

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on March 13, 2003 in Room 231-N of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research  
Bruce Kinzie, Revisor of Statutes  
Ann McMorris, Secretary

Conferees appearing before the committee:

Shirley Bramhall, Flint Hills Breadbasket, Manhattan  
Deborah Johnston, Geary Health Council, Junction City  
James Olson, Community Resources Council of Shawnee County  
Caroline Williams, Westar Energy  
Julie Govert-Walter, North Central Flint Hills Area Agency on Aging  
Kathleen Jackson, Salina Emergency Aid/Foodbank  
Cynthia Smith, Great Plains Energy  
Paula Johnson, Kansas Corporation Commission  
Michael Klein, Salvation Army  
Niki Christopher, CURB  
Robert A. Fox, Attorney for AARP, Topeka  
Mike Farmer, Kansas Catholic Conference  
Candace Shively, Deputy Secretary, SRS

Others attending: See attached list

Chair opened hearing on

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

Proponents

Shirley Bramhall, Flint Hills Breadbasket, Manhattan ([Attachment 1](#))  
Deborah Johnston, Geary Health Council, Junction City ([Attachment 2](#))  
James Olson, Community Resources Council of Shawnee County ([Attachment 3](#))  
Caroline Williams, Westar Energy ([Attachment 4](#))  
Julie Govert Walter, North Central Flint Hills Area Agency on Aging ([Attachment 5](#))  
Kathleen Jackson, Salina Emergency Aid/Foodbank ([Attachment 6](#))

Written testimony only from proponents

Geary Health Council, Inc., Junction City ([Attachment 7](#))  
Salvation Army, Junction City ([Attachment 8](#))  
Kansas Assn. Of Community Action Agencies ([Attachment 9](#))

Neutral

Cynthia Smith, Great Plains Energy ([Attachment 10](#))

Opponents

Paula Johnson, Kansas Corporation Commission ([Attachment 11](#))  
Michael Klein, Salvation Army ([Attachment 12](#))  
Niki Christopher, CURB ([Attachment 13](#))  
Robert A. Fox, Attorney for AARP, Topeka ([Attachment 14](#))  
Mike Farmer, Kansas Catholic Conference ([Attachment 15](#))  
Candace Shively, Deputy Secretary, SRS ([Attachment 16](#))

Written testimony only from opponents

Sandy Barnett, Kansas Coalition against Sexual & Domestic Violence ([Attachment 17](#))  
Garry Winget, Kansans for Life At Its Best ([Attachment 18](#))  
Karole Bradford, Inter-Faith Ministries, Wichita ([Attachment 19](#))

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at on March 13, 2003 in Room 231-N of the Capitol.

Discussion on the fiscal note. Chair noted the possibility of appointing a subcommittee to study this bill further. No action was taken.

Chair closed the hearing on **HB 2186**.

The next meeting of the Senate Utilities Committee will be on Monday, March 17.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 19

# SENATE UTILITIES COMMITTEE GUEST LIST

DATE: MARCH 13, 2003

Name	Representing
Ernie Pogge	AARP
Ernie Kufly	AARP
Robert A. Fox	AARP
Paul Rohlfs	Westar Energy
Caroline Williams	Westar Energy
Jim BARTLING	Atmos Energy
<del>XXXXXXXXXX</del>	KCC
John	Again
Steve Johnson	Kansas Gas Service
Jim OLSON	Community Resources Council
Lewis Kinsey	SRS
Caroline Shively	SRS
Murky Bramhall	Flint Hills Broadband
Mark Schreiber	Westar Energy
NIKI CHRISTOPHER	CURB
Joe Durb	KCBPU
Paula Johnson	KCC

## Testimony

February 13, 2003

From: Shirley Bramhall, Executive Director  
Flint Hills Breadbasket

TO: SENATE 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 help people realize, 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 - 1/4 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 pay" there is more agency money for the "can't pay".
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.

Testimony provided to the Kansas State Senate Utility Committee  
Regarding SB #2186, Thursday, March 13, 2003

By: Deborah K. Johnston  
Executive director of the Geary Health Council  
Junction City/Geary County, Kansas

As the director of an agency that services the under- and uninsured residents of Junction City and Geary County, the Geary Health Council has become known as a one-stop shopping center for these services. We do our very best to help coordinate available charitable services so that duplication can be eliminated resulting in the highest possible number of clients served.

The Kansas Corporation Commission established the Cold Weather Rule (CWR) in 1983 to ensure that all Kansans have residential electric and natural gas service available to them during the winter months. The major utilities in Kansas had their own versions of a CWR prior to 1983. Specific rules and regulations are included in the CWR to assist utility customers in planning utility bills so they are manageable. Kansas Gas Service, Greeley Gas, Kansas City Power and Light, Westar Energy, Mid West Energy and other utility companies are to be commended for their efforts in assisting utility customers who find themselves in arrears. There are tens of thousands of Kansans, however, that do not receive protection under the CWR. These are people who live city-owned utility districts which are non-KCC jurisdictional.

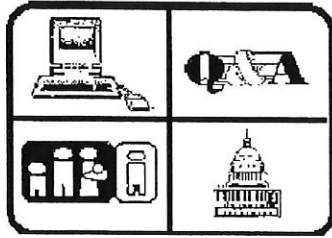
**I have learned through my direct dealings with low-income citizens who are having difficulties paying their utility bills that the CWR needs an overhaul. In fact, the CWR needs a complete re-alignment.**

When April 1<sup>st</sup> arrives and the CWR is no longer in force, many of the clients that come to our offices for utility assistance arrive with a utility bill that all too often ranges from \$1,000 to \$2,000 or more. In these situations, the vast majority of clients have not made a single payment to the utility company since the CWR went into effect the prior November 1<sup>st</sup>. The utility companies are required by the KCC to inform their customers of the CWR, thereby giving many customers a false sense of security that their services will not be turned off under any circumstance. Somehow, these customers have failed to realize that they have a major responsibility to uphold if they find themselves in arrears; to abide by the Good Faith Test (GFT). The GFT mandates that the customer enter into a 1/12<sup>th</sup> pay agreement and pay future utility billings plus an additional 1/12<sup>th</sup> until, theoretically, their bill is all paid up 12 months later. These customers also fail to realize that, if they do not make regular monthly payments, they are unable to qualify for L.I.E.A.P., the Low Income Energy Assistance Program, because in order to qualify, L.I.E.A.P requires that payments be made in at least two of the three most recent billing periods.

