compliance reports as part of the Pilot Program.¹⁶ These reports were completed.

7. On June 18, 2020, Kansas Gas Service (“KGS”) filed a motion to be added as a Pilot Program participant in the 15-344 Docket.¹⁷ The conditions for joining the Pilot Program generally mirror those of Westar and Southern Pioneer. KGS acknowledged that it does not have the ability to remotely disconnect customers, but stated that KGS “will be given the opportunity to provide cost support to reinstate its existing disconnect and reconnect fees at the end of the pilot program.”¹⁸ Atmos filed a similar motion in the 15-344 Docket on July 13, 2020, which included the same conditions as KGS.¹⁹ KGS's motion was granted on July 14, 2020,²⁰ and Atmos's motion was granted on September 24, 2020.²¹

8. On December 15, 2020, the participating utilities, Staff, and CURB each filed recommendations regarding the Pilot Program in the 15-344 Docket.²² Generally these parties

¹⁴ Docket No. 15-GIMX-344-GIV, *Joint Motion to Approve Temporary Waiver*, March 7, 2017.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Docket No. 15-GIMX-344-GIV, *Motion to be Added to Pilot Program*, June 18, 2020.

¹⁸ *Id.*, p. 1.

¹⁹ Docket No. 15-GIMX-344-GIV, *Motion to be Added to Pilot Program*, July 13, 2020.

²⁰ Docket No. 15-GIMX-344-GIV, *Order Granting Motion to be Added to Pilot Program*, July 14, 2020.

²¹ Docket No. 15-GIMX-344-GIV, *Order Granting Motion to be Added to Pilot Program*, September 24, 2020.

²² Docket No. 15-GIMX-344-GIV, *Final Recommendations on Evergy Kansas Central, Inc., Knock and Collect Program*, December 15, 2020; *Notice of Staff's Report and Recommendation*, December 15, 2020; *CURB's Recommendation Regarding Pilot Program*, December 15, 2020; *Final Recommendation of Southern Pioneer Regarding Permanent Waiver of Billing Standards for Knock and Collect*, December 15, 2020.

recommended the Commission approve a permanent waiver, applicable beyond the Pilot Program, eliminating the Knock and Collect Requirements prior to disconnecting of utility service.²³ The Commission issued its *Order on Knock and Collect Pilot Program* on February 4, 2021, granting the participating utilities permanent waivers of the Knock and Collect Requirements.²⁴

9. In the 15-344 Docket, the Commission justified elimination of the Knock and Collect Requirements for the participating utilities as follows:

Because compliance with the Knock and Collect Requirements results in higher costs to customers, less effective collection and higher disconnection, lengthier reconnection time for disconnected customers, and more on-premises incidents, amongst other benefits identified by the parties, the Commission finds compliance does not serve the best interest of Evergy, Southern Pioneer, or customers. As such, a permanent waiver of the Knock and Collect Requirements shall be granted to Evergy and Southern Pioneer for customers served by AMI meters that have remote disconnection capabilities.²⁵

The waiver granted by the Commission's *Order on Knock and Collect Pilot Program* pertained only to those customers served by AMI meters that have remote disconnection capabilities.²⁶

10. As approved by the above *Order on Knock and Collect Pilot Program*, the disconnection procedures to be employed by the participating utilities are separated by non-winter and winter months as follows:

- A. During Non-Cold Weather Rule Months (April 1 – October 31)
 - i. Ten (10) days prior to disconnection, the Company shall mail a "Notice of Disconnection" letter to the Customer. The Company shall mail this letter separately from a utility bill or any other correspondence.
 - ii. Five to Seven (5-7) days prior to disconnection, the Company shall attempt to contact the Customer via the Customer's preferred choice

²³ Id.

²⁴ Docket No. 15-GIMX-344-GIV, Order on Knock and Collect Pilot Program, February 4, 2021.

²⁵ Id., p. 14.

²⁶ Id., p. 15.

- (phone call, text message, email), informing the Customer of the Company's intent to disconnect.
- iii. Two (2) days prior to disconnection, the Company shall attempt to contact the Customer via a Phone Call, informing the Customer of the Company's intent to disconnect.
 - iv. One (1) day prior to disconnection, the Company shall attempt to contact the Customer via the Customer's preferred choice, informing the Customer of the Company's intent to disconnect.
 - v. On the day of disconnection, the Company may disconnect the Customer. The Company shall not be required to make an on-premises collection attempt or leave a disconnect message on the Customer's door.
- B. During Cold Weather Rule Months (November 1 – March 31)
- i. Ten (10) days prior to disconnection, the Company shall mail a "Notice of Disconnection" letter to the Customer. The Company shall mail this letter separately from a utility bill or any other correspondence.
 - ii. Five to Seven (5-7) days prior to disconnection, the Company shall attempt to contact the Customer via the Customer's preferred choice (phone call, text message, email), informing the Customer of the Company's intent to disconnect.
 - iii. Two (2) days prior to disconnection, the Company shall attempt to contact the Customer via a Phone Call, informing the Customer of the Company's intent to disconnect.³
 - iv. One (1) day prior to disconnection, the Company shall attempt to contact the Customer via a Phone Call, informing the Customer of the Company's intent to disconnect.
 - v. If the attempted Phone contact described in letter (d) above is not successful, the Company shall place a disconnect message at the Customer's premises on the day prior to disconnection. The Company may then disconnect service on the day of disconnection (unless otherwise prohibited by the Cold Weather Rule).
 - vi. If the attempted Phone contact described in letter (d) above is successful, the Company shall not be required to place a disconnect message at the Customer's premises on the day prior to disconnection. The Company may then disconnect service on the day of disconnection (unless otherwise prohibited by the Cold Weather Rule).²⁷

²⁷ Id., p. 2-4.

Additionally, the Pilot Program reduced the disconnection fee from \$15.00 to \$5.00 and the reconnection fee to \$0.00.²⁸ The disconnection procedures approved by the *Order on Knock and Collect Pilot Program* contain substantially more notice of a customer’s bill delinquency and take advantage of varying methods of delivery of that notice.²⁹

11. Neither KGS nor Atmos received permanent waivers of the Knock and Collect Requirements in the *Order on Knock and Collect Pilot Program*. Instead, the Commission allowed them to pursue a permanent waiver in a separate docket to collect data for utilities that do not have remote disconnection capabilities.³⁰ Consequently, Atmos and KGS (“Applicants”) filed a Joint Application in this docket, seeking a permanent waiver of the Knock and Collect Requirements.³¹

12. In this docket, the Applicants request that the Commission grant them a permanent waiver of the Billing Standards such that “The utility shall not be required to make an on premise collection attempt or leave a disconnect message on the Customer’s door” relative to utility disconnections under the Billing Standards during non-winter months (April through October).³² The Applicants also ask the Commission to grant them a permanent waiver of the Billing Standards such that “The utility shall not be required to make an on premise collection attempt” relative to utility disconnections under the Kansas billing standards for winter months (November through March).³³ Essentially, the Applicants seek the same disconnection procedures (winter and non-winter) granted to Southern Pioneer and Evergy in the 15-344 Docket. On January 30, 2024, Black Hills/Kansas Gas Utility Company, LLC d/b/a Black Hills Energy (“Black Hills”) filed a *Petition*

²⁸ Id.

²⁹ Id.

³⁰ Id., p. 15.

³¹ Joint Application, December 15, 2023.

³² Id., p.3.

³³ Id., p. 4.

*to Intervene in Support of Application*³⁴ which the Commission granted on February 29, 2024.³⁵ CURB agrees that Black Hills is entitled to the same relief granted to the Applicants by the Commission, subject to the conditions set forth in Staff's R&R.

13. In distinction to the Westar and Southern Pioneer cases, the Applicants do not have AMI equipment.³⁶ Thus, disconnection and reconnection of gas utility service for both of these utilities must be done physically at the site where service discontinuance is intended. As a result, there are substantially less savings associated with waiving the Knock and Collect Requirements for the Applicants than with Westar and Southern Pioneer.³⁷ Due to this distinction, the requests for waivers of the Knock and Collect Requirements for the Applicants were brought in this docket so that the requests for waivers of Knock and Collect for these utilities could be determined on the particular facts present in this docket.³⁸

14. In light of this distinction, CURB believes that two principal issues warrant consideration: The first is whether the lack of substantial savings associated with eliminating the Knock and Collect Requirements in the cases of KGS and Atmos is determinative that the waiver should not be granted. A second issue is whether disconnection and reconnection fees should be adjusted from those proposed in the joint application. While these two issues are important to the Commission's decision in this docket, CURB believes that energy insecurity, being the predominant underlying cause of utility disconnections, has not been adequately resolved and needs to be addressed.

³⁴ Petition to Intervene in Support of Application, January 30, 2024.

