

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

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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.