

Approved: April 2, 2003 *Carl Dean Holmes*  
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:02 a.m. on February 13, 2003 in Room 526-S of the Capitol.

All members were present except: Representative Eric Carter

Committee staff present: Mary Galligan, Legislative Research  
Dennis Hodgins, Legislative Research  
Mary Torrence, Revisor of Statutes  
Jo Cook, Administrative Assistant

Conferees appearing before the committee:

Deborah Johnson, Geary Health Council  
Kathleen Jackson, Salina Emergency Aid  
Julie Govert-Walter, North Central Flint Hills Area Agency on Aging  
James Olson, Community Resources Council  
Shirley Bramhall, Flint Hills Breadbasket  
Dave Holthaus, Kansas Electric Cooperatives  
Caroline Williams, Westar Energy  
Paul Lentz, Kansas Corporation Commission  
Niki Christopher, Citizens' Utility Ratepayer Board  
Ernest Kutzley, AARP

Others attending: See Attached List

**HB 2186 - Rules and procedures for disconnecting residential customers' electric or gas utility service**

Chairman Holmes opened the hearing on **HB 2186**.

Deborah Johnston, Executive Director for the Geary Health Council, testified in support of **HB 2186 (Attachment 1)**. She stated that this act provides for special payment and service disconnection procedures under certain circumstances.

Kathleen Jackson, Salina Emergency Aid, appeared in support of **HB 2186 (Attachment 2)**. Ms. Jackson stated that it was time to think outside the box and make needed changes to the cold weather rule.

Julie Govert Walter, Executive Director of the North Central-Flint Hills Area Agency on Aging, spoke in support of **HB 2186 (Attachment 3)**. She said that the provisions of the bill would allow designated agencies the opportunity to work with low-income persons who are in arrears on their utility bills.

James Olson, Executive Director for the Community Resources Council of Shawnee County, testified as a proponent of **HB 2186 (Attachment 4)**. Mr. Olson told the committee that the bill would permit a distinction between the "can't pay" and the "won't pay" customers, it encourages customer responsibility, and still allows the opportunity to enter into a new pay agreement.

Shirley Bramhall, Executive Director of the Flint Hills Breadbasket, provided testimony as a proponent of **HB 2186 (Attachment 5)**. Ms. Bramhall stated that the Cold Weather Rule has been in effect for about 20 years and it is time to re-align it to reflect the current times and needs.

Dave Holthaus, Manager of Government Relations for Kansas Electric Cooperatives, spoke in favor of **HB 2186 (Attachment 6)**. Mr. Holthaus also offered a technical amendment to clarify the language as it relates to electric cooperatives.

Caroline Williams, Vice President of Customer Care for Westar Energy, addressed the committee in support of **HB 2186 (Attachment 7)**. Ms. Williams stated that the bill did not change anything in the Cold Weather Rule, except provide payment provisions and agency interventions.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:02 a.m. on February 13, 2003.

Written testimony was submitted by Deb Marquess, Executive Director of the Salvation Army of Junction City, (Attachment 8) and a letter of support signed by five agency representatives (Attachment 9).

Paula Lentz, Assistant General Counsel for the Kansas Corporation Commission, testified in opposition to **HB 2186** (Attachment 10). Ms. Lentz expressed concern about what unintentional results may occur from this proposed change and that similar requests had been rejected by the Commission.

Niki Christopher, Attorney for the Citizens' Utility Ratepayer Board, offered testimony as an opponent to **HB 2186** (Attachment 11). Ms. Christopher stated that CURB was concerned about this bill because it is counter to the public interest as it removes the fundamental protections of the Cold Weather Rule. She also told the committee that the three-tier plan would be unduly difficult to comply with as more customers than ever are likely to default under this more stringent regime.

Ernest Kutzley, Associate State Director of Advocacy for AARP Kansas, appeared in opposition to **HB 2186** (Attachment 12). Mr. Kutzley stated that they oppose any legislation that would deny services to large numbers of consumers who find themselves in financial crisis or who owe modest balances, or drive consumers to unsafe heating situations.

The conferees responded to questions from the committee.

Chairman Holmes closed the hearing on **HB 2186**.

**HB 2019 - State Corporation Commission prohibited from regulating high speed Internet access/  
broadband service**

Mary Torrence, Revisor of Statutes, distributed a balloon of the bill that included all of the amendments previously adopted by the committee. Ms. Torrence then told the committee about each change. The committee, by consensus, decided to have the Revisor provide a proposed substitute bill that would include all adopted amendments.

The meeting adjourned at 10:47 a.m.

The next meeting will be Friday, February 14, 2003 at 9:00 a.m.

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 13, 2003

NAME	REPRESENTING
Shirley Bramhall	Ident Skills Breadbasket
Kathleen Ash	Salina Emergency Aid/Foodbank
Deborah Johnston	Geary Health Council
John D. Pivegar	State Ind. Telephone Assn.
Carolyn R. Foster	Sprint
Wade Hayward	Sprint
Andy Shaw	Worldnet LLC
Joe Dick	KCBPU
Dave Holtzhaus	TIEC
Steve Johnson	Kansas Gas Service
Lauren Baeten	Kansas Gas Service
Caroline Williams	Westar Energy
Dee F. Rehef	Westar Energy
STUART LOWRY	KANSAS ELEC COOPS
Dwayne Roux	KFB
Alanna Sharon Nibel	KFB
Ernest Kutzy	AARP
Ann Ramsey	SRS-LIAP
Jeanie Stols	SnCo Farm Bureau
Margie I Jackson	✓ ✓ ✓

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 13, 2003

NAME	REPRESENTING
Jane Kekey	SU CO FB
Raula Lentz	KCC
<del>XXXXXXXXXXXXXXXXXXXX</del>	KCC
MARK SCHREIBER	Westar Energy
Patrice Scott	Sprint
Mary Peters	Sprint
James L. Olson	Community Resources Council
NIKI CHRISTOPHER	CURB
Jim Bartling	ATmos Energy
Shirley Allen	SITA
George Barber	RTM C
Jim Gackler	SBC
Randy Tomlin	SBC
Tim Pickering	SBC
Richard Shank	SBC
Colleen Miller	Cox
Debbie Snow	CWA
Tom Gleason	Independent Telecom Group
Susan Mahony	SBC
Bob Jayroe	SBC

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: 2-13-03

NAME	REPRESENTING
Craig Carroll	SBC
Brett Goo	SBC
Mike Moffat	SBC
LES DEPPERSCHMIDT	SBC
JANET BUCHANAN	KCC
AZAN COBB	KCCT
Edwardo Rodriguez	SBC
Ann Spiess	ATA - ks. Tele com. Tel. Assn.
Wayne Franklin	SBC
Willo Murray	SPRINT
Waneta Browne	AT&T
Mike Recht	AT&T
LJ Godfrey	AT&T
C. J. Hester	Sprint
Rebecca Tapick	Federico Consulting
Cindy Zappala	SBC



## Geary Health Council, Inc.

700 North Jefferson, Suite B105  
Junction City, KS 66441  
(785) 238-3103 ext. 151/152  
Email: [ch1@jcks.com](mailto:ch1@jcks.com) or [ch2@jcks.com](mailto:ch2@jcks.com)

February 10, 2003

To Whom It May Concern:

This letter is in support of the proposed act concerning public utilities with relation to residential customers. This act provides for special payment and service disconnection procedures under certain circumstances.