³⁵ Order Granting Black Hills Energy's Petition to Intervene, February 29, 2024.

³⁶ Id., p. 14.

³⁷ Docket No. 15-GIMX-344-GIV, Notice of Filing Report and Recommendation, p. 10, December 15, 2020; Notice of Filing Report and Recommendation, pp. 4-5, November 6, 2024.

³⁸ Id.

CURB Response

15. As to the first issue, CURB does not object to a permanent waiver of the Knock and Collect Requirements for KGS, Atmos, and Black Hills (“Natural Gas Utilities”), even though these utilities cannot remotely disconnect or reconnect gas utility service, such that permanent waiver of the Knock and Collect Requirements will not result in the substantial savings for ratepayers as was the case for Evergy and Southern Pioneer in the 15-334 Docket. Regarding the second issue, CURB recommends that a utility’s disconnection and connection fees should be the same for all of its customers, not different based upon customer request or non-payment. Finally, CURB believes that this docket can serve as a springboard to address the energy insecurity of many Kansas ratepayers, as it is a principal cause of utility disconnections. These issues will be discussed below.

Should permanent waiver of the Knock and Collect Requirements be denied due to the lack of substantial savings associated with the waiver?

16. KGS and Atmos attempt to justify waiver of the Knock and Collect Requirements upon the following basis that such a waiver will:

- a. Remove any embarrassment which may occur for customers when a Gas Utility employee attempts to collect an outstanding bill at their door prior to disconnection;
- b. Reduce the risk for scam artists or imposters to take advantage of customers; and
- c. Eliminate field situations where an employee's life has been threatened and required law enforcement involvement.³⁹

³⁹ Joint Application, p.2, December 15, 2023.

Certainly, these goals are worthwhile. However, neither utility posits any comprehensive study showing the extent to which these situations would be abated by a waiver of the Knock and Collect Requirements. Moreover, KGS and Atmos do not point to substantial savings that will be enjoyed by ratepayers through a permanent waiver of the Knock and Collect Requirements. Nonetheless, CURB will address these allegations briefly.

17. As to the assertion that the waiver of the Knock and Collect Requirements will eliminate field situations where an employee's life has been threatened, CURB wonders whether disconnecting a customer's utility service unannounced could also be dangerous. Presumably, people want to protect their property from strangers and could take violent steps to protect their property if they are unaware that the person on their property is a utility employee and has the right to be there for that purpose. Nonetheless, CURB believes there is value to ratepayers generally if elimination of the Knock and Collect Requirements will keep utility employees safe from harm. CURB believes that the utilities will take reasonable and necessary actions to protect their employees and utility customers from harm, regardless of whether the Knock and Collect Requirements are waived.

18. As for the potential for scams, CURB is unaware of the prevalence of scams that came about by impersonation of utility customers through the Knock and Collect Requirements. Yet, it is reasonable to take steps to avoid these types of scams from taking place. Common sense leads to a conclusion that, if utility customers are informed and understand that no utility will attempt to collect a past-due amount personally at the customer's premises, customers are less likely to be fooled by imposters who appear at their door and attempt to scam the customer. Thus, this goal also provides value to ratepayers generally. Regardless of whether the Knock and Collect

Requirements are waived, CURB anticipates that the utilities would have an on-going program to educate consumers how to avoid being scammed by utility impersonators.

19. As to the potential removal of embarrassment which may occur when a utility employee knocks on a customer's door to announce that the customer's bill is past due, CURB appreciates the efforts to be humane around collecting past due bills. However, being humane also entails a compassion for the energy inequity that led to the utility disconnection. Indeed, at the heart of this docket is the obvious fact that some Kansans cannot afford their utility bills. CURB hopes that all stakeholders in the utility space become highly dedicated to humanely address this issue, and to continue to search for solutions to this core problem.

20. In CURB's view, all of the rationale posited by the Applicants reasonably justify the elimination of the Knock and Collect Requirements in this docket because CURB does not see any material benefit from maintaining these requirements. Undoubtedly, energy insecurity is a primary cause of utility disconnection,⁴⁰ rather than the need for on-premises collection of amounts owed to the utility. CURB believes that the Knock and Collect Requirements do very little to obviate the high energy burden (and in some cases, energy insecurity) that some utility ratepayers face. In short, CURB believes that the benefits outlined by KGS and Atmos, although not quantified, outweigh any benefit that may result from maintaining the Knock and Collect Requirements. Therefore, consistent with its view in the 15-344 Docket, CURB will not assert in this docket that the Knock and Collect Requirements should be maintained for the Natural Gas Utilities.

⁴⁰ Chandra Farley, John Howat, Jennifer Bosco, Nidhi Thaker, Jake Wise, Jean Su, and Lisa Schwartz, "Advancing Equity in Utility Regulation, Report No. 12, pp. 20-21, November 2021.

21. CURB notes that there was some evidence in the 15-344 Docket that the Knock and Collect Requirements did alleviate a few disconnections relative to the large number of delinquencies involved for both Evergy and Southern Pioneer.⁴¹ But even so, the Knock and Collect Requirements only allow a temporary reprieve from the effects of energy insecurity. It does not stem future utility disconnections from occurring. That fact was recognized in the 15-344 Docket and was a basis for the Commission's order.⁴²

22. CURB believes further that, with e-commerce payment methods and the electronic notification that exist today, those who face imminent utility disconnection have sufficient methods for relatively quick payment of past-due utility charges, once they have the financial resources to do so. These methods of electronic payment and communication were not in existence when the Knock and Collect Requirements were created, and these methods are widely used by utility consumers today. Thus, the Knock and Collect Requirements are no longer essential to the timely payment of natural gas utility bills.

23. Indeed, circumstances pertaining to energy billing information and utility payment methods have materially changed since the Knock and Collect Requirements were placed in the Billing Standards. In CURB's view, the Knock and Collect Requirements may have been beneficial before the advent of e-commerce and the myriad ways in which utilities and their customers can contact each other about billing matters. In the days when past due notices were provided by mail and perhaps phone calls during business hours, requiring one last attempt to personally collect past due amounts may have made sense. Yet, in view of the various means to

⁴¹ CURB's Recommendation Regarding Pilot Program, Docket No. 15-GIMX-344-GIV, pp. 13-14, December 15, 2020.

⁴² See Order on Knock and Collect Pilot Program, Docket No. 15-GIMX-344-GIV, p. 13, February 4, 2021.

contact utility customers of their past due utility bills, it makes more sense to CURB to increase the number of contacts regarding the customer's potential disconnection than to spend efforts trying to prevent disconnection by one last-moment contact at the customer's door.

24. In fact, under the proposed Billing Standards, Kansas utilities attempt to contact their customers several times to notify them of a past-due debt under the current billing standards before utility discontinuance.⁴³ Undeniably, residential consumers should have ample notice that they have not paid their utility bill and understand that if they don't pay their bill, their utilities will be disconnected. Thus, requiring personal contact at the pertinent residence does not seem to add much value to the process of the discontinuance of utility services.

25. However, since representatives of the gas utilities must be present at the premises to disconnect service and if the customer initiates contact and requests to pay the utility representative at the time of disconnection, it does make sense for the utility representative to provide a limited amount of time (before disconnection) to pay the bill electronically. CURB believes this practice may prevent some utility disconnections for gas utilities and may potentially de-escalate dangerous situations. CURB anticipates that appropriate steps will be taken to obviate attempts by scammers to defraud customers by impersonating utility employees.

26. Increased notices of utility delinquencies and the opportunity to avoid disconnection are important benefits in the disconnection procedure outlined in this docket. However, CURB's belief that the Knock and Collect Requirements do not successfully resolve energy insecurity, which is a principal cause of utility disconnections, is more integral to CURB's position in this docket. In these regards, CURB believes that the public interest is advanced by

⁴³ Joint Application, p.2, December 15, 2023.

taking reasonable steps in the utility space to ensure that essential utility service remains affordable for low-income ratepayers. Yet, merely allowing a low-income ratepayer the opportunity to avoid utility disconnection through the Knock and Collect Requirements only postpones the inevitable; the energy insecure customer must still find the money to pay the bill at some point. Obviously, the Knock and Collect Requirements do not reduce the energy costs that some ratepayers cannot pay.

27. Undeniably, some Kansas ratepayers face a high energy burden. “Energy burden” refers to “the disproportionate allocation of financial resources among low-income households on energy expenditures.”⁴⁴ The U.S. Department of Energy (“DOE”), Office of Energy Efficiency and Renewable Energy, determined that the energy burden in Kansas stood in the range of six to eight percent of household income as of 2018.⁴⁵ The Kansas energy burden would be considered high by most analysts.

