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Witness: Darrin R. Ives
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Sponsoring Party: Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Case No.: EC-2015-0309
Date Testimony Prepared: November 19, 2015

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EC-2015-0309

REBUTTAL TESTIMONY

OF

DARRIN R. IVES

ON BEHALF OF

**KANSAS CITY POWER & LIGHT COMPANY
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**Kansas City, Missouri
November 2015**

“ [REDACTED] **” Designates “Highly Confidential” Information
Has Been Removed.
Certain Schedules Attached To This Testimony Designated “(HC)”
Also Contain Highly Confidential Information
And Have Been Removed Pursuant To 4 CSR 240-2.135.**

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REBUTTAL TESTIMONY

OF

DARRIN R. IVES

Case No. EC-2015-0309

1 **Q: Please state your name and business address.**

2 A: My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri
3 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L”) as Vice President –
6 Regulatory Affairs.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of KCP&L and KCP&L Greater Missouri Operations Company
9 (“GMO”) (collectively, the “Company”). KCP&L and GMO are separate legal entities
10 and are wholly owned direct subsidiaries of Great Plains Energy Incorporated.

11 **Q: What are your responsibilities?**

12 A: My responsibilities include oversight of the Company’s Regulatory Affairs Department,
13 as well as all aspects of regulatory activities including cost of service, rate design,
14 revenue requirements, regulatory reporting and tariff administration.

15 **Q: Please describe your education, experience and employment history.**

16 A: I graduated from Kansas State University in 1992 with a Bachelor of Science in Business
17 Administration with majors in Accounting and Marketing. I received my Master of
18 Business Administration degree from the University of Missouri-Kansas City in 2001. I
19 am a Certified Public Accountant. From 1992 to 1996, I performed audit services for the
20 public accounting firm Coopers & Lybrand L.L.P. I was first employed by KCP&L in

1 1996 and held positions of progressive responsibility in Accounting Services and was
2 named Assistant Controller in 2007. I served as Assistant Controller until I was named
3 Senior Director – Regulatory Affairs in April 2011. I have held my current position as
4 Vice President – Regulatory Affairs since August 2013.

5 **Q: Have you previously testified in a proceeding before the Missouri Public Service**
6 **Commission (“Commission” or “MPSC”) or before any other utility regulatory**
7 **agency?**

8 A: Yes, I have testified before the Commission and the Kansas Corporation Commission
9 (“KCC”).

10 **Q: What is the purpose of your testimony?**

11 A: I will respond to portions of the direct testimony of staff witnesses Lisa Kremer and
12 Chuck Hyneman.

13 **Q: How is your testimony organized?**

14 A: I will briefly introduce other witnesses filing rebuttal testimony and then generally
15 describe the relationship between KCP&L and GMO and Allconnect which is the subject
16 of Staff’s complaint. After that I will address allegations in Staff’s complaint that the
17 Company is in violation of Missouri law and/or Commission regulations, first by
18 explaining the involvement of Great Plains Energy Services Incorporated (“GPES”) and
19 next by refuting Staff’s arguments that the transaction between the Company and
20 Allconnect violates section 393.190.1 RSMo and two Commission rules (specifically, 4
21 CSR 240-13.040(2)(A) and 4 CSR 240-20.015(2)(C)).

1 **I. Other rebuttal witnesses**

2 **Q: In addition to yourself, who is filing rebuttal testimony?**

3 A: Rebuttal testimony is being filed by myself, as described above, and by the following
4 additional individuals:

- 5 • Charles Caisley – who will address the rationale for the transaction between the
6 Company and Allconnect and how that business relationship benefits the
7 Company and its customers.
- 8 • Ronald Klote – who will address cost allocations undertaken that ensure that the
9 Allconnect transaction does not result in cross-subsidization of the Company's
10 unregulated operations by regulated utility customers.
- 11 • Jean Trueit – who will address contact center operations for the Company and
12 how the Allconnect relationship affects those operations.
- 13 • Dwight Scruggs – who works for Allconnect and will address Allconnect's
14 operations, including Allconnect's relationship with the Company and
15 Allconnect's handling of escalated calls of the Company's customers.

16 **II. KCP&L and GMO's transaction with Allconnect**

17 **Q: Please describe in general terms the transaction between KCP&L and GMO and**
18 **Allconnect.**

19 A: In June of 2013, the relationship between Allconnect and KCP&L and GMO became
20 operational. As a result, certain residential customer calls to the contact center serving
21 KCP&L and GMO are now being transferred, and a limited amount of customer
22 information (customer name, service address, start date of service account number, and
23 confirmation number) is being provided, to an Allconnect contact center. Jean Trueit

describes in her rebuttal testimony what residential calls are transferred from the Company's contact center and the initial action undertaken by the Allconnect agent upon the transfer of each call. Dwight Scruggs describes in his rebuttal testimony the initial action undertaken by the Allconnect agent upon receipt of the call from the Company's contact center, and goes on to describe how the Allconnect agents handle these calls thereafter.

III. Staff's mischaracterization of the relationship between GPES and KCP&L/GMO

Q: What is Great Plains Energy Services ("GPES")?

A: GPES is a direct wholly owned subsidiary of Great Plains Energy Incorporated. GPES is a contracting vehicle and is employed to eliminate redundant administrative expense that would be incurred in connection with negotiating duplicate contracts which would need to be in place for both KCP&L and GMO absent using a consolidated contracting vehicle such as GPES. The use of GPES as a contracting vehicle began after the acquisition of Aquila's Missouri electric properties by Great Plains Energy Incorporated in 2008. GPES executes the master agreement for essentially all KCP&L and GMO transactions involving goods or services except fuel and purchased power, real estate and large construction projects (although it should be noted that a number of legacy master contracts with evergreen provisions continue to be utilized which were executed by KCP&L prior to the acquisition of GMO and the use of GPES as a contracting vehicle). The GPES master agreements typically contain the legal terms and conditions. KCP&L and GMO then enter into separate purchase orders as necessary which specify what is being ordered by each respective business unit and any discrete terms and conditions applicable to KCP&L or GMO.

1 **Q: Do you have information demonstrating that GPES is, and has been, used**
2 **consistently as a contracting vehicle for KCP&L and GMO?**

3 A: Yes. Attached as Schedule DRI-1 is a listing of procurement contracts on file with start
4 dates during the period April 1, 2013 through March 31, 2014 (the test year in KCP&L's
5 most recent Missouri rate case) with a Great Plains Energy Incorporated entity as a
6 counter-party. A cursory review of Schedule DRI-1 demonstrates that GPES has been
7 used as a contracting vehicle for a broad array of goods and services used by KCP&L and
8 GMO in providing utility service. It is clear, therefore, that Mr. Hyneman is wrong when
9 he testifies (on page 31, lines 10-23 of his direct testimony) as follows:

10 Q: When KCPL contracts with other companies to provide goods and
11 services that are, in fact, goods and services necessary for the
12 provision of utility services, does it sign contracts itself, as a
13 regulated utility?

14 A: Yes. I have reviewed many contracts entered into by KCPL and
15 signed by KCPL management over the years. These contracts
16 were to obtain goods and services necessary to provide regulated
17 utility service. With the dozens of contracts I have reviewed over
18 the past almost 10 years, I do not recall ever viewing a contract
19 signed by GPES or any GPE affiliate that seeks to obtain regulated
20 goods or services for KCPL. KCPL is a regulated utility that is
21 more than capable of entering into contracts and agreements for it
22 to obtain regulated goods and services.

23 Q: Does your experience with KCPL as a regulated utility contradict
24 the assertion made by KCPL that its relationship with Allconnect is
25 related to regulated operations?

26 A: Yes. In my opinion this is just an effort to have the regulated
27 utility subsidize nonregulated activities.

28 Contrary to Mr. Hyneman's direct testimony, GPES is used as a contracting vehicle for a
29 broad array of goods and services used by KCP&L and GMO to provide regulated utility
30 service and GPES is not being used in connection with the Allconnect relationship in a
31 manner that is different in any way than the Company's normal contracting practices.

1 Q: Does the use of GPES as a contracting vehicle for KCP&L and GMO mean that
2 contracts executed by GPES on behalf of KCP&L and GMO should be considered
3 affiliate transactions as that phrase is defined in Commission Rule 4 CSR 240-
4 20.015?

5 A: No. Although GPES is an affiliate of KCP&L and GMO as defined in the Commission's
6 affiliate transactions rule, when GPES executes contracts related to goods and services
7 used by KCP&L and GMO, those contracts are executed by GPES on behalf of itself and
8 KCP&L and GMO. The specific provisions of the contract prescribe which obligations
9 run to which parties. Whereas GPES is the named counterparty of the Allconnect
10 contract (on behalf of itself and its affiliates referenced in the contract, in this instance
11 KCP&L and GMO), the contract terms clearly provide that the obligations run from
12 KCP&L and GMO to Allconnect, and from Allconnect to KCP&L and GMO.