Our agency has recognized that several residents do not make any attempt to pay towards their utility bills during the winter month. These bills accumulate to such a high amount during the winter months therefore they are unable to pay their bill on 1 April. Many of these residents come to non-profit agencies to request assistance with their bill. We are unable to assist many of these clients because of limited funding.

The Geary Health Council urges you to give this act every consideration during your review. This act will prove to be beneficial to both the community and the utility company.

Sincerely,

Deborah Johnston  
Executive Director  
Geary Health Council

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ATTACHMENT **1**

**Deborah Johnston**  
*Executive Director*  
(785) 238-3103 Ext. 150  
[johnston@jcks.com](mailto:johnston@jcks.com)

**June Merced**  
*Community Health Resource Specialist*  
(785) 238-3103 Ext. 151  
[ch1@jcks.com](mailto:ch1@jcks.com)

**Mary Reid**  
*Community Health Resource Specialist*  
(785) 238-3103 Ext. 152  
[ch2@jcks.com](mailto:ch2@jcks.com)

Kathleen Jackson

Good Morning

### The Cold Weather Realignment

Why fix something that isn't broke?

The cold weather rule has been effective for years. It has provided years of comfort for families and individuals through the long winter months.

We just received word in January that Salina would not be receiving EFSP funds because our unemployment rate isn't high enough. \$8,000.00 that would have gone to help keep individuals and families utilities on. How do we replace that amount and be effective over the long haul.

Since January 2003 184 people have been laid off their jobs with no sight of returning. They have been told not to expect to come back to work.

Companies that are usually expanding and growing are now laying-off.

Companies that have kept people in the work force which allowed them to pay their bills and keep their utilities on.

By realigning the cold weather rule it will allow individuals and families a chance to still have the comfort of the cold weather rule.

By allowing a realignment of this rule individuals and families that will have to go without a paycheck for three to four weeks, until they receive their unemployment check a chance to continue to keep their utilities on.

By the time the unemployment check arrives they will have to decide which

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bills they pay and how to catch up.

By realigning the cold weather rule it allows individuals and families three separate chances to keep their utilities on. The current rule allows only one chance during the summer months. Again a time like in the winter that has high utility bills. These separate chances allows a greater opportunity of success for the company and the consumer. This realignment will also allow the provider the time to find a job that will keep the utilities paid up. And the final opportunity would be for agencies like ours to be an advocate for them. By advocating for the person we are saying that we see a situation that would benefit both and both parties would win. This realignment will not change the people who use the system. That will continue to happen and they will continue to be shut off in the spring.

This realignment will help those who have always paid their bill and now find themselves in a situation that they did not see coming.

In a city of 48,000 Salina Emergency Aid/ Foodbank helped over 12,000 individuals and families with emergency needs in the year 2002.

It is time to think out side the box the has worked and realize that with time comes change and with change comes the need to realign the cold weather rule.



**Testimony to the House Utilities Committee  
House Bill 2186  
February 13, 2003**

Good morning. Thank you for this opportunity to testify on House Bill 2186.

My name is Julie Govert Walter. I am the Executive Director of the North Central-Flint Hills Area Agency on Aging. Our organization is a private, non-profit agency committed to planning, coordinating and providing services to older Kansans and especially targeting services to frail, low-income elders. Staff at our agency work with volunteers to provide information and assistance to older Kansans and have done so since the mid -1970s. Helping seniors find solutions when they face financial crises because their money runs out before the month does is part of the work we do.

I speak in support for the passage of House Bill 2186. This bill would revise the Cold Weather Rule to allow those low-income or impoverished citizens—including many senior citizens that our Agency serves—to have additional flexibility and payment options when they are at the point of being disconnected from utility service from major corporate providers.

Our Agency also supports House Bill 2186 because it acknowledges and allows organizations such as ours to advocate on behalf of customers. Often vulnerable elders –or any vulnerable person--in crisis don't know exactly how to go about solving their problems. That's when agencies like ours can sometimes help. This bill, if passed, would allow for agencies to advocate for a "win-win" solution on the part of the customer and their utility company.

In these days of rising utility costs, insurance premium increases, and sky rocketing prescription drugs, food and gasoline prices, which of us doesn't know someone—a senior or a "laid off" younger worker—who is "one check away" from having enough money to pay for their needs to make it to the end of the month?

Provisions in HB 2186 allow designated agencies the opportunity to work with low-income persons who are in arrears on their utility bills by helping to:

- Plan a budget,
- Supervise and coach the person on how to keep to the budget,
- Apply to agencies that may not be known to the person for assistance,
- Make needed payments, and
- Potentially prevent future problems.

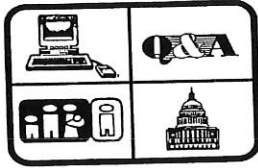
House Bill 2186 is common sense and good public policy.  
And it is the right thing to do for the folks in our communities facing "tough times."

I urge your favorable consideration of this bill.

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# emergency aid council..

a division of community resources council

1000 S. Kansas Avenue, Suite 103 • Topeka, KS 66612-1359 • (785) 233-1365

Email minutes available • Contact CRC to be added to email list

Testimony in Favor of House Bill 2186  
by James L. Olson, Executive Director  
Community Resources Council of Shawnee County, Kansas, Inc.  
Presented to the House Utilities Committee  
February 13, 2003

I am presenting this testimony today in support of House Bill 2186, to establish a Cold Weather Rule by statute. I was one of several individuals from helping agencies in Kansas communities who participated in developing the components of the bill. The bill as proposed represents the work and opinions of individuals and organizations that help customers pay their bills and provide customer counseling and education to reduce the likelihood of future energy emergencies.

I serve as executive director of the Community Resources Council of Shawnee County, Kansas, involved in human services planning, demographic analysis and population mapping. Our work is jointly funded by the City of Topeka, Shawnee County and the United Way of Greater Topeka. We assist the city and county in their allocation of approximately \$825,000 in local government funds supporting human services and youth programs in the community and another \$669,000 in services for the aging. We publish an annual *Community Resources Directory* as well as an annual analysis of demographic, social and economic trends titled *Community Trends and Indicators*. We staff the local Alcohol-Drug Abuse Advisory Council responsible for allocation recommendations for \$401,000 in special alcohol-drug abuse funds supporting prevention and treatment programs in the community. In addition I serve as chair of the Kansas Selection Committee for the federal Emergency Food and Shelter Program, distributing \$256 thousand in supplemental federal funds to the 31 most needy counties in Kansas.

My organization, the Community Resources Council, represents a network of emergency assistance providers serving Topeka and Shawnee County, Kansas. The CRC is also responsible for linking the major assistance agencies together through a shared online database known as the Central File for Emergency Aid. This community area computer network serves the American Red Cross-Project Deserve, Breakthrough House, Doorstep, Fellowship, Let's Help and the Salvation Army. Staff from these organizations have been included in the discussion as the bill was being drafted and their suggestions have been included in the proposed bill.

Here is how this bill differs from the current Cold Weather Rule enforced by the KCC:

1. The proposed bill permits a distinction between the "can't pay" and "won't pay" customers through the intervention of responsible helping agencies. The three strikes rule and payment schedule can both be modified for customers experiencing a temporary emergency. Further, this intervention can occur year-round and is not limited to the Cold Weather Rule period.