28. Obviously, the higher the energy burden that a household faces, the more likely it is that the household will be unable to pay its utility bills. Indeed, energy insecurity, as defined by the U.S. Census Bureau’s Household Pulse Survey, includes three conditions: (1) having difficulty paying energy bills (2) reducing or foregoing basic necessities like food and medicine to pay an energy bill, or (3) keeping their home at an unsafe temperature because of energy cost concerns.⁴⁶

⁴⁴Stephen Bird, and Diana Hernandez,). “*Energy Burden and the Need for Integrated Low-Income Housing and Energy Policy*.” November 2010: Retrieved from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4819257/>.

⁴⁵ U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy Low-Income Household Energy Burden Varies Among States – Efficiency Can Help in All of Them. December 2018.

⁴⁶ U.S. Department of Energy, Office of Energy Justice and Equity, Households of Color Continue to Experience Energy Insecurity at Disproportionately Higher Rates, July 6, 2023.

Nearly 26 percent of all U.S. households reported experiencing energy insecurity at least during one to two months in 2022.⁴⁷

29. Therefore, the practical effect of reducing energy insecurity for low-income ratepayers is the potential reduction of utility arrearages and uncollectable accounts, as well as reducing utility disconnections. In these regards, CURB believes that very few would oppose lowering the energy insecurity of low-income ratepayers, if the same can be done in a way that is reasonable and benefits ratepayers in general. Therefore, regardless of whether the Knock and Collect Requirements are discontinued in this docket, CURB believes that stakeholders could, with study, agree upon programs that lower the energy insecurity of low-income ratepayers while providing system-wide benefits.

30. To conclude as to the first issue, CURB agrees with Staff that a permanent waiver of the Knock and Collect Requirements should not be denied merely due to the lack of substantial savings associated with remote disconnection and reconnection as was possible for Southern Pioneer and Evergy. Here, the Applicants posit some benefits arising from permanent waiver of the Knock and Collect Requirements. Moreover, in CURB's view, there is no material benefit to continuation of those requirements. Therefore, it is cost-beneficial to permanently waive the Knock and Collect Requirements for the Natural Gas Utilities.

⁴⁷ Id.

Should disconnection and reconnection fees for Atmos and KGS be reinstated to fee levels existing before the Pilot Program?

31. For customers who cannot be disconnected or reconnected remotely, Staff recommends that disconnection and reconnection fees should be reinstated and reset to the last Commission-approved fees specific to each utility.⁴⁸ Staff argues the disconnection and reconnection fees should be reinstated to avoid subsidization by other customers of the utility's costs incurred for disconnection or reconnection as a result of non-payment.⁴⁹

32. CURB does not believe Staff's recommendation regarding disconnection and reconnection fees for non-payment is the most appropriate course of action in this matter.

33. Indeed, CURB recently addressed this issue, directed toward KGS specifically, in KGS's last rate case, Docket No. 24-KGSG-610-RTS ("24-610 Docket"). As part of KGS's proposal in the 24-610 Docket, KGS requested to revert its disconnection and reconnection fees for non-payment to the fees it charged prior to its participation in the Pilot Program.⁵⁰ CURB's witness Josh Frantz filed Direct Testimony in response to KGS's proposal.⁵¹ He expressed opposition to KGS's request to reinstate its prior fees for reasons which CURB will affirm later in this document. Mr. Frantz's primary recommendation was to defer KGS's request to this docket,⁵² to be examined from the perspective of gas utilities more broadly in conjunction with the examination of the gas utilities' permanent Knock and Collect Requirements waiver requests. Ultimately in the 24-610 Docket, a unanimous settlement agreement was approved which allowed

⁴⁸ Staff's Report and Recommendation, p.10, Nov. 6, 2024.

⁴⁹ Id, p.5.

⁵⁰ See Application to Change Rates and Tariffs, ¶12, Docket 24-KGSG-610-RTS, Mar. 1, 2024.

⁵¹ See Direct Testimony of Josh Frantz on behalf of CURB, Docket No. 24-KGSG-610-RTS, July 1, 2024 ("Frantz 24-610 Direct").

⁵² Frantz 24-610 Direct, p.9.

KGS to reinstate its prior fees but preserved CURB’s right to argue its opposition against those fees in this docket.⁵³

34. For context, Table 1 below shows the fee structure for disconnection and reconnection that would result if the Companies’ request in this docket is approved. It is important to recognize that KGS, Atmos, and Black Hills all differentiate their disconnection and connection fees based upon whether the action is performed because of non-payment or upon customer request.

Table 1 – Prospective Connection and Disconnection Fee Structure⁵⁴

	Atmos	Black Hills	KGS
Connection/Service Initiation	\$ 20.00	\$ 20.00	\$ 10.00
Reconnection (non-payment)	\$ 20.00	\$ 20.00	\$ 20.00
Disconnection (customer request)	\$ -	\$ -	\$ -
Disconnection (non-payment)	\$ 15.00	\$ 15.00	\$ 15.00

As part of the Pilot Program, in circumstances of non-payment, KGS and Atmos had been charging \$5.00 for disconnection and \$0.00 for reconnection.

35. Broadly, CURB opposes reverting the fees for disconnection and reconnection because it would disproportionately negatively impact disadvantaged customers. If the request is approved, a disconnection charge would only be applicable for disconnections in circumstances of non-payment. Yet, there is no charge if a disconnection is performed upon customer request. Also, specific to KGS, the reconnection fee after a disconnection for non-payment is \$10.00 more than the standard connection fee.

⁵³ See Order Approving Unanimous Settlement Agreement, Exhibit A: Unanimous Settlement Agreement, ¶22, Docket No. 24-KGSG-610-RTS, Oct. 3, 2024.

⁵⁴ Compiled from company tariffs and responses to data requests CURB-14 (Atmos) and CURB-27 (Black Hills).

36. Fees for disconnection and reconnection specifically directed at customers who already cannot afford their energy bills perpetuates the cycle of poverty, penalizing the poorest customers for symptoms of poverty, and digging their hole even deeper. Furthermore, the net effect of such fees, is amplified through the often-exorbitant interest rates on the debt of those in financial crisis. As discussed elsewhere in this response, CURB supports initiatives to provide bill relief to low-income and disadvantaged customers in order to reduce customer debt and maintain utility service connection. From CURB's perspective, reinstating fees that are only applicable in circumstances of non-payment is a regressive step in the wrong direction.

37. In examining whether fees for disconnection and reconnection may have value as a deterrent against payment delinquency, CURB does not believe that supposition is true. Natural gas service is an essential public service. In those regards, any customer whose situation has escalated to the disconnection phase is presumably in dire straits. Keep in mind, disconnection fees are not the first punitive measure affecting customers who struggle to pay their utility bills. Before an occurrence of non-payment escalates to disconnection, under Section II.B of the Billing Standards, late payment charges must be assessed. Disconnection of service is the utility's last resort against spiraling arrearages. For customers, avoiding service interruption is the prime incentive to settle such arrearages. Any further penalization on top of loss of service is ineffective at behavioral modification and only impedes future restoration of service.

38. Because the Companies' fee structures prior to the Pilot Program were approved by the Commission, KCC Staff contends that these fees were and continue to be just and reasonable.⁵⁵ Conversely, CURB contends that the lower fees charged during the Pilot Program were also

⁵⁵ Staff's Report and Recommendation, p.9, Nov. 6, 2024.

approved by the Commission and, therefore, would continue to be just and reasonable, especially given that all parties are in agreement that the other provisions of the Pilot Program should continue (effectuated through permanent waivers).

39. Staff's concern regarding cross-subsidization of labor costs from one subset of customers to another is undermined by two facts: 1) the Commission has allowed participating gas utilities to charge lower fees for disconnection for several years during the Pilot period, without receiving a complaint⁵⁶ and 2) the Commission allows utilities to charge \$0.00 for disconnection in circumstances where the disconnection is requested by the customer and not caused by non-payment. Regardless of the cause of the disconnection, there are underlying costs for the utility and, therefore, it can be inferred that Commission finds socialization of such costs acceptable when the customer requests to discontinue service. CURB is not convinced that the costs of the processes support having separate fee structures based upon circumstances of non-payment or customer request, nor does CURB believe the Applicants have provided adequate cost support in this docket to justify reinstating the prior fee structures.

40. Furthermore, the nature of the extreme poverty undermines attempts at direct cost allocation via fees or additional charges. Someone who truly does not have enough money to afford their bill would not have an additional \$5.00, \$10.00, or \$20.00 to cover fees. Allocating costs that are likely uncollectible is more theoretical than practical, as bad debt is eventually socialized anyway.

⁵⁶ Id., p.4.