The Geary Health Council and other agencies need to see this type of client during the CWR period. We would like to advocate helping negotiate a pay agreement between the utility and a customer who cannot pay their bill. We can verify client information where the utility company cannot. By forcing these clients to seek agency assistance programs during the CWR period, they will have a much better chance to qualify for the various assistance programs that are currently available. The benefit would be much more manageable utility bills when the CWR expires, plus it will hold these customers/clients accountable to the GFT of the CWR.

Thank you for allowing the Geary Health Council testify for the ultimate benefit of the citizens of Geary County.

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Attachment 2-1



# emergency aid council

a division of community resources council

1000 S Kansas Ave, Suite 103 - Topeka KS 66661 2-1359 785.233.1365

E-mail minutes available - Contact CRC to be added to e-mail 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 Senate Utilities Committee  
March 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 30 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.



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

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

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

First, 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 for your consideration.

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Attachment 4-1

**Testimony to the Senate Utilities Committee  
House Bill 2186  
March 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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Attachment 5-1

March 13, 2003

Kathleen Jackson  
Salina Emergency Aid/ Foodbank

I am Kathleen Jackson, Administrator of the Salina Emergency Aid/ Foodbank, a Foodbank located in Salina, KS. We have been a part of the community helping with the emergency needs and food needs since 1971. Our service is available to people living in Salina, Saline County and transients. Networking with other agencies is a thing we do on a daily basis. By working together we are able to stretch the community resources to help more people. In 2001 we helped 10,492 people and gave out 167,482 food items. In 2002 the number of people we helped jumped to 13,106 and 197,684 food items.

As March 31, 2003 approaches we on the front lines are getting ready to dig our heels in and help as much as we can. In some cases that help is going to be very limited. Limited by the decision you make. We are not trying to do away with The Cold Weather Rule, because when it was set up it worked. The basis of it still do. However as times have changed it is time to realign The Cold Weather Rule. Notice I didn't say do away with, but realign. I am repeating myself to make sure you hear what we are saying. We want you to help realign The Cold Weather Rule.

In the realignment there will be more ways to help the people that we work with. Currently as of March 31, 2003 anyone not able to pay their bill and having been on a spag (special pay agreement) and it breaks the whole amount of the bill is due. For most if they cannot pay the bill they certainly can't pay the whole amount owed. And we as agencies can't either. By realigning The Cold Weather Rule it allows a customer four strikes before he is out. Five years ago The Cold Weather Rule the way it is now worked, however times have changed with the lays off, people not finding jobs, and state assistance cut customers need to be given four strikes.

Step 2 of the realignment would be to set up a new spag and if that is broken step 3 would include yet another pay agreement. This realignment encourages the customer to pay the bill. Because we as social agencies are there seeing the needs of the Customers as a final approach we could plead the case of the customer. I can tell you from ten years of listening to people's history that they are not all alike. Each person has a different reason that they can not pay their bill. Not once have I heard any one say I didn't pay it because I didn't owe it. But all have said I just can't. By being able to plead in a sense with Westar the situation of the customer we are building a relationship with both parties. Both parties winning and thus making it a win win situation.

I am very thankful for the Cold Weather Rule it allows customers to have warm homes in the winter and provide some relief at a time when bills can run very high. Please hear the words realignment not do away with. And vote to make this a reality that will create a win win situation. Thank you

Senate Utilities  
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Attachment 6-1



# 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,

*A. Muloff*  
*Mavis C. Shuff*

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

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

*Ingrid Burt*  
*Community Corrections*

*Renna Jozhney*  
*Community Corrections*

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Senate Utilities  
March 13, 2003  
Attachment 7-1



## 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

**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)

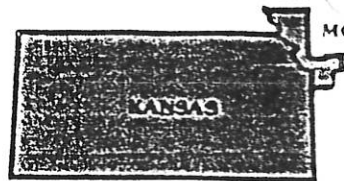
**Mary Reid**  
*Community Health Resource Specialist*  
(785) 238-3103 Ext. 152  
[ch2@jcks.com](mailto:ch2@jcks.com)

7-2



# 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.

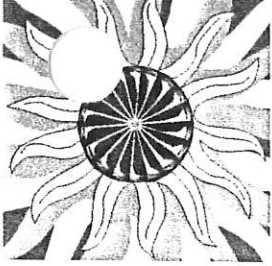
The Salvation Army of Junction City urges you to give this act every consideration during your review. This act will prove to be beneficial to both the community and the utility company.

Sincerely,

A handwritten signature in cursive that reads "Deb Marquess".

Deb Marquess  
Executive Director  
Salvation Army

Senate Utilities  
March 13, 2003  
Attachment 8-1



# KACAP



837 NW Harrison, Topeka, KS 66608  
Ph (785) 234-0878 Fax (785) 234-1652  
[www.kacap.org](http://www.kacap.org)

**The Kansas Association of Community Action Agencies (KACAP) supports community action agencies and other human service networks in their local, state, and national efforts to end poverty.**

Chairman Stan Clark  
Kansas Senate Utilities Committee

March 11, 2003

Chairman Clark and Utilities Committee Members:

The network of community action agencies (CAAs) covering the state of Kansas is pleased to express our wholehearted support for the successful passage of House Bill 2186.