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The current KCC rule makes no distinction between those who can't pay and those who won't, encouraging abuse of both the rule itself and the limited resources of community helping agencies. After March 31<sup>st</sup> all rules are suspended and payment in full is demanded or service is cut off. Typically neither customers nor helping agencies can afford to pay these bills that have accumulated through the winter.

2. The bill encourages customer responsibility and promotes timely intervention for customers who need to make immediate changes in housing, budgeting or energy use. Unless a helping agency provides advocacy and/or aid, customers will face the certainty of three increasingly costly pay agreements and an absolute limit of three such agreements per year.

The current rule permits unlimited renewals of customer pay agreements, whether the customer has made a good faith effort or not. The proposed legislation mandates a three strike policy for the same reason that baseball has a three strike policy – so the game will not go on forever.

3. Like the current rule, the opportunity exists to enter into a new pay agreement to help customers experiencing a temporary emergency, but with new limits intended to (a) encourage customer responsibility, (b) foster timely resolution of the source of the problem and (c) limit the financial damage to needy customers, helping agencies and all other ratepayers.

Unfortunately the current rule too often results in hard decisions about housing, budget and energy use being deferred until the day of reckoning, April 1<sup>st</sup>. By that time the financial hole may be too deep for the customer to pay the entire overdue amount. Too frequently the overdue amounts exceed \$500 or even \$1,000 and are far beyond the reach of local helping agencies.

The original intent of the KCC's Cold Weather Rule was to preserve life and promote public safety, which is commendable. Unfortunately it has been the experience of helping agencies – those called on to help customers pay their bills – that our efforts at encouraging customer responsibility and encouraging customers to deal with problems at the time they occur – are thwarted by a well-meaning state rule that permits customers to delay decisions and avoid responsibility until a time when the customers' financial problems are beyond help.

What is not clearly recognized in the current rule is that helping agencies are not in the business of pouring money down a rat hole as a means of fulfilling their charitable mission. Agencies will not pay a client's back rent if the only result is that the landlord has recovered more money but evicts the tenant anyway. Similarly, agencies will not pay a client's utility bill if the client has insufficient income to pay future bills, because all this would accomplish is to delay the inevitable and result in the client being further in debt.

We believe the proposed statute will be a great help in solving problems early while reducing the financial burden on low income consumers, helping agencies and the all utility ratepayers.

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## Testimony

February 13, 2003

From: Shirley Bramhall, Executive Director  
Flint Hills Breadbasket

TO: Utility Committee

RE: HB 2186

I am Shirley Bramhall, Executive Director of the Flint Hills Breadbasket, a food bank located in Manhattan Kansas operating since 1982. We serve 49 food pantries and 142 agencies in Northeast Kansas. Our agency does more than food. We help families identify and address underlying causes. The best gift we can give people who come into our office is hope and personal responsibility.

This is what we hope to accomplish:

A rough summary of the bill:

1. A customer may enter into pay agreement Step 1 - 1/12 of bill and agree to pay balance over 11 months
2. If customer breaks that pay agreement. Step 2 – 1/6 of bill and agree to pay balance over 5 months
3. If the customers breaks that pay agreement Step 3 – ¼ of bill and agree to pay balance over 3 months
4. At anytime during or after the above mentioned pay agreements, a social service agency may provide advocacy to help negotiate a pay agreement between the utilities and a customer who can not pay their bill.

On behalf of the Flint Hills Breadbasket and the people we serve, we support the COLD WEATHER RULE RE-ALIGNMENT. We have tried to find ways that will work for all parties involved. This seems to be the best solution.

Most Kansas communities have small helping agencies. We are the “hands on” and we deal with client concerns everyday. We know what happens, first hand.

Throughout this process I have spoke with various agencies across the state regarding the COLD WEATHER RULE. All of us share the concern that the cold weather rule has been in affect for about 20 years and needs re-aligned to reflect the current times and needs. The Cold weather rule was effective. However, over the past years abuse of the rule has taken its toll by the people who won't pay. This abuse actually takes money away from people who cannot pay their utility bill.

We are on the frontlines; so to speak. We need your help. After the cold weather rule is over (according to the KCC brochure approximately March 31), the agencies are overwhelmed with requests for financial utility assistance. There are very limited funds available to help financially distressed families. At the end of the current cold weather rule, this rule “dumps” people on the helping agencies.

Due to the alarming high numbers of families needing assistance, I couldn't help but think that perhaps my agency was doing something wrong or different than other agencies. We simply did not have the resources to assist the families. We decided to have a meeting with other helping agencies from across the state of Kansas. At the meeting, we found the Cold weather rule problem to be widespread. We do not have the opportunity to see these families who are “in need” until after the utility bill has been accumulated (April, May or Jun). The Cold Weather

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Rule is over and the disconnect notices have gone out and most have broken their first and only pay agreement, therefore making the total amount due. At that time the accumulated bill of \$700 or (I've heard as high as) \$1800, is difficult for most any family with modest means to pay. However, if the person had paid their bill according to their family income (or at least a little) on a monthly basis, it may have been more manageable.

A lot of the social services agencies have thrown up their hands and said, "We can not do anything about this". I hope they are wrong.

Since the first week of February, I have discussed the HB2186 with helping agencies. They have had only one concern regarding the "advocacy" part of the bill. They feel it needs to be clearer. This was the only concern and everyone seems to be in agreement.. this is good thing.

Our reasons to support:

1. Maintains many of the key points of the current cold weather rule (e.g. time period, temperature restrictions)
2. This issue involves all Kansans. Whether people live in an area where a corporation provides the utilities or not... the extreme weather conditions are throughout the state.
3. Provides a safety net for those families who have unforeseen circumstances.
4. The benefits to the people adversely affected by the current Cold Weather Rule is to provide options to satisfy their bill in an incremental plan but also allow the agencies to advocate for customers when necessary.
5. Eliminate the overwhelming demand on the utility assistant providers in April, May and June, but still provide financial assistance and budget counseling to struggling families.
6. A way to change behavior of individuals by providing a negative reinforcement (e.g. having to pay more to get the service reconnected or continued) if they skip paying their monthly bill. By reducing the "won't pays" there is more agency money for the "can't pays".
7. To provide a cooperative spirit between the utility provider and customer
8. The helping agency would be able to provide services more effectively by providing counseling, education and budgeting for customers. We already do this, but when someone owes a company thousands of dollars (whether it s be a credit card, utility provider or whatever... AFTER the fact is rather late to negotiate a budget. It is always preferred to stay ahead of the proposed budget, if possible.)
9. Provide an opportunity for customers to be successful at satisfying their bill.
10. The Flint Hills Breadbasket Recipient Advisory Board (21) supports this bill.
11. Possibly include a weatherization and energy conservation education component for clients in the near future.
12. This is a benefit to the customers who cannot pay their bill, not to mention it will hold people who can pay their bill accountable.
13. There is no cost to the State of Kansas.

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**Testimony Before the House Utilities Committee  
Proposed Clarifying Amendment**

**Dave Holthaus  
Manager, Government Relations  
Kansas Electric Cooperatives, Inc. (KEC)  
February 13, 2003**

**Summary**

Chairman Holmes and Members of the Committee:

I am Dave Holthaus, representing the Kansas Electric Cooperatives (KEC). I appear today to suggest a technical amendment that will clarify the language in HB 2186 as it relates to electric cooperatives. Electric cooperatives were not intended to be included in this bill by the bill's sponsors. The current language could be subject to interpretation, and we therefore ask for more definitive language.