13 For example, the purpose of the Allconnect agreement is set forth in section 1.
14 Recitals which provides as follows:

15 **
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]

25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]
29 [REDACTED] **

(Direct Testimony of Lisa Kremer, Schedule LAK-d2, p. 47)

1 It is therefore clear from the very outset of the Allconnect contract that the contractual
2 obligations run between Allconnect and KCP&L and GMO. That GPES serves as
3 nothing more than a contracting vehicle can be readily confirmed by a quick perusal of
4 the balance of the Allconnect contract beginning with section 2. Definitions. "Customer
5 Data" is defined in section 2.3 as meaning ** [REDACTED]

6 [REDACTED]
7 [REDACTED] ** (Direct
8 Testimony of Lisa Kremer, Schedule LAK-d2, page 47 of 93)

9 **Q: In connection with the Allconnect contract, do KCP&L, GMO and/or Allconnect**
10 **provide anything to GPES, including customer-specific information or money?**

11 A: No. Customer information is not provided to GPES, nor is anything else provided by
12 KCP&L and GMO or Allconnect to GPES in connection with the Allconnect contract.
13 The definition of "Customer Data" set forth above makes it clear that GPES is not
14 receiving any customer information from KCP&L or GMO, but instead that ** [REDACTED]

15 [REDACTED]
16 [REDACTED] ** (Direct Testimony of Lisa Kremer, Schedule LAK-
17 d2, page 47 of 93) Because no customer information is provided to GPES, there is no
18 violation of the transfer pricing standards (higher than cost or market) set forth in
19 Commission rule 4 CSR 240-20.015(2)(A)(2), contrary to the allegation by Staff witness
20 Hyneman on page 18 of his direct testimony. The customer information is provided by
21 the Company directly to Allconnect. Because Allconnect is not an affiliate of the
22 Company, the Commission's transfer pricing rules in 4 CSR 240-20.015 do not apply.

1 The Allconnect contract also provides, in section 4 Fees to KCP&L that ** [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED] **

5 (Direct Testimony of Lisa Kremer, Schedule LAK-d2, p. 49 of 93) So, the fees paid by
6 Allconnect are paid to KCP&L and not GPES. Because Allconnect is not an affiliate of
7 the Company, the Commission's transfer pricing rules in 4 CSR 240-20.015 do not apply.

8 **Q: Does the Company provide preferential treatment to GPES as alleged by Staff**
9 **witness Hyneman on p. 19 of his direct testimony?**

10 A: No. Mr. Hyneman's argument is based on his assumption that the Allconnect
11 relationship is an affiliate transaction under the provisions of Commission rule 4 CSR
12 240-20.015 through which GPES uses utility assets and employees. As shown above,
13 this is not so.

14 **IV. The Company has not violated Section 393.190.1**

15 **Q: Staff alleges (Kremer Direct, p. 4; Hyneman Direct, p. 4) that the Company is**
16 **violating 393.190.1 because it sells customer information to Allconnect. Do you**
17 **agree?**

18 A: No. I am advised by counsel that the statute's general purpose is to prohibit a utility from
19 selling, disposing of or otherwise compromising its ability to use property needed to
20 serve the public without first getting approval from the Commission. KCP&L and GMO
21 are not violating the statute because they retain all rights to use the customer information
22 upon and after providing it to Allconnect.

1 In addition, as a non-lawyer I do not believe the customer information provided
2 by KCP&L and GMO to Allconnect (customer name, service address, start date of
3 service, account number and confirmation number) can reasonably be considered part of
4 the Company's "franchise, works or system necessary or useful in the performance of its
5 duties to the public" as those terms are used in section 393.190.1 RSMo..

6 I am advised by counsel that franchises granted to utility companies in Missouri
7 are "no more than local permission to use the public roads and right of ways in a manner
8 not available to or exercised by the Ordinary citizen."¹ The customer information
9 provided by KCP&L and GMO did not include any franchises pursuant to which KCP&L
10 and GMO provide electric service in any municipality in this state.

11 Counsel advises that the term "works" is not defined by statute or Commission
12 rule, but that the Missouri Supreme Court has determined that the gas works of Missouri
13 Public Service (later to become Aquila and now Empire District Gas) is synonymous
14 with the term "gas plant."² The term "gas plant is defined at section 386.020(19) RSMo.,
15 but since KCP&L and GMO are electric corporations, the relevant term is "electric plant"
16 which is defined at section 386.020(14) as including ". . . all real estate, fixtures and
17 personal property operated, controlled, owned, used or to be used for or in connection
18 with or to facilitate the generation, transmission, distribution, sale or furnishing of
19 electricity for light, heat or power; and any conduits, ducts or other devices, materials,
20 apparatus or property for containing, holding or carrying conductors used or to be used
21 for the transmission of electricity for light, heat or power." Thus, the term "works" as

¹ *State ex rel Union Electric Company v. Public Service Commission*, 770 S.W.2d 12183, 285 (Mo.App. 1989).

² See, *State ex rel. City of Trenton v. Public Service Commission*, 174 S.W.2d 871, 879-880 (Mo. Banc 1943).

1 applicable to KCP&L and GMO is restricted in scope to that real or tangible operational
2 plant (i.e., right-of-ways, poles, wires, meters, transformers, substations, generating units
3 etc.) actually used to deliver electricity to the public in this state. Clearly, the customer
4 information provided by the Company to Allconnect does not constitute the “works of
5 KCP&L and/or GMO.

6 Finally, counsel advises that the term “system” is not separately defined in
7 Chapter 386 RSMo. or by Commission rule. However, counsel further advises that the
8 terms “sewer system” and “water system” are defined at section 386.020(50) and (60)
9 RSMo. respectively. Each of these statutory definitions enumerates a series of hard
10 operational plant items and “other real estate, fixtures and personal property” used to
11 provide that type of utility service. Thus a utility’s “system” encompasses the
12 organization of the discrete parts of the plant and property used by the utility into an
13 interdependent whole for the purpose of providing service to the public.³ Again, the
14 customer information provided by the Company to Allconnect is not a part of KCP&L
15 and GMO’s property interests and, therefore, cannot be considered a part of KCP&L and
16 GMO’s system.

17 **Q: Are you aware of any cases in which the Commission has discussed the applicability**
18 **of section 393.190.1 RSMo.?**

19 **A:** Yes, I am advised by counsel that the Commission has previously addressed claims
20 regarding this statute in Case No. GO-2003-0354. Although that case did not involve the
21 transfer of customer information by a utility to an unaffiliated entity, but instead involved

1 Staff allegations regarding the transfer of employees from one business unit to another
2 and the transfer of property (which Staff did not specifically identify but which Staff
3 alluded to as buildings, computers and furniture a portion of the costs of which were
4 allocated to the Missouri utility and recovered through rates paid by Missouri customers)
5 located in Texas to an unaffiliated entity, the Commission's decision seems relevant to
6 this Staff complaint, from my perspective as a non-lawyer.

7 Regarding the property located in Texas and included in the allocation of
8 corporate costs to the Missouri utility, the Commission ruled as follows:

9 So, with respect to the corporate allocation, the issue facing the
10 Commission is this: Section 393.190 requires a utility to obtain this
11 Commission's approval before consummating a transaction in which it
12 sells property used to serve customers. Here, none of the property sold
13 was in Missouri, or directly used to serve Missouri customers, but a very
14 small part (.002) of the transaction consisted of property the costs of
15 which had been allocated to MGE's Missouri customers.

16 As the moving party, Staff has the burden of production (also called the
17 burden of going forward).(footnote omitted) Staff has not met its burden
18 to show that the Commission has jurisdiction over the sale of office
19 equipment in Texas even when the costs of that equipment were allocated
20 for ratemaking purposes to Missouri customers.⁴

21 Regarding the transfer of employees, the Commission ruled as follows:

22 Staff's second allegation is that Southern Union transferred "its assembled
23 experienced and trained gas supply workforce." Staff devotes most of its
24 report to this allegation and the related argument that the transfer of
25 personnel invokes the Commission's oversight pursuant to Section
26 393.190. Staff does not allege that Southern Union did not meet its
27 obligation to procure gas for its customers as a result of the transfer.
28 Southern Union points out, and Staff does not disagree, that all the
29 functions that had been provided by the transferred gas procurement
30 personnel were still performed after the transfer, either by in-house

³ When words in a statute follow a specific enumeration of things, the general words are limited to things of a similar character to those specifically enumerated. See, *Pollard v. Board of Police Commissioners*, 665 S.W.2d 341, n. 12 (Mo. Banc 1984). See also, *Vocational Services Inc., v. Developmental Disabilities Resource Board*, 5 S.W.3d 625 (Mo.App. 1999). [Held, a general phrase under the rule ejusdem generis must be construed to refer back to the subjects set out in the preceding words.]

