CURB News

News from the Watchdog for Residential and Small Commercial Utility Consumers

FOURTH QUARTER 2024



THE CITIZENS' UTILITY RATEPAYER BOARD OF KANSAS

Evergy Files Predetermination Request for Two Natural Gas-Fired Plants and Solar Facility

KCC Docket No. 25-EKCE-207-PRE

On November 6, 2024, Evergy filed its petition for predetermination on the ratemaking principles and treatment for the construction and ownership stake in two natural gas-fired plants and one solar farm for the benefit of the Evergy Kansas Central (EKC) service territory.

Evergy intends to own 50% of a 710 MW combined cycle gas turbine near its Viola substation in Sumner County ("Viola plant") and a 50% interest in a second 710 MW gas turbine near Hutchinson ("McNew plant"), with an option to request to retain the remaining interest in the McNew plant with EKC or to allocate it to an affiliate based on the needs of other Evergy jurisdictions. Evergy will make its decision regarding the other half of the McNew plant by February 2025. The Viola plant is expected to be in service in 2029 and the McNew plant is expected in 2030.

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The solar facility ("Kansas Sky plant") located in Douglas County will provide approximately 200 MW of capacity. The Kansas Sky plant is expected to go into commercial use in December 2026.

Although a utility can simply make these investments and seek recovery during its next general rate case without a predetermination filing, Evergy is selecting the predetermination process because of the new construction work in progress (CWIP) rate adjustment mechanism (authorized in House Bill 2527, effective July 1, 2024) and the benefits of accessing financing associated with regulatory certainty.

The operative Kansas statute, K.S.A. 66-1239, requires a utility to make a showing that the facilities considered for predetermination are consistent with resource acquisition plans. Evergy cites to its 2024 Integrated Resource Plan (IRP) triennial update and the discussions regarding future plans for meeting resource adequacy needs. According to Evergy, significant economic development activity and increased electrification are some of the largest drivers of increased demand. Evergy intends to build these three plants in the coming years in preparation to accommodate new load on the system, and the plants correspond with the types and amount of generation mentioned in Evergy's preferred resource portfolio.

Evergy requests the Commission find that these planned projects are prudent, reasonable, and consistent with the anticipated needs for new generation outlined in Evergy's IRP and, therefore, allow Evergy

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to include the definitive cost estimates in rates, including a new rate adjustment mechanism authorized by HB 2527, designed to recover the return on 100% of amounts recorded to CWIP on Evergy's books for its stake in the McNew and Viola Plants, as determined reasonable by the Commission, at the weighted average cost of capital without offset, adjustment or reduction.

CURB has been granted intervention in the docket and is in the process of reviewing the application and formulating its strategy to protect residential and small commercial ratepayers. The Commission's Order on the proposal is due by July 7, 2025.

The public comment period for this docket will run between February 17– April 7, 2025. There will also be a virtual (via Zoom) public hearing on this matter on March 5, 2025, at 6:00 p.m. To view dockets open for public comment and instructions to submit a comment, visit: https://www.kcc.ks.gov/your-opinion-matters.

Evergy Proposes Transportation Electrification Programs

KCC Docket No. 25-EKCE-169-TAR

On September 30, 2024, Evergy filed an application for approval of two new Transportation Electrification programs: the Fleet Advisory Services ("FAS") Program and the Residential Managed Charging ("RMC") Pilot Program. With these programs, Evergy proposes to deliver benefits to all ratepayers by shaping electric vehicle ("EV") charging load to make the best use of existing electric system capacity.

• Fleet Advisory Services Program

In this context, "fleet" refers to a collection of vehicles owned or leased by a business or organization (e.g. a school district) for operational use. EV fleet operators face the added complexity of managing vehicle charging. The FAS Program's objectives are to enable informed fleet management choices and facilitate grid-friendly EV transition planning for fleet operators. This Program will focus on providing education and technical assistance, developing customer charging plans that will meet fleet needs while avoiding capacity upgrades, and minimizing energy supply costs.

Evergy expects to serve 60 EV fleets over the initial five-year FAS Program term. The five-year budgets for the FAS Program are \$772,000 for Kansas Central and \$998,000 for Kansas Metro.