Amendment: HB 2186, Section 1(d)

(d) "Electric public utility" means any electric public utility, as defined in K.S.A. 66-101a, and amendments thereto, ~~under the jurisdiction of the state corporation commission.~~ *unless exempted from the jurisdiction of the state corporation commission under K.S.A 66-104b, 66-104c, and 66-104d.*

We would respectfully ask that you insert this amendment language into the bill to remove any future interpretation problems that may arise regarding electric cooperatives.

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**Testimony before the  
House Utilities Committee  
By  
Caroline Williams, Vice President, Customer Care  
Westar Energy  
February 13, 2003**

Chairman Holmes and members of the committee, I am Caroline Williams, vice president, customer care for Westar Energy.

Westar Energy appreciates the initiative of the state's social service agencies to pursue the refinement of the Cold Weather Rule through the legislative process. We supports the changes suggested by the agencies including the payment provision changes in House Bill 2186. Your work in drafting this legislation is appreciated.

Let me start by stating emphatically that Westar Energy supports the intent of the Cold Weather Rule. It serves an important purpose for those who are unable to pay their utility bills in the cold, winter months. Unfortunately, it sometimes has unintended consequences such as enabling struggling customers to accumulate unmanageable past-due balances or opening the door to those who take advantage of such rules to avoid paying for service.

From a utility provider standpoint, under H.B. 2186 nothing in the Cold Weather Rule changes except the payment provision and intervention by social service agencies. Being implemented together, these changes would provide needed checks and balances to the rule.

Under the current Cold Weather Rule, customers who break a pay agreement face limited consequences. They can simply call and set up a new agreement with the same minimal one-twelfth payment provisions. By accelerating subsequent pay agreements, these customers are given an incentive to abide by the initial payment plan. This makes it less likely that they will accumulate large balances. It also discourages customers who take advantage of the rule.

Intervention by social service agencies will benefit customers and utilities. Customers will gain access to needed financial assistance if they qualify and be provided budgeting guidance. The agencies have indicated they can more easily help a customer owing \$200 than a customer who has allowed his or her bill to reach \$500 or more. Agencies' expertise also will help distinguish between customers who can't pay their utility bills and those who are taking advantage of programs like the Cold Weather Rule. Customers who truly cannot pay also gain a formal advocate to work with the utility and reach a manageable payment plan.

Without these reforms the Cold Weather Rule can sometimes hurt those it aims to help. These changes encourage those facing financial difficulties to seek assistance early instead of struggling until they face a daunting past-due balance. It also helps to distinguish and discourage those who take advantage of the program although they can afford to pay their monthly bill and do not qualify for agency assistance.

H.B. 2186 changes nothing within the Cold Weather Rule except the payment provisions and the agency intervention. Westar Energy supports those changes. Thank you.

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ATTACHMENT 7



# The Salvation Army

Founded in 1865  
*Lt. Colonel Ted Dalberg*  
Divisional Commander, Kansas-Western Missouri



117 W. 7th \* Junction City, KS 66441 \* 913-238-7875

February 10, 2003

To Whom It May Concern:

This letter is in support of the proposed act concerning public utilities with relation to residential customers. This act provides for special payment and service disconnection procedures under certain circumstances.

The Salvation Army of Junction City has recognized that several residents are in danger of disconnect as of 1 April because they did not make any attempt to pay on their utility bill during the winter months. Once they realize that they are endanger of disconnect they approach non-profit agencies, such as the Salvation Army for assistance. We are unable to assist many of these clients because of limited funding.

The Salvation Army of Junction City urges you to give this act every consideration during your review. This act will prove to be beneficial to both the community and the utility company.

Sincerely,

Deb Marquess  
Executive Director  
Salvation Army

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ATTACHMENT 8





# Geary Health Council, Inc.

700 North Jefferson, Suite B105  
Junction City, KS 66441  
(785) 238-3103 ext. 151/152  
Email: [ch1@jcks.com](mailto:ch1@jcks.com) or [ch2@jcks.com](mailto:ch2@jcks.com)

February 10, 2003

To Whom It May Concern:

This letter is in support of the proposed act concerning public utilities with relation to residential customers. This act provides for special payment and service disconnection procedures under certain circumstances.

Local social service organizations recognize that several residents are in danger of disconnect as of 1 April because they did not or were not able to make any attempt to pay on their utility bill during the winter months. Once they realize that they are endanger of disconnect they approach non-profit agencies for assistance. These agencies have limited funding to assist these clients.

I urge you to give this act every consideration during your review. This act will prove to be beneficial to both the community and the utility company.

Sincerely,

*Pat Muloff*  
*Mavis C. Shaff*

*Susan Mulvan, LSCSW*  
*Pawnee Mental Health Servs*

*Cathy K. Cosby*  
*Det, Atilene P.D.*

*Ingrid Paul*  
*Community Corrections*

*Renna Foltz*  
*Community Corrections*

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**Testimony of Paula Lentz**  
**Assistant General Counsel for the Kansas Corporation Commission,**  
**Before the House Utilities Committee**  
**Regarding House Bill 2186**  
**February 13, 2003**

Good morning Mr. Chairman and members of the committee. My name is Paula Lentz, and I am an Assistant General Counsel for the Kansas Corporation Commission ("KCC"). I am here to testify regarding House Bill 2186, which would codify the KCC's current Cold Weather Rule, with few, but significant revisions. These revisions, as well as the potential impacts of the act of codifying the Cold Weather Rule, raise several matters of concern for the KCC.

**BACKGROUND**

The Cold Weather Rule was first enacted in 1980, in response to the Public Utility Regulatory Policies Act, which required the KCC to consider adoption of standards which would prohibit termination of gas and electric service: (1) except upon reasonable prior notice and opportunity to dispute the reasons for termination and (2) when termination would be especially dangerous to health and the consumer establishes his inability to pay or ability to pay only in installments. (Docket No. 114,337-U, August 21, 1979 Order, p. 4-5.) The Cold Weather Rule has undergone three somewhat substantive changes since that time, in 1983, 1989, and 2002. In each of those examinations of the Cold Weather Rule, the KCC kept in mind the same original goal and policy in the Rule's adoption, as most candidly articulated in 1983: "(A) to insure that human health and safety are not unreasonably endangered during cold weather months; (B) to make financial planning of utility bills for Kansas customers more manageable and predictable; and (C) to provide an orderly and effective method for payment of utility bills." (Docket No. 114,337-U, October 14, 1983 Order, p. 7.)

The KCC recently conducted an extensive proceeding in Docket No. 02-GIMX-211-GIV ("211 Docket") to thoroughly examine the existing Cold Weather Rule, and to determine if any revisions to it, including revisions similar to those proposed in House Bill 2186, were warranted. A copy of the Docket Calendar for that proceeding is attached to my testimony to give you an idea of the scope of this investigation. You may access the documents listed on the Docket Calendar at the KCC's website. Retaining the primary goals originally articulated for the Cold Weather Rule in 1983, the KCC determined in the 211 Docket that only minor revisions to the Cold Weather Rule were necessary and appropriate. (211 Docket, May 8, 2002 Order, p. 1.) With the 211 Docket still fresh in the minds of the KCC, certain provisions of House Bill 2186 have given the KCC some concern.