41. Ultimately, CURB recommends Atmos, Black Hills, and KGS align their charges for disconnection and reconnection so that all of the utility’s customers are subject to the same fee structure, regardless of underlying cause. Thus, CURB supports fees as follows:

Table 2 – CURB’s Recommended Fee Structure

	Atmos	Black Hills	KGS
Connection/Reconnection	\$ 20.00	\$ 20.00	\$ 10.00
Disconnection	\$ -	\$ -	\$ -

42. Staff points out that “disconnection and reconnection fees are effectively required per the Billing Standards [Section II.F].”⁵⁷ Notably, the amount or calculation method of such fees is not expressed in the Billing Standards, but rather deferred to each Company’s rules and regulations which are reviewed separately by the Commission. CURB finds Section II.F’s specificity toward circumstances of non-payment to be potentially discriminatory. CURB questions whether only requiring such fees for the poorest of customers is in the public interest. Therefore, in conjunction with its recommendation to streamline fees for disconnection and reconnection regardless of cause, CURB recommends the Commission to remove the portions of Section II.F of the Billing Standards which require disconnection and reconnection in circumstances of non-payment. If this requirement is removed, utilities would not be prohibited from charging such fees, but they would no longer be mandated to do so.

43. CURB acknowledges that the Knock and Collect Requirements could be waived simply on the record in this docket, without consideration of the underlying problem of energy insecurity which is a major cause of utility disconnections. However, CURB hopes that this will not be the sole result in this docket. In CURB’s view, energy insecurity is a significant issue

⁵⁷ Id, p.9.

affecting many Kansas ratepayers. Further, CURB believes that stakeholders in the utility space, working together, can make a positive difference on this significant issue. Yet, significant study and thoughtful analysis is needed to adequately address the issue. Although CURB is thankful for the help that Kansas utilities have provided in this matter, CURB has not been able to significantly address the issue to date. Indeed, CURB cannot tackle this issue alone. Yet, CURB believes that with support and some direction from the Commission, stakeholders will be able to work together to reduce energy insecurity in Kansas. Thus, in the pages that follow, CURB would appreciate the opportunity to present information on the issue of energy insecurity, hoping to draw attention to the magnitude of the problem, such that reducing it in Kansas advances the public interest.

Is a thorough study pertaining to reduction of the energy insecurity facing many Kansas residential ratepayers in the public interest?

44. CURB believes that a thorough study designed to reduce the energy insecurity facing many Kansas residential ratepayers is in the public interest. First, the available data show that many Kansans are energy insecure, although there is insufficient Kansas data to show the exact nature, extent or location of the energy insecurity. Second, based upon the statements made by the parties in this docket, CURB perceives that the parties desire to work together to meaningfully address this issue. However, in order to efficiently and effectively address energy insecurity in Kansas (thus avoiding the waste of resources), a study of Kansas specifics is entirely appropriate. In fact, CURB believes that, since the Commission would approve or disapprove any utility programs that are designed to implement programs to reduce energy insecurity faced by Kansas ratepayers, having some direction and support from the Commission would be very helpful to determine the scope and direction of any study.

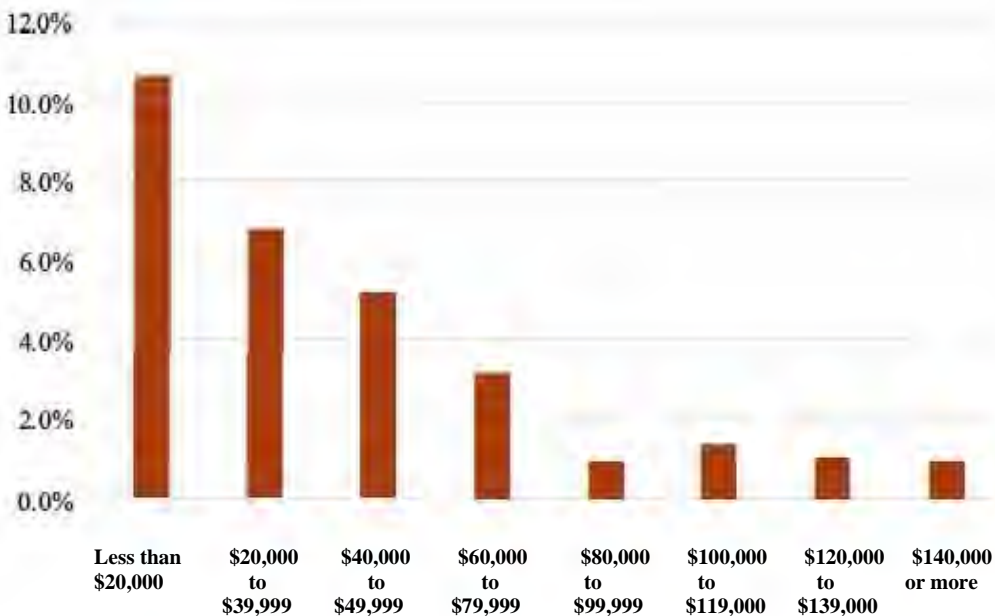
45. Therefore, CURB believes that, since this Application arises out of the problem that many ratepayers are not able to pay their utility bills, it is appropriate for the Commission to acknowledge in this docket the public interest in addressing this core issue. Moreover, as discussed below, the Commission has shown interest in addressing this issue in a prior docket. Therefore, if the Commission provides some general direction to the parties as to what issues the Commission deems valuable for research, it will avoid waste of resources in researching and addressing energy insecurity in Kansas.

46. As discussed below, Kansas lags behind several states on studying and attempting to address energy insecurity. Several other states and governmental entities are already making strides on this addressing this issue. In addition to several state studies, there have been several studies conducted by the Energy Information Administration (“EIA”), the American Council for an Energy Efficient Economy (“ACEEE”), and others pertaining to energy insecurity in the United States. Some of these studies provide data specifically pertaining to Kansas. Yet, no such study appears to specifically and comprehensively address the energy insecurity existing within Kansas.

47. CURB recognizes and appreciates the Commission’s helpful influence and its ability to cause the parties to focus on the pertinent regulatory issues in utility matters. Outlining the issues that the Commission would be interested in analyzing and setting a timeframe for these matters to be researched would help stakeholders focus on the key issues relative to providing reasonable and lawful help to energy insecure utility customers in Kansas. Respectfully, CURB is asking the Commission to acknowledge the public need to significantly address this issue now, in light of the substantial increase in rates inevitably stemming from capital and other expenditures that now may be required for reliability and resiliency.

48. Energy insecurity is a significant issue that needs to be addressed. On a national scale, there is evidence showing that the need to address this issue. In these regards, EIA has commissioned research on the loss of home heating by annual gross income.⁵⁸ Its study shows that households with less than \$20,000 in annual gross income are approximately three times more likely to face utility disconnection than those with more than \$60,000 in annual gross income.⁵⁹ Further, households between \$20,000–\$40,000 in annual gross income are more than two times more likely to face utility disconnection than those with more than \$60,000 in annual gross income.⁶⁰ See Figure 1 below.

Figure 1. Loss of Home Heating by Annual Gross Household Income, 2015
Percent of households⁶¹



⁵⁸ Chandra Farley, John Howat, Jennifer Bosco, Nidhi Thaker, Jake Wise, Jean Su, and Lisa Schwartz, “Advancing Equity in Utility Regulation, Report No. 12, pp. 20-21, November 2021.

⁵⁹ Id.

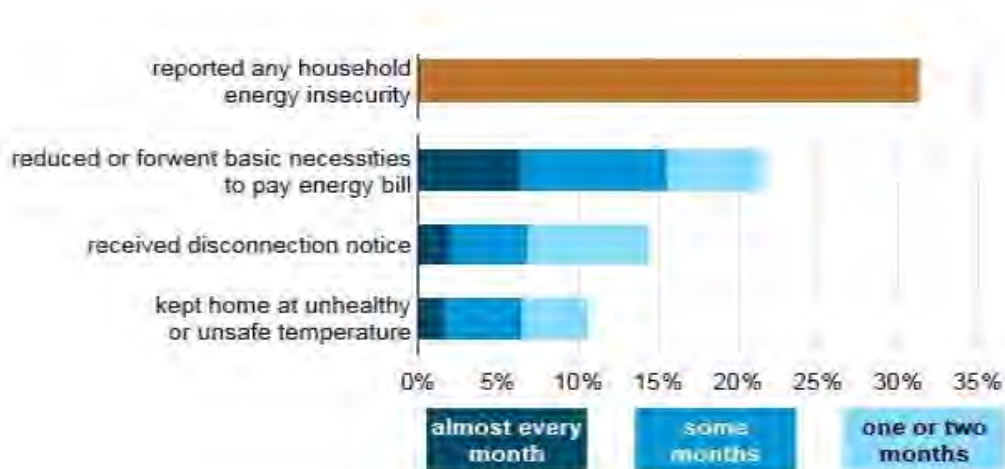
⁶⁰ Id.

⁶¹ Id.