The eight CAAs in Kansas provide a variety of consumer and community-related services aimed at eliminating the causes and conditions of poverty. Community Action Agency Family Service Specialists and Outreach Coordinators work one-on-one, on a daily basis, with low-income Kansans struggling towards self-sufficiency. Our programs provide an integrated approach towards lifting Kansans from the grips of poverty, including a multi-faceted service delivery system and a high reliance on strong community-based partnerships.

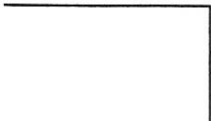
KACAP and our member agencies firmly believe in the intent and purpose of the Kansas Cold Weather Rule and believe that the preservation of human safety must remain as a priority concern. Likewise, we fully understand the impact of unmanageable energy burdens on low-income families in our state. In a February, 2003 report prepared by the Public Finance and General Economics firm of Fisher, Sheehan and Colton (Massachusetts), entitled, "On The Brink: The Home Energy Affordability Gap in Kansas", it is estimated that Kansas faces a \$110 million dollar energy affordability gap, based on 2001/2002 heating fuel prices. Bringing those estimates forward to reflect 2002/2003 prices, the affordability gap increases to \$135 million. A survey of energy assistance recipients by the Iowa Department of Human Rights found that low-income households found a variety of ways to pay for unaffordable energy costs, including going without food or medical care, or incurred unmanageable debt – including borrowing funds to pay for their bills, or simply delaying the payment of the bills at all, in favor of other needs.

Unfortunately, the Kansas Cold Weather Rule, as it is currently constructed, has the regrettable consequence of encouraging consumers to incur an even further unmanageable debt. House Bill 2186 provides a measure of relief to that problem by limiting the number of times a consumer can default on a utility-approved pay agreement, and encouraging interaction between the consumer and helping agencies before the debt becomes completely unmanageable.

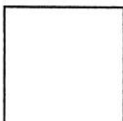
Kansas' Community Action Agencies support this realignment of the Cold Weather Rule as an important step towards a Kansas energy philosophy that fully recognizes the tremendous affordability gap in Kansas energy prices and the ability of low-income consumers to adequately meet and pay for their household energy needs. It is time our state stood behind the wisdom of prevention and early intervention strategies in all aspects of promoting social and economic equality.

Sincerely,

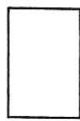
Tawny Stottlemire,  
Executive Director



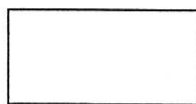
Sue Wheatley  
John Homlish



Richard Jackson  
Kenneth Woods



LaDora Jackson



Al Kayhill  
Dale Nippert



Dale Tower  
Charrica Osborne

NEK-CAP, Inc.

Senate Utilities  
March 13, 2003  
Attachment 9-1

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Testimony before the Senate Committee on Utilities  
On House Bill No. 2186

Tim M. Rush  
Director, Regulatory Affairs  
Kansas City Power & Light Company  
March 13, 2003

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Thank you Chairman and members of the Committee for this opportunity to provide testimony on HB 2186.

Kansas City Power & Light ("KCPL") has some concerns regarding this bill and recommends some changes, if this bill proceeds.

HB 2186 would codify in statute and alter the current Cold Weather Rule established under the Kansas Corporation Commission ("KCC"). Both the proposed bill and the current rule prohibit public utilities from disconnecting residential customers from service under certain circumstances during cold weather. The bill also would establish procedures for customers to negotiate payment plans when faced with discontinuation of utility service due to failure to remain current on their account.

In addition, the proposed payment plan in Section 3, provides for a progressive payment schedule if a customer defaults on a prior payment arrangement to the point of refusal of service. **This progressive payment schedule process would cost KCPL an estimated \$400,000 to reprogram our existing customer billing software to incorporate the payment structure.** It would also require modifications to our existing tariffs at the KCC and customer notification and education.

The KCC addressed Cold Weather Rules last year and issued an Order in July 9, 2002 (Docket No. 02-GIMX-211-GIV). Many issues were addressed during that case, including the progressive payment schedule. The Cold Weather Rule was first adopted in 1983 and revised in 1989, prior to the recent change. I would expect that additional modification may be needed in the years ahead.

KCPL offers the following comments and recommendations to the proposed bill.

Senate Utilities  
March 13, 2003  
Attachment 10-1



## KCPL Comments & Recommendations:

Section 3(b,c,d) – The details of the payment options are difficult to write in a legislative forum. **KCPL suggests that the details of Section 3(b,c,d) be removed and instead the KCC be authorized to promulgate the details through rules and regulations**, under the same spirit of this proposed legislation, but with an eye on the specific rule details necessary to encompass all the issues related to implementation. This will allow the parties of interest much more flexibility in working through the details and allow for easier implementation of future unanticipated necessary modifications.

Section 4(c) – For clarification please indicate KCC “**Standards on Discontinuance of Service Section IV**” as the standards referenced.

Section 5(a) – KCPL is concerned about being required to “...designate one or more social service agencies to provide...” The current Cold Weather Rule issued by the Kansas Corporation Commission requires utilities to supply a list of organizations where funds are available to assist with the payment of utility bills. KCPL has no problem complying with this provision. **The proposal here, however, makes the social agency the intermediary, and could preclude the utility from working directly with its customers until the agency has verified that the customer is unable to pay their utility bill.** KCPL believes the social agencies have a vital role in this process, but should not be placed into the role of gatekeeper.

Further, increasing the role of the agencies will logically increase the agencies' expenses. There is no mention of how these expenses are to be recovered. Should this provision be adopted as proposed, KCPL suggests the following statement should be included. **“The utilities will not be responsible for the costs associated with the service provided by the social service agencies.”**

Section 5(a)(2) – Please clarify that section 2 reference should be section 3.