*HOUSE UTILITIES*

DATE: **2-13-03**

ATTACHMENT **10**

## **INCREASED INITIAL PAYMENTS AND SHORTENED LENGTH OF PAYMENT PLANS**

Of primary concern to the KCC is House Bill 2186's increased payment structure and shortened time period for payment plans for those persons who have defaulted on prior payment arrangements. Similar proposed deterrents to default were recently examined during an extensive KCC proceeding, and were not adopted because of the large potential for unintended consequences.

The specific mechanism proposed by House Bill 2186 will not only increase the amount of initial payment each time a customer defaults, but will also shorten the amount of time the customer has to pay off the debt. After three tries, the customer would not be allowed to re-establish utility service at all until all arrears were paid in full, or until a full twelve months after the default. This could potentially mean that a customer would weather two winter periods without heat. It also appears that, warmer weather permitting, a customer could progress through all of these levels in the same winter period. Even if a customer was disconnected a fourth time in one winter period for statutorily valid reasons, that customer may be prohibited from re-establishing service for at least part of the following winter period, regardless of legitimate need or freezing temperatures.

The KCC acknowledged in the 211 Docket that some people may abuse the current system by negotiating multiple payment agreements. However, other customers suffering legitimate hardship would lose their utility service during the coldest months if not for the Cold Weather Rule. The KCC examined various methods proposed by the parties to the 211 Docket to try to encourage payment of bills without burdening customers with no other choice but to rely on the protections of the Cold Weather Rule. No party to the 211 Docket presented a means by which to objectively and accurately distinguish between those customers who legitimately needed the Cold Weather Rule and those who took inappropriate advantage of the Cold Weather Rule. Ultimately, while the KCC is sympathetic to the problem that increasing arrearages cause for utilities, service organizations, and customers, the KCC determined based on the information presented in the 211 Docket that: "[T]here is no readily available way to distinguish between those groups of customers and whatever is done in this docket will affect all customers." The KCC particularly gave serious consideration to a ratchet system to increase the amounts of initial payments based on the number of payment agreement defaults, similar to what House Bill 2186 contemplates. The KCC ultimately decided that the results of such a system were too uncertain, and may hinder the Cold Weather Rule's underlying policies. Neither House Bill 2186, nor the mechanisms considered by the KCC, provides a clear means of addressing the perceived problems of the Cold Weather Rule without increasing the risks for customers who need the protections intended by the Cold Weather Rule.

## **CODIFICATION OF THE COLD WEATHER RULE**

The KCC fears that House Bill 2186 may have the same unintentional results that led the KCC to reject a ratchet system for increased payments and shortened payment plans. Additionally, the KCC fears the inherent difficulties in amending a statute should it be

determined that this ratchet system is not working. There is a great advantage to leaving the Cold Weather Rule in KCC Order form in that any unintentional consequences of the rule can be more readily amended than statute, and could be modified at any time of year, without the time constraints of the Legislature's sessions.

#### **LIMITATIONS ON APPLICABILITY OF HOUSE BILL 2186**

Finally, the KCC notes that House Bill 2186 would only affect KCC jurisdictional utilities. The KCC feels that if the Committee strongly feels House Bill 2186 is an appropriate solution to perceived problems, then it should apply to utilities not currently jurisdictional, including municipalities and deregulated cooperatives. Currently, the Cold Weather Rule applies to only jurisdictional utilities, including municipal customers outside three miles of a city's corporate limits. If the Committee feels that House Bill 2186 is good policy, then the Committee now has its best opportunity to extend application of the Cold Weather Rule to all natural gas and electric utilities.

#### **CONCLUSION**

The KCC has long dealt with the Cold Weather Rule and its consequences, intended or unintended. While no one system has yielded perfect results, the KCC believes that it has upheld its basic policy of protecting health and human welfare first, while trying to encourage fiscal responsibility. The KCC asks the Committee to carefully consider the concerns expressed today before moving House Bill 2186 forward.

10-3

# Kansas Corporation Commission

The following documents are available in Adobe Acrobat (.pdf) format. Download the free [Adobe Acrobat Reader](#) to view them. To convert the pdf documents into html, visit [Adobe's online Conversion Form](#)

Search  in  active  closed  all dockets for fiscal year  (July through June)

Search examples: "GIMT", "99-GIMT", "326", "99-GIMT-326-GIT"

## Fiscal Year 2002 - Docket Search (by informal docket)

Docket Filed On: 18-Sep-2001....02-GIMX-211-GIV....GENERAL INVESTIGATION MULTI-INDUSTRY....closed docket

Utilities Staff: MYRICK RENNER DAWDY

Legal Staff: LENTZ TATRO

Other Staff: ONG

In the Matter of a General Investigation Regarding the Cold Weather Rule.

### Pleadings

Pleading Date: 18-Sep-2001....Order Opening Docket and Assessing Costs.

Pleading Date: 12-Oct-2001....Entry of Appearance by Glenda Cafer, of Cafer Law Office, L.L.C., and Deborah Swank of KCPL, on Behalf of Kansas City Power & Light Co.

Pleading Date: 19-Oct-2001....Entry of Appearance by Martin J. Bregman on Behalf of Western Resources, Inc. and Kansas Gas and Electric Co.

Pleading Date: 19-Oct-2001....Letter Dated October 19, 2001, to the Parties of Record From Paula Lentz, KCC, Issuing an Invitation to the Cold Weather Rule Meeting to be Held on November 8, 2001.

Pleading Date: 26-Oct-2001....Letter and Agenda Dated October 26, 2001, From Paula Lentz, KCC, to All Parties of Record, Regarding KCC's Proposed Agenda for the November 8 Meeting.

Pleading Date: 16-Nov-2001....Report and Recommendation of the Commission Staff.

Pleading Date: 21-Nov-2001....Motion for Extension of Time to File Reply by Kansas Gas Service Company, a Division of ONEOK, Inc.

Pleading Date: 26-Nov-2001....Order Granting Motion for Extension of Time to Reply by Kansas Gas Service Company Until December 3, 2001.

Pleading Date: 26-Nov-2001....CURB's Reply to Staff's Report and Recommendation.

Pleading Date: 28-Nov-2001....Letter from Paula Lentz, KCC Assistant General Counsel, Explaining that The Empire District Electric Company Had Been Omitted from the Report and Recommendation as an Attendee at the November 8, 2001 Meeting with Commission Staff.

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Pleading Date: 03-Dec-2001....Joint Reponse to Report and Recommendation of the Commission Staff by Western Resources, Inc., Kansas Gas and Electric Co., Kansas City Power & Light Co., Kansas Gas Service Co., a Div. of ONEOK, Inc., Greeley Gas Co., a Div. of Atmos Energy Corp., The Empire District Electric Co., and UtiliCorp United, Inc., d/b/a WestPlains Energy, Peoples Natural Gas Co. and Kansas Public Service.

Pleading Date: 03-Dec-2001....AARP's Reply to Staff's Report and Recommendation.

Pleading Date: 15-Jan-2002....Order Setting Roundtable Discussion on the Cold Weather Rule.

Pleading Date: 22-Jan-2002....Entry of Appearance by James G. Flaherty, of Anderson, Byrd, Richeson, Flaherty & Henrichs, on Behalf of Greeley Gas Co., a Division of Atmos Energy Corporation.