⁴ See, *Order Closing Case*, Case No. GO-2003-0354, pp. 2-3, issued August 5, 2004.

1 personnel or through other arrangements. Again, Staff has the burden of
2 production, and has failed to meet it.

3 This is not to say that the transfer of the gas supply department was a good
4 idea, or that the Commission would have approved of it if asked. It may
5 or may not have been wise, and there may or may not be ratemaking
6 consequences. But in this case, Staff has not met its burden of showing
7 that the transfer of personnel invokes the Commission's jurisdiction.⁵

8 While not directly on point, the Commission's decision in Case No. GO-2003-0354 is
9 instructive for this case. The customer information provided by KCP&L and GMO to
10 Allconnect is not directly used to serve Missouri customers. In addition to the fact that
11 the Company retains all rights and abilities to use the customer information so transferred
12 to Allconnect, that information is not necessary or useful in the performance of its duties
13 to the public because the Company can and will continue to provide electric service to the
14 public (its public duty) regardless of whether it possesses this information or not.

15 Section 393.190.1 was also addressed in an earlier case involving the sale of SO2
16 emission allowances. In *Re Kansas City Power & Light*, EO-92-250, 1 M.P.S.C.3d 359,
17 360-362 (August 26, 1992), the Commission found that SO2 emission allowances
18 attached to each generating unit and became "an integral part of its generating system."
19 *Id.* at 362. As a result, the Commission concluded that emission allowances were
20 necessary and useful in the performance of KCP&L's duties to the public and were part
21 of KCP&L's "system." Even though the Commission in 1992 found that emission
22 allowance sales or transfers were subject to its jurisdiction, the Commission concluded
23 that it would not impede the trading of those allowances, and would allow flexibility in
24 the approval process. *Id.* This decision was not appealed to the courts, and as a result,

⁵ See, *Order Closing Case*, Case No. GO-2003-0354, p. 3, issued August 5, 2004.

1 there is no case law reviewing the Commission's decision related to the sale or transfer of
2 SO2 emission allowances.

3 **Q: Staff witness Hyneman alleges at pp. 36-37 of his direct testimony that customer**
4 **access and information (name, address, etc.) are regulated utility assets of the**
5 **Company, do you agree?**

6 A: No. The Company does not own its customers' names and addresses. Unlike the
7 examples of intangible assets used in Mr. Hyneman's direct testimony on pages 35-37
8 (i.e., copyrights, patents, mailing lists, customer lists, trademarks, brand names, domain
9 names), the customer information at issue in this case that is provided to Allconnect (i.e.,
10 unique customer identifier, customer name, service address, service commencement date,
11 and service confirmation number) should not be considered "intangible assets" owned by
12 the Company because the Company does not own the customers' names and addresses
13 and in providing that information to Allconnect the Company retains all rights and
14 abilities to use that information. As a result, there is no transfer or disposal of any assets
15 by KCP&L and GMO when the Company provides the customer information to
16 Allconnect for its use in verification of the order information and possible use, upon the
17 customer's agreement, in the offering of unregulated home services.

18 **V. The Company is not violating 4 CSR 240-13.040(2)(A)**

19 **Q: Staff witness Kremer alleges (on page 6 of her direct testimony) that the Company is**
20 **violating the above rule because Allconnect investigates customer issues regarding**
21 **the services provided by Allconnect. What is your response?**

22 A: The rule requires that a utility must have qualified personnel available to respond to
23 customer inquiries, service requests, safety concerns and complaints. The rule does not

1 prescribe the manner in which this response is to be achieved and does not require that
2 the personnel be employees of the utility. As discussed in more detail in the rebuttal
3 testimony of Jean Trueit and Dwight Scruggs, complaints (also described as escalated
4 calls) of KCP&L and GMO customers related to Allconnect may be handled by either
5 Company personnel, Allconnect personnel or both. Ms. Kremer has not alleged that the
6 Company lacks adequate resources to respond to customer complaints, customer
7 inquiries, service requests and safety concerns, but instead appears to be arguing that
8 customer complaints must be handled by employees of the utility, that is by Company
9 personnel. I disagree. The Company handles customer complaints concerning
10 Allconnect in a way which best utilizes its resources while at the same time ensuring
11 compliance with Commission rules and customer satisfaction. I am advised by counsel
12 that neither the Commission nor the Staff have the authority to tell the Company how to
13 manage its business as long as the Commission's regulations are being satisfied.

14 **Q: Staff witness Kremer makes the allegation that the Company has a “hands off”**
15 **approach regarding difficulties that customers experience with Allconnect. Do you**
16 **agree?**

17 A: No. This is discussed in more detail in the rebuttal testimony of Jean Trueit.

18 **VI. The Company is not violating 4 CSR 240-20.015(2)(C)**

19 **Q: Staff alleges that the Company is violating the above rule by providing customer**
20 **information to Allconnect without the customer's consent. What is your response?**

21 A: While Staff emphasizes that the rule prohibits the provision of customer information by
22 utilities to affiliated and non-affiliated entities absent customer consent, Staff wholly
23 ignores the fact that utilities across the state have for decades regularly provided

1 customer information without customer consent to non-affiliated third party service
2 providers who undertake functions (including but not limited to collections, meter
3 reading and call center operations) in support of regulated utility operations. Staff admits
4 (1) that utilities in the State of Missouri engage third party contractors in support of
5 regulated operations, (2) that such utilities provide customer information to such third
6 party contractors without customer consent, and (3) that no such utilities have requested a
7 waiver of the provisions of 4 CSR 240-20.015(2)(C). (See Schedule DRI-2, Staff
8 Response to KCP&L Data Request No. 8)

9 In fact, as discussed in more detail in the rebuttal testimony of Jean Trueit and
10 Dwight Scruggs, the initial purpose of each call (and the customer information
11 accompanying it) that is transferred by the Company to Allconnect is for Allconnect to
12 verify information entered into the Company's customer information system and provide
13 any inconsistencies to the Company so that the customer information system can be
14 corrected as necessary. This verification function is performed by Allconnect in support
15 of regulated utility operations, and a common sense reading of 4 CSR 240-20.015(2)(C)
16 should permit this conduct by the Company regardless of whether consent of the
17 customer is obtained because this is how utilities have operated in the State of Missouri
18 for decades.

19 As discussed in more detail in the rebuttal testimony of Dwight Scruggs, after
20 verifying information entered into the Company's customer information system, the
21 Allconnect agent then proceeds to inquire of the customer's interest in Allconnect
22 product and service offerings. The Allconnect product and service offerings are not
23 regulated utility service. As discussed by Dwight Scruggs in his rebuttal testimony,

1 Allconnect only makes use of the customer information provided by the Company in
2 connection with Allconnect product and service offerings that are not regulated utility
3 service if the customer agrees to do business with Allconnect. Consequently, the
4 customer specific information provided by the Company to Allconnect is used for
5 unregulated purposes only if the customer consents. The provisions of 4 CSR 240-
6 20.015(2)(C) have therefore not been violated by the Company's relationship with
7 Allconnect. As also discussed in the rebuttal testimony of Dwight Scruggs, if the
8 customer does not agree to do business with Allconnect, then Allconnect makes no
9 further use of that customer's information provided by the Company. In fact, section 6.1
10 of the Allconnect contract specifically limits Allconnect's use of customer information

11 ** [REDACTED]
12 [REDACTED]
13 [REDACTED] **

14 (Direct Testimony of Lisa Kremer, Schedule LAK-d2, pages 49 and 50 of 93) There are
15 additional provisions within the Allconnect contract governing the protection of
16 confidential information and specifically requiring Allconnect to implement and maintain
17 controls to protect confidential information, including customer information.

18 **Q: Staff witness Hyneman states (page 25 of his direct testimony) that the Company's**
19 **argument that it provides customer information to vendors to perform utility**
20 **functions is a creative circumvention of the clear meaning of the affiliate transaction**
21 **rule. How do you respond?**

22 **A:** I disagree with this assertion by Mr. Hyneman. The Commission should apply the
23 provisions of 4 CSR 240-20.015(2)(C) in a common sense way that recognizes how

1 utilities have operated in the State of Missouri for decades. On behalf of the Company, I
2 have proposed such a common sense interpretation that also preserves the intent of the
3 affiliate transactions rule by requiring customer consent when customer specific
4 information is provided to affiliated or unaffiliated entities and used for unregulated
5 purposes.

