

CURB News



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THE CITIZENS' UTILITY RATEPAYER BOARD OF KANSAS

November 2017

CURB, PARTIES AGREE ON FAVORABLE MGP RESULT



In the [July](#) and [September](#) newsletters, CURB discussed Kansas Gas Service's (KGS) application filed in [Docket 17-KGSG-455-ACT](#) seeking recovery of environmental costs, and informed readers of CURB and Staff's filed positions on issues related to the Company's requests. On September 28, 2017, CURB, Staff, and KGS (Parties) held a settlement conference. Settlement discussions continued intermittently over a two-week period which resulted in Parties reaching a Unanimous Settlement Agreement.

Parties agreed to one Accounting Authority Order (AAO) that will cover all 12 Manufactured Gas Plant sites (MGP). The AAO will

cover all cash expenditures made by KGS after January 1, 2017, relating to all MGP actual and prudent (wise) remediation costs. In addition, Parties agreed to allow the Company to delay and seek recovery of 100% of the MGP costs (as defined by the Agreement). For the first rate case they file to seek recovery of these delayed costs, KGS will be required to use a 15-year amortization period (this is what is known as the first "tranche"). An amortization period is a time period that it will take to repay something in full. Amortization periods can be used to the benefit of ratepayers to prevent sudden bill increases.

After the first rate case, or first tranche, KGS is allowed to seek a different amortization period for each separate tranche of

MGP costs; however, the amortization period cannot result in ratepayers paying greater than the net present value of 60% of the remediation costs. This results in a sharing of costs between shareholders and ratepayers, which greatly reduces bill impacts. CURB and Staff will have the ability to argue a different amortization period that could result in ratepayers paying less than the net present value of 60% of MGP costs. Lastly, expenditures relating to MGP costs are limited to \$15 million and the Company must use 100% of the proceeds paid by insurance companies after January 1, 2017, to reduce the gross MGP costs. This is a great result because it should reduce overall costs to residential ratepayers. In order to increase the \$15 million cap, KGS will be required to file an application in a new docket and will need

UPCOMING CASES WE ARE FOLLOWING:

- 18-KCPE-095-MER — GPE AND WESTAR SEEK TO MERGE
- 18-WSEE-190-TAR — WESTAR AND KG&E'S TARIFF MODIFICATION
- 17-SPPE-117-GIE — INVESTIGATION INTO SPP COST/BENEFIT REPORTING

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CURB *Citizens' Utility Ratepayer Board*

Meet our Members:



ELLEN JANOSKI
– CHAIR
PECK



BOB HALL
– VICE CHAIR
HUTCHINSON



JAMES L. MULLIN, II
– MEMBER
LENEXA



BOB KOVAR
– MEMBER
OSAWATOMIE



HENRY HUNGER-BEELER
– MEMBER
LEAVENWORTH

OUR MISSION:

TO ZEALOUSLY PROTECT THE INTERESTS OF RESIDENTIAL AND SMALL COMMERCIAL UTILITY RATEPAYERS

(MGP Favorable Result, cont. from page 1)

Commission approval. At that time CURB and Staff will have the ability to challenge that request. KGS will also be required to follow stringent reporting requirements that will allow CURB and Staff the ability to mon-

itor this issue moving forward.

CURB believes that this settlement is a good outcome because it mitigates a rate increase for KGS residential and small commercial customers and provides the nec-

essary safe guards moving forward with this issue. The Commission issued its Final Order on November 21 approving the Unanimous Settlement Agreement. The Final Order concludes this docket.

CONSUMER EXCELS AT CURB BOARD SERVICE

Meet Bob Kovar, a residential ratepayer from Olathe, Kansas, who has served as the Vice Chair of the Citizens' Utility Ratepayer Board (CURB) for the last four years. "I was first exposed to CURB seven years ago while filing a complaint with the KCC about my all-electric rates," Bob explains. "I met David Springe, CURB's then consumer counsel, and found him to be extremely courteous and helpful." Mr. Kovar is well-spoken, and was asked to serve on the Board after presenting live legislative testimony. Bob remarks, "CURB seemed to address fairness issues in rates and was involved in the regulation of utility processes. It seemed like a chance to work from the inside out."

Mr. Kovar is retired

from the Kansas City Air Route Traffic Control Center where he worked as an air traffic controller for over 30 years. He is a father of nine and grandfather to many – "we are expecting our 31st and 32nd grandkids any day," Bob says. He is also an avid reader, and enjoys the outdoors and bow-hunting deer.

Bob seized an opportunity to make a difference, and has impacted the CURB Board and staff's ability to review important issues. "CURB Staff and KCC Staff are extremely professional and courteous, even if you are on opposing sides of issues at times," says Mr. Kovar. "However, I feel utility rate setting is a 'zero sum game' – the utili-

ties have costs that must be shared by different ratepayer groups, and the Commission must decide what's equitable. There will always be different opinions and perspectives."

Regrettably, he is leaving the Board to focus on family matters. "I want to stress how enjoyable it has been to work with these folks, both on the CURB Board and the staff. There will be a real regret – I will miss the talented individuals on the Board, the diverse perspectives, and the challenge of learning and discussing the issues that face CURB," he states. We at CURB will miss working with Bob, and wish him the best on his future endeavors!