Thank you for your consideration of these recommendations.

**Testimony of Paula N. Johnson**  
**Assistant General Counsel for the Kansas Corporation Commission,**  
**Before the Senate Utilities Committee**  
**Regarding House Bill 2186**  
**March 13, 2003**

**INTRODUCTION**

Good morning Mr. Chairman and members of the committee. My name is Paula Johnson, 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 certain 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 clearly 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 some of 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, six particular issues raised by House Bill 2186 have given the KCC some concern. These issues are: (1) Increased initial payments and shortened length of payment plans; (2) role of the social service

agencies; (3) the KCC's role in administration and enforcement; (4) confidentiality of customer information; (5) inadequate definition of default; and (6) codification of the Cold Weather Rule.

## **1. 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 means that a customer could endure 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. Further, even after that twelve-month period is over, it is unclear whether the customer would again be eligible to pay 1/12, 1/6, 1/4, or the full amount to re-establish service.

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 method 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, social service agencies, 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." (211 Docket, May 8, 2002 Order, p. 2.) 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.

## **2. Role of the Social Service Agencies**

House Bill 2186 may have been drafted with the intent that the social service agencies take a more active role in customer protection and provide a system to discern between those truly in need and those abusing the system. However, the actual wording of the bill does not accomplish this. There is no requirement that a customer who cannot pay a bill contact the social service agency for assistance. Further, even if the customer does contact a social service agency for assistance, the prevalent use of the word “shall” in the ratchet system would still require that customer make a higher initial payment and shorter plan subsequent to a default, regardless of the social service agency’s intervention. Realistically, the social service agencies would have no more active role in advocating on a customer’s behalf than they have under the current Cold Weather Rule.

Finally, House Bill 2186 provides no set guidelines for the social service agencies to use in a determination of a customer’s needs. Assuming that the social service agencies were able to prevent a customer’s ascension to a stricter payment regimen, because there are different social service agencies in different public utility territories, it would be hard to ensure consistency for customers in need. For example, two customers in identical financial situations may receive vastly different treatment simply because they are served by two different public utilities. It could also be entirely possible that two different customers of the same public utility in identical financial situations could receive different payment plans simply because they contacted different social service agencies, or even different representatives within the same agency.

## **3. The KCC’s Role in Administration and Enforcement**

House Bill 2186 sets out a KCC Order in statutory form, but does not specify whether the Cold Weather Rule would remain under the KCC’s jurisdiction. The KCC currently has other statutes, regulations and orders designed for the regulation of the relationship between public utilities and their customers, including the Standards on Billing Practices that contains the Cold Weather Rule. House Bill 2186, however, only designates a relationship between the public utility, the social service agency, and the customer. The KCC’s role in the Cold Weather Rule, particularly its ability to monitor the rule’s application and enforce violations, is ambiguous. The KCC has significant technical expertise with issues that the social service agencies may not be fully prepared to address on behalf of customers, including the amount of a deposit, different deposit options, meter reading, and backbilling. The KCC is concerned that not clarifying its role in this bill creates a potential gap in oversight of the Cold Weather Rule.

## **4. Confidentiality of Customer Information**

The KCC is also concerned by House Bill 2186’s treatment of customer information. The KCC treats customer lists of any kind as highly confidential material. However, Section 3(j) of House Bill 2186 states that public utilities shall provide that the information to the social service agencies, without placing any restrictions on the social service agencies’ use of that information.

## **5. Inadequate Definition of Default**

House Bill 2186 designs a ratchet system for initial payments and length of payments plans based on a customer's default of a payment agreement. The KCC speculates that "default" is intended to include the failure of a customer to make payments pursuant to that customer's agreement. However, House Bill 2186 omits this from its definition of default in Section 7, and instead defines it only to include diversion of service, issuance of insufficient funds checks, and misrepresentation of customer identification.

## **6. 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.

### **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.

# 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, WRI, 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 I.

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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.

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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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Revised 12.MAR.2003

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## GOVERNMENT RELATIONS

### House Bill 2186

#### Senate Utility Committee

March 13, 2003

Thank you Mr. Chairman and members of the Committee for this opportunity to provide testimony on this timely and important bill. My name is Michael Klein, Divisional Government Relations Director for The Salvation Army Kansas and Western Missouri Division. The Salvation Army is among the largest Faith-based Social Services Agencies in Kansas providing multiple programs and services for individuals, families and children. The focus of our programs is to provide the family supports that keep families safe, empower parents and individuals to take control of their lives, sustain their jobs, and stay in their homes. Providing Utility assistance is one of the most important supports for family safety during these days of extremely cold weather. When the utilities are discontinued, evictions increase and our homeless shelters receive increased request for shelter.

The Salvation Army is a team player. Over the many years of the Cold Weather Rule, The Salvation Army has worked with the Utility Companies and other faith/community based agencies leveraging available state and federal funds along with the available resources of families to secure adequate funds to keep utilities in tact. Working within the limits of the present Cold Weather Rule, is not the best but it is the best we have and it provides the flexibility to the Utility Company, Social Service Agencies and the state and federal agencies working with families to keep them safe. HB 2186, in our opinion, will limit this flexibility, set up a 3 strikes you're out and potentially cut off families for a year. Social Service agencies, The Salvation Army, cannot work with this. The numbers of families needing assistance is growing faster that we can keep up. It's due to the cold weather, growing number of families losing their jobs, companies laying off incredible numbers of individuals around the state, cost of heating going up, and the increasing number of low-income working families.

Many of the low-income working individuals and parents we work with every day are having a difficult time making ends meet. A 2002 report by the Center for Housing Policy in Washington stated that 40% of the families in shelters are working full time and part time jobs and are there because they cannot pay their utility and other expenses. Last month I visited with the mothers at our shelter and one mother said, "if you could just help me get my car repaired, another shared that her utility and medical expenses were so high that she could not pay her rent and subsequently lost her housing and her job. We don't have enough funds to cover these unmet needs.

