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Senate Bill 278 – Requiring Kansas Utilities to report to the Kansas Corporation Commission certain information concerning utility customers and accounts

Written-Only
Neutral

FROM:

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TO:

Senate Utilities Committee

Chairman Olson and members of the Senate Utilities Committee, thank you for this opportunity to testify regarding Senate Bill (SB) 278. My name is David Nickel. I am the Consumer Counsel for the Citizens' Utility Ratepayer Board (CURB). CURB is the advocate for residential and small commercial ratepayers before the Kansas Corporation Commission (KCC or Commission) and the Kansas Legislature.

CURB works towards its statutory obligations to represent residential and small commercial ratepayers before the KCC, and to keep utility rates affordable, in several ways. First among these is CURB's advocacy in KCC rate proceedings. CURB also advocates in KCC cases toward keeping utility investments in plant and equipment at the levels necessary to provide adequate and sufficient service to utility customers. These cases typically start as capital investment plans and/or integrated resource plans filed by utilities, but ultimate inclusion of a utility's capital expenditures in utility rates is determined in rate cases in association with the issue of whether the capital investments are used and required to be used, in accordance with Kansas law.

Although CURB's involvement in all KCC dockets is important, CURB views its advocacy for low-income and other Kansas residents who legitimately struggle to pay their utility bills to be highly critical. Low income ratepayers' inability to pay these utility bills gravely and adversely affects their lives, including their health. Statistics show that about 23% of households in the U.S. have incomes at or below the federal poverty guideline, yet these households may pay up to three times more on home energy cost, as a proportion of total income, than does the average U.S. household.

However, it is extremely difficult to advocate for a deserving class of ratepayers when there is a significant lack of information concerning the extent to which the class is adversely affected by utility bills. SB 278 proposes to collect some of that needed information. Most of the information that CURB has been able to gather comes from national statistics or from entities which operate outside of the State of Kansas. While this information is helpful, it is not particularized to the questions that regulators, utilities, consumer advocates such as CURB, and other stakeholders need to be able to address the specific problems in Kansas regarding the recurring non-payment of utility bills by some ratepayers and the causes thereof.

CURB believes that many of the data which SB 278 requires to be reported would be helpful in framing programs that could provide reasonable relief for low and moderate income ratepayers. One caveat is that the KCC must have a legal avenue to provide such relief. CURB is aware that certain Kansas Supreme Court cases have language that some argue would preclude certain types of relief, particularly rate relief, for a class or subclass of utility ratepayers.

In view of its potential benefits, CURB is fully supportive of the purposes of SB 278, but realizes it presents a few issues. Indeed, Kansas utilities, KCC staff and others may point out that the breadth of the data required to be reported could be problematic. Moreover, some may indicate that the time and costs associated with the data reporting requirements of SB 278 could result in costs being borne by ratepayers without commensurate benefits. Without proper vetting of these issues, CURB does not know the gravity associated with the same.

These issues should be fully addressed in a proper forum. Indeed, CURB acknowledges that the costs of providing some of the data required by SB 278 could outweigh data usefulness. Moreover, CURB is aware that some of the data gathering and reporting required by SB 278 may infringe on privacy, may be unduly burdensome for utilities, and could fail to lead to any meaningful utility programs. It is important to carefully consider the costs imposed upon Kansas utilities and the KCC by the data reporting requirements of SB 278 along with all the benefits. Nonetheless, CURB applauds SB 278 as providing a good starting place to discuss the types of information needed to address the energy burden faced by some in Kansas.

Indeed, CURB believes that, after discussion of the pertinent issues, the data requirements of SB 278 could be pared down to the most efficacious data. CURB believes that the KCC, CURB, Kansas utilities and other stakeholders could meet to determine what data is appropriate and useful with respect to programs for low-income and moderate income ratepayers, such as customer assistance programs, extreme weather programs and others. Therefore, CURB would suggest the following conceptual amendment to SB 278: rather than provide an exhaustive list of data to be gathered and reported to the KCC by Kansas utilities, CURB suggests that SB 278 simply require the KCC to conduct a general investigation as to the data that utilities can reasonably compile and file with the Commission regarding the Kansas energy burden. SB 278 presently requires the KCC to conduct a general investigation into historical data regarding customer assistance programs and other issues. The conceptual amendment to SB 278 would merely alter the scope of that general investigation to permit utilities and other stakeholders to posit the type of data that would be helpful to address the energy burden, and allow the KCC to order the scope of the data to be collected and reported and the nature and breadth of the KCC-published report that results from data submissions. The general investigation should comply with the Kansas Administrative Procedure Act, allowing interested stakeholders to intervene and participate.

Due to CURB's concerns and the amendments that CURB believes may be appropriate, CURB cannot whole-heartedly support SB 278 in its present form. However, CURB reiterates that it believes there is considerable merit to SB 278 and that it should not be easily dismissed. CURB believes, generally, that data pertaining to the affordability of Kansas utility rates endured by low-income and other ratepayers could be immensely helpful to improve rate affordability for the benefit of all ratepayers. Therefore, CURB is neutral on SB 278, but hopeful that it can be amended to improve the feasibility and propriety of the data to be reported.