The statistic that over 20 percent of U.S. households having annual incomes less than \$60,000 face utility disconnections strongly suggests that we can no longer postpone attempting to address energy insecurity.

49. It should be noted that some ratepayers are subject to disconnection multiple times during any given year. There are data on the frequency of disconnection notices on a national scale. These data show that one in three U.S. households faced energy insecurity challenges in 2015. These include more than six percent of U.S. households that forego or reduce basic necessities to pay energy bills almost on a monthly basis with more than 20 percent of households giving up or reducing basic necessities at least one or two months per year. More than five percent of households keep their homes at unsafe or unhealthy temperatures to avoid utility disconnection more than two months per year. See Figure 2 below.

Figure 2. Frequency of Households Experiencing Energy Insecurity, 2015
Percent of households⁶²



⁶² One in Three U.S. Households Face a Challenge in Meeting Energy Needs, U.S. Energy Information Administration, September 19, 2018.

Figure 2 also shows that, in 2015, approximately two percent of U.S. households received disconnection notices almost every month, over five percent received disconnection notices more than two months per year, and nearly 15 percent received one or more disconnection notices. It is important to note that these percentages are as to the whole of U.S. households, rather than the segment of U.S. households that earn less than \$60,000 annually. If one were to look only at that segment of U.S. households facing energy insecurity, the percentages would increase.

50. With respect to Kansas, both KGS and Atmos have submitted data showing that a significant percentage of ratepayers are disconnected two or more times per year.⁶³ The disconnection and reconnection fees associated with multiple utility disconnections exacerbates the energy insecurity that confronts these ratepayers. Moreover, uncollectable utility bills add costs (in the form of revenue requirements) to the bills of all ratepayers. CURB believes that it would advance the public interest to reduce past-due utility bills by reducing energy insecurity in Kansas.

51. Aside from disconnections, there are national data on the percentage of U.S. households who forego necessities to pay utility bills. Forgoing necessities to pay utility bills is another indication of energy insecurity. As shown by Figure 3 (below), more than 22 percent of U.S. households earning less than \$60,000 annually forego necessities almost every month to avoid utility disconnection.⁶⁴ Figure 3 shows that nearly 40% of U.S. households earning less than \$60,000 annually forego necessities during some months of every year to avoid utility connection.

⁶³ See Atmos Response to CURB DR 15, September 20, 2024; KGS Response to CURB DR 19, September 6, 2024; and Black Hills Response to CURB DR 24, September 4, 2024.

⁶⁴ Chandra Farley, John Howat, Jennifer Bosco, Nidhi Thaker, Jake Wise, Jean Su, and Lisa Schwartz, “Advancing Equity in Utility Regulation, Report No. 12, p. 23, November 2021.

These percentages would not include the number of U.S. households earning less than \$60,000 annually that keep their homes at unhealthy temperatures to avoid utility disconnection.

Figure 3. Frequency of Households Forgoing Necessities to Pay for Energy
Percentage of households⁶⁵



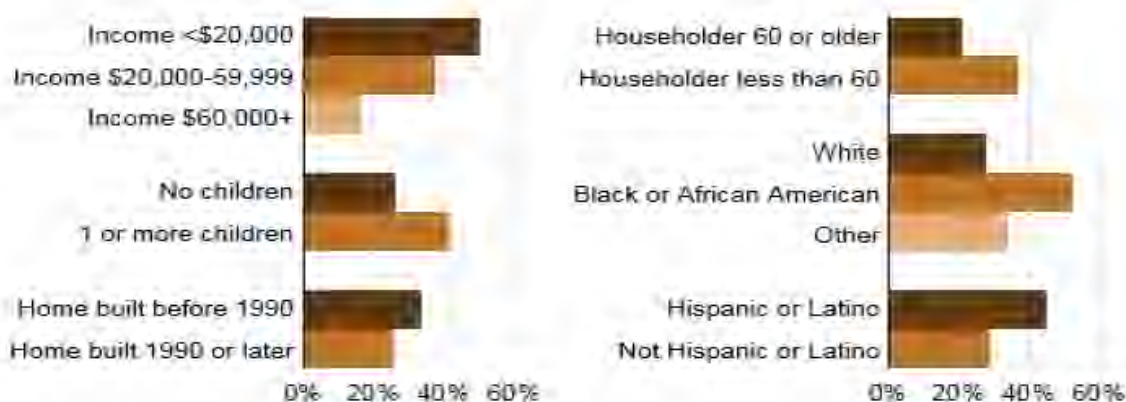
52. In sum, the above charts demonstrate that energy insecurity is a significant problem in the United States. However, the data are not specific to Kansas. To CURB’s knowledge, there is no Kansas-generated study that shows the nature, extent, causes or locations of energy insecurity in Kansas. Thus, CURB does not believe that we know how many Kansas low-income ratepayers are often forced to give up basic necessities, such as food or medicine, in order to avoid disconnection or forced to reduce their household energy to dangerous levels to avert disconnection. In short, we do not know enough about energy insecurity in Kansas to meaningfully address it.

53. Indeed, there are no Kansas data on energy insecurity which are tied to energy usage, the condition of housing stock, rental properties, and other pertinent factors that may be

⁶⁵ Id.

indicative of causes of energy insecurity. The EIA has conducted nationwide research regarding causes of energy insecurity, but it is not Kansas specific. See Figure 4.

Figure 4. Household Energy Insecurity by Household Characteristics, 2015⁶⁶
Percent of Households



54. Figure 4 shows that approximately half of all U.S. households with annual incomes less than \$20,000 face energy insecurity challenges. It shows that the number of children as well as the age of the householder are factors that cause energy insecurity. Thus, the chart tends to show that younger households with children are more likely to face energy insecurity than older householders with no children. In fact, 40 percent of households with one or more children face energy insecurity. The age of the house can be a factor causing energy insecurity.

55. The causes of household energy insecurity are clearly important to determining how to target effective relief towards those who suffer utility disconnections or other forms of energy insecurity. For example, attempting to reduce energy usage by weatherization may not reach households that rent their homes, due to the split incentive between landlords and tenants. In short,

⁶⁶ U.S. Energy Information Administration, One in Three U.S. Households Face a Challenge in Meeting Energy Needs, U.S. Energy Information Administration, September 19, 2018.

unless there is data pertaining to the causes of energy insecurity in Kansas, relief intended to lessen energy insecurity may be inefficient or maybe even ineffective.

56. EIA has conducted more specific research surrounding usage of natural and the age of homes in the Midwest. Figure 5 below shows this data.

**Figure 5. Residential Natural Gas Consumption, Midwest Region, 2020
MMBtu per Household⁶⁷**

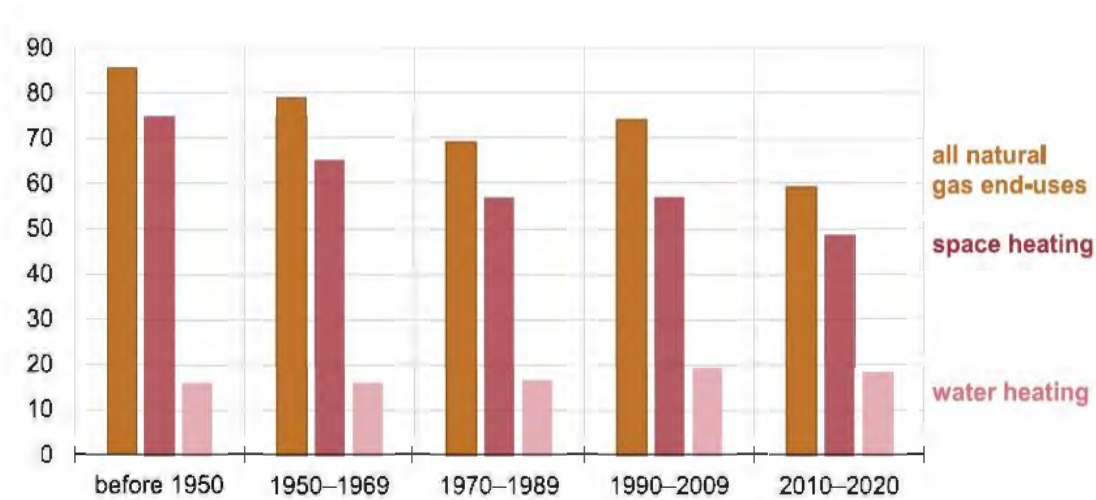


Figure 5 shows that homes built before 1950 in the Midwest consume substantially more natural gas for space heating purposes than homes built after 2010. In fact, Midwest homes older than 1950 used approximately 74.8 MMBtu of natural gas while homes that were built in 2010 or later used on average only 48.9 MMBtu of natural gas for space heating purposes.⁶⁸ Note that space heating makes up the majority of natural gas use in residential dwellings.