Residential Managed Charging Pilot Program

The target audience for the RMC Pilot Program are customers who charge their EVs at home utilizing Level 2 (240-volt) charging. The RMC Pilot Program is intended to optimize the charging patterns of EV drivers who charge at home, gather information about customer preferences related to managed charging, and quantify the load shaping impacts and costs of different approaches (passive vs. active managed charging) on different customer groups. The passive approach provides EV drivers with educational/motivational communications to shape their charging behaviors. Under the active approach (which requires customer opt-in) Evergy will initiate EV charging at the time of its choosing, subject to customer-defined requirements for the vehicle charge level (e.g. 80% charge by 6:00am). The financial incentives to opt-in are a \$50 participation bonus and \$10 monthly as long as the customer charges at home at least once per month and does not override Evergy's

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charging schedule more than twice per month.

Evergy expects approximately 21,000 customers to receive communications under the passive approach and 2,000 participants in the active approach. The three-year budgets for the RMC Pilot are \$1.677M for Kansas Central and \$3.163M for Kansas Metro.

CURB has been granted intervention in this docket and is in the process of reviewing the application and formulating its strategy. The Commission's Order on Evergy's proposal is due May 28, 2025.

KCC Approves Kansas Gas Service's Acquisition of the City of Lebo Gas System KCC Docket No. 24-KGSG-825-ACQ

This Docket was initially outlined in the Q3 2024 issue of CURB News.

To briefly recap, Kansas Gas Service ("KGS") filed an application with the Commission for approval to acquire the municipal natural gas public utility owned by the City of Lebo, Kansas ("Lebo"). No additional surcharge for the acquired customers was requested. Lebo is located in Coffey County in Northeast Kansas. The Lebo natural gas public utility served approximately 300 customers.

On November 19, 2024, the Commission approved the acquisition. The acquired customers formerly served by Lebo will be subject to KGS's approved rates and tariffs.

Evergy Requests Changes to its Parallel Generation Tariffs

KCC Docket Nos. 24-EKCE-744-TAR

This Docket was initially outlined in the Q3 2024 issue of CURB News.

In parallel generation, a customer-generator (a utility customer with a grid-connected renewable energy system) has two electric meters: one for energy drawn from the grid and the other for energy sent onto the grid. The customer-generator is compensated by the utility for the energy sent onto the grid.

On May 17, 2024, Evergy filed a request to make changes to its parallel generation tariffs for its Kansas service territories. The primary purposes of the request are to address and allow larger behind-the-meter renewable installations (>25 kW for residential and >200 kW for commercial/industrial) and to standardize the terms applicable to renewable parallel generation between the Kansas Central and Kansas Metro territories.

KCC Staff filed its Report and Recommendation on December 18, 2024. KCC Staff reviewed all the requested tariff changes and concluded they are just and reasonable and should be approved by the Commission. Additionally, KCC Staff also included a technical recommendation regarding under-compensation for four specific parallel generation customers.

CURB does not object to the proposal. Generally, standardizing tariff terminology and expanding eligibility for parallel generation are positive developments for customers.

A Commission order on this matter is due by January 13, 2025.

Gas Utilities Request Permanent Waiver of "Knock and Collect" Requirements KCC Docket No. 24-GIMG-453-GIG

This Docket was initially outlined in the Q2 2024 issue of CURB News.

The Gas Utilities (principally Atmos and Kansas Gas Service) have received temporary waivers from the section of the KCC's Billing Standards that requires public utility technicians to attempt to make in-person contact with the customer on-premises and accept payment in order to avoid disconnection. (These protocols are commonly referred to as "Knock and Collect" requirements.) The Gas Utilities are now requesting to make these waivers permanent. Black Hills has intervened in this docket and is essentially seeking the same relief as KGS and Atmos.

The Gas Utilities are requesting the same permanent waivers that the Commission granted to certain electric utilities in Docket No. 15-GIMX-344-GIV. In contrast to gas utilities, electric utilities are able to disconnect and reconnect utility service remotely with advanced metering. Meanwhile, gas utilities must still dispatch a technician to the premises to disconnect and reconnect service. This is a significant distinction because of the labor cost savings associated with remote disconnection and reconnection.

It is also important to know that even during an on-premises collection attempt, utility personnel are not required to accept cash payment. Due to safety concerns, utilities do not want their personnel to carry cash as they conduct their duties. However, payments could be made electronically shortly after the utility personnel arrives at an affected property for disconnection.

