



CURBside News

NEWS FROM THE WATCHDOG FOR RESIDENTIAL AND SMALL COMMERCIAL CONSUMERS OF UTILITIES DEC. 2006

Kansas Supreme Court Denies Review of Westar Decision

Court of Appeals' decisions in favor of consumers stand; remand to KCC is next

The Staff of CURB hasn't had a lot of reason to jump for joy in the past year or so, but on November 11, we were pretty pleased to receive word that the Kansas Supreme Court had denied Westar Energy's petition for review of three of the decisions in the Westar Energy rate case that CURB and other consumer groups had convinced the Court of Appeals to overrule.

In denying the petitions that were filed by Westar, the Supreme Court let stand the Court of Appeals' rulings that would reduce Westar's recent rate increase by \$48 million.

The Court of Appeals had ruled that Westar had failed to provide sufficient evidence to support the KCC's decision to include speculative future costs of dismantlement of steam plants in rates. It also found that the KCC had not supported its decision to reverse its previous ruling that ratepayers should benefit from the accounting treatment of the sale

and leaseback of Westar South's LaCygne II plant. Lastly, the court also ruled that the KCC had violated a statute that requires "revenue-neutral" pass-through of FERC-approved transmission costs to customers.

Consumers were the big winners on appeal. CURB had joined the Kansas Industrial Consumers and Unified School District No. 259 (Wichita) in arguing issues on behalf of Westar's ratepayers.

KIC's petition for review on several issues was denied along with the petitions filed by Westar.

Normally, the KCC would be expected to issue an order consistent with the Court of Appeals' opinions soon after the Supreme Court announced its decision to deny review.

However, on November 20, the KCC issued a puzzling order asking for comments from the parties on how the KCC

(See Westar, Page 2)

KGS Rate Case Settles at \$52 Million Increase: 28% rise in delivery charges for consumers

On November 16, 2006, the Commission approved an agreement between Kansas Gas Service (KGS), Commission Staff, CURB, USD No. 259, the U.S. Department of Defense and other affected federal agencies that reduced the rate increase requested by KGS from \$73.4 million to \$52 million.

The Commission estimated that residential customers will pay an average of \$5.83 per month more for gas delivery charges after January 2007. The increase will result in a 28% increase for the delivery portion of residential ratepayer bills.

The increase does not involve the cost of gas, which is the wholesale price KGS pays to natural gas producers and pipeline companies for the commodity, plus storage and transmission costs, without any markup. Delivery charges typically account for 30% of a customer's bill, with the actual

(See KGS, Page 2)

KGS

(Continued from Page 1)

cost of gas accounting for 70% of the bill. While CURB would have preferred a much lower amount, the \$52 million settlement amount was much closer to the rate increase CURB's consultants recommended (\$42.7 million) than the \$73.4 million originally requested by KGS.

CURB was pleased with several other provisions of the agreement. As part of the settlement, KGS agreed to withdraw its two-tier rate design proposal and its proposed Pension Employee Benefit Rider, both opposed by CURB. KGS also agreed to modify its As-Available Gas Sales Service tariff to credit 90% of As-Available Gas Sales revenues to ratepayers, as opposed to the 75% currently credited.

CURB was pleased that the settlement adopted CURB's recommendation that projected costs of plant removal accrued in KGS's depreciation rates shall be treated as a regulatory liability, credited to ratepayers if they are not expended for the intended purpose.

Finally, the parties also agreed to recommend that the Commission initiate a generic docket to further investigate the issue of including projected costs of plant removal in depreciation rates, which CURB generally believes are over-recovered from ratepayers and should be examined further.

KCC Docket No. 06-KGSG-1209-RTS

Westar

(Continued from Page 1)

should implement the Court of Appeals' opinions. The KCC asked the parties, among other questions, whether it should take additional evidence in the case.

This development has stunned CURB and the other consumer groups, who believe the Court of Appeals' opinions were quite clear in requiring the KCC to reverse its orders. We believe that the KCC should simply issue a corrected order.

CURB fully intends to fight any effort of the KCC to reopen this case to allow Westar to present new evidence more than a year after its rate case was filed. That isn't a legal option. The idea that the *loser* in an appeal would be provided a remedy that might provide the KCC another opportunity to reissue the same orders that the Court of Appeals just overturned stands the law on its head.

Comments are due from the parties on December 18.

CURB is conferring with the other consumer groups and considering our options at present. However, our constituents may be sure that CURB will be filing a response that firmly opposes reopening the case for new evidence. The Commission has all the information it needs to implement the Court of Appeals order. No new evidence or commentary is required.

KCC Docket No. 05-WSEE-981-RTS

Aquila Seeks \$7.24 Million Rate Increase

Aquila, Inc. is seeking a \$7.24 million rate increase for its natural gas customers in Kansas.

Aquila Networks-KGO serves 105,954 gas customers in 54 communities in Kansas, including Lawrence, and numerous communities in south central and western Kansas, including Dodge City, Garden City, Hutchinson and parts of Wichita.

One of the largest components of the increase is the company's request for a 12% profit for shareholders, a request that Dave Springe, Consumer Counsel of CURB has characterized as "just greedy."

Employee-related cost increases such as payroll and incentive pay increases and pension and health cost increases make up another \$2.4 million of the company's request.