We understand that this is not a Utility Company's problem, it's not a Salvation Army problem, a government problem, but it is a community problem. Keeping utilities on for low-income working families *prevents* families from homelessness.

**Prevention is the most cost effective strategy for ending homelessness.**

Please vote no for HB 2186.

( prepared by A.Michael Klein, ACSW, LCSW, Divisional Government Relations Director, The SalvationArmy, 3637 Broadway, Kansas City, Mo 64111, 816-968-0404)

Senate Utilities  
March 13, 2003  
Attachment 12-1

# Citizens' Utility Ratepayer Board

## Board Members:

Gene Merry, Chair  
A.W. Dirks, Vice-Chair  
Frank Weimer, Member  
Francis X. Thorne, Member  
Nancy Wilkens, Member  
David Springe, Consumer Counsel



State of Kansas  
Kathleen Sebelius, Governor

1500 S.W. Arrowhead Road  
Topeka, Kansas 66604-4027  
Phone: (785) 271-3200  
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## SENATE UTILITIES COMMITTEE H.B. 2186

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

Chairman Clark and members of the committee:

Thank you for this opportunity to offer testimony on H.B. 2186. My testimony today will supplement rather than mirror my testimony before the House Utilities Committee. CURB remains opposed to passage of this bill.

The Cold Weather Rule is the sole safety net for the majority of residential utility customers when they fall behind on their heating bills during the winter. However, if this bill is passed, we estimate that there will be well over 10,000 to 20,000 households in Kansas without heat by this time next year<sup>1</sup>, many of them without a realistic prospect of being reconnected in the near future. CURB is convinced that passage of this bill would result in a crisis that will severely test the resources of social service agencies and organizations around the state.

We were somewhat dismayed at CURB to learn that several social service agencies have been persuaded to support this bill. After listening to their testimony in House Utilities, we believe that many of these proponents profoundly misunderstand what this bill will do and what it won't do. They are making what we view as unfounded assumptions about what the utilities will be willing to do under this bill. After discussing this bill with representatives of several social service agencies from around the state, CURB remains persuaded that this legislation is a very bad idea.

Section 5 of HB 2186 appears, on its surface, to invite social service agencies to greater participation in negotiating payment plans on behalf of customers, which, in theory, would prevent customers from being disconnected. In reality, however, this bill is primarily designed to allow the utilities to disconnect large numbers of customers who are behind on their bills.

The proponents seem to be mistakenly convinced that this bill will grant agencies the *right* to negotiate and advocate on behalf of customers. It does not. Section 5 simply requires a utility to designate a social service agency to perform *one* of the several functions listed. The utility may select which functions it wants an agency to perform. A utility could simply designate an agency to provide financial aid to customers. Agencies already do that, and don't need the utility's permission or this bill to allow them to do so.

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And even if an agency is given the opportunity to negotiate and advocate on behalf of a client, there's no guarantee that the negotiation will result in a positive outcome.

One of the options in Section 5 is that a utility may designate an agency to verify whether a customer cannot pay. It certainly does *not* say that the utility will agree to continue servicing a customer who, in an agency's judgment, cannot pay. *Nothing* in this bill obligates a utility to defer to the judgment of a social service agency.

Frankly, it simply isn't reasonable to believe that a multi-billion dollar corporation would voluntarily turn over a decision-making process involving millions of dollars annually to a social service organization. It's just not likely to happen.

As troubled as we are about the misunderstandings concerning this bill, the aspect of this bill that troubles CURB most is the "three strikes, you're out" provision. This bill grants a utility the right to disconnect a customer who has defaulted three times, if he or she cannot come up with the entire amount owed. It also grants the right to a utility to disconnect a customer if he or she cannot come up with the initial payment to qualify for a second or third tier payment plan, after defaulting on a previous tier.<sup>2</sup>

This provision seriously undermines the core purpose of the Cold Weather Rule, which is to protect the public safety during freezing weather. It will result in thousands of homes without heat. Desperate families use desperate measures to stay warm, and perhaps die in the attempt—that is what the Cold Weather Rule is designed to prevent. We are concerned that social services will be overwhelmed by the task of trying to help all the people who will be left out in the cold by this bill.

This is not the best of times. Many Kansans are struggling right now. If you pass this legislation, literally thousands of Kansas families will be without heat by this time next year, and the KCC will be without the necessary flexibility to address such a crisis in a timely fashion. Instead, we'll have to wait until the legislature can act. It is situations like this that prompted the legislature to create an agency like the KCC in the first place: you are simply not situated to address complicated and critical problems on a year-round basis.

It would be much wiser to leave the administration of this rule in the hands of the regulators most familiar with how it works. Only the KCC is in the position to respond quickly if and when a crisis arises due to extreme weather or painfully high gas prices—or both.

CURB urges you to decline to pass this bill onto the Senate floor. .

13-2

## HB 2189: Summary of CURB's position

1. The Cold Weather Rule protects the public safety by enabling customers to keep the heat on, even if they are behind on their bills. The "three strikes, you're out" provision in Section (h) of this bill destroys that protection.
2. If this bill is passed, thousands of Kansas households will be without heat by this time next year, creating a widespread crisis that will threaten the public health and safety.
3. Under the current rules, utilities could designate a social service agency to perform any or all of the functions listed in Section 5, without the need for this legislation.
4. Support for this bill among some of the agencies appears to be based on an unfounded assumption that utilities will voluntarily turn over decision-making processes involving millions of dollars annually to social service agencies. They could do that now if they wanted to, but they don't—and it is unlikely that they would do so if this bill is passed.