6 On the other hand, Staff's interpretation of 4 CSR 240-20.015(2)(C), if adopted
7 and enforced by the Commission upon utility service providers across the State of
8 Missouri, would severely restrict the ability of utilities in the state to make use of third
9 party contractors in support of regulated operations, something that has been done for
10 years with no concerns that I am aware of ever being expressed by the Staff or the
11 Commission concerning the provision of customer specific data by utilities to third party
12 service providers. This could not have been intended by the Commission's adoption of
13 the provisions of 4 CSR 240-20.015(2)(C) because if it had been intended, then it would
14 have been uniformly applied to utilities across the state. That has not happened because
15 Ms. Kremer admits (1) that utilities in the State of Missouri engage third party
16 contractors in support of regulated operations, (2) that such utilities provide customer
17 information to such third party contractors without customer consent, and (3) that no such
18 utilities have requested a waiver of the provisions of 4 CSR 240-20.015(2)(C). (Schedule
19 DRI-2, Staff Response to KCP&L Data Request No. 8)

20 **Q: Staff also alleges (Hyneman Direct, p. 39) that the Company is "misleading" its**
21 **customers into thinking that Allconnect is a necessary regulated operation. Do you**
22 **agree?**

23 **A:** No. Jean Trueit discusses this in more detail in her rebuttal testimony.

1 **VII. Staff's additional allegations of affiliate transaction rule violations are not**
2 **sufficiently definite to permit a response**

3 **Q: Staff witness Hyneman alleges nine violations of the affiliate transaction rule on**
4 **page 18 of his Direct Testimony, six of which Staff admits were not contained in its**
5 **Complaint. How do you respond?**

6 A: I have addressed the first three allegations, all of which are included in the complaint
7 filed by Staff, earlier in my rebuttal testimony. As for allegations 4 through 9 set forth on
8 page 18 of Mr. Hyneman's direct testimony and discussed briefly again on page 20, it is
9 not appropriate to address those allegations in this case since they were not contained in
10 Staff's Complaint. In addition, for at least six of the of Staff's nine allegations, Staff fails
11 to provide any details other than a bare allegation. It is impossible for the Company to
12 address the additional six issues without sufficient details.

13 **VIII. Staff's "No-Call List" concerns have no merit**

14 **Q: Has Staff raised concerns regarding Missouri's "No-Call List" in connection with**
15 **the Company's relationship with Allconnect?**

16 A: Yes, Ms. Kremer discusses this on pages 9-10 of her direct testimony, specifically noting
17 (page 10, lines 4-7) that Staff does not assert a violation of the "No-Call" statutes but
18 notes an indication of customer desire to not receive telephone solicitations or
19 telemarketing calls.

20 The Company agrees that the Company's relationship with Allconnect does not
21 result in violation of the "No-Call" statute (section 407.1095 RSMo. et seq.) because the
22 Company's transfer of calls to Allconnect does not meet the definition of a prohibited
23 "telephone solicitation" under Section 407.1095(3) since the customer has made a

1 business contact with the Company regarding service and the customer has established a
2 business relationship with the Company when the call is transferred to Allconnect.

3 Regarding Ms. Kremer's assertion that in being on the "No-Call List" is an
4 indication of a customer's desire to not receive telemarketing calls, I would tend to agree
5 with that general conclusion, but as discussed in the direct testimony of Jean Trueit, the
6 Company CSRs apprise customers of the purpose of transferring the call before the call is
7 transferred so that no customer is forced by the Company to transfer to Allconnect.
8 Moreover, because customers are regularly surveyed regarding their perception of
9 Allconnect in a variety of fashions, the Company is able to closely monitor the impact of
10 the Allconnect relationship on overall customer satisfaction. As stated by Charles
11 Caisley in his rebuttal testimony, enhancing customer satisfaction is the primary driver of
12 the Company's relationship with Allconnect, and if the Allconnect relationship is
13 determined to be detrimental to customer satisfaction, the Company will take steps to
14 terminate the Allconnect relationship in an orderly fashion as expeditiously as
15 practicable.

16 **IX. Staff's allegations of imprudence have no merit**

17 **Q: At page 38 of his Direct Testimony, Staff witness Hyneman alleges that KCP&L's**
18 **management is imprudent by not charging for the use of its regulated utility asses**
19 **and services. How do you respond?**

20 **A:** Mr. Hyneman is wrong. As explained in more detail in the rebuttal testimony of Ronald
21 Klote, the Company directly assigns and allocates costs in connection with the
22 Allconnect relationship to "below-the-line" nonregulated accounts. By appropriately
23 assigning and allocating costs in connection with the Allconnect relationship to below-

1 the-line nonregulated accounts, the Company has appropriately prevented the cross-
2 subsidization of unregulated activities by rates paid by regulated customers.

3 **Q: Staff witness Hyneman also alleges on p. 38 that KCP&L's management is acting in**
4 **a manner that is detrimental to KCP&L and GMO customers by forcing transfers**
5 **of customers to an unregulated marketing company and for improperly using**
6 **regulated rate base assets and employees. Do you agree?**

7 A: No. As discussed in the rebuttal testimony of Jean Trueit, the Company does not force
8 customers to transfer to Allconnect. Additionally, as explained above and as discussed in
9 more detail in the rebuttal testimony of Ronald Klote, by appropriately allocating costs in
10 connection with the Allconnect relationship "below the line" for both KCP&L and GMO,
11 the Company has prevented the cross-subsidization of unregulated activities by rates paid
12 by regulated customers.

13 **X. Staff's request to seek penalties should be rejected**

14 **Q: How do you respond to Staff's request of the Commission to authorize it to seek**
15 **penalties against the Company?**

16 A: As stated above, the Company has not violated any statute or rule and thus Staff's request
17 to seek penalties is not appropriate. Staff's complaint is based on a reading of the statute
18 and Commission rules that has never lodged against any other utility during the fifteen
19 (15) year duration of the Affiliate Transactions rule. If the Commission were to agree
20 with Staff's interpretation of the statute and rules, it would not be fair to impose penalties
21 on the Company since, as Staff witness Kremer has admitted, many other Missouri
22 utilities provide customer information to outside vendors in furtherance of the provision
23 of regulated service. Given the fact that no other utility has sought a variance over the

1 past 15 years since the Commission promulgated the affiliate transactions rule (4 CSR
2 240-20.015), it is not reasonable to conclude that the Company should have sought a
3 variance of the affiliate transaction rule before it entered into its relationship with
4 Allconnect.

5 **Q: If the Commission determines that the Company should have requested a variance**
6 **from 4 CSR 240-20.015(2)(C) in connection with the Allconnect relationship, what**
7 **do you recommend?**

8 A: The Company would respectfully request that the Commission grant such a variance
9 because the Company's relationship with Allconnect is beneficial to customers because
10 (1) the Company appropriately assigns and allocates costs and revenues related to the
11 Allconnect relationship to prevent subsidization of nonregulated activities by rates paid
12 by regulated customers; (2) periodic and regular customer surveys demonstrate that the
13 Company's relationship with Allconnect improves overall customer satisfaction levels;
14 and (3) termination of the Allconnect relationship would slightly increase costs and rates
15 paid by customers due to the fact that the Company would need to replace the customer
16 order and account verification function currently performed by Allconnect at no charge to
17 the Company.

18 **Q: If the Commission determines that the Company's relationship with Allconnect is**
19 **detrimental to customers, what will the Company do?**

20 A: We will evaluate the Commission's order and, most likely, take steps to terminate the
21 relationship with Allconnect as to the Company's Missouri customers in an orderly
22 fashion as expeditiously as possible.

1 **XI. Summary and conclusion**

2 **Q: Please summarize the Company's position.**

3 A: For all of the reasons discussed above in my testimony and in the rebuttal testimony of
4 Charles Caisley, Ronald Klote, Jean Trueit and Dwight Scruggs, the Commission should
5 reject Staff's complaint and all of Staff's related recommendations.

6 If, after reviewing the evidence, the Commission is of the opinion that the
7 Company should have requested a variance from 4 CSR 240-20.015(2)(C) in connection
8 with the Allconnect relationship, the Company respectfully requests that the Commission
9 grant such a variance.

10 If, after reviewing the evidence, the Commission is of the opinion that the
11 Allconnect relationship is not beneficial to KCP&L and GMO's customers, the Company
12 will evaluate the Commission's order and most likely terminate the Allconnect
13 relationship as to the Company's Missouri customers in an orderly fashion as
14 expeditiously as possible.

15 In either event, given the circumstances and evidence, there is no basis to seek
16 penalties against KCP&L and GMO in connection with the Allconnect relationship.

17 **Q: Does that conclude your Rebuttal Testimony?**

18 A: Yes, it does.

Staff of the Missouri Public Service Commission)
)
 Complainant,)
)
 v.) File No. EC-2015-0309
)
 Kansas City Power & Light Company)
)
 And)
)
 KCP&L Greater Missouri Operations Company)
)
 Respondents.)