The company is also asking for increases for new plant additions and reimbursement for costs related to converting some Western Kansas gas-gathering tap customers to propane after their untreated gas supplies were discovered to contain dangerously-high levels of hydrogen sulfide.

Aquila says the increases will amount to about \$4.40 a month for the typical residential customer, and about \$6 a month for the typical commercial customer.

The company is also seeking to recover most of its variable

delivery charges that are currently charged on a per therm basis by shifting them to a flat per-customer rate—a rate design that the company claims will result in less volatile rates throughout the year. Such rate designs “decouple” rates charged for delivery from the volumes used, and are often proposed in order to increase the incentive for companies to encourage energy efficiency and conservation. Accordingly, the company is proposing a \$.007 per therm charge—about 45 cents a month—to fund energy efficiency and conservation programs for its customers.

The Commission has not yet determined the procedural schedule for the parties to file their responses to the company’s request. In the meantime, CURB’s consultants are analyzing the company’s application. We’ll report again after the parties have filed testimony.

KCC Docket No. 07-AQLG-432-RTS

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Public hearing on Aquila utility sale Dec. 14 in Great Bend

The Commission has scheduled a public hearing regarding sale of Aquila’s WPK electric utility to Mid-Kansas Electric Company.

The public hearing will consist of two parts. The first part contains a question-and-answer period, which gives customers the opportunity to ask specific questions pertaining to the acquisition.

The second part gives customers the opportunity to present their statements to the three-member Commission. The Public Hearing is scheduled on:

**Thursday, December 14, 2006
7:00 p.m.**

**Highland Hotel and
Convention Center
South Heritage Room
3017 W. 10th Street
Great Bend, KS 67530**

The Commission will also accept written comments from customers through December 31, 2006. Written comments should reference Docket No. 06-MKEE-524-ACQ and may be emailed to public.affairs@kcc.state.ks.us or mailed to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, KS 66604. Customers may reach the KCC Office of Public Affairs and Consumer Protection by calling 1(800)662-0027; in Topeka, call 271-3140.

Aquila plans sale of western Kansas electric utility

On November 16, 2005, Aquila applied for KCC approval to sell its western Kansas electric utility—formerly known as West Plains Kansas, or WPK—to Mid-Kansas Electric Company (MKEC). MKEC is a coalition of five western Kansas consumer-owned cooperatives, a subsidiary of another consumer-owned cooperative, and Sunflower Electric Power Corporation, a wholesale power cooperative that is owned by several Kansas electric cooperatives. Aquila plans to use the proceeds from the sale of the utility to pay down its debt, which for several years has been the subject of big concern for regulators in the wake of Aquila’s botched foray into the energy-trading business, which left it saddled with a huge amount of debt. The Kansas electric utility is just one of several of Aquila’s utilities that have been sold to improve the utility’s capital structure.

The sale is planned to take place in two phases. The first will be the transfer of WPK to MKEC. MKEC was created to facilitate the second phase of the sale, which will transfer the assets purchased from Aquila to the six cooperatives that will each own a piece of WPK.

Aquila’s power generation and distribution assets will be

(See Aquila Sale, page 4)

Aquila Sale

(Continued from page 3)

transferred to Sunflower, the wholesale generator. Aquila's operational and distribution assets, which serve 52,000 residential customers and 16,000 commercial, industrial and other customers, ultimately will be spun down from MKEC to the six distribution coops that own MKEC: Lane-Scott, Prairie Land, Victory Electric, Western Cooperative, Wheatland, and Southern Pioneer.

Aquila's certificate of service in those territories will be transferred to the coops. The cooperatives will purchase power from Sunflower.

Sunflower will also obtain the right to 8% of the power generated by Westar's Jeffrey Energy Center as a part of the deal.

The purchase price is \$235.3 million, an amount that includes a \$45.5 million acquisition premium (the amount paid above book value for the assets). MKEC proposes a five-year rate freeze at WPK's current rates, during which it says it expects to recover some of the premium by realizing savings from the transaction.

CURB has several concerns. Some of the coops involved will be doubling their size: rapid growth can create all sorts of problems. Furthermore, since the KCC does not regulate coops smaller than 15,000 customers, the customers acquired by Lane-Scott and Western Cooperative will no longer be protected by KCC regulation. The other four

coops will be large enough to be regulated by the KCC, but the KCC generally takes a more "hands-off" attitude towards coops because they are operated by their customer-owners. The theory is that customer-owners are better situated to protect their own interests than ratepayers of the investor-owned utilities. CURB is skeptical, however, that coop customers actually have much power to control their utilities.

CURB is also concerned that cost of the acquisition premium will end up in customer rates, especially considering that the KCC Staff opposes the rate moratorium and wants to put the acquisition premium into the rate base—a result that will have Aquila's customers paying for the pleasure of being sold to MKEC. CURB does not believe that customers should have to pay more than book value to acquire other utilities. While utility mergers, in theory, may create economies of scale that might justify paying a premium, other than the tax advantages that coops have over investor-owned utilities, breaking up a relatively small utility into six even smaller pieces isn't likely to generate the kind of savings that will enable the coops to justify the premium they paid for WPK. Sooner or later, they'll expect customers to pay the balance of the premium.