57. In CURB’s opinion, realizing the scope of energy insecurity in Kansas is important, but to meaningfully and efficiently redress energy insecurity requires an understanding of the

⁶⁷ Midwest homes, notably older homes, consume more natural gas than most other U.S. homes, U.S. Energy Information Administration, August 7, 2023.

⁶⁸ Id.

causes of energy insecurity. Again, CURB is not aware of any comprehensive study in Kansas of the causes of energy insecurity in the state. In short, there are a number of measures that Kansas may be able to employ to reduce energy insecurity in Kansas under current law, and a study can show which of those measures would likely be most effective and efficient.

58. In these regards, the Commission has articulated an interest in studying whether some programs that benefit low-income ratepayers could have sufficient system-wide benefits to warrant implementation. In Docket No. 04-GIMX-531-GIV, the Commission noted, “There may be legitimate service related distinctions, such as the relative financial inability of low-income ratepayers to make the necessary weatherization improvements, which will provide a rational basis for targeting low-income ratepayers.”⁶⁹ Between 2005 and 2012, there were a number of investigations on energy efficiency programs which were held before the Commission. Yet, there has been no study on the effectiveness of programs that benefit low-income ratepayers and whether they had sufficient system-wide benefits to warrant implementation. While some data will likely be collected about energy efficiency programs and home efficiency rebates that are now being implemented, this data will not likely be leveraged to address energy insecurity on a comprehensive state-wide basis.

59. In the 15-344 Docket, CURB had requested that Southern Pioneer and Evergy work with CURB to study and determine ways in which to reduce the high energy burden that low-income Kansas utility ratepayers face. The Commission encouraged continued work by Evergy and Southern Pioneer on the energy burden issue. Accordingly, several Kansas utilities, including

⁶⁹ Order Accepting Staff’s Report and Recommendation and Closing Docket, ¶14, Docket No. 04-GIMX-531-GIV (Aug. 31, 2005).

Atmos, Black Hills, and KGS, together with Staff, worked with CURB on steps toward alleviating energy insecurity in Kansas, but steps to date have not successfully reduced energy insecurity.

60. In 2022, Evergy, Southern Pioneer, KGS, Atmos and Black Hills all worked with CURB and Staff on drafting legislation aimed at providing relief to low-income ratepayers. However, upon introduction of that bill (“HB 2156”) and its hearing before the House Committee on Energy Utilities and Telecommunications (“HCEUT”), there were a number of significant questions and an apparent lack of information among Kansas legislators that needed to be addressed even though there was significant interest among some Kansas legislators on the concept of reducing energy insecurity in Kansas. Thus, CURB perceived that the bill would require significant work with Kansas legislators on the need and flexibility to address energy insecurity that exists in Kansas, which time did not allow. Therefore, CURB requested that the HCEUT table the bill so that this work could be accomplished.

61. CURB remains hopeful that, through additional study and work with the Kansas legislature, additional forms of relief could be enacted into law to help low-income ratepayers with their high energy burden. Nonetheless, CURB is thankful to Staff and Kansas utilities for their work on HB 2156 and their support for the concept of providing rate or other relief to those in Kansas that face a difficult energy burden. It is unfortunate, but foreseeable, that addressing energy insecurity in Kansas will not prove to be an easy task, and data is essential to success.

62. It should also be noted that in the 24-610 Docket, KGS proposed an “A/B rate structure” with higher or lower customer charges combined with inversely higher or lower volumetric charges. This rate structure was aimed at allowing customers to choose a rate design that would lower their utility bills. Although the precise “A/B rate structure” proposed by KGS

was not acceptable to CURB and Staff, CURB sees some value in the concept and appreciates all efforts of KGS in attempting to address the energy burden of low-income ratepayers.

63. In addition, both Atmos and KGS have indicated that they may file for approval of energy efficiency programs in Kansas. As shown below, cost-effective energy efficiency programs can potentially help low-income ratepayers reduce their energy burden in accordance with Kansas law. However, determining the potential for energy efficiency to help lower the energy burden statewide will require significant study that has not been accomplished and is beyond the scope of an energy efficiency filing.

64. CURB further acknowledges that, in their joint application, both Atmos and KGS stated a willingness to work with CURB on this issue. CURB appreciates the expressed cooperation of all utilities on this important issue. But to meaningfully reduce energy insecurity in Kansas, more will be required. Respectfully, CURB is asking that each Kansas utility take the lead on reducing energy insecurity within their respective service territories and also interact with CURB, Staff, and other utilities to ensure that the issue is also being addressed on a statewide basis. CURB desires the Commission to acknowledge that this type of dedication to the issue is in the public interest and to express what areas of study would be beneficial to the Commission.

65. To reiterate, significantly reducing energy insecurity will require considerable study and cooperation among pertinent stakeholders. CURB appreciates the statements of KGS, Atmos, and Staff that they will work with CURB on this issue. Yet successfully targeting a segment of the population, such as low-income ratepayers, will require adequate study to determine the root causes of energy insecurity and appropriate strategies to alleviate those causes. CURB is certainly aware of the plethora of important issues that utilities must address, but CURB believes that Kansas

utilities also see the importance of addressing energy insecurity in Kansas and attach a high level of priority to researching and taking additional steps to resolve the problem. Having the Commission stress the need to address this issue now would be very helpful.

66. There are a number of states that have already engaged in studies aimed at the energy burden in their states. Further, there are a growing number of states that have taken steps to reduce the energy burden confronting their citizens. Frankly, Kansas lags behind. CURB believes that a Kansas study would show how the implementation of energy efficiency measures, for example, weatherization of homes of low-income ratepayers, or other measures could be helpful in reducing energy insecurity. A few of the states' studies and efforts will be outlined below to show how some states are making strides toward alleviating the high energy burden faced by their citizens.

67. In these regards, Physicians, Scientists, and Engineers for Healthy Energy and the Institute for Energy and Environmental Research for the Colorado Energy Office published a study, entitled, "Pathways to Energy Affordability in Colorado," in January 2022.⁷⁰ The study is intended to "assess energy affordability and energy use intensity across the state of Colorado and develop a suite of policy and program recommendations with the goal of lowering energy cost burdens below six percent."⁷¹ Colorado's goal of lowering energy cost burdens below six percent ties into its finding that households that spend over six percent of their income on energy are considered to have high energy cost burdens, with some experiencing energy poverty (the inability

⁷⁰ See Physicians, Scientists, and Engineers for Healthy Energy and the Institute for Energy and Environmental Research for the Colorado Energy Office, "Pathways to Energy Affordability in Colorado." January 2022.

⁷¹ *Id.*, p. 1.

to afford essential energy services) which can lead to adverse health impacts and even homelessness.⁷²

68. In its study, Colorado determined the energy use intensity for pertinent dwellings, which is the average energy consumed per square foot in a household or apartment, to help identify dwellings where energy efficiency measures may be particularly effective. The study recommended that efforts be undertaken to increase the weatherization of homes and the utilization of smart appliances to reduce energy use, among other measures. Importantly, the authors note that “regular data collection on measures such as weatherization investments and bill savings, the impact of rate structures, electrification, and demand response is essential for improving program effectiveness.”⁷³

69. Another example of a study pertaining to energy burden among low-income households was conducted by the University of Indiana. The study aimed to determine whether households of color are more energy insecure than white households and, if so, whether energy insecurity is driven by deficient housing conditions and higher energy burdens.⁷⁴ The study was conducted through surveys of Indiana residents who are living at 200 percent of the federal poverty level. The study found that energy security is widespread. The study found:

Over a year period, 30 percent of respondents were unable to pay at least one energy bill, 33 percent received at least one disconnection notice, and 13 percent were disconnected from their electric utility service. Regression analysis further suggests that Black and Hispanic households are more likely than white households to be energy insecure. Additionally, deficient housing conditions and higher energy burdens are both independent predictors of household energy insecurity.⁷⁵

⁷² Id.

⁷³ Id., p. 6.

⁷⁴ See Michelle Graff, Sanya Carley, David M. Konisky, Trevor Memmott, “Which households are energy insecure? An empirical analysis of race, housing conditions, and energy burdens in the United States.” *Energy Research & Social Justice*, Vol. 79, September 2021.

⁷⁵ Id., p. 2.