[illegible]

1. My name is Darrin R. Ives. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Vice President – Regulatory Affairs.

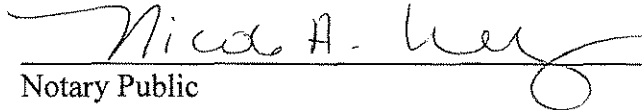
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including

any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



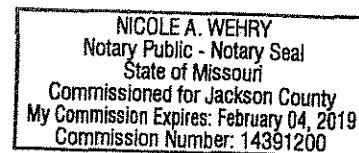
Darrin R. Ives

Subscribed and sworn before me this 19th day of November, 2015.



Notary Public

My commission expires: Feb. 21 2019



Document Type	Vendor Legal Name	Contracting Entity	Document Description	Begin Date
Order Agreement	NAES Power Contractors, Inc.	Great Plains Energy Services, Inc.	**	** 4/9/2013
Order Agreement	Hayes Mechanical, Inc.	Great Plains Energy Services, Inc.	**	** 4/4/2013
Order Agreement	Hayes Mechanical, Inc.	Great Plains Energy Services, Inc.	**	** 4/4/2013
		Kansas City Power & Light Company And KCP&L Greater Missouri Operations		
Order Agreement	General Electric International, Inc.	Company	**	** 5/22/2013
Order Agreement	ECCO Select Corporation	Great Plains Energy Services, Inc.	**	** 4/16/2013
Order Agreement	Taliaferro & Browne, Inc.	Great Plains Energy Services, Inc.	**	** 4/25/2013
Standalone Agreement	Mid-America Regional Council	Kansas City Power & Light Company	**	** 7/31/2013
Order Agreement	Associated Mechanical, Inc.	Great Plains Energy Services, Inc.	**	** 5/13/2013
Order Agreement	Lee Grover Construction Company	Great Plains Energy Services, Inc.	**	** 4/15/2013
Order Agreement	Associated Mechanical, Inc.	Great Plains Energy Services, Inc.	**	** 5/13/2013
	Adams-Gabbert & Associates, LLC			
Order Agreement	dba AdamsGabbert	Great Plains Energy Services, Inc.	**	** 8/1/2013
Order Agreement	Power Advocate, Inc.	Great Plains Energy Services, Inc.	**	** 4/1/2013
Order Agreement	George Butler Associates, Inc.	Great Plains Energy Services, Inc.	**	** 5/13/2013
Standalone Agreement	Enerfab, Inc.	Kansas City Power & Light Company	**	** 9/19/2013
	Lippert Mechanical Service			
Order Agreement	Corporation	Great Plains Energy Services, Inc.	**	** 4/30/2013
Order Agreement	Clarkson Construction Company	Great Plains Energy Services, Inc.	**	** 5/13/2013
Order Agreement	Ernst & Young, LLP	Great Plains Energy Services, Inc.	**	** 9/23/2013
Order Agreement	Powell Electrical Systems, Inc.	Great Plains Energy Services, Inc.	**	** 4/15/2013
Order Agreement	Advance Thermal Corporation	Great Plains Energy Services, Inc.	**	** 9/4/2013
Order Agreement	Philip Service North Central, LLC	Great Plains Energy Services, Inc.	**	** 9/10/2013
Order Agreement	Meylan Enterprises, Inc.	Great Plains Energy Services, Inc.	**	** 9/10/2013
Order Agreement	Foley Company	Great Plains Energy Services, Inc.	**	** 5/21/2013
Order Agreement	Sustainable Systems Design, Inc.	Great Plains Energy Services, Inc.	**	** 8/19/2013
Order Agreement	Protiviti, Inc.	Great Plains Energy Services, Inc.	**	** 10/7/2013
Order Agreement	Jeanco, LLC	Great Plains Energy Services, Inc.	**	** 9/19/2013
Order Agreement	Morris Painting, Inc.	Great Plains Energy Services, Inc.	**	** 9/23/2013
Standalone Agreement	Itron, Inc.	Kansas City Power & Light Company	**	** 10/1/2013
	Environmental Temperature Control			
Order Agreement	Corporation	Great Plains Energy Services, Inc.	**	** 8/19/2013
Order Agreement	Purdum, Inc.	Great Plains Energy Services, Inc.	**	** 6/5/2013
Order Agreement	Automatic Systems, Inc.	Great Plains Energy Services, Inc.	**	** 5/15/2013
Order Agreement	Foley Company	Great Plains Energy Services, Inc.	**	** 10/4/2013
Order Agreement	Corporate Risk Solutions, Inc.	Kansas City Power & Light Company	**	** 5/21/2013
	Lippert Mechanical Service			
Order Agreement	Corporation	Great Plains Energy Services, Inc.	**	** 9/2/2013
Revenue Agreement	Solomon Transformers, LLC	Kansas City Power & Light Company	**	** 11/7/2013
Order Agreement	Mazak Corporation	Great Plains Energy Services, Inc.	**	** 6/18/2013
Order Agreement	Automatic Washdown Systems, LLC	Great Plains Energy Services, Inc.	**	** 5/15/2013
Revenue Agreement	A-Line EDS	Great Plains Energy Services, Inc.	**	** 10/1/2013
Order Agreement	Kissick Construction Company	Great Plains Energy Services, Inc.	**	** 5/16/2013
Order Agreement	General Electric International, Inc.	Great Plains Energy Services, Inc.	**	** 9/6/2013

Order Agreement	Enerfab, Inc.	Great Plains Energy Services, Inc.	**	**	9/20/2013
Order Agreement	ASC Pumping Equipment	Great Plains Energy Services, Inc.	**	**	8/14/2013
Order Agreement	AT Abatement Services, Inc.	Great Plains Energy Services, Inc.	**	**	6/24/2013
Order Agreement	Enerfab, Inc.	Great Plains Energy Services, Inc.	**	**	9/20/2013
Order Agreement	Hupp Electric Motors	Great Plains Energy Services, Inc.	**	**	5/3/2013
Order Agreement	Pullman Power, LLC	Great Plains Energy Services, Inc.	**	**	9/12/2013
Order Agreement	Eco-tec, Inc.	Great Plains Energy Services, Inc.	**	**	5/1/2013
Order Agreement	J.E. Dunn Construction Company	Great Plains Energy Services, Inc.	**	**	8/19/2013
Order Agreement	Red Clay Consulting, Inc.	Great Plains Energy Services, Inc.	**	**	11/18/2013
Standalone Agreement	McGladrey, LLP	Kansas City Power & Light Company	**	**	12/13/2013
Order Agreement	PricewaterhouseCoopers, LLP	Great Plains Energy Services, Inc.	**	**	6/3/2013
Order Agreement	GNUCO, Inc. dba Emerging Solutions	Great Plains Energy Services, Inc.	**	**	5/6/2013
Order Agreement	Associated Mechanical, Inc.	Great Plains Energy Services, Inc.	**	**	5/17/2013
Order Agreement	Lippert Mechanical Service Corporation	Great Plains Energy Services, Inc.	**	**	7/29/2013
Order Agreement	newterra, Inc.	Great Plains Energy Services, Inc.	**	**	7/9/2013
Order Agreement	Ernst & Young, LLP	Great Plains Energy Services, Inc.	**	**	11/18/2013
Order Agreement	APComPower, Inc.	Great Plains Energy Services, Inc.	**	**	12/16/2013
Order Agreement	Power I.T., LLC	Great Plains Energy Services, Inc.	**	**	10/8/2013
Order Agreement	RSA Security, LLC	Great Plains Energy Services, Inc.	**	**	1/17/2014
Order Agreement	Five Point Partners, LLC	Great Plains Energy Services, Inc.	**	**	10/28/2013
Order Agreement	SPX Heat Transfer, LLC	Great Plains Energy Services, Inc.	**	**	5/29/2013
Order Agreement	Automatic Systems, Inc.	Great Plains Energy Services, Inc.	**	**	8/1/2013
Order Agreement	TurboCare, Inc.	Great Plains Energy Services, Inc.	**	**	12/12/2013
Order Agreement	Burns & McDonnell Engineering Company, Inc.	Great Plains Energy Services, Inc.	**	**	11/18/2013
Order Agreement	J.E. Dunn Construction Company	Great Plains Energy Services, Inc.	**	**	8/1/2013
Order Agreement	J.E. Dunn Construction Company	Kansas City Power & Light Company	**	**	12/2/2013
Order Agreement	Heartland Technology Partners, LLC	Great Plains Energy Services, Inc.	**	**	8/29/2013
Order Agreement	Kansas City Structural Steel, Inc.	Great Plains Energy Services, Inc.	**	**	11/14/2013
Order Agreement	GNUCO, Inc. dba Emerging Solutions	Great Plains Energy Services, Inc.	**	**	12/10/2013
Order Agreement	Siemens Energy, Inc.	Great Plains Energy Services, Inc.	**	**	7/1/2013
Order Agreement	Alstom Power, Inc.	Great Plains Energy Services, Inc.	**	**	10/1/2013
Order Agreement	The Anfield Group, Inc.	Great Plains Energy Services, Inc.	**	**	9/3/2013
Order Agreement	P1 Group, Inc.	Great Plains Energy Services, Inc.	**	**	9/13/2013
Order Agreement	Two West, Inc.	Great Plains Energy Services, Inc.	**	**	10/21/2013
Order Agreement	U.S. Engineering Company	Great Plains Energy Services, Inc.	**	**	11/18/2013
Standalone Agreement	Parker & Lynch	Kansas City Power & Light Company	**	**	1/8/2014
Order Agreement	U.S. Engineering Company	Great Plains Energy Services, Inc.	**	**	1/23/2014
Order Agreement	Enerfab, Inc.	Great Plains Energy Services, Inc.	**	**	11/13/2013