Closely tied to the Knock and Collect requirements are the utilities' fee structures for disconnection and reconnection. The fees established in Docket No. 15-GIMX-344-GIV for participants in the Pilot Program were \$5.00 for disconnection and no fee for reconnection. However, because the Gas Utilities must still dispatch a technician to the premises to disconnect and reconnect service, the Gas Utilities are either planning to or have already requested to increase their disconnection and reconnection fees to higher levels which were authorized prior to the Pilot Program.

On November 6, 2024, KCC Staff issued its Report and Recommendation in this docket. KCC Staff recommends that the permanent waiver of the Knock and Collect requirements be approved by the Commission for all jurisdictional gas utilities. Although technicians would not be required to initiate contact with customers prior to disconnection, KCC Staff requests that customers who initiate contact with a technician on premises be provided a reasonable opportunity to make a payment by phone or online to avoid disconnection, if so requested.

With respect to disconnection and reconnection charges, KCC Staff stated that there are real costs associated with the work being performed to effectuate these disconnections and reconnections, which are effectively being subsidized by other customers. Hence, KCC Staff recommended the reinstatement of higher disconnection and reconnection fees for gas utilities.

CURB filed its response to KCC Staff on November 15, 2024. As its first point, CURB agreed that permanent waiver of the Knock and Collect requirements was justified upon the basis that there are safety risks for technicians associated with the Knock and Collect requirements and some risk to customers that scam artists could pose as utility personnel at the customer's door. However, CURB's support was primarily driven by the belief

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that the Knock & Collect process does not alleviate the cause of non-payment, being a lack of funds in house-holds that are energy insecure.

As its second point, CURB disagreed with KCC Staff's recommendation to reinstate higher disconnection fees. CURB noted that avoiding service interruption is the prime incentive to settle arrearages, and any further penalization on top of loss of service is ineffective at behavioral modification. Customers who cannot afford their base utility bills, particularly to extent that service is disconnected, also cannot afford additional fees or penalties.

CURB noted that all gas utilities differentiate their disconnection and connection fees based upon whether the action is performed because of non-payment or upon customer request. CURB highlighted that the Commission's Billing Standards requires a charge for disconnection for non-payment yet allows gas utilities to charge nothing for disconnection in circumstances where the disconnection is requested by the customer and not caused by non-payment. Ultimately, CURB recommended that all gas utilities align their charges for disconnection and reconnection so that all of the utility's customers are subject to the same fee structure, regardless of whether the cause was non-payment or customer request. In conjunction with that recommendation, CURB recommends the Commission remove the requirement for reconnection and disconnection fees which only applies in circumstances of non-payment. Thus, CURB supported fees as follows:

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

CURB also requested that the Commission express strong support for study and other work conducted by Kansas utilities, KCC Staff, and CURB to reduce energy insecurity in Kansas. CURB noted recent data shows approximately one-third of U.S. Households have faced energy insecurity challenges. Further, recent data also shows that approximately half of all U.S. households with annual incomes less than \$20,000 face energy insecurity challenges. CURB pointed out that, in Kansas, energy burden is within a range of 6%–8% of income. However, very little data exists on the causes of the energy burden facing some Kansans, the geographic location of energy-burdened Kansans, and other important data.

In their responses to CURB's position, the Gas Utilities maintained their commitment to work with CURB and KCC Staff to study and find ways to reduce energy insecurity but disagreed with CURB's proposed disconnection and reconnection fee structure. Essentially, they argue that they were allowed to charge higher disconnect and reconnection charges prior to the Pilot Program, so they should be allowed to reinstate those charges. The Gas Utilities each argue that even if the Commission agrees with CURB's position, any changes to disconnection and reconnection fees should occur coinciding with a general rate case.

At this stage, parties are awaiting an Order from the Commission.

Future Forward: The Kansas Energy Economy Conference

Future Forward: The Kansas Energy Economy is an annual conference held in Manhattan, Kansas, organized by the Kansas Department of Commerce and the Clean Energy Business Council. This year, it was held November 18–19. Members of CURB staff were in attendance. At least one KCC Commissioner and several legislators were also among the attendees.

Panelists and presenters included representatives of CURB, Evergy, Black Hills, the KCC Energy Office, Kansas Dept. of Transportation, US Dept. of Energy, several solar panel installers, and many other organizations.