Pleading Date: 22-Jan-2002....Entry of Appearance by James G. Flaherty, of Anderson, Byrd, Richeson, Flaherty & Henrichs, on Behalf of UtiliCorp United Inc., d/b/a Peoples Natural Gas Co.

Pleading Date: 22-Jan-2002....Entry of Appearance by James G. Flaherty, of Anderson, Byrd, Richeson, Flaherty & Henrichs, on Behalf of UtiliCorp United Inc., d/b/a WestPlains Energy.

Pleading Date: 22-Jan-2002....Entry of Appearance by James G. Flaherty, of Anderson, Byrd, Richeson, Flaherty & Henrichs, on Behalf of The Empire Distric Electric Co.

Pleading Date: 29-Jan-2002....Order Detailing and Clarifying the Procedural Schedule for the Cold Weather Rule.

Pleading Date: 06-Feb-2002....McPherson Board of Appeals' Response to KCC Request in Docket No. 02-GIMX-211-GIV.

Pleading Date: 14-Feb-2002....Staff Report on Cold Weather Rule Policies and Procedures of Other States.

Pleading Date: 25-Feb-2002....Wheatland Electric's Requested Information.

Pleading Date: 28-Feb-2002....Kansas Gas Service's Requested Information.

Pleading Date: 28-Feb-2002....Southwestern Public Service Co.'s Response to the Order Requesting Information.

Pleading Date: 28-Feb-2002....City of Winfield's Requested Information.

Pleading Date: 28-Feb-2002....Response of Kansas City Power & Light Company to Commission Order.

Pleading Date: 28-Feb-2002....Motion to Withdraw as Counsel of Record, by Larry M. Cowger on Behalf of Kansas Gas Service, a Division of ONEOK, Inc.

Pleading Date: 28-Feb-2002....Western Resources, Inc. and Kansas Gas and Electric Co., Both Doing Business As Westar Energy, Filing Information Requested in Order Dated January 29, 2002.

Pleading Date: 28-Feb-2002....The Empire District Electric Company Response to Order Dated January 29, 2002.

Pleading Date: 28-Feb-2002....Midwest Energy, Inc. Filing Requested Information Pursuant to Order Dated January 29, 2002.

Pleading Date: 28-Feb-2002....UtiliCorp United, Inc. d.b.a. WestPlains Energy, Peoples Natural Gas and Kansas Public Service Filing Requested Information Pursuant to Order Dated January 29, 2002.

Pleading Date: 01-Mar-2002....Kansas Gas Service's Certificate of Service for Its February 28, 2002 Filing.

Pleading Date: 04-Mar-2002....Wheatland Electric's Certificate of Service for Its February 25, 2002, Filing.

Pleading Date: 04-Mar-2002....Pioneer Electric Cooperative, Inc. Filing Information Requested Pursuant to Order Dated January 29, 2002.

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- Pleading Date: 04-Mar-2002....Entry of Appearance by Michael Lennen of Morris, Laing, Evans, Brock & Kennedy, Chartered, on Behalf of Kansas Gas Service Company, a Division of ONEOK, Inc.
- Pleading Date: 04-Mar-2002....KCPL's Supplemental Certificate of Service to Its Response to Commission Order.
- Pleading Date: 04-Mar-2002....UtiliCorp United Inc., d/b/a WestPlains Energy, Peoples Natural Gas Co., and Kansas Public Service Co. Certificate of Service to Its Response Filed on February 28, 2002.
- Pleading Date: 04-Mar-2002....Empire District Electric's Certificate of Service to Its Response Filed on February 28, 2002.
- Pleading Date: 04-Mar-2002....UtiliCorp United, Inc., d/b/a WestPlains Energy, Peoples Natural Gas and Kansas Public Service's Updated Response to the One Filed on February 28, 2002.
- Pleading Date: 05-Mar-2002....Greeley Gas Co.'s Response to Order Dated January 29, 2002.
- Pleading Date: 06-Mar-2002....Order Granting Larry M. Cowger's Motion to Withdraw as Counsel of Record for KGS.
- Pleading Date: 11-Mar-2002....KCC Staff, KGS, Greeley, Empire, UtiliCorp, WR1, KG&E, KCPL, and CURB's Joint Motion for Extension of Date for Filing of Comments.
- Pleading Date: 12-Mar-2002....Order Extending the Deadline for Filing Comments is from March 15, 2002 to March 22, 2002
- Pleading Date: 13-Mar-2002....Entry of Appearance by Larry M. Cowger on Behalf of Western Resources, Inc.
- Pleading Date: 22-Mar-2002....Initial Comments and Proposed Revisions to the Cold Weather Rule by the Commission Staff.
- Pleading Date: 22-Mar-2002....Comments of the Citizens' Utility Ratepayer Board.
- Pleading Date: 22-Mar-2002....Comments of Kansas City Power & Light Company.
- Pleading Date: 22-Mar-2002....Supplemental Initial Comments of Kansas Gas Service Company, a Division of ONEOK, Inc.
- Pleading Date: 22-Mar-2002....Supplemental Initial Comments of Western Resources, Inc. and Kansas Gas and Electric Company.
- Pleading Date: 22-Mar-2002....Joint Initial Comments of Western Resources, Inc., Kansas Gas and Electric Company, Kansas City Power & Light Company, Kansas Gas Service Company, a Division of ONEOK, Inc., Midwest Energy, Inc., Greeley Gas Company, a Division of Atmos Energy Corporation, The Empire District Electric Company, and Aquila, Inc. d/b/a Aquila Networks-WPK and Aquila Networks-KGO.
- Pleading Date: 22-Mar-2002....Supplemental Comments of Midwest Energy, Inc.
- Pleading Date: 02-Apr-2002....City of Larned's Support of Initial Comments and Proposed Revisions to the Cold Weather Rule by the Commission Staff.
- Pleading Date: 04-Apr-2002....Aquila's Revised Response to Question m in the January 29, 2002 Order.
- Pleading Date: 09-Apr-2002....Reply Comments of Midwest Energy, Inc.
- Pleading Date: 09-Apr-2002....Reply Comments of Western Resources, Inc. and Kansas Gas and Electric Co.
- Pleading Date: 09-Apr-2002....Reply Comments of the Commission Staff.
- Pleading Date: 09-Apr-2002....Reply Comments of Kansas City Power & Light Co.
- Pleading Date: 09-Apr-2002....Kansas Gas Service's Response to Commission Order Dated January 29, 2002, Question J.

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Pleading Date: 09-Apr-2002....Reply Comments of Kansas Gas Service.

Pleading Date: 09-Apr-2002....CURB's Reply Comments on Utility Data and Proposals.

Pleading Date: 09-Apr-2002....Reply Comments of Greeley Gas Co., Aquila, Inc. and the Empire District Electric Co.

Pleading Date: 10-Apr-2002....Certificate of Service to Reply Comments by Kansas City Power & Light.

Pleading Date: 10-Apr-2002....Western Resources, Inc.'s Amended Exhibit A to the "Reply Comments of Western Resources, Inc., and Kansas Gas and Electric Co." and the Companies' Response to Question "J" Contained in the Commission's Order Dated January 29, 2002.