Order Agreement	Century Elevators, Inc.	Great Plains Energy Services, Inc.	**		**	11/25/2013
Order Agreement	Foley Company	Great Plains Energy Services, Inc.	**		**	12/12/2013
Order Agreement	Standard Sheet Metal, Inc.	Great Plains Energy Services, Inc.	**		**	12/1/2013
			**			
Order Agreement	GNUCO, Inc. dba Emerging Solutions	Great Plains Energy Services, Inc.	**		**	1/13/2014
Order Agreement	Kissick Construction Company, Inc.	Great Plains Energy Services, Inc.	**		**	11/22/2013
	Renewable Energy Solutions		**			
Order Agreement	Company dba Solar Design Studio	Great Plains Energy Services, Inc.	**		**	4/15/2013
Order Agreement	Enovation Partners, LLC	Great Plains Energy Services, Inc.	**		**	3/10/2014
			**			
Order Agreement	Adams-Gabbert & Associates, LLC	Great Plains Energy Services, Inc.	**		**	2/10/2014
	Babcock & Wilcox Power Generation		**			
Order Agreement	Group, Inc.	Kansas City Power & Light Company	**		**	10/24/2013
Order Agreement	JCI Industries, Inc.	Great Plains Energy Services, Inc.	**		**	12/6/2013
			**			
Order Agreement	Ernst & Young, LLP	Great Plains Energy Services, Inc.	**		**	3/2/2014
	Burns & McDonnell Engineering		**			
Order Agreement	Company, Inc.	Great Plains Energy Services, Inc.	**		**	5/6/2013
			**			
Order Agreement	ST2, LLC dba Sound Technologies	Great Plains Energy Services, Inc.	**		**	9/30/2013
Order Agreement	Siemens Energy, Inc.	Great Plains Energy Services, Inc.	**		**	10/10/2013
Order Agreement	Turner Construction Company	Great Plains Energy Services, Inc.	**		**	10/4/2013
		Kansas City Power & Light Company And	**			
		KCP&L Greater Missouri Operations	**			
Order Agreement	General Electric International, Inc.	Company	**		**	2/25/2014
			**			
Order Agreement	Lorac Design Group, LLC	Great Plains Energy Services, Inc.	**		**	6/1/2013
Order Agreement	AT Abatement Services, Inc.	Great Plains Energy Services, Inc.	**		**	10/20/2013
Order Agreement	Kiewit Power Engineers Corporation	Great Plains Energy Services, Inc.	**		**	12/6/2013
		Kansas City Power & Light Company And	**			
		KCP&L Greater Missouri Operations	**			
Standalone Agreement	E Source Companies, LLC	Company	**		**	6/1/2013
Order Agreement	Kone Elevators, Inc.	Great Plains Energy Services, Inc.	**		**	11/19/2013
	Burns & McDonnell Engineering		**			
Order Agreement	Company, Inc.	Great Plains Energy Services, Inc.	**		**	6/24/2013
Order Agreement	ECCO Select Corporation	Great Plains Energy Services, Inc.	**		**	6/12/2013
			**			
Order Agreement	Opower, Inc.	Great Plains Energy Services, Inc.	**		**	2/11/2014
Order Agreement	Thomas J. Ellis, Jr.	Great Plains Energy Services, Inc.	**		**	7/1/2013
Standalone Agreement	Ford Motor Company	Kansas City Power & Light Company	**		**	7/1/2013
Order Agreement	Steag Energy Services, LLC	Great Plains Energy Services, Inc.	**		**	6/19/2013
Order Agreement	Miljavac Electrical Corporation	Great Plains Energy Services, Inc.	**		**	3/28/2014
Order Agreement	Sega, Inc.	Great Plains Energy Services, Inc.	**		**	3/14/2014
Order Agreement	QTI, Inc.	Great Plains Energy Services, Inc.	**		**	8/1/2013
			**			
Order Agreement	STL Communications, Inc.	Great Plains Energy Services, Inc.	**		**	1/17/2014
Order Agreement	Kaw Roofing & Sheet Metal, Inc.	Great Plains Energy Services, Inc.	**		**	3/25/2014
			**			
Order Agreement	Power Advocate, Inc.	Great Plains Energy Services, Inc.	**		**	10/1/2013
Order Agreement	Horizons Consulting, Inc.	Great Plains Energy Services, Inc.	**		**	1/1/2014
Order Agreement	Turner Construction Company	Great Plains Energy Services, Inc.	**		**	3/6/2014

Order Agreement	McGraw Hill Financial, Inc.	Kansas City Power & Light Company	**		**	10/1/2013
Order Agreement	ECCO Select Corporation	Great Plains Energy Services, Inc.	**		**	2/10/2014
Order Agreement	Profile Marketing Research	Great Plains Energy Services, Inc.	**		**	10/1/2013
Order Agreement	Matheson Tri-Gas, Inc.	Great Plains Energy Services, Inc.	**		**	10/11/2013
Revenue Agreement	RPS Consulting, LLC	Great Plains Energy Services, Inc.	**		**	10/10/2013
	Cleveland Roll Forming Env Div, Inc.		**			
Order Agreement	dba PECO	Great Plains Energy Services, Inc.	**		**	11/19/2013
Standalone Agreement	Sterling Boiler & Mechanical, Inc.	Kansas City Power & Light Company	**		**	12/23/2013
	Zolmark Technology Services (ZTS), LLC		**			
Order Agreement		Great Plains Energy Services, Inc.	**		**	11/1/2013
			**			
Order Agreement	STL Communications, Inc.	Great Plains Energy Services, Inc.	**		**	6/25/2013
			**			
Order Agreement	Five Point Partners, LLC	Great Plains Energy Services, Inc.	**		**	3/1/2014
			**			
Standalone Agreement	Ewing Marion Kauffman Foundation	Kansas City Power & Light Company	**		**	6/26/2013
Order Agreement	Kissick Construction Company, Inc.	Great Plains Energy Services, Inc.	**		**	12/10/2013
Standalone Agreement	Community Services, Inc.	KCP&L Greater MO Operations	**		**	1/1/2014
	United Services Community Action		**			
Standalone Agreement	Agency	Kansas City Power & Light Company	**		**	1/1/2014
	Central Missouri Community Action		**			
Standalone Agreement	Agency	Kansas City Power & Light Company	**		**	1/1/2014
	United Services Community Action		**			
Standalone Agreement	Agency	KCP&L Greater MO Operations	**		**	1/1/2014
			**			
Standalone Agreement	Crowne Plaza Kansas City Downtown	Kansas City Power & Light Company	**		**	1/1/2014
			**			
Standalone Agreement	Crowne Plaza Kansas City Downtown	Kansas City Power & Light Company	**		**	1/28/2014
Standalone Agreement	Missouri Valley Community Action	Kansas City Power & Light Company	**		**	1/1/2014
Order Agreement	Ritz Instrument Transformers, Inc.	Great Plains Energy Services, Inc.	**		**	6/1/2013
Order Agreement	General Electric International, Inc.	Great Plains Energy Services, Inc.	**		**	8/8/2013
Standalone Agreement	West Central Community Action	KCP&L Greater MO Operations	**		**	1/1/2014
Order Agreement	BendTec Incorporated	Great Plains Energy Services, Inc.	**		**	11/13/2013
			**			
Order Agreement	ECCO Select Corporation	Great Plains Energy Services, Inc.	**		**	2/24/2014
			**			
Order Agreement	Kissick Construction Company, Inc.	Great Plains Energy Services, Inc.	**		**	4/19/2013
Order Agreement	GE Prolec Transformers, Inc.	Great Plains Energy Services, Inc.	**		**	9/24/2013
	Babcock & Wilcox Power Generation		**			
Order Agreement	Group, Inc.	Great Plains Energy Services, Inc.	**		**	2/10/2014
Order Agreement	Dick Smith Ford	Great Plains Energy Services, Inc.	**		**	1/1/2014
	United Services Community Action		**			
Standalone Agreement	Agency	KCP&L Greater MO Operations	**		**	1/1/2014
	Emerson Process Management		**			
Order Agreement	Power & Water Solutions, Inc.	Great Plains Energy Services, Inc.	**		**	3/21/2014
	Community Action Partnership of		**			
Standalone Agreement	Greater St. Joseph	KCP&L Greater MO Operations	**		**	1/1/2014
			**			
Order Agreement	Accessible Electric, Inc.	Great Plains Energy Services, Inc.	**		**	4/1/2013
	Emerson Process Management		**			
Order Agreement	Power & Water Solutions, Inc.	Great Plains Energy Services, Inc.	**		**	12/23/2013