Additionally, the sale does not resolve one of the biggest problems for WPK's customers: unreasonably high rates. WPK's aging fleet of gas-fired generators is inefficient and expensive to run. Although

Sunflower may be able to operate WPK's plants together with its own plants more efficiently than WPK could on its own, WPK's inefficient generation assets will continue to contribute to high rates so long as they operate. The coop customers are in for a big shock once the true cost of operating the former Aquila system begins to impact customer rates.

CURB is not convinced this transaction will be beneficial to ratepayers, and has urged the KCC consider the option of not approving the sale. If the Commission approves the sale, CURB has filed testimony outlining numerous conditions that the KCC should impose on the transaction to protect ratepayers from the potential adverse impacts on rates and service.

The KCC is holding a hearing in Great Bend on December 14 to hear public comments about the sale. CURB urges all of WPK's customers, and the customers of the cooperatives involved in the sale, to attend and express their opinions and concerns. Consumer Counsel Dave Springe will be there, along with representatives of Aquila, Sunflower and the six coops, as well as members of the KCC Staff—any of whom will be happy to answer your questions during the informal question-and-answer session.

See the highlighted box on page 3 for details on the time and place of the hearing, and instructions on how to submit testimony or comments.

Consumer Counsel's



CORNER

Energy conservation, like baseball, apple pie and mom is one of those ideas that everyone agrees is just grand. I certainly have not heard anyone publicly proclaiming that conserving energy is bad. So, why am I writing about this seemingly non-controversial subject? Because it has now become controversial.

With the exception of adjusting your thermostat, which is free, energy conservation costs money. OK, adjusting your thermostat may cost you some warmth or coolness in your home, but it doesn't cost money, like new insulation in the attic, or a new high-efficiency furnace and air conditioner, or a house full of compact florescent light bulbs-- or those neat high-efficiency washer and dryer models (the ones that came on the market right *after* I bought my last washer and dryer).

Generally speaking, in Kansas, the decision about whether to spend money buying energy, or spend money on a product that will conserve energy has been left to the consumer. For example, my wife and I have three children,

and we do about 15 loads of laundry a week. If I spent \$1000 on a high-efficiency washer and dryer, it is likely that I will save more than that original \$1000 in lower electric, natural gas and water bills over the life of the washer and dryer. That makes great economic sense on paper, and makes great sense from a resource conservation perspective. However, I don't have a spare \$1000 lying around so it is a concept that is staying on paper for the time being.

Back to the controversy. If we as Kansans want to encourage consumers to install conservation and weatherization measures and improve their energy-use profiles, what is the best mechanism for providing this encouragement? The options may include providing additional energy education, low-interest loans, rebate programs, or the direct provision of conservation measures. More importantly, since energy conservation costs money upfront, where should the funding for these programs come from? What level of funding is appropriate? These are controversial issues, especially funding. "Who pays?" and "How much?" are *always* going to be controversial issues when it's our money at stake.

The Kansas Energy Council (<http://kec.kansas.gov/>) is currently considering draft policy proposals on energy conservation programs that will be sent to the legislature this January. The KCC is also considering whether to require your electric and natural gas utilities to

provide greater conservation and efficiency programs as part of their utility service. For their part, the utilities appear willing to provide these types of services, but all want additional cost-recovery incentives for playing ball. If utilities provide these services, it may cause your utility rates to go up. Of course, if you install conservation measures, perhaps your overall bill will go down.

It is time for the public to weigh into this debate. You can make comments to the Kansas Energy Council, the KCC or your legislative representative.

We also want to hear from you at CURB. From a policy perspective, the CURB Board believes that it is important for Kansans to devote additional resources, and yes—money—to increase the level of energy conservation and efficiency resources available to consumers. While we haven't settled on what we think is the best method for achieving this outcome, we are willing to work with the utilities, the KCC and the legislature on programs that benefit residential and small commercial utility customers.

One final note: In the recently-filed Aquila gas rate case, one issue that will be decided is whether Aquila should be allowed to charge customers about 50 cents a month to support a conservation and weatherization program. We'd like to hear your opinion about this. Drop us a line here at CURB and let us know what you think of Aquila's proposal.

--Dave Springe

KCC accepts KCP&L rate case settlement

In an order issued December 4, 2006, the KCC accepted a \$29 million unanimous settlement of the Kansas City Power and Light (KCPL) rate case.

KCPL had originally requested a \$42 million increase in rates as Phase One of its \$2 billion five-year resource expansion plan. KCPL is expected to file for rate increases in each of the next three years under the Resource Plan.

Included as part of the \$42 million rate request is the cost of KCPL's newly-completed 100 megawatt Spearville Wind facility in Spearville, Kansas.

CURB originally filed testimony suggesting that KCPL rates should be lowered by \$1.5 million. The Staff of the KCC, however, filed testimony that, after correcting for errors, would have given KCP&L a \$27 million increase in rates. The KCC staff also sought to impose a fuel adjustment clause as part of consumer rates, which CURB has consistently opposed.

The settlement number is higher than CURB would like. However, the KCC Staff testimony, combined with the fact that the KCC had already approved, over CURB's objections, a Staff/KCPL settlement agreement on KCPL's overall Resource Plan last year made it likely that consumers would have ended up with an even steeper rate increase had the case been litigated.