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<sup>1</sup> CURB bases this estimate on statistics furnished by Kansas Gas Service, the largest natural gas utility in the state:

KGS reports that it serves almost two-thirds of natural gas customers in Kansas. See web site of ONEOK, parent company of KGS, at [www.oneok.com](http://www.oneok.com). In a filing with the KCC in July 2001, the company claimed that, over a three-year period, 132,503 of its customers had entered into over 300,000 pay agreements. See Dir. Test. of David Arnold at 3, KCC Docket No. 02-KGSG-018-TAR, July 9, 2001. According to KGS, its customers defaulted on over 93% of all 11-month payment plans. *Id.*; see "default" at Footnote 2, below. Similarly, KGS reported that 70,354 out of 132,503 customers with pay agreements defaulted on at least one agreement, and 53,439 of those had defaulted on two or more. *Id.*, at 3-4.

Assuming that customers of other natural gas utilities in Kansas default at a similar rate, there are approximately 80,000 natural gas customers statewide who would be subject to the "three strikes, you're out" provision of HB 2189 over a three-year period. (This does not include homes that heat exclusively with electricity). Forty percent of them would become subject to disconnection during the three-year period. Assuming that the defaults are spread out evenly over the three years, over 10,000 households a year would be subject to disconnection. Adjust this figure upwards because of soaring gas prices, high unemployment rates, and a sluggish economy, allow for additional disconnections of electric customers with similar problems, and it is reasonable to projection that well over 10,000 households in Kansas will be without heat by this time next year.

For comparison, one can check this estimate against the 2000 U.S. Census, which found that about 10.5% of Kansans live in poverty—about 282,000 people. If only 5% of them found themselves unable to meet the stricter rules under HB 2189, 14,000 Kansans would be without heat by this time next year.

<sup>2</sup> "Default" under current KCC billing standards simply means that the customer's account reflects an amount outstanding when their next bill is issued; a customer who pays a day late or a dollar short is considered in default. It is therefore possible for a customer to amass three defaults in as little as three months, and possible for a customer who is unable to come up with the initial payment on a second tier plan to be eligible for disconnection in as little as two months.





## SENATE UTILITIES COMMITTEE

### H.B. 2186

Testimony on Behalf of AARP by  
Robert A. Fox, Attorney for AARP

Chairman Clark and members of the committee:

AARP Kansas represents the views of more than 345,000 members in the state of Kansas. Thank you for this opportunity to express our *opposition* to House Bill 2186.

In 1979, the Kansas Corporation Commission embarked upon an investigation aimed at the establishment of an overarching policy relative to billing practices, security deposits, late payment charges and discontinuance of service. The investigation was denoted Docket No. 114,337-U. As partial basis of the investigation, the KCC noted that the Public Utilities Regulatory Policies Act required the KCC to consider adoption of standards which prohibit termination of gas and electric service except upon reasonable prior notice and an opportunity to dispute the reasons for termination and when termination would be especially dangerous to health and the consumer establishes his inability to pay or the ability to pay only in installments. (Commission order dated August 21, 1979)

In 1983, in that same docket, the Commission created and issued the Cold Weather Rule. In so doing the KCC stated that it must insure that human health and safety is not unduly endangered by implementing and enforcing a consistent statewide cold weather rule. (Commission order dated October 14, 1983) The Commission adopted a rule that had statewide application, established a time period within which the rule would be effective, defined customer qualification, addressed payment plans, notification and temperature sensitivity issues.

Over the years, the Commission has made modifications to the rule to address concerns that arise through the application of the rule in various economic environments and as the Commission stated in 1989, changes necessary to carry out the true intent of the Cold Weather Rule. That intent has never changed. It was and remains to insure that human health and safety is not unduly endangered.

House Bill No. 2186 moves significantly away from that intent. Section three creates a three tier payment plan that insures that customers who have difficulty meeting the 1/12th of arrearage and customers' bill for consumption for the most recent billing period will be unable to meet the larger payment requirements for tier two and three. It also provides that disconnection can cover two winter periods. This was never the intent of the rule and certainly should not be the intent of the body which represents those directly affected thereby.

-1-

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Some social agencies have suggested that the bill somehow creates for them a mandatory advocacy position. While we believe the agency's intent is above reproach and we applaud their interest, this bill does not so create. It creates nothing that doesn't already exist relative to social agency advocacy. It will not unburden agencies each March when the rule is lifted because if the three tier plans are adopted, consumers will still be flocking to the agencies seeking arrearage assistance at the end of the rule as they do now. The positive result from this proposed legislation is difficult to discern. The potential damage is readily apparent.

AARP believes that this rule is best left to the regulatory agency which created it. It is there that requests for revision can be timely addressed with participants that have been directly involved in its creation and evolution. Curiously, revisions were addressed in late 2002 but the proponents of this legislation were not there to provide their input and insight. It seems apparent that the proper course action at this time, with the rule coming to the seasonal end of its application, is for the proponents to request meetings with the industry, consumers, other interested parties and Commission Staff to discuss the parties' various concerns, propose modifications, and in late summer or early fall propose modifications to the Commission. These modifications, hopefully, can be supported by a majority of those involved in the process.

AARP continues its opposition to this bill and respectfully urges you to decline passage of this bill onto the Senate floor. We remain fully convinced that the bill is at odds with the original and on-going intent of the rule and that any modifications need to be addressed at the agency which created the rule.

Thank you for your consideration in this matter.



6301 ANTIOCH • MERRIAM, KANSAS 66202 • PHONE/FAX 913-722-6633 • WWW.KSCATHCONF.ORG

***Senate Utilities Committee  
Testimony in Opposition of HB 2186***

Mister Chairman and members of the Committee my name is Mike Farmer and I am the Executive Director of the Kansas Catholic Conference. Thank you for the opportunity to testify today as an opponent of HB 2186.

As a former legislator I have seen many instances of bills over the years that were drafted with good intentions but unfortunately had some unintended consequences that rendered the bill unacceptable. I believe that this bill fits into that category.