Pleading Date: 10-Apr-2002....Notice of Participants for Greeley Gas Co. to the Roundtable Discussions: Joe Christian, Jim Bartling, Al Martin, David Harsin, and James G. Flaherty.

Pleading Date: 10-Apr-2002....Notice of Participants for Empire District Electric Co. to the Roundtable Discussions: Ann Butts, Terry Oliver and James G. Flaherty.

Pleading Date: 10-Apr-2002....Notice of Participants for Aquilla, Inc., d/b/a Aquila Networks - KGO and Aquila Networks - WPK to the Roundtable Discussions: Meg McGill, Larry Headley, Jerry Langer and James G. Flaherty.

Pleading Date: 11-Apr-2002....Notice of Participants for CURB to the Roundtable Discussions: Niki Christopher and David Springe.

Pleading Date: 11-Apr-2002....Letter Dated April 11, 2002, From John DeCoursey, Kansas Gas Service, Clarifying the Three Tier Payment Plan.

Pleading Date: 15-Apr-2002....Notice of Participants for Kansas City Power & Light Company.

Pleading Date: 15-Apr-2002....Letter From Michael Lennen, Morris Laing, Evans, Brock & Kennedy, Chartered, on Behalf of Kansas Gas Service Company Designating Participants in the April 17, 2002 Roundtable Discussion.

Pleading Date: 17-Apr-2002....Entry of Appearance of Robert A. Fox, Foulston Siefkin LLP, on Behalf of AARP.

Pleading Date: 19-Apr-2002....Letter From Eugene N. Dubay, President, Kansas Gas Service, a Division of ONEOK, Inc., Regarding Responses During the Roundtable Discussions Held on April 17, 2002.

Pleading Date: 30-Apr-2002....Notice of Filing of Written Communications Regarding This Proceeding Were Received by the Commissioners.

Pleading Date: 07-May-2002....Order Modifying the Cold Weather Rule.

Pleading Date: 23-May-2002....Petition for Reconsideration by Greeley Gas Company, a Division of Atmos Energy Corporation, Aquila, Inc., f/k/a UtiliCorp United Inc., d/b/a WestPlains Energy and Peoples Natural Gas Company, and The Empire District Electric Company.

Pleading Date: 28-May-2002....Petition for General Reconsideration and Clarification of Western Resources, Inc. and Kansas Gas and Electric Company.

Pleading Date: 28-May-2002....Kansas Gas Service's Petition for Specific Reconsideration.

Pleading Date: 10-Jun-2002....Reply of AARP to KGS, Greeley et al., KGE and Western Resources's Petitions for Reconsideration.

Pleading Date: 12-Jun-2002....Motion of CURB for Permission to File Late Its Response to Petitions for Reconsideration.

Pleading Date: 12-Jun-2002....CURB's Response to Petitions for Reconsideration of the Commission's May 8, 2002 Order.

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Pleading Date: 14-Jun-2002....Order on Reconsideration.

Pleading Date: 01-Jul-2002....Petition for Clarification of the Commission Staff.

Pleading Date: 02-Jul-2002....Petition for Clarification and/or Reconsideration and Extension of Time of KCPL.

Pleading Date: 02-Jul-2002....Kansas Gas Service's Petition for Specific Reconsideration or Clarification.

Pleading Date: 09-Jul-2002....Order Granting Petitions for Clarification or Reconsideration by Commission Staff, KCPL, and Kansas Gas Service, Clarifying Intent of Section V.C.(3) of the Cold Weather Rule; Denying CURB's Motion; Extending Deadline for Utilities to File Tariffs to August 7, 2002.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of The Empire District Electric Co.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rules Gas and Electric Tariffs for the City of Burlingame.

Pleading Date: 09-Jul-2002....Approved Cold Weather Tariffs for the City of Alta Vista, Kansas.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of WestPlains Energy, a Division of UtiliCorp United Inc.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs for Wheatland Electric Cooperative, Inc.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Natural Gas Tariffs for the City of Jamestown.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of Aquila, Inc.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of Kansas City Power & Light Co.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the Clay Center Public Utilities.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of Pioneer Electric Cooperative, Inc.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the Auburn Municipal Gas System.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs for the City of Eskridge, Kansas.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rules Tariffs for the City of Ashland.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Natural Gas Tariffs of the City of Palmer.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Electric and Natural Gas Tariffs of Midwest Energy, Inc.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Spearville.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of LaCygne.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Pratt.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Pawnee Rock.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Winfield.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Harveyville.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Pomona.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Larned.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Wellington.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Garden Plain.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Alma.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Morland.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariff of the City of Longford.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of McPherson Board of Public Utilities.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Sabetha.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Coffeyville.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs for Greeley Gas Co., a Division of Atmos Energy Corporation

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Anthony.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Uniontown.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Gas Tariffs of the City of Milford, Kansas.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of Kansas Gas Service.

Pleading Date: 09-Jul-2002....Westar Energy's Approved Cold Weather Rule Tariffs.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of Aurora Gas.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Russell.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of Mac County Gas, Inc.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of the City of Sterling.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of Barton Hills Water District.

Pleading Date: 09-Jul-2002....Approved Cold Weather Rule Tariffs of Southwestern Public Service Co., d/b/a Xcel Energy.

Pleading Date: 18-Jul-2002....Empire District Electric Co.'s Proposed Revision to Its Rules and Regulations for Serving Customers in the State of Kansas, Index 7.

Pleading Date: 25-Jul-2002....Aquila, Inc., d/b/a Aquila Networks-KGO and Aquila Networks-WPK Request for Approval of Its Customer Bill Insert.

Pleading Date: 12-Aug-2002....Letter From Caroline Ong, Advisory Counsel, on Behalf of the Commission, Advising Westar Energy, Inc. That They Have Been Granted an Extension to File Revised Tariffs Until August 30, 2002.

Pleading Date: 05-Nov-2002....KCPL's Request for Approval of Omitted Page 1.47 From Originally Approved Cold Weather Tariffs.

Pleading Date: 13-Dec-2002....KCPL's Request for Approval of Tariff Sheet 1.47.

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Testimony

Testimony Date: 14-Feb-2002....STAFF SURVEY DUE

Testimony Date: 28-Feb-2002....JURISDICTIONALS INFORMATION DUE

Testimony Date: 22-Mar-2002....COMMENTS DUE

Testimony Date: 09-Apr-2002....REPLY COMMENTS DUE

Testimony Date: 15-Apr-2002....PARTICIPANT NOTIFICATION DUE

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Hearings

Hearing Date: 17-Apr-2002....ROUNDTABLE DISC.....1500 S.W. Arrowhead Road, Topeka, Kansas 66604

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# Citizens' Utility Ratepayer Board

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State of Kansas  
*Kathleen Sebelius, Governor*

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## HOUSE UTILITIES COMMITTEE H.B. 2186

Testimony on Behalf of the Citizens' Utility Ratepayer Board  
By Niki Christopher, Attorney for CURB

Chairman Holmes and members of the committee:

Thank you for this opportunity to appear before you today to offer testimony on H.B. 2186. CURB cannot support this bill as it is currently written, although we support many of its provisions.

This bill requires utilities to offer payment plans all year long, and provides for greater involvement of social service agencies in advocating for their clients. CURB welcomes these provisions. CURB could support this bill if such provisions were all that this bill is about.

CURB is concerned, however, that this bill is counter to the public interest because it removes the fundamental protections of the Cold Weather Rule.