Standalone Agreement	West Central Missouri Community Action	Kansas City Power & Light Company	**	**	1/1/2014
Standalone Agreement	Missouri Valley Community Action	KCP&L Greater MO Operations	**	**	1/1/2014
Order Agreement	Utilicast, LLC	Great Plains Energy Services, Inc.	**	**	3/3/2014
Standalone Agreement	Green Hills Community Action	KCP&L Greater MO Operations	**	**	1/1/2014
Order Agreement	Burns & McDonnell Engineering Company, Inc.	Great Plains Energy Services, Inc.	**	**	11/18/2013
Order Agreement	ECCO Select Corporation	Great Plains Energy Services, Inc.	**	**	3/17/2014
Standalone Agreement	Green Hills Community Action	Kansas City Power & Light Company	**	**	1/1/2014
Order Agreement	SPX Transformer Solutions, Inc.	Great Plains Energy Services, Inc.	**	**	12/9/2013
Order Agreement	Burns & McDonnell Engineering Company, Inc.	Great Plains Energy Services, Inc.	**	**	3/1/2014
Order Agreement	Spangler Graphics, LLC	Great Plains Energy Services, Inc.	**	**	1/1/2014
Order Agreement	Burns & McDonnell Engineering Company, Inc.	Great Plains Energy Services, Inc.	**	**	1/1/2014
Order Agreement	Automatic Washdown Systems, LLC	Great Plains Energy Services, Inc.	**	**	2/26/2014
Standalone Agreement	E.I. du Pont de Nemours and Company	Kansas City Power & Light Company	**	**	1/15/2014
Order Agreement	Power I.T., LLC	Great Plains Energy Services, Inc.	**	**	2/10/2014
Order Agreement	Aramark Refreshment Services, LLC	Great Plains Energy Services, Inc.	**	**	2/12/2014
Standalone Agreement	Alstom Power, Inc.	Kansas City Power & Light Company	**	**	8/16/2013
Order Agreement	Black & Veatch Corporation	Great Plains Energy Services, Inc.	**	**	3/11/2014
Order Agreement	WorleyParsons Group Incorporated	Great Plains Energy, Inc.	**	**	1/30/2014
Order Agreement	Utilities International, Inc.	Great Plains Energy Services, Inc.	**	**	1/22/2014
Order Agreement	Convergent Outsourcing, Inc. dba Convergent Connections	Great Plains Energy Services, Inc.	**	**	2/6/2014
Order Agreement	Oracle America, Inc.	Great Plains Energy Services, Inc.	**	**	5/23/2013
Order Agreement	Burns & McDonnell Engineering Company, Inc.	Great Plains Energy Services, Inc.	**	**	3/4/2014
Standalone Agreement	Argus Media, Inc.	Kansas City Power & Light Company	**	**	6/30/2013
Order Agreement	NAES Power Contractors, Inc.	Great Plains Energy Services, Inc.	**	**	9/30/2013
Order Agreement	E2 Power Systems, Inc.	Great Plains Energy Services, Inc.	**	**	12/9/2013
Order Agreement	DuraComm Corporation	Great Plains Energy Services, Inc.	**	**	7/22/2013
Order Agreement	HP Software Licensing & Management Solutions	Great Plains Energy Services, Inc.	**	**	7/31/2013
Order Agreement	Oracle America, Inc.	Kansas City Power & Light Company	**	**	11/15/2013
Standalone Agreement	Vision Critical Communications (US), Inc.	Kansas City Power & Light Company	**	**	12/6/2013
Standalone Agreement	Livestock Exchange, LLC	Kansas City Power & Light Company	**	**	12/1/2013
Order Agreement	CBIZ Accounting Tax and Advisory of Kansas City, Inc.	Great Plains Energy Services, Inc.	**	**	2/1/2014
Order Agreement	Honeywell International, Inc.	Great Plains Energy Services, Inc.	**	**	5/1/2013
Order Agreement	Applied Energy Group, Inc.	Great Plains Energy Services, Inc.	**	**	3/1/2014
Revenue Agreement	Allconnect, Inc.	Great Plains Energy Services, Inc.	**	**	4/30/2013
Order Agreement	Navigant Consulting, Inc.	Great Plains Energy Services, Inc.	**	**	5/1/2013

Standalone Agreement	PIRA Energy Group, Inc.	Great Plains Energy Services, Inc.	**	**	5/1/2013
Order Agreement	Deb's Disposal Service	Great Plains Energy Services, Inc.	**	**	6/1/2013
Standalone Agreement	Telmar Network Technology, Inc.	Kansas City Power & Light Company	**	**	7/1/2013
Order Agreement	Energynengineering Solutions, Inc.	Great Plains Energy Services, Inc.	**	**	8/1/2013
Order Agreement	Clayman Promotional Group	Great Plains Energy Services, Inc.	**	**	1/1/2014
Order Agreement	CBIZ Accounting Tax and Advisory of		**	**	
Order Agreement	Kansas City, Inc.	Great Plains Energy Services, Inc.	**	**	2/1/2014
Order Agreement	HD Supply Power Solutions, Ltd.	Great Plains Energy Services, Inc.	**	**	1/1/2014
Order Agreement	Ziphany, LLC	Great Plains Energy Services, Inc.	**	**	2/16/2014
Order Agreement	Deffenbaugh Industries, Inc.	Great Plains Energy Services, Inc.	**	**	2/21/2014
Order Agreement	Mayer Hoffman McCann, PC	Great Plains Energy Services, Inc.	**	**	2/1/2014
Order Agreement	Via Bancourier	Great Plains Energy Services, Inc.	**	**	3/1/2014
Order Agreement	Cincom Systems, Inc.	Kansas City Power & Light Company	**	**	3/29/2014
Order Agreement	Emerson Process Management		**	**	
Order Agreement	Power & Water Solutions, Inc.	Great Plains Energy Services, Inc.	**	**	7/10/2013
Order Agreement	CLS dba Black & McDonald	Great Plains Energy Services, Inc.	**	**	1/1/2014
Order Agreement	Landis+Gyr Technology, Inc.	Great Plains Energy Services, Inc.	**	**	4/5/2013
		Kansas City Power & Light Company And	**	**	
		KCP&L Greater Missouri Operations	**	**	
Order Agreement	General Electric International, Inc.	Company	**	**	11/1/2013
Order Agreement	J & R Investments, Inc. dba Woodley		**	**	
Order Agreement	Building Maintenance	Great Plains Energy Services, Inc.	**	**	1/1/2014
Order Agreement	Landis+Gyr, Inc.	Great Plains Energy Services, Inc.	**	**	4/5/2013
Order Agreement	Towers Watson Delaware, Inc.	Great Plains Energy Services, Inc.	**	**	1/1/2014
Order Agreement	Pomeroy IT Solutions, Inc.	Great Plains Energy Services, Inc.	**	**	8/16/2013
Order Agreement	Technology Group Solutions	Great Plains Energy Services, Inc.	**	**	9/13/2013
Order Agreement	GSC Remodel & Construction, LLC	Great Plains Energy Services, Inc.	**	**	3/5/2014
Order Agreement	Siemens Energy, Inc.	Kansas City Power & Light Company	**	**	1/31/2014
Order Agreement	Altec Industries, Inc.	Great Plains Energy Services, Inc.	**	**	9/23/2013
Order Agreement	Sensus Metering Systems, Inc.	Kansas City Power & Light Company	**	**	12/5/2013
Order Agreement	Sensus Metering Systems, Inc.	Kansas City Power & Light Company	**	**	8/21/2013
Order Agreement	Mark One Electric Company, Inc.	Great Plains Energy Services, Inc.	**	**	4/25/2013
Order Agreement	Landis+Gyr Technology, Inc.	Great Plains Energy Services, Inc.	**	**	4/5/2013
Order Agreement	Landis+Gyr Technology, Inc.	Great Plains Energy Services, Inc.	**	**	4/5/2013
Standalone Agreement	Sprint/United Management Company	Kansas City Power & Light Company	**	**	2/18/2014
Standalone Agreement	Stephen James Associates, Inc.	Kansas City Power & Light Company	**	**	12/4/2013
Standalone Agreement	Kaw Valley Engineering, Inc.	Kansas City Power & Light Company	**	**	2/9/2014
Standalone	CONTRACT LAND STAFF LLC	Kansas City Power & Light Company	**	**	4/15/2013
SOW	ENERFAB POWER & INDUSTRIAL		**	**	
SOW	INC	Great Plains Energy Services Inc.	**	**	4/10/2013
SOW	CORPORATE RISK SOLUTIONS		**	**	
SOW	INC	Kansas City Power & Light Company	**	**	5/21/2013