70. Other studies of energy burden have been conducted regarding the States of Maine,⁷⁶ Pennsylvania,⁷⁷ and Michigan, among other states.⁷⁸ The Pennsylvania study is noteworthy because it was initiated by the Pennsylvania Public Utility Commission to examine home energy burdens for low-income Pennsylvanians as “a necessary first step in evaluating the affordability, cost-effectiveness, and prudence of Universal Service Programs.”⁷⁹ The study was intended to establish a starting point or process for identifying an affordable energy burden level for Pennsylvania’s low-income population by evaluating the effectiveness of current utility Consumer Assistance Programs (“CAPs”).⁸⁰

71. There were a number of conclusions from the Pennsylvania study. Among those, the study indicated that, even with discounted payments, CAP customers had a higher energy burden than non-CAP residential customers.⁸¹ Indeed, the report notes:

[There is a] wide disparity in the average percent of household income spent on natural gas and electric services by non-CAP residential and CAP customers. Non-CAP residential accounts had an average energy burden of 4% for gas heating and electric non-heating or 4% for electric heating. In comparison, CAP customers with gas heating and electric non-heating had a combined average energy burden of 12% to 14%, and CAP customers with electric heat have an average energy burden of 8 to 10%.⁸²

⁷⁶ Avi Allison, Alice Napoleon, Jennifer Kallay, *Maine Low-Income Home Energy Burden Study*, June 3, 2019

⁷⁷ Pennsylvania Utility Commission, *Energy Affordability for Low Income Customers Order*, Docket No. M-2017-2587711, January 2019.

⁷⁸ Alana Landey, Yuliya Rzas, *Approaches to Low-Income Energy Assistance Funding in Selected States*, February 28, 2014.

⁷⁹ Pennsylvania Utility Commission, *Energy Affordability for Low Income Customers Order*, Docket No. M-2017-2587711, January 2019.

⁸⁰ *Id.*

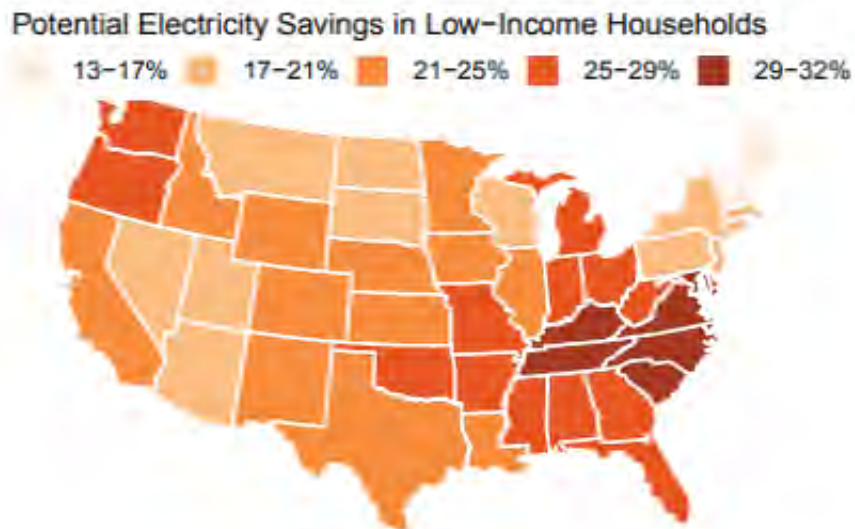
⁸¹ *Id.*

⁸² *Id.* It should be noted that, due to limited data retained by pertinent Pennsylvania utilities, the conclusions possible by this study were limited.

72. In addition to various studies, several states have taken regulatory steps to alleviate the energy burden that exists in their respective states. For example, the State of New York has undertaken efforts to ensure that New York residents are not subject to an energy burden higher than 6 percent of their available income.⁸³ The State of Michigan, is one of 22 States that was reported in 2014 to provide general state funds appropriated by the state legislature for energy assistance purposes.⁸⁴ Indeed, the Office of the Assistant Secretary for Planning and Evaluation reported in 2014 that Michigan, Colorado and several other states drew on a number of private funding sources to augment public funding of energy assistance.⁸⁵

73. Cost-effective energy efficiency measures can help low-income ratepayers ameliorate their energy insecurity. See Figure 6 below.

Figure 6.



⁸³ New York Public Service Commission. CASE 14-M-0565 - Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers. August 12, 2021.

⁸⁴ Assistant Secretary for Planning and Evaluation, Office of Human Services Policy, U.S. Department of Health and Human Services. "Approaches to Low-Income Energy Assistance Funding in Selected States." April 2014.

⁸⁵ Id.

In Figure 6, the U.S. DOE has shown how much the implementation of cost-effective energy efficiency can help reduce energy consumption in low-income households.⁸⁶ Importantly, it shows that energy efficiency in Kansas can potentially result in electricity savings in low-income households by more than 21 percent. CURB believes that energy efficiency in Kansas can also substantially reduce natural gas usage in low-income households, although CURB is not aware of any study demonstrating such reduced natural gas usage.

74. In these regards, ACEEE reports that many local and state governments, utilities and other organizations have set energy-burden-focused goals or programs with energy efficiency as a key component.⁸⁷ An example is the State of Oregon which has a 10-year Plan to Reduce the Energy Burden in Oregon, which prioritizes energy efficiency to achieve that reduction.⁸⁸ There are several other examples.

75. As an energy efficiency measure, house weatherization can reduce high energy burdens.⁸⁹ Not only does weatherization of older homes contribute to energy efficiency, reducing energy usage and perhaps energy demand utility system-wide can also help to reduce the energy burden faced by low-income residential ratepayers. According to ACEEE, about 23 percent of households in the United States have incomes at or below the federal poverty guideline yet may pay up to three times more on home energy cost, as a proportion of total income, compared to the average U.S. household.⁹⁰ Importantly, low-income householders cannot afford the upfront cost to

⁸⁶ U.S. Department of Energy (U.S. DOE), Office of Energy Efficiency & Renewable Energy, “Low-Income House Energy Burden Varies among States- Efficiency can Help in All of Them,” December 2018.

⁸⁷ American Council for an Energy Efficiency Economy. How High Are Household Energy Burdens?” Report U2006. September 2020.

⁸⁸ Id.

⁸⁹ Id.

⁹⁰ Id.

weatherize their homes effectively. In addition, many low-income householders live in properties they do not own. This situation creates a split incentive between the property owner and the tenant regarding weatherization.

76. There are a number of low-income weatherization strategies that are worthy of emulation. One example is Connecticut's Low-Income Strategy. That strategy improves existing means-tested energy assistance, targets funding to address split incentives, among other initiatives.⁹¹

77. Both weatherization and energy efficiency are common sense potential mechanisms to lower high energy bills. Clearly, if energy bills for low-income ratepayers can be reduced through these mechanisms, then the energy burdens for affected low-income ratepayers is reduced. Yet, more importantly, both weatherization and energy efficiency can reduce the need to acquire energy supplies, for electric utilities as well as gas utilities, in times of high demand and otherwise. These mechanisms may reduce the likelihood that utilities have to obtain high-priced energy supplies at times of high demand, resulting in a system-wide benefit to the utilities' customers in general.

78. The Commission has clearly supported energy efficiency programs offered by electric utilities in Kansas, including weatherization and low-income programs. Yet to be effective, these programs need to be cost-effective in the long-term. Moreover, no particular study has been conducted in Kansas with specific focus on how these programs can reduce energy insecurity. Therefore, in CURB's view, further study of and, potentially, prioritizing weatherization and

⁹¹ 2013 Connecticut Comprehensive Energy Strategy.

energy efficiency as a way to reduce energy burdens for affected low-income ratepayers is warranted.

79. Yet, weatherization and energy efficiency measures are one of several approaches of various states to reduce the energy burden of low-income ratepayers. Some states have approached reducing energy insecurity through discounted utility rates for eligible consumers.⁹² While language in the Kansas case, *Jones v. Kansas Gas & Electric Co.*⁹³ could be interpreted to prohibit these types of measures, there could be other ways to address the energy insecurity faced by Kansas ratepayers that accord with a strict reading of that case. CURB believes that solid research could find such strategies.

80. As of 2014, many states had mandated their jurisdictional utilities to impose a surcharge on ratepayers to fund ratepayer programs to allow utility companies to provide discounts on low-income customers' utility bills.⁹⁴ These surcharges were used in some states to augment federal Low Income Home Energy Assistance Program (LIHEAP) funding. In other states, these utility companies directly administered these surcharges for bill subsidies for their low-income

⁹² Mark Kresowik, American Council for an Energy Efficient Economy, "More States are Cutting Energy Bills for Low Income Households," December 18, 2023.

⁹³ *Jones v. Kansas Gas & Electric Co.*, 222 Kan. 390, 565 P.2d 597 (1977) involved a case where Kansas Gas & Electric Co. ("KG&E) charged the same late fee on two types of delinquent customers: (1) Those who paid after a late fee was imposed but before collection efforts were initiated, and (2) those who did not pay until the utility company was forced to make additional collection efforts. The Kansas Supreme Court found that the practice of assessing the same late fee against the two classes was unreasonable. Among its rationale, the Court pointed out that, while the first class of late payers cost KG&E \$4,986.52 in credit, they paid \$156,494.80 in late fees. In these regards, the Court stated, "The touchstone of public utility law is the rule that one class of consumers shall not be burdened with costs created by another class." *Id.*, p. 401. The Commission has interpreted this holding to prohibit low-income assistance rates in the form of pure discounts. Docket No. 04-GIMX-531-GIV, *Order Accepting Staff's Report and Recommendation and Closing Docket*, August 31, 2005. While some may disagree with this interpretation, it is the reported decision on purely discounted, low-income rates.