As an example, Section 5 of this bill shows "good intentions" by requiring that utilities designate one or more social service agencies to play a part in advocating on behalf of a customer who may be having difficulty paying their electric and/or gas bills. However, upon closer examination you will find that the utility company is not required to accept or act upon any information provided by the designated social service agency. As a matter of fact my reading of the bill indicates that the utility companies for example could select an agency to provide only Section 5(a)(4) "financial assistance to customers who are in arrears" and none of the others. Neither in this section, nor anywhere else in this bill, can I find any guarantees that the utility companies will accept any negotiation or advocacy from social service agencies on behalf of the customer they are representing.

MOST REVEREND GEORGE K. FITZSIMONS, D.D.  
DIOCESE OF SALINA

MOST REVEREND JAMES P. KELEHER, S.T.D.  
*Chairman of Board*  
ARCHDIOCESE OF KANSAS CITY IN KANSAS

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MOST REVEREND RONALD M. GILMORE, S.T.L., D.D.  
DIOCESE OF DODGE CITY

RETIRED

MOST REVEREND MARION F. FORST, D.D.  
RETIRED

MICHAEL P. FARMER  
*Executive Director*

MOST REVEREND IGNATIUS J. STRECKER, S.T.D.  
RETIRED

A close examination of Section 3 of this bill should also generate a lot of concern. The payment plans as described could have the effect of shutting off utilities during the coldest months of the year for someone who through no fault of their own is unable to pay their bills. This "three strikes and your out" provision surely wasn't the intent of the Cold Weather Rule, which was enacted in 1980. The KCC has reviewed and made changes to this Rule on at least 3 occasions over the years and looked at it in great detail just last year deciding that only minor changes were necessary.

I realize that there are people who take advantage of this system. They may have the ability to pay but for some reason decide not to be responsible. That is wrong and needs to be addressed. However, this bill would lump everyone together and impose payment plans that may be impossible for many to meet.

Financially this would be a good bill for the utility companies but a poor bill and maybe even a dangerous one for those who are experiencing hard times like so many of our unemployed workers.

Until such time that a bill can be drafted that wouldn't have these unintended consequences, the Kansas Corporation Commission should continue to administer the Cold Weather Rule which was put in place mainly to protect public safety during cold weather months.

I would ask that you please not recommend this bill for passage out of this committee.

15-2

Kansas Department of

# **Social and Rehabilitation Services**

Janet Schalansky, Secretary

**Senate Utilities Committee**

March 13, 2003

**House Bill 2186 - Concerning public utilities**

**Integrated Service Delivery**

Candace Shively, Deputy Secretary

For additional information contact:  
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Docking State Office Building  
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Senate Utilities  
March 13, 2003  
Attachment 16-1

**Kansas Department of Social and Rehabilitation Services**

**Janet Schalansky, Secretary**

Senate Utilities Committee

March 13, 2003

**HB 2186 - Concerning public utilities**

Mr. Chairman and members of the Committee, thank you for the opportunity to appear on HB 2186. My name is Candy Shively, Deputy Secretary for the Department of Social and Rehabilitation Services. This legislation proposes changes to the Kansas Corporation Commission's current Cold Weather Rule. The Department is concerned about the impact of these changes on low-income Kansans.

Specifically we are concerned with the proposed "three-strikes" provision of this bill. For many of our consumers, the current requirement to establish a pay plan which obligates them to make 12 payments to resolve an arrearage on their account already represents a significant challenge. Under the provisions of this bill, a consumer who incurs a "third strike" in April, for example, would have utilities disconnected for one year, or until their account balance is paid. Assuming the consumer was unable to pay the full balance, this bill provides no mandate to utility companies to consider allowing the consumer to enter into a new pay agreement, or to reset the "three-strikes" clock. The result is the potential for a household without heat next winter. While we understand the consumer has the responsibility to meet their obligation, we suggest practicality dictates a plan that truly considers the resource capacity of the consumer. Our concern is those that "can't pay" will suffer in an attempt to deal with those that "won't pay".

Another concern is the potential impact on the Low Income Energy Assistance Program (LIEAP). We believe this bill will increase the number of consumers who will qualify under the LIEAP program's emergency situation criteria which will, in turn, increase the volume of applications which must be processed within 48 hours. Federal regulations specifically require emergency situation applications be processed within the mandated time frame. Failure to meet these requirements may negatively impact future LIEAP funding.

The average LIEAP benefit for the past three years has been \$386. This level of benefit is probably not sufficient to prevent a consumer from defaulting and losing utility service under the provisions of HB 2186. It might, however, be sufficient to allow them to meet payment obligations as they are currently structured under the present Cold Weather Rule.

This bill could create both an insurmountable financial obstacle and place families in danger during extreme cold weather. The likely outcome of either is an increase in the number of reports of child and adult neglect/safety. For these reasons, SRS opposes HB 2186.

Thank you.



UNITED AGAINST VIOLENCE

## KANSAS COALITION AGAINST SEXUAL AND DOMESTIC VIOLENCE

220 SW 33rd Street, Suite 100 Topeka, Kansas 66611  
785-232-9784 • FAX 785-266-1874 • coalition@kcsdv.org

### Senate Utilities Committee HB 2186

Testimony by Sandy Barnett, Kansas Coalition Against Sexual and Domestic Violence

The Kansas Coalition Against Sexual and Domestic Violence is a private non-profit group representing victims of domestic and sexual violence and the advocacy programs serving them. The 27 member programs reported serving more than 1,000 sexual assault victims, 21,250 domestic violence victims and sheltering 4,621 people during 2001. In the same time period the program hotlines responded to more than 29,000 crisis calls. Domestic violence and sexual assault are just as much of an issue in Kansas as they are everywhere else in the United States.