HB 2186 will alter and codify provisions of the Cold Weather Rule, which has protected the public safety since 1983 by ensuring that no Kansan must go without heat in freezing weather for lack of ability to pay their heating bill in full. The Rule was initially promulgated to protect the public from carbon monoxide poisoning and the tragic fires that all too frequently occur when people without utilities attempt to heat their homes.

First, this bill would make it much tougher for customers to meet the Cold Weather Rule's requirements. [See Sections 3 (b)(1) through (d)]. The first tier payment plan increases the initial payment considerably. If customers default on the first tier plan, there are two more plans, each more difficult to comply with than the previous plan. Depending on the circumstances, a customer's initial payment to keep the heat on could be more than 200% higher than under the current rule.

Second, CURB is most concerned with what happens to a customer who cannot keep up with the third tier plan. This bill, in Section 3(h), would allow a utility to deny utility service altogether to a customer who cannot come up with the entire amount owed after defaulting on the third tier plan. The bill also appears to deny service to any customer who cannot come up with these higher initial payments at any tier level.

*HOUSE UTILITIES*

DATE: 2-13-03

ATTACHMENT 11

Currently, any customer, regardless of past arrearages, can negotiate a payment plan during the Cold Weather Rule period. While a customer who defaults on a payment plan may be disconnected during warmer weather, no customer can be disconnected during freezing weather, and all customers are eligible to enter into a new Cold Weather payment plan regardless of previous defaults or arrearages. This insures that no one does without heat in freezing weather.

In the best of times, there are always well-meaning people who fall behind on their heating bills during the winter. With a depressed economy statewide and unusually high unemployment in some communities around the state, we could quickly have a crisis situation on our hands if this bill is passed as written. Keep in mind that gas prices are around \$5.00 and expected to stay that high for some time. We have the largest natural gas utility in the state seeking a \$76 million increase. And if HB 2110 passes, all customers will start paying sales tax on their utility bills. This is perhaps not the best time to be thinking about making it even tougher on families to keep the heat on.

It's hard now with this nice weather to remember how harsh our winters can be. But last winter's ice storm was a sad reminder of what happens when amateurs try to heat their homes: in the Kansas City area alone, two people died, and over a dozen people were treated for carbon monoxide poisoning from make-shift efforts to heat their homes.

Fire is another big concern. Supplemental heating sources cause two-thirds of home heating fires, and three-fourths of the deaths from home heating fires. Conventional furnaces are much less likely to cause a home fire than portable space heaters and wood stoves. Thus, keeping the furnace running during freezing weather is the primary reason for having a Cold Weather Rule. It protects the public safety.

It is for these reasons that CURB has always been a strong supporter of the Cold Weather Rule, and for these reasons has grave concerns with the provisions of HB 2186 that would permit a utility to deny a customer service during freezing weather.

CURB believes that the "get-tough" provisions of this bill will result in unprecedented numbers of Kansans being denied utility service because of their inability to pay their arrearages in full. While we agree that giving the social service agencies a greater role in the process of negotiating payment plans is a wonderful idea, CURB sincerely doubts that social service agencies will have enough resources to help everyone who may end up without heat under this bill.

The Cold Weather Rule is the sole safety net for the majority of residential utility customers who do not qualify for public aid. The Cold Weather Rule as it currently stands does a good job of protecting the public safety.

In essence, HB 2186 doesn't really create a statutory "Cold Weather Rule" -- because this bill would no longer protect the public in cold weather. CURB urges you to delete or amend the provisions I've discussed if you intend to enact this legislation.

Summary of CURB's position on HB 2186

1. CURB welcomes the provisions that provide year-round payment plans and that give social service agencies a more proactive role in advocating for their clients.
2. CURB reminds this committee that the Cold Weather Rule was promulgated to protect the public safety. It has worked for 20 years to prevent casualties that are inevitable when make-shift efforts to heat homes turn deadly.
3. CURB finds the three-tier plans outlined in Sections 3 (b)(1) through (d) to be unduly difficult to comply with: more customers than ever are likely to default under this more stringent regime.
4. CURB finds the "three-strikes-you're-out" provision in Section (h) unduly harsh and counter to the public policy considerations that prompted Kansas to develop a Cold Weather Rule in the first place.



## Kansas

February 13, 2003

Good morning Chairman Holmes and Members of the House Utilities Committee. My name is Ernest Kutzley and I am the Associate State Director of Advocacy for AARP Kansas. AARP Kansas represents the views of our more than 348,000 members in the state of Kansas. Thank you for this opportunity to express our opposition to House Bill 2186 as written.

For older Americans the ability to have heat during the winter is an absolute necessity. Meeting cost of utility services requires a significant portion of an average consumer's personal income. For some this can be as much as 23% of their monthly income. Some low-income households often spend a greater share of their income on utilities than on certain other necessities such as health care or property taxes.

The Kansas Corporation established the Cold Weather Rule in 1983 to insure that Kansans have residential electric and gas services they need during the winter. The rule has served the state of Kansas well for approximately 20 years.

AARP maintains that any changes to the Cold Weather Rule could have significant implications for residential consumers in Kansas, particularly in light of the fact that the KCC established the rule to protect human health and safety. In many situations older/low-income Kansans who do not qualify for assistance attempt to use make shift & unsafe heating practices to heat living space in their homes. This can result in carbon monoxide poisoning, fire, injury and loss of life.

HB 2186 proposes a 3-tier payment plan. This will place even more undue hardships on consumers who have trouble paying their utility bills. Customers in distress would be required to pay much more per year. If they default on all 3 tiers they cannot obtain services at anytime with paying in full the amount owed.

HB 2186 proposes a "3 strikes and your are out" provision which provides for disconnection after default on the third plan – subject to the notice and temperature rule. The customer is ineligible for reconnection within 12 months unless account is paid in full.

AARP opposes both of these provisions. Both were rejected by KCC.

We do appreciate the opportunities that this bill provides for added social service agency participation in CWR rule in advocating for consumers and the addition of opportunities to negotiate for year round services which could provide air conditioning for those who might have that capability. However we do not believe that these benefits would outweigh the loss of heat, which is not a luxury to the citizens of Kansas.

AARP believes that any review of the Cold Weather Rule should include an arrearage forgiveness program. The past winter's high gas prices and cold weather were a double hit on consumers. A program that forgives arrearages over a two-year period, so long as the customer continues to pay current bills and pays a portion of the arrearage is completely appropriate.

Arrearage forgiveness and other low-income assistance programs have been shown to save the utilities money on costs such as fewer disputes and termination notices and proceedings, reduced delinquencies and the like.

We believe that the welfare of thousands of Kansans must not be put in jeopardy simply to weed out a few who may cheat the rule or those who simply cannot not pay. We believe that changes to the CWR could have significant implications for the residential consumers of Kansas.

Customers who are threatened with service termination should have established rights and protection and we believe that the current CWR provides those protections.

AARP opposed many of these proposed changes last years during KCC hearings. We again oppose any legislation that would deny services to large numbers of consumers who find themselves in financial crisis or who owe modest balances that make regular efforts to pay their bills or drive consumers to unsafe heating situations.

We respectfully request your support of the current Cold Weather Rule. Thank you for this opportunity to express our opposition to HB2186.

Ernest Kutzley  
AARP Kansas

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