Further, under the agreement, KCPL will not charge the Staff-proposed fuel adjustment clause this year. The KCC has reinstated fuel adjustment clauses for Empire and Westar in the last two years and would likely have done so for KCP&L customers in this case.

Residential and small commercial customers will see their rates increase about 9% under the agreement approved by the Commission. KCPL is expected to file another rate case in March, 2007.

KCPL serves approximately 480,000 customers in 24 counties in Western Missouri and Eastern Kansas, predominantly in the Kansas City area. A companion \$54 million rate case is currently pending in Missouri.

KCC Docket No. 06-KCPE-828-RTS

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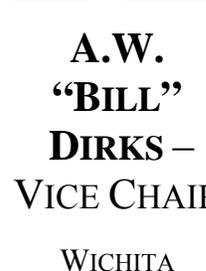
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CITIZENS' UTILITY RATEPAYER BOARD: CURB

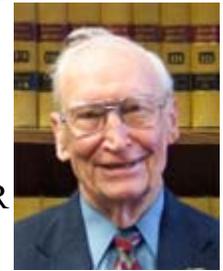
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LEAWOOD

BABY, IT'S COLD OUTSIDE!

THIS IS THE TIME OF YEAR WHEN MANY PEOPLE START WORRYING ABOUT THEIR UTILITY BILLS. IN THIS SPECIAL **COLD WEATHER SUPPLEMENT**, CURB BRINGS TOGETHER A WEALTH OF INFORMATION ABOUT:

THE PROTECTIONS OF THE COLD WEATHER RULE: WHAT YOU MUST DO

WHERE TO GET HELP WITH UTILITY BILLS

LOW-INTEREST LOANS FOR IMPROVING YOUR HOME'S ENERGY EFFICIENCY

HOME WEATHERIZATION INFORMATION

LIEAP ELIGIBILITY REQUIREMENTS AND APPLICATION DATES

WINTER WEATHER AND NATURAL GAS PRICE FORECASTS

ASSISTANCE WITH PAYING FOR LOCAL PHONE SERVICE

FEDERAL EXCISE TAX REFUNDS FOR TELEPHONE CUSTOMERS

AND MORE!

Public favors increased funding for energy assistance

The Energy Bulletin of the National Fuel Funds Network reports that 82% of the people surveyed said they support increased funding for LIHEAP, according to a survey released earlier this fall by the Campaign for Home Energy Assistance. (Kansas' program is known as the LIEAP program.)

The survey also showed that 57% of the people surveyed said they would more likely vote for a congressman who voted to increase funding for programs such as LIHEAP. In addition, 51% of respondents said they would be more likely to vote against reelecting their congressman if he or she voted to reduce or end LIHEAP funding this year.

The survey's findings were released earlier this fall at a news conference featuring Sen. Susan Collins (R-ME), Mark

Wolfe, executive director of the National Energy Assistance Directors Association, and Earl de Berge of Behavior Research Center.

Sen. Collins, an outspoken advocate for LIHEAP, said she would continue to work for increased funding for LIHEAP. The current legislation funding LIHEAP for this fiscal year includes \$2 billion for the program, a reduction of \$1 billion compared with last fiscal year. Sen. Collins said if approved this level of funding would cause hardships for many low-income people.

You may view the Campaign's full report at the web site www.liheap.org.

HEATSHARE

**City of Altamont
Municipal Utility**

Energy assistance for City of Altamont utility customers only. Call (620) 784-5612 for information.

Short-term outlook on winter weather: mostly good news

Despite the recent bout with ice and snow, this winter temperatures are expected to be above normal, though slightly cooler than last year, according to the latest winter weather outlook prepared by the National Oceanic Atmospheric Administration's Climate Prediction Center.

According to NOAA, warmer than average temperatures can be expected across the West, the Southwest, the Plains states, the Midwest, most of the Northeast and the northern mid-Atlantic. The forecast also calls for wetter than average conditions across most of the country.

The complete winter weather outlook can be viewed at NOAA's website - www.noaa.gov.

Fuel Cost Forecast

The prices of most home heating fuels are expected to decrease this winter according to projections from the Energy Information Administration (EIA). The EIA's Short Term Energy Outlook projected on average that households heating with natural gas would see a 13% decrease in prices compared with last winter.

Unfortunately, the Outlook also projected increases of 6% for homes using heating oil, 1% for homes using propane and 7% for homes heating with electricity.

The complete Short Term Energy Outlook is available at the EIA's website – www.eia.doe.gov.

LOW COST LOANS for home energy improvements, insulation, efficient appliances

**Kansas Housing Resources
Corporation /
Sunflower Bank
Available Statewide**

The Kansas Housing Resources Corporation (KHRC) has launched a statewide initiative to promote energy conservation and reduce home heating costs. The initiative is the [Kansas Energy Efficiency Program](#), or KEEP, which allows income-eligible homeowners to obtain low interest loans to purchase energy efficient heating systems and to

make other energy conservation home improvements.

“The most effective way to help homeowners reduce skyrocketing heating bills is to help them save energy,” said Christine Reimler, KHRC's Homeownership Manager. “KEEP provides immediate assistance to Kansans who need it most, and encourages homeowners to make long-lasting, energy-conscious improvements to their homes.”