HB 2186 concerns us because one of the primary barriers to safety is based in economics. The shelter programs in Kansas are more likely to work with those in our state with the fewest resources. Domestic violence occur in all socio-economic groups, but escaping violence is much easier when one has resources to hire attorneys, move homes, change jobs, etc. Welfare is sometimes the only safety net available to women and their children without resources as they try to flee violence. Temporary Aide to Families (TAF) is the welfare program for Kansans. Currently a woman with two children would receive a cash payment of approximately \$294.00 with which she must pay rent, car insurance, clothing, and utilities. How much were your utilities last month? Could any of us make \$294.00 pay for all the basic needs of housing and heat for a family of three? Even if she is able to move from welfare to work within six months, the likelihood of her finding employment that pays more than minimum wage is slim. In that scenario the family take-home income is approximately \$750.00 per month. In cases where there is an infant or a family member with special needs, working may not even be an option. These situations illustrate cases where it is not the unwillingness of persons to pay their utility bills, but their inability do so by making every dollar worth three. In other words, HB 2186 is predicated on the assumption that poor people are bad fiscal managers and need to be forced to face their bills so they will become responsible citizens – that is just not the reality of poverty for many Kansans.

HB 2186 is concerning because the “three strikes you’re out” provision in Section 5 assumes that utility users are simply negligent in their bill paying. If the woman with two children subsisting on welfare can not pay the 1/12<sup>th</sup> of the arrearages and the current charges required in her plan, she certainly will not be able to pay the higher amounts required in the next two plans. HB 2186 will result in this woman and her children living without heat.

Without a provision requiring the utility companies to negotiate with the social service providers and take all special circumstances under consideration, KCSVD OPPOSES HB 2186.

Senate Utilities  
March 13, 2003  
Attachment 17-1

## KANSANS FOR LIFE AT ITS BEST

**SUBJECT: Testimony on House Bill 2186<sup>6</sup> in the Senate Utilities Committee**

This testimony comes from my experience in my former employment as Executive Minister of United Methodist Urban Ministries in Wichita. As the largest social service agency in Kansas, we were able to institute and manage programs that were beyond the capacity of smaller agencies. In 1998, in conjunction with KG&E, we developed the first program in the nation that follows the proposal in HB2186<sup>6</sup>. In this program, KG&E gave us approximately \$80,000 over two years to employ two case managers to work with households that **could not** (as different from would not) pay their utility bills. We did in-home energy audits, and provided a whole range of social service to 60 households at a given time.

We had community based planning for the program that involved community action agencies. Our goal was to demonstrate that through the intervention of social service agencies, we could generate savings to the utility company that justified their major investment in the program. Although numerous families were assisted and made more able to pay their utilities, the program did not meet the goal of returning enough money to justify the investment. The small social service agencies that are listed in the supplemental notes to HB 2186 just do not understand the vast amount of work that would be expected of them. They are naive!

The concern then is why do we need this bill? It has been passed on a false assumption that families will receive needed social services. That will not happen. On the other hand, **this bill gives the utility companies greater abilities to disconnect households in cold weather.** A careful review of the law will show you that this expanded ability to disconnect is the only change from current practice under KCC regulations. Since the KCC allows the utilities to be compensated within their rate structure for losses due to non-payment of bills, there is no need for them to be concerned, unless they are preparing for a decrease in utility rates.

There is nothing wrong with the current system, so there is no need for this law to be enacted. I urge you to let it die in the Senate.

Garry Winget, President  
2337 S. Green, Wichita, KS 67211 316-681-0122

March 13, 2003

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March 13, 2003  
Attachment 18-1





# Inter-Faith Ministries

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**Sam Muyskens,  
Executive Director**

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Inter-Faith Inn  
Ti'Wiconi Safe Haven  
Give-A-Lift

Mother to Mother

Operation Holiday

Restorative Justice/Family  
Group Conferencing

Safe State Kansas

Wichita Area Inter-Faith Disaster  
Response (WAIDR)

## Permanent Housing

Inter-Faith Villa

## Testimony for the Senate Utilities Committee March 13, 2003 Regarding House Bill 2186

Submitted by Karole Bradford, Program Director, Inter-Faith Ministries

Inter-Faith Ministries opposes this bill because of its impact on the health and safety of people in our community.

Inter-Faith Ministries, a faith-based nonprofit organization in Wichita, operates three homeless shelters and advocates for state and national homelessness prevention efforts. We operate the Inter-Faith Inn; which includes fifty beds for singles and families, Ti'Wiconi Safe Haven; supportive housing for the chronically mentally ill homeless, and the Wichita Congregational Overflow Shelter; which provides a safe place to sleep and a hot meal to up to 120 people each night during the winter. **It is in this capacity that we recognize that inability to pay rent or utilities is a major factor contributing to homelessness.**

Inter-Faith Ministries is concerned about the potential unforeseen implications of House Bill 2186. We are certain that the Cold Weather Rule saves dozens, possibly hundreds, of lives in Wichita every year. Moreover, Inter-Faith Ministries is certain that the Cold Weather Rule prevents homelessness during high-cost winter months when families must choose between paying rent, utilities, or for groceries.

The housing available to low-income families is generally among the worst insulated and the most energy inefficient in the community. Low-income families routinely pay more in utilities than necessary simply because of the housing that is available to them.

Codifying the Cold Weather Rule is unnecessary. The current system has proven effective and should be protected, not changed.

The proposed three tier payment plan will increase the difficulty of families to maintain utility service at a time when Inter-Faith Ministries has seen increased unemployment, increased underemployment, and increased poverty.

Section 3<sup>(g)</sup>(h) in particular will cause great hardship for families already struggling to survive. Allowing utility companies to deny service to customers at the third tier of the proposed plan will almost certainly result in homelessness and weather-related illness or death.

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March 13, 2003  
Attachment 19-1

*Working to build inter-religious understanding, promote justice,*