Standalone	ELECTRICAL CONSULTANTS INC	Kansas City Power & Light Company	**		**	8/21/2013
SOW	SIEMENS ENERGY INC	Kansas City Power & Light Company	**		**	12/30/2013
SOW	E2 POWER SYSTEMS INC	Great Plains Energy Services Inc.	**		**	1/16/2014
SOW	MARK ONE ELECTRIC COMPANY INC	Great Plains Energy Services Inc.	**		**	3/15/2014
SOW	BLACK & VEATCH CORPORATION INDUSTRIAL ACCESSORIES COMPANY INC	Great Plains Energy Services Inc.	**		**	2/28/2014
SOW	ENERFAB POWER & INDUSTRIAL INC	Great Plains Energy Services Inc.	**		**	2/11/2014
SOW	ENERFAB POWER & INDUSTRIAL INC	Great Plains Energy Services Inc.	**		**	3/21/2014
SOW	BLACK & VEATCH CORPORATION KISSICK CONSTRUCTION COMPANY	Great Plains Energy Services Inc.	**		**	3/21/2014
SOW	MICHEL'S POWER	Great Plains Energy Services Inc.	**		**	3/21/2014
SOW	ENO VATION PARTNERS LLC	Great Plains Energy Services Inc.	**		**	1/5/2014
Master	DEBS DISPOSAL SERVICE LLC	Great Plains Energy Services Inc.	**		**	4/23/2013
Master	WRIGHT TREE SERVICE INC	Great Plains Energy Services Inc.	**		**	1/3/2014
Master	NEW AGE FASTENING SYSTEMS INC	Great Plains Energy Services Inc.	**		**	3/24/2014
Master	MOSTARDI-PLATT	Great Plains Energy Services Inc.	**		**	3/31/2014
Master	GLOBAL EXPRESS MONEY ORDERS INC	Great Plains Energy Services Inc.	**		**	9/1/2013
SOW	GLOBAL EXPRESS MONEY ORDERS INC	Great Plains Energy Services Inc.	**		**	9/1/2013

KCPL and KCPL GMO
Case Name: KCPL/GMO Allconnect Complaint
Case Number: EC-2015-0309

Response to Gates Stephanie Interrogatories - KCPL_20150908
Date of Response:

Question:0008

Are you aware of utilities operating in the State of Missouri who engage third party contractors (i.e., outsource) to undertake functions in support of regulated operations such as, but not limited to, collection activities (both in the field and through telephone calls and legal process); service line installation and/or replacement; meter inspection and/or maintenance (including activities related to automated meter reading equipment); meter reading; responding to customer contacts or inquiries. If so, please explain your knowledge of: a) which utilities outsource which functions; b) whether these utilities provide customer information to the third party contractors in connection with the provision of such service; c) whether any of those utilities obtain the consent of customers prior to providing customer information to the third party contractor; d) whether any of those utilities has requested a waiver of 4 CSR 240-20.015(2)(C); and e) whether the Commission has granted or denied any such requested waiver.

RESPONSE: (do not edit or delete this line or anything above this)

Yes, I am aware that utilities regulated by the Commission engage third party contractors to undertake functions in support of regulated operations. a. KCP&L Greater Missouri Operations (GMO) engages a third party (KCP&L) to operate virtually its entire operations. I am aware that utilities in Missouri generally operate in a manner that they engage third party contractors to undertake activities in support of their regulated operations. I do not keep, nor am I aware of anyone on Staff keeping, a list of third party contractors used by Missouri regulated utilities. Even if there were such a list, the Staff would seek utility specific permission to disclose this information to KCP&L-GMO. There is the matter of Section 386.480 RSMo. and individual utilities may consider this information to be highly confidential or proprietary, which involves 4 CSR 240-2.135. Staff suggests KCP&L-GMO inquire directly of other Missouri regulated utilities as to the outside service providers they employ. Staff notes that it would not routinely provide the names of KCP&L-GMO's outside service providers to other utilities in response to a utility data request nor in response to a survey conducted by a third party such as NARUC. I am not aware of any regulated utility in Missouri that conducts its business in a manner similar to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with Great Plains Energy Services (GPES). Review of the Federal Energy Regulatory Commission (FERC) Form One filings completed by all the Missouri regulated electric utilities, demonstrates that all record expenses in Account 923 known as "Outside Services." Such recording of expenses in FERC Account 923 demonstrates that they all utilize third party contractors in some capacity. The FERC uniform system of accounts (USOA) does not provide specific information regarding outside services for particular accounts. As stated above, I am aware of no Missouri regulated utility that conducts its business in a manner similar to KCP&L and GMO and the Allconnect Direct Transfer Service Agreement with GPES. Allconnect payments to KCP&L are not in support

of regulatory activities/functions but instead are in support of ownership and sale/transfer of KCP&L-GMO's customer information to Allconnect. Third party contractors, such as those referred to by KCP&L-GMO in this data request perform services, to the best of my knowledge, to solely support regulated utility service, of which there is no comparison to the KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. b. Yes, in some cases: collections, meter reading, call center operations and possibly others would require some amount of customer information. I am aware that third party contractors performing certain activities/functions require utility customer information to perform their contractual duties. Contractual provisions between utilities and its contractors may include provisions to maintain the privacy/confidentiality of customer information as well as restrict the use of the customer information for the exclusive performance of the contracted service. Third party contractors are not sold customer information to use for commercial purposes outside of the regulatory context. Third party contractors, such as those referred to by KCP&L-GMO in this data request, perform services, to the best of my knowledge, to solely support regulated utility service, of which there is no comparison to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. c. Not to my knowledge. I am not aware of any utility in Missouri obtaining the consent of customers prior to providing customer information to a third party contractor to perform an activity in support of its regulated operations. Contractual provisions between utilities and their contractors may address privacy/confidentiality and restrictions on the use of customer information beyond the utilization needed to satisfy contractual commitments. Third party contractors, such as those referred to by KCP&L-GMO in this data request, perform services, to the best of my knowledge, to solely support the regulated utility service, of which there is no comparison to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. d. Not to my knowledge. I am not aware of any utility in Missouri seeking a waiver to 4 CSR 240-20.015(2)(C) prior to providing customer information to a third party contractor to perform an activity/function in support of its regulated operations. Contractual provisions between utilities and their contractors may address privacy/confidentiality and restrictions on the use of customer information beyond the utilization needed to satisfy contractual commitments. Third party contractors, such as those referred to by KCP&L-GMO in this data request, perform services, to the best of my knowledge, to solely support the regulated utility service, of which there is no comparison to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. e. Not to my knowledge. I am not aware of any utility in Missouri having requested, received, or been denied a waiver to 4 CSR 240-20.015(2)(C) prior to providing customer information to a third party contractor to perform an activity/function in support of its regulated operations activities. Contractual provisions between utilities and their contractors may address privacy/confidentiality and restrictions on the use of customer information beyond the utilization needed to satisfy contractual commitments. Third party contractors, such as those referred to by KCP&L-GMO in this data request, perform services, to the best of my knowledge, to solely support the regulated utility service, of which there is no comparison to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. The critical distinction between the relationship KCP&L-GMO has with Allconnect from other third party contractors referred to by KCP&L-GMO in this data request is 1) Allconnect pays KCP&L for each call transferred to Allconnect as well as for customer information (KCP&L-GMO does not pay Allconnect as it does traditional third party contractors). Allconnect payments to KCP&L-GMO are booked

to KCP&L non-regulated operations. KCP&L-GMO's non-regulated operations do not profit from the activities of the other third party service providers referred to by KCP&L-GMO in this data request. 2) KCP&L-GMO do not credit to its customers the money it makes from the transfer of customer calls and sale/transfer of customer information to Allconnect. 3) KCP&L-GMO transfer customer calls to Allconnect and sell/transfer customer information without customer consent. The verification of customer information that KCP&LGMO state Allconnect performs for KCP&L-GMO was successfully performed by KCP&L-GMO prior to KCP&L-GMO's engagement with Allconnect, and such data verification is successfully performed by all other regulated utilities in the state of Missouri without the assistance of Allconnect or other third party marketers. Data Request submitted by Lisa Kremer (lisa.kremer@psc.mo.gov).