Funding for KEEP is \$2 million and is part of Governor Kathleen Sebelius' Warm Homes Project. KHRC funds half of the loan amounts, up to a maximum of \$7500. Total loan amounts could be higher as determined by the lender. The zero interest rate on KHRC funds translates into a lower blended rate than obtained through a normal second mortgage loan. KEEP begins immediately and will continue as funding is available.

“This is a great way to help Kansans keep costs down, stay warm through the winter and conserve energy,” Governor Sebelius said. “I hope many Kansas families consider this as an option.”

KHRC is pleased to announce that Sunflower Bank, a family-owned bank with 34 locations throughout Kansas and Colorado, is the official lender for KEEP. “Sunflower Bank is committed to the support of energy efficiency throughout our communities and the state of Kansas. We are extremely honored to be the official lender of KEEP,” said

Mollie Carter, President & CEO of Sunflower Bank.

Home improvements allowed under KEEP include:

- Installing specified ENERGY STAR propane furnaces, central air conditioners, heat pumps, water heaters and ventilation systems.
- Installing wall and floor insulation, new storm doors and windows, and weather-stripping.
- Air sealing, duct work and the purchase of certain ENERGY STAR appliances such as refrigerators, washers, dryers, dish washers and programmable thermostats.

For more information about KEEP, interested applicants should contact Sunflower Bank directly at (888) 827-5564 or visit the bank's website at www.sunflowerbank.com.

Certain restrictions apply to KEEP improvements. Applicants should consult [KHRC's website](#) for details.

KHRC's mission is to enhance Kansas communities with housing opportunities using a variety of strategies and approaches, including increasing homeownership opportunities, promoting energy efficiency improvements for owner-occupied and rental housing and providing affordable housing through rent assistance to low-income families and senior citizens.

PROJECT HELP

Empire District Electric territory

Empire District Electric's program is administered by the American Red Cross and funded by income from donations made by Empire and by donations from Empire customers and employees on an ongoing basis.

Assistance is limited to Empire District Electric customers who are over 55 years of age or who have severe disabilities, and is to be used for their electric accounts.

To contact the program, call the American Red Cross office in Joplin, MO, at (417-624-4411), or by fax at (417-624-2391). You may also contact the agency in person at 410 S. Jackson Avenue, Joplin, MO. 64802.

CATHOLIC CHARITIES EMERGENCY SERVICES

Wichita Area

Catholic Charities Emergency Services provides utility assistance in the Wichita area. Call (316) 262-8898 for current information on applying for assistance.

Located at 437 N. Topeka in Wichita, Emergency Services also provides a food pantry that is open Mondays through Fridays from 10 a.m. to noon and on Wednesdays from 3 to 4 p.m.

SHARE THE WARMTH

Atmos Energy territory

Atmos Energy recently entered into an agreement to have the Salvation Army administer Atmos' "Share the Warmth" heating assistance program. Funds for this program are provided by Atmos Energy customers as well as contributions by Atmos Energy.

The program will run October 1 through April 30 each year, and will provide grants not to exceed \$200.00 per qualifying applicant/household, per grant period.

Grants will be to Atmos Energy customers only and will be distributed on a first-come first-serve basis. The grant amount must be sufficient to prevent termination of Atmos Energy natural gas service for the following 30 days.

Grants will be distributed through the Salvation Army's Divisional Office located at 3637 Broadway, Kansas City, MO. 64111. Grant applications may be obtained by calling the toll-free SHARE THE WARMTH Hotline at 1-877-566-2769, Extension 403.

ENERGY ASSISTANCE INFO

Kansas Gas Service territory

The KGS Contact Center has a list of agencies in the KGS service territory that may have energy assistance funds available. Call (800)794-4780.

PROJECT DESERVE

Westar Energy territory

Project DESERVE helps pay the Westar Energy electric bills of people with a severe disability who meet Social Security disability criteria, and adults 60 years of age or older. Money for Project DESERVE comes from the Westar Energy Foundation, Westar employees and customers, and the Project DESERVE Trust Fund.

Additionally, a new Project DESERVE program provides eligible households a one-time annual payment of up to \$100 to be applied towards the household's Westar electric bills. The American Red Cross determines eligibility based on household income. Funds for this program are disbursed from a \$1 million contribution to the Project DESERVE Trust Fund made possible by a settlement agreement between Westar and Williams Gas Pipelines Central, Inc. that resulted in a refund of *ad valorem* taxes collected several years ago.

If you believe you may be eligible for any of these programs, please contact the American Red Cross at (316) 219-4000.

UNITED WAY OF TOPEKA

Topeka area

Topekans can call the United Way for information on which agencies in the area currently have funds available for utility assistance. Call 785-273-4804.

WARM HOMES PROJECT

Free home energy kits

The KCC is sponsoring the "Warm Homes" project. The "Warm Homes" energy conservation kits are currently being made available through various organizations at the county level. For contact information in a specific county, contact the Kansas Energy Office at 785.271.3170 or email kswarmhomes@kcc.state.ks.us.