KCP&L Wants To Extend DSM Programs

Kansas City Power & Light filed an [application](#) in September seeking Commission approval to continue its five Demand Side Management (DSM) programs for five additional years or until September 30, 2022, with some minor modifications. DSM involves reducing electricity through activities or programs that promote electric energy efficiency or conservation. KCP&L's DSM programs were originally implemented as pilot programs in [Docket No.](#)

[04-KCPE-1025-GIE](#). The six programs that make up KCP&L's current DSM portfolio include: 1) Low Income Weatherization; 2) Home Energy Analyzer; 3) Business Energy Analyzer; 4) Building Operator Certification; 5) Programmable Thermostat; 6) Demand Response Incentive Rider. KCP&L is not requesting any changes to its EE Rider adjustment mechanism that passes Commission approved costs through to the ratepayer. The minor changes that

KCP&L seeks are to increase the amount of reimbursement in the Building Operator Certification program due, and terminate the Demand Response Incentive Rider given that there are no customers currently using the program. CURB has intervened in this docket and is currently reviewing this application to represent the interests of residential and small commercial ratepayers. We will provide updates - Stay tuned!



Empire Seeks Wind Buildout, Asbury Retirement

On October 31, 2017 Empire District Electric Company (Empire) filed a [petition](#) for approval of its Customer Savings Plan with the KCC. Empire seeks to build up to 800 MW of wind power in or near their service area using federal tax incentives and a tax equity partner as well as retire the Asbury coal fired plant. With this plan the Company hopes to achieve up to \$325 million in customer

savings over the next 20 years.

Empire is asking the Commission for pre-approval of the following Customer Savings Plan actions: 1) Record the Wind Project investment and operation costs in Empire's rate base in future dockets; 2) Create a 'regulatory asset' for the undepreciated balance of the Asbury plant so that it may contin-

ue to be included in the rate base; 3) Make arrangements with others necessary to implement the plan; 4) Lock in depreciation rates; 5) Retain part of the savings generated; and 6) Issuance of an order to be effective by June 15 so approval would be final by June 30, 2018.

CURB is reviewing the petition—watch this space for updates.

“WITH THIS PLAN THE COMPANY HOPES TO ACHIEVE UP TO \$325 MILLION IN CUSTOMER SAVINGS”

Cold Weather Rule Offers Consumer Protection

The Cold Weather Rule is now in effect through March 31. The KCC developed the Cold Weather Rule to protect families from disconnection of their primary heating source during freezing weather because of inability to pay their

utility bills in full. While the Cold Weather Rule is primarily designed to prevent disconnections during freezing weather, it will not prevent the disconnection of power on a warm winter day. If you cannot pay your entire bill,

you must call your utility company to make pay arrangements. Your utility can offer arrangements to avoid disconnection such as allowing a payment of 1/12 of the overdue amount of your bill, plus ——— *continued on page 4*



News from the Watchdog for Residential and Small Commercial Utility Consumers

CITIZENS' UTILITY RATEPAYER BOARD (CURB)

Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, Kansas 66604

Phone: 785-271-3200
E-mail: ecurb@curb.kansas.gov

Questions? Contact our Editor,
Cary Catchpole

NEW PUBLIC HEARING FOR NEW PROPOSED MERGER!

The KCC has scheduled a public hearing on the proposed merger between Westar Energy and Great Plains Energy in docket 18-KCPE-095-MER:

MONDAY, JANUARY 22, 2018 AT 6:00 P.M.

MAIN CONFERENCE CENTER, BUILDING A

WASHBURN INSTITUTE OF TECHNOLOGY

5724 SW HUNTOON STREET

TOPEKA, KS 66604

Public hearings give customers the opportunity to ask questions of representatives of the KCC Staff, CURB, and the utility company in an informal session. Those unable to attend in person can watch the hearing live from the Commission's website: www.kcc.ks.gov.

We're on the Web!

curb.kansas.gov

Cold Weather Rule, cont. from page 3

1/12 of the current bill, all disconnection and connection fees. You must then pay the remainder of your outstanding bill in equal payments over the next 11 months. Or, you can negotiate a payment plan to pay the

overdue amount off quicker than 12 months. Remember, you must also pay your full bills for new service you use while paying off the overdue amount.

For more information about the Cold Weather Rule call us

at CURB, visit the Kansas Corporation Commission's website, or call your utility company. To avoid inconvenience, or even unsafe conditions, we recommend making arrangements BEFORE your service is disconnected.

ABOUT CURB



Established in 1988, the Citizens' Utility Ratepayer Board (CURB) is an agency focused on advocacy for residential and small commercial utility consumers in Kansas. The CURB is composed of an appointed board of five (5) volunteer members representing the congressional districts in Kansas and one at-large member, and was initially founded by the Chairman of the Kansas Corporation Commission upon a perceived need for a stronger consumer advocate. Today, CURB has evolved to an independent agency, and states its mission is "to zealously represent the interests of residential and small commercial utility ratepayers before the Kansas Corporation Commission and the Kansas legislature."