The sessions covered several trending energy topics, including energy efficiency programs, rebates, and loans; clean fuel sources (e.g. renewable natural gas and green hydrogen); renewable generation technologies; electric transmission and infrastructure; electric vehicles and charging infrastructure; and environmental justice challenges.

Tips to Identify Utility Imposter Scams

Given the ubiquity and necessity of essential utility services, scammers often fake affiliation with utility companies to gain access to customer's private information and funds. This article presents some info on common scam tactics and tips to protect yourself from utility imposters.

Scammers may call threatening disconnection of your utility service, demanding immediate payment. Pre-paid debit or reloadable debit cards are a preferred money-moving method for scammers. In reality, your utility will send you one or more disconnection notices in the mail before disconnecting or shutting off your utility service and will not request pre-paid debit cards as payment for service.

Scammers may claim you have overpaid your utility bill, and you need to provide personal bank account information or a credit card number to facilitate a refund. In reality, your utility will most likely carry forward overpayments to credit future bills. Alternatively, utility refunds can be sent directly to the customer by check.

Utility companies rarely send a technician or contractor to your home without prior notification. Scammers on your doorstep may wear clothing featuring your utility company's logo. These uniforms may be homemade or potentially stolen. They may sport official-looking badges which can be printed from any computer. They may even attach magnetic signage on their vehicle displaying your utility's logo. So, unless you are expecting a utility-related visit, keep your door locked and call your utility (at the number on your bill or the company's website, not a number given to you by the person at your door) to confirm the identity of the visitor. Also, be aware that if there is a charge related to work on utility equipment, it should be included in your monthly bill and not demanded on-site.

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Scammers posing as utility companies often send emails disguised as legitimate emails with spoofed utility email addresses, logos, trademarks, and website links as part of the deception. First, inspect the e-mail address and any links (hover to verify) closely. They may be noticeably different from the address your utility company actually uses. Be suspicious of generic phrasings such as "Dear Customer." If you want to check on your account, call your utility's phone number provided on your monthly bill or log into your account independently via the official website.

If you suspect you are being targeted by a scammer, document what they told you, including their name, the date and time you were contacted, their caller ID number, the method and amount of payment they requested, any phone number they requested you call for follow-up, and any other details that might aid in a possible criminal investigation. Contact your utility immediately to inform them of the scam and provide the information you documented. Suspicious activity should also be reported to local law enforcement.

Reminder: Kansas Cold Weather Rule in Effect through March 31

The KCC's Cold Weather Rule, effective November 1–March 31, is designed to help Kansas residential utility customers who are unable to pay their bill in full avoid disconnection during the winter months.

During the Cold Weather Rule period, a utility cannot disconnect residential services when the local National Weather Service forecasts that the temperature will be below 35°F within the following 48-hour period. The Cold Weather Rule also requires utilities to offer a 12-month payment plan to allow customers to maintain or re-establish service. Be aware it is the customer's responsibility to contact their utility to make those arrangements. To prevent disconnection when it is 35°F or above, or to be reconnected regardless of temperature, a customer must make payment arrangements with their utility.

Additional information about the Cold Weather Rule is available on the <u>KCC's website</u>. The Cold Weather Rule policy is contained in Section V of the <u>KCC's Billing Standards</u>.

Although the Cold Weather Rule applies only to residential customers of electric and natural gas utility companies under the KCC's jurisdiction, many municipal utilities and cooperatives have similar winter weather policies

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

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

We're on the Web!

<u>curb.kansas.gov</u>



ABOUT THE CITIZENS' UTILITY RATEPAYER BOARD

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 Board is composed of five (5) appointed volunteer members representing the four congressional districts in Kansas and one at-large member. CURB was initially founded by the Chairman of the Kansas Corporation Commission upon a perceived need for a stronger consumer advocate. CURB has evolved into an independent agency, currently employing a consumer counsel, two supporting attorneys, three analysts, and two administrative staff.

OUR MISSION: To zealously protect the interests of residential and small commercial utility ratepayers before the Kansas Corporation Commission and the Kansas legislature.

OUR VISION: To protect Kansas residential and small commercial utility ratepayers by promoting the delivery of optimal utility services—being safe, reliable and technically robust, environmentally sensible, cost-effective, and equitably provided to all Kansas utility consumers at just prices.

Struggling to pay your utility bills?



For financial assistance, visit:

https://www.dcf.ks.gov/services/ees/Pages/HelpOrg.aspx

(Search for your city to find local helping organizations.)

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