EMERGENCY REPAIR PROGRAM

KHRC - Statewide

The Emergency Repair Program (ERP) assists homeowners with emergency repairs of existing owner-occupied properties to enable residents to maintain a safe environment in their home. Examples of "emergency" repairs are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions. Other types of repairs may qualify as well.

Eligible applicants are low-income homeowners whose income does not exceed 60% of the area median income of the county in which the home is located. Income guidelines are established annually by the U.S. Department of Housing and Urban Development.

The KHRC forms partnerships with non-profit organizations that assist the homeowner in completing an application for

the emergency repairs. Weatherization agencies and community housing development organizations are typical partners.

The funds are initially in the form of a loan for the amount of funding for the approved repairs.

Qualified applicants may be eligible for a maximum of \$5,000 for the repairs. If the homeowner occupies the home as their primary residence for a period of three years from date of funding, no repayment of the loan is required.

Funding is available on July 1st, and is awarded on a first-come, first served basis, dependent upon availability of funds. Total funding for fiscal year 2003 was \$250,000.

The program received 83 applications and 70 were funded. For more information, contact Jennifer Grogan, KAMP/ERP Program Manager, 611 S. Kansas Avenue, Suite 300, Topeka, Kansas 66603-3803. Her phone number is (785) 296-4814, and her email is jgrogan@kshousingcorp.org.

OPERATION ROUNDUP

Butler County Rural Electric Cooperative's service territory

Members of Butler Powernet and Regional Group may apply for assistance at (800)464-0060. Applicants must reside in one of these counties: Butler, Chase, Cowley, Greenwood, Harvey, Sedgwick, Sumner.

UNITED WAY OF THE PLAINS

Wichita area

Wichitans can call the United Way for information on which agencies in the area currently have funds available for utility assistance. Call 316-267-1321.

DOLLAR-AIDE and PROJECT WARMTH

KCPL & Mid-America Assistance Coalition Kansas City Metro area

The Mid-America Assistance Coalition manages fuel assistance funds for KCP&L's Dollar-Aide and other assistance projects such as Project Warmth. Funds are available for any fuel source: natural gas, water, fuel oil, propane, wood, coal or electricity.

To be referred to any MAAC-managed fund, or to learn the eligibility requirements, call 211 to speak with a United Way representative, who will refer you to the nearest social service agency that offers energy assistance.

CHURCHES & TEMPLES

Many congregations offer assistance to families in need, but few publicize this fact. The only way to find out if your church is willing to help is to ask.

MIDWEST CUSTOMERS CARE

Midwest Energy

Midwest Energy began a new program on December 1, 2006, to help with energy bill assistance. The program is called Midwest Customers Care, and will be funded by voluntary donations. Funding is not available now, but will be available when the Midwest Customers Care program generates enough money for utility assistance donations.

Midwest Customers Care is designed to help those in need pay utility bills. Energy assistance is administered through The Salvation Army, with help available throughout the company's service territory for either electric or natural gas customers. The program is designed for households that need help and can show a provable need. Assistance is available until the funding is exhausted.

For more information, please contact one of Midwest Energy's eight local offices.

ENERGY ASSISTANCE

Manhattan Area

In the Manhattan area, for energy assistance and application information, call:

Flint Hills Breadbasket
(785) 537-0730
North Central Flint Hills Area
Agency (NCFHAAA)
(785) 776-9294
Toll-free 1 (800) 432-2703 ♦

HEATSHARE

**Aquila service territory
(excluding Lawrence)**

Assistance is available in the counties in the Aquila service territory (except for Douglas County—see Warm Hearts, below, for assistance in Lawrence area) through Heatshare. Applicants do not have to be Aquila customers to receive assistance.

To apply, call your local Salvation Army office. If none, call toll-free 1(877) 566-2769, Ext. 368.

WARM HEARTS

**Aquila
Douglas County (Lawrence)**

Assistance is available to residents of Douglas County as a part of Aquila's Warm Hearts program. Applicants do not have to be a customer of Aquila. The following agencies can provide application information: Ballard Center, 842-0729; ECKAN, 841-3357; Indian Center, 841-7202; Penn House, 842-0440; Salvation Army, 843-4188.

Reprints Available

If your group or organization would like reprints of this issue of CURBside, please contact CURB's offices at 785-271-3200.

Selecting an Energy-Efficient Refrigerator

Other than looking for the "Energy Star" label when shopping for refrigerators, here's some tips to help you decide which one will help you save the most energy:

- Select a fridge with the freezer on the top, rather than a side-by-side.
- Select a manual defrost model for more energy savings—but only if you are sure you will defrost it periodically to keep it running efficiently.
- Icemakers and models that serve ice and water through the door use from 14% to 20% more energy, and cost more, too.
- The most efficient refrigerators are in the 16-to- 20 cubic-foot sizes.
- Pick a size that you can keep full most of the time: a full refrigerator runs more efficiently.
- Don't continue to use your old, inefficient refrigerator in your garage or rec room as a spare, or you won't reap the energy savings from your new efficient model in the kitchen.

**State of Kansas / SRS
LIEAP PROGRAM
Available Statewide**

Applications for the State of Kansas' Low Income Energy Assistance Program (LIEAP) may be submitted ONLY from January 16 through March 30, 2007. Do NOT apply before January 16.

