

Citizens' Utility Ratepayer Board

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SENATE UTILITIES COMMITTEE S.B. 555

Testimony on Behalf of the Citizens' Utility Ratepayer Board
By David Springe, Consumer Counsel
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Chairman Emler and members of the committee:

Thank you for this opportunity to offer testimony on S.B. 555. The Citizens' Utility Ratepayer Board is neutral on this bill but does have some suggested clarifications:

Senate Bill 555 deals with notice issues surrounding the filing of a rate case with the state corporation commission. In its simplest form, Section 1 of the bill requires utilities to provide notice of a proposed increase in tariffs or charges to customers, along with a comparison of current and proposed rates and a description of the cost increase, within the next billing cycle for the customer after the application. Section 2 of the bill requires the state corporation commission to give notice to the citizens' utility ratepayer board of each application for an increase in tariffs or charges within seven days of the receipt of such application. Section 3 of the bill requires the citizens' utility ratepayer board to inform the utility filing such application, in writing, whether the board intends to intervene in the rate hearing conducted by the state corporation commission, not less than 30 days following the receipt of notice of application for a major rate increase from the state corporation commission.

Section 1 of SB 555

CURB supports the idea of early notice to customers when a utility files a rate case. Consumers should be made aware of the potential impacts of a rate case at the earliest possible time. However, as written the language in Section 1 may be overly broad. Section 1 requires a billing insert for every application for an "increase in tariffs or charges" (line 16) as a form of notice. However, not every application of an "increase in tariff and charges" is a full rate case and considering the cost to send bill inserts, this notice requirement may be impractical. For example, a filing to increase the annual property tax surcharge pursuant to K.S.A. 66-117(f) is an increase in "charges", but probably does not rise to the level of a change in rates that should require the expense of a bill insert for notice purposes. CURB suggests adding the language "filed pursuant to K.A.R. 82-1-231, 82-1-231a or 82-1-231b¹" after "increase in tariffs or

¹ K.A.R. 82-1-231 sets forth the filing requirements for Class A utilities. All Class A utilities file rate cases pursuant to this regulation.

charges” at line 16. This language would more directly point the notice requirements in the proposed statute to instances where the utility has filed a traditional rate case.

Section 2 of SB 555

Section 2 of the bill should be made consistent with whatever language changes are made in Section 1 of the bill to clarify in which cases the state corporation commission must give CURB notice.

Section 3 of SB 555

In cases in which it participates, CURB files a written petition to intervene with the state corporation commission, usually within 30 days of the filing of an application. This petition is legally served on the utility and is considered written notice to the utility of CURB’s intention to participate in the case. This is consistent with what is required in Section 3 of the bill for those cases in which CURB participates.

What Section 3 requires that is not required currently, is for CURB to inform the utility *in writing* of its intention to *not* intervene in a case. CURB cannot participate in the case without first filing a petition to intervene, and the utility, having not received a petition is on notice that CURB is not participating in the case. While CURB can, if required in this bill, send a written notice of its intention to not intervene in a case, it does seem redundant to have this requirement. If CURB is required to provide this written notice, the suggested language above to limit the provisions of this statute to traditional rate cases would be more appropriate than the language currently in the bill.

CURB would like one clarification in the section. The section requires CURB to give written notice to the utility “not less than 30 days” following receipt of notice of application of a major rate increase from the state corporation commission. It seems that this section might be clearer if it read “not more than 30 days” or “within 30 days” following the receipt of notice.

K.A.R. 82-1-231a sets forth the filing requirements for a rural electric distribution cooperative system providing service to fewer than 15,000 customers. (Note however, that most electric cooperatives serving fewer than 15,000 customers are no longer rate regulated by the state corporation commission. Also, CURB by statute is precluded from participating in cases for electric cooperatives with less than 15,000 customers, which would make Section 3 of SB 555 unworkable. It might be prudent to not include these customers in SB 555)

K.A.R. 82-1-231b sets forth the filing requirements for other than Class A utilities. This section provides an alternative for smaller utilities to prepare a less expensive rate filing, more appropriate to the operation of smaller utilities.

Also please note the K.A.R. 82-1-231 and K.A.R. 82-1-231b specifically exempt a telecommunication utility subject to price cap regulation pursuant to K.S.A. 66-2005(b).