⁹⁴ Assistance Secretary for Planning and Evaluation, Office of Human Services Policy, U.S. Department of Health and Human Services. "Approaches to Low-Income Energy Assistance Funding In Selected States." April 2014.

customers.⁹⁵ Surcharges could be used for other purposes, such as weatherization of low-income households, or other types of energy insecurity relief having system-wide benefits.

81. A Kansas study could also lead to policy directions from Kansas decision-makers in the legislative and executive branches of Kansas government. For example, in Illinois, the Illinois Commerce Commission was required by statute to conduct a comprehensive study and submit a report to the Illinois General Assembly concerning the appropriateness and potential design of low-income discount rates for electric and natural gas residential ratepayers.⁹⁶ In Colorado, state law requires the Colorado Public Utility Commission (“CPUC”) to consider how best to provide equity, minimize impacts and prioritize benefits to disproportionately impacted communities and address historical inequalities in all of the CPUC’s work.⁹⁷

82. In regard to Kansas, such a study could help educate Kansas legislators about the benefits that can result to all Kansans by addressing the energy burden. CURB hopes that the Commission expresses the potential benefit of such a study and confirms a desire to see the study implemented, culminating with a comprehensive report to the Commission and other Kansas decision-makers.

83. It is important that the Commission express support for a comprehensive study of the effects and causes of energy insecurity in Kansas, and how Kansas could creatively (and legally) design programs and tariffs that reduce the energy insecurity in Kansas. We do not know

⁹⁵ Id.

⁹⁶ Chandra Farley, John Howat, Jennifer Bosco, Nidhi Thaker, Jake Wise, Jean Su, and Lisa Schwartz, “Advancing Equity in Utility Regulation, Report No. 12, November 2021.

⁹⁷ Id.

how many Kansans face energy insecurity and the causes for it. We do know that energy prices are set to rise very soon and Kansas energy insecurity will rise with it.

84. It needs to be noted that nothing in this response is intended to indicate any belief that Kansas utilities are not serious about the need to reduce energy insecurity in Kansas. Moreover, CURB is not disappointed in the work that Kansas utilities have done so far in these regards. To the contrary, the Kansas utilities have been very supportive. In particular, KGS has been very responsive to CURB's requests for help and has already conducted some research on this issue. Staff has also been very supportive of CURB's efforts. CURB is thankful to Staff, KGS and other utilities for their support on this issue.

85. Yet, CURB is aware that, despite these efforts, no substantial progress on ameliorating energy insecurity in Kansas has been accomplished to date. Thus, CURB is merely asking, with all respect, for increased efforts from all stakeholders. CURB apologizes for this labored response on the issue but hopes that it highlights how serious are the status of energy insecurity in the U.S. and the lack of Kansas-specific data on Kansas households.

86. Moreover, CURB needs the help of the Commission on proceeding with this issue. In these regards, we are hopeful that the Commission will take this opportunity to recognize the seriousness of energy insecurity in Kansas and determine that additional study and work from Kansas utilities, Staff, CURB and other stakeholders on this issue is in the public interest. CURB is also hoping that the Commission can provide some general guidance on the issue. For example, CURB is aware that the Commission is offering a program of rebates for Kansas home efficiencies, targeting those in most need. Perhaps the Commission is interested in leveraging the data it derives from this program to determine how effective it is on reducing energy insecurity, including the

number of low-income residents that it met. There are likely several other data points that the Commission may have an interest in developing. CURB is hoping for this type of guidance.

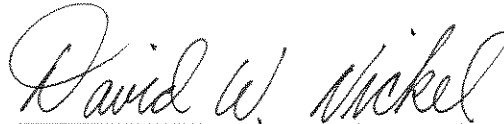
87. CURB is certainly aware that this docket can be concluded without addressing the public need to address energy insecurity. Yet, CURB wonders if this need is not addressed in this docket, where the heart of the issue on utility delinquencies is energy insecurity, in what docket will it be more germane. As indicated above, several states are already addressing energy insecurity. CURB is merely asking for support and some general guidance on an issue that, if tariffs addressing the issue are proposed, the Commission will rule on the same. CURB thanks the Commission for its indulgence on this matter.

88. In sum, CURB submits that decision-makers in Kansas do not know particularly why some Kansas residential consumers face energy insecurity. More importantly, steps taken to reduce that energy insecurity may hit wide-of-the-mark unless the causes of energy security are known and appropriate countermeasures are implemented. In these regards, some steps that could be taken to reduce energy security are broader issues that need to be addressed by other Kansas agencies and stakeholders beyond the utility purview. However, without an adequate study, we do not know much about the measures that can be taken by utilities to help efficiently and effectively reduce energy security among Kansas residents.

WHEREFORE, CURB is not opposed to a permanent waiver of the Knock and Collect Requirements for KGS, Atmos, and Black Hills. However, CURB asks the Commission to require these utilities to apply the same disconnection and reconnection fees (if any) to each of the utility's customers, regardless of whether the cause was non-payment or customer request. To that extent, CURB recommends the Commission remove the portions of Section II.F of the Billing Standards

which specifically require disconnection fees and reconnection fees be charged in circumstances of non-payment. Finally, CURB asks the Commission to express strong support for study and work conducted by Kansas utilities, Staff, CURB, and other interested stakeholders to reduce energy insecurity in Kansas, as being in the public interest.

Respectfully submitted,



David W. Nickel, Consumer Counsel #11170

Todd E. Love, Attorney #13445

Joseph R. Astrab, Attorney #26414

Citizens' Utility Ratepayer Board

1500 SW Arrowhead Road

Topeka, KS 66604

(785) 271-3200

david.nickel@ks.gov

todd.love@ks.gov

joseph.astrab@ks.gov

CERTIFICATE OF SERVICE

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I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 15th day of November, 2024, to the following:

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
jflaherty@andersonbyrd.com

SHELLY M. BASS, SENIOR ATTORNEY
ATMOS ENERGY CORPORATION
5430 LBJ FREEWAY
1800 THREE LINCOLN CENTRE
DALLAS, TX 75240
shelly.bass@atmosenergy.com

ATTN: GAS SERVICE CONTACT
ATMOS ENERGY CORPORATION
5420 LBJ FWY STE 1600 (75240)
P O BOX 650205
DALLAS, TX 75265-0205
jennifer.ries@atmosenergy.com

ROB DANIEL, Director of Regulatory
BLACK HILLS/KANSAS GAS UTILITY
COMPANY LLC D/B/A Black Hills Energy
601 NORTH IOWA STREET
LAWRENCE, KS 66044
rob.daniel@blackhillscorp.com

NICK SMITH, MANAGER - REGULATORY &
FINANCE
BLACK HILLS/KANSAS GAS UTILITY
COMPANY LLC D/B/A Black Hills Energy
601 NORTH IOWA STREET
LAWRENCE, KS 66044
Nick.Smith@blackhillscorp.com

RAMI ALNAJJAR, SENIOR REGULATORY
ANALYSIS
BLACK HILLS/KANSAS GAS UTILITY
COMPANY, LLC D/B/A BLACK HILLS ENERGY
2287 COLLEGE ROAD
COUNCIL BLUFFS, IA 51503
rami.alnajjar@blackhillscorp.com

DOUGLAS LAW, ASSOCIATE GENERAL
COUNSEL
BLACK HILLS/KANSAS GAS UTILITY
COMPANY, LLC D/B/A BLACK HILLS ENERGY
1731 WINDHOEK DRIVE
LINCOLN, NE 68512
douglas.law@blackhillscorp.com


BRIAN G. FEDOTIN, GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Brian.Fedotin@ks.gov

CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Carly.Masenthin@ks.gov

SUSAN B. CUNNINGHAM, SVP/REGULATORY
& GOVT AFFAIRS & COUNSEL
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW
PO BOX 4877
TOPEKA, KS 66604-0877
scunningham@kepco.org

JANET BUCHANAN, DIRECTOR OF RATES &
REGULATORY
KANSAS GAS SERVICE, A DIVISION OF ONE
GAS, INC.
7421 W 129TH STREET
OVERLAND PARK, KS 66213
janet.buchanan@onegas.com

ROBERT E. VINCENT, MANAGING ATTORNEY
KANSAS GAS SERVICE, A DIVISION OF ONE
GAS, INC.
7421 W. 129TH STREET
OVERLAND PARK, KS 66213
robert.vincent@onegas.com



Della Smith
Senior Administrative Specialist