In order to qualify, applicants must meet the following requirements:

1) An adult living at the address must be personally responsible for purchasing heating costs incurred at the current residence, payable either to the landlord or to the fuel vendor.

2) Applicants must demonstrate a recent history of payments toward purchase of the primary heating energy. Each payment must be 10% of the applicant's monthly gross income or \$40 (whichever is less) for 2 out of the 3 months prior to application.

3) The combined gross income (before deductions) of all persons living at the address may not exceed 130% of the federal poverty level, according to the guidelines listed below:

# of Persons	Max. Income
1	\$1062
2	\$1430
3	\$1799
4	\$2167
5	\$2535
6	\$2904
7	\$3272
each add'l fam- ily member	+ \$369

**GIFT OF WARMTH
Kansas Gas Service territory
Salvation Army**

The Gift of Warmth helps qualifying Kansas families pay their winter heating bills, regardless of the fuel used to generate the warmth.

The program is funded by voluntary contributions of the customers of Kansas Gas Service and through contributions made to the Salvation Army in the program's name.

Grants are distributed November 15 through April 30 each year, as long as funding is available.

To qualify for a grant from the Gift of Warmth:

1) You must reside in one of the 82 counties served by Kansas Gas Service.

2) You must be the person responsible for paying the primary heating bill in that residence.

3) Your gross family income may not exceed 200% of the poverty level guidelines.

4) Applicants are not required to be a Kansas Gas Service customer.

Application is made through the Salvation Army.

To apply, contact them at 877-566-2769, Ext 402.

Customers who wish to donate to the Gift of Warmth can make a one-time contribution or a monthly contribution by checking the appropriate box on their billing statement, or may arrange for their contribution by calling (800) 794-4780. ♦

**UNITED WAY
2-1-1
Assistance information
Statewide**

United Way 2-1-1 helps people find and give help. It is an easy-to-remember central phone number connecting people with available community resources and volunteer opportunities.

Trained, caring professionals answer the phones 7 days a week, 24 hours a day. No more wasted time trying to find the right resource. And, the comprehensive database is constantly being updated so the information is accurate. It's free and confidential.

United Way 2-1-1 is also available online at www.kcunitedway.org/211online.htm.

United Way 2-1-1 may not be immediately available in some rural areas or on cellular phone systems, but United Way is working with various telephone companies to make the service work for everyone in the service area as soon as possible. In the meantime, if dialing 2-1-1 doesn't work on your phone, you may call (816) 474-5112 in the Kansas City area, or one of your local United Way offices.

The 2.1 million people in the expanded Kansas City region have joined 161 million other Americans who already have 2-1-1 service, more than half of the people in the United States. The service is now available throughout Kansas.

KANSAS LIFELINE PROGRAM:

ASSISTANCE WITH YOUR TELEPHONE SERVICE

Available statewide to qualified applicants

You may be eligible to receive up to \$17.50 off your monthly local telephone bill through the Lifeline Program.

If you don't currently have telephone service, you may also be eligible for a discount on your connection charge through Link Up America.

You are eligible:

If your household income is no higher than 150% of the federal poverty level, as shown in the chart below,

OR if you receive any of the following:

Food Stamps Medicaid General Assistance Supplemental Security Income (SSI)
 Temporary Assistance to Families United Tribes Food Distribution Program
 BIA General Assistance Administered Temporary Assistance for Needy Families
 Head Start (only those meeting its income-qualifying standard) Free School Lunch Program

2006 Federal Poverty Level Guidelines

Number In Family	Maximum Annual Income
1	\$14,700
2	\$19,800
3	\$24,900
4	\$30,000
5	\$35,100
6	\$40,200
7	\$45,300
8	\$50,400
each additional person	\$ 5,100

To qualify with any type of documentation other than a previous year's tax return as evidence of income, the consumer must present **THREE CONSECUTIVE MONTHS** of statements.

For more information about Kansas Lifeline or Link Up America, call your local telephone company. The number is on your telephone bill or in the front part of the telephone directory.

If your local telephone company does not provide you adequate assistance when inquiring about these programs, please notify the Public Affairs Office of the Kansas Corporation Commission at (800) 662-0027 (in Topeka, call 271-3140).

The Lifeline and Link Up programs were created as a safety net in this era of deregulation for needy households who want to maintain vital local phone service. It is one of the most under-utilized programs for household utility assistance in the State of Kansas.

So, please: if you know someone one who is struggling to maintain local telephone service, or who doesn't have it and would like to get it, let them know about the Lifeline and Link Up programs!

THE KCC'S COLD WEATHER RULE

The Cold Weather Rule goes into effect November 1 and runs through March 31. The rule is designed to minimize the risk to human health and life during the winter months due to disconnection of utility service for non-payment of bills. Guidelines generally prohibit disconnection of residential service during extremely cold periods and require that utility companies offer a 12-month payment plan for past and current bills to allow customers to maintain or reestablish service.

Important conditions of the rule are:

- Service disconnections are prohibited when the temperature is forecast to fall below 35 degrees during the next 24 hours.
- There must be a 48-hour forecast of temperatures of 35 degrees or above before the utility may begin disconnection procedures. The utility must contact the customer by telephone or personal visit to the residence 24 hours before disconnecting service.
- To qualify for the benefits of the Cold Weather Rule payment plan, consumers must inform the utility that they cannot pay their bill in full.
- Customers must pay one-twelfth of the total owed the company to maintain or restore service under the rule. After making the initial payment the customer must agree to pay the remaining balance in equal amounts over the next 11 months.

Consumers who have broken previous payment agreements or defaulted on an agreement during the cold weather period may re-qualify by paying the utility one-twelfth of the total amount owed for past and current consumption, the full amount of any disconnection or reconnection fees, plus any applicable deposit, and agreeing to pay the remaining balance over the next 11 months.

The Cold Weather Rule applies to all residential customers of electric and natural gas utility companies under the KCC's jurisdiction.

The KCC established the Cold Weather Rule to ensure that all Kansas customers have the electric and natural gas service needed to stay warm during the winter. The KCC also recognizes the customers' responsibility to pay for service used, and has addressed both of those concerns with the Cold Weather Rule.

Should You Buy a 90% Efficiency Furnace?

Replacing an old, inefficient natural gas furnace can dramatically reduce your heating bills. According to the Kansas State Engineering Extension Office, upgrading a furnace that is more than 20 years old to a new unit with 90% or greater efficiency

can reduce your heating bill by around 40% a year.

If your furnace is a standard efficiency unit, which is generally 78% for furnaces built since 1992, you can expect to reduce your heating bill by around 20% a year if you replace it with a new 90%+ efficiency unit.

Trying to figure out whether it's worth it to spend the extra money for a furnace that provides 90% efficiency or

more isn't an exact science, but the Engineering Extension Office offers the following figures as a guideline.

Average Kansas natural gas customers use about 75 mcf of natural gas a year to heat their homes. At \$8.50 per mcf, that's \$640 a year.

If you're replacing a pre-1992 furnace, you'll save about \$255 annually. If you're replacing a furnace built since 1992, you'll save about \$130 a year.

Since installing a new 90%+ efficiency furnace will cost around \$2200 (assuming no special installation problems), it would take about 9 years for the furnace to pay for itself in gas savings if you are replacing an old, pre-1992 unit. It would take about 17 years for the gas savings to pay for replacement of a post-1992 unit.

Remember, however, that when experts think natural gas prices could eventually rise higher than \$10 per mcf in future years, and that they will remain high well into the future. The higher the price, the more a high-efficiency furnace will save you, and the shorter the payback time will be.

Even though it takes a long time for a high-efficiency furnace to generate enough savings to justify the cost, the Extension Office points out that with five-year certificates of deposit currently earning less than 3% interest, putting the money into a high-efficiency furnace will pay greater returns.

Keep in mind that furnaces must be replaced periodically anyway: you may as well get the most efficient one that you can afford.

Contact K-State Engineering Extension Service at 785-532-6026 for more information.

COST-FREE ENERGY SAVINGS!

**Turn down the
thermostat and put on a
sweater!**

CURB URGES TELEPHONE CUSTOMERS TO CLAIM REFUND OF FEDERAL TELEPHONE TAX

The Citizens' Utility Ratepayer Board (CURB) reminds Kansas telephone customers of their eligibility for a telephone tax credit on their 2006 return to be filed by April, 2007. Individuals may claim a standard refund of between \$30 and \$60 for federal excise taxes previously paid on their long distance telephone bills for landline, cell phone, or Voice over Internet Protocol (VoIP). CURB first reported on this available tax credit in the August 2006 issue of the CURBside News.

This tax on all telephone bills in the U.S. was originally created to fund the Spanish American War, and was supposed to end when the war ended 108 years ago. However, a series of recent court decisions finally convinced the IRS that it is not lawful to continue to apply it to long distance telephone service charges (it is still lawfully collected on the local portion of telephone bills).

Individuals, businesses and nonprofit organizations are entitled to receive the one-time refund. The amount for individuals depends on the number of exemptions they claim on their return, as shown below, if they use the standard refund. However, individual

taxpayers may also calculate their actual amount paid if they gather their phone records for 41 months – from 2/28/03 to 8/1/06. Businesses and non-profits, however, must determine the actual amount they have paid if they want a refund.

Standard refunds are as follows:

- one exemption, the standard refund amount is: \$30
- two exemptions, the standard refund amount is: \$40
- three exemptions, the standard refund amount is: \$50
- four exemptions or more, the standard refund amount is: \$60

For more information, see the IRS website:

<http://www.irs.gov/newsroom/article/0,,id=161506.00.html>

MORE COST-FREE ENERGY SAVINGS!

Don't leave exhaust fans running longer than necessary.

Exhaust fans in kitchens and baths left running for an hour can empty your entire house of the air you spent so much to heat or cool. Use them only as long as necessary.

Clean out your clothes dryer exhaust duct.

Your dryer will dry more efficiently if you clean the lint out of the exhaust duct twice a year. (It's less of a fire hazard when it's clean, too.)

Use your automatic dishwasher.

A dishwasher uses less hot water than hand washing dishes.



Dave Springe, Consumer Counsel and Vice-President of the National Association of State Utility Consumer Advocates, shakes hands with FERC Commissioner Suedeen Kelly at NASUCA's 2006 Conference, with John Perkins, President of NASUCA and Iowa's Consumer Advocate.

CURBSIDE NEWS

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