

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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.)	

**KANSAS CITY POWER & LIGHT COMPANY AND
KCP&L GREATER MISSOURI OPERATIONS COMPANY’S
POSITION STATEMENT**

COME NOW Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (collectively, the “Company”), by and through undersigned counsel, and hereby files the Company’s Position Statement, stating as follows:

A. Does the evidence establish that, through the relationship with Allconnect, the Company has violated section 393.190.1 RSMo?

Company position: No.

Section 393.190.1 RSMo provides, in relevant part, that:

[N]o . . . electrical . . . corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system necessary or useful in the performance of its duties to the public . . . without having first secured from the commission an order authorizing it so to do.

The evidence establishes that because the Company retains all rights and abilities to use the customer-specific information it provides to Allconnect after providing that information to Allconnect, the Company has not “sold or otherwise disposed of” that customer-specific information and section 393.190.1 RSMo does not apply. (Rebuttal Testimony of Darrin R. Ives, p. 8, lines 5-22)

Additionally, the evidence also establishes that customer-specific information the Company provides to Allconnect does not constitute any of the Company’s

“franchise, works or system useful or necessary in performing its duties to the public” and, therefore, section 393.190.1 RSMo does not apply. (Rebuttal Testimony of Darrin R. Ives, pp. 8-13)

B. Does the evidence establish that, through the relationship with Allconnect, the Company has violated 4 CSR 240-20.015(2)(C)?

Company position: No.

4 CSR 240-20.015(2)(C) provides, in relevant part, that:

Specific customer information shall be made available to affiliated or unaffiliated entities only upon consent of the customer or as otherwise provided by law or commission rules or orders.

The evidence establishes that for many years utilities in Missouri have routinely provided customer-specific information to third party service providers performing functions in support of regulated operations without obtaining consent of customers, without requesting or obtaining a waiver from the Commission of 4 CSR 240-20.015(2)(C), and without any complaints being filed against them alleging violation of 4 CSR 240-20.015(2)(C). (Rebuttal Testimony of Darrin Ives, p. 14, line 19 through p. 15, line 8, and Schedule DRI-2; Surrebuttal Testimony of Lisa Kremer, pp. 33-34; and Surrebuttal Testimony of Keith Majors, pp. 20-21)

The evidence establishes that the Company transfers certain residential customer start service/transfer service calls and provides limited customer-specific information to Allconnect and further establishes that the initial purpose of such call transfer and provision of limited customer-specific information (customer name, service address, start date of service, account number and confirmation number) is the confirmation by an Allconnect agent of the accuracy of order information entered into the Company’s customer information system in connection with that customer’s start service/transfer service order. (Rebuttal Testimony of Jean A. Trueit, p. 4, line 5 through p. 5, line 18; and Rebuttal Testimony of Dwight Scruggs, p. 6, line 11 through p. 7, line 2) As such, the initial purpose of the call transfer and provision of limited customer-specific information, confirmation of order accuracy (which work would be performed by Company employees if not for the Allconnect relationship), supports the Company’s regulated operations, and is consistent with how utilities have provided customer-specific information to third party service providers performing functions in support of regulated operations for many years. (Rebuttal Testimony of Darrin R. Ives, p. 14, line 19 through p. 15, line 18) In addition, the evidence will show that the Company does not force customers to transfer to Allconnect as approximately 20% of calls eligible for transfer to Allconnect are not transferred. (Rebuttal Testimony of Jean A. Trueit, p. 7, line 9 through p. 8, line 7) As a consequence, the transfer of customer calls and provision of limited customer-specific information to Allconnect by the Company for the regulated purpose of confirming order accuracy does not violate 4 CSR 240-20.015(2)(C).

The evidence also establishes that after the Company transfers the call and provides customer-specific information, the Allconnect agent engages the customer in a conversation to determine whether the customer wants to purchase any products or services from service providers (i.e., ATT, CenturyLink, Comcast, DISH, etc.) and this Allconnect service is not regulated by the Commission. If the customer does not agree to do business with Allconnect, then Allconnect deletes that information from the Allconnect system where Allconnect agents are able to view that information within thirty minutes. (Rebuttal Testimony of Dwight Scruggs, p. 7, lines 4-21) If the customer agrees to do business with Allconnect, then Allconnect uses the customer-specific information provided by the Company and other information provided by the customer in its dealings with the customer, all with the consent of the customer. (Rebuttal Testimony of Dwight Scruggs, p. 7, lines 4-15; Rebuttal Testimony of Darrin R. Ives, p. 15, line 9 through p. 16, line 17) As a consequence, the transfer of customer calls and provision of limited customer-specific information to Allconnect by the Company for non-regulated purposes does not violate 4 CSR 240-20.015(2)(C).

C. Does the evidence establish that, through the relationship with Allconnect, the Company has violated 4 CSR 240-13.040(2)(A)?

Company position: No.

4 CSR 240-13.040(2)(A) provides, in relevant part, that:

At all times during normal business hours qualified personnel shall be available and prepared to receive and respond to all customer inquiries, service requests, safety concerns, and complaints.

The evidence establishes that the Company has qualified personnel, whether employed by the Company or a third party service provider such as Allconnect, available to respond to all customer inquiries, service requests, safety concerns, and complaints. (Rebuttal Testimony of Jean A. Trueit, p. 6, line 14 through p. 7, line 7) The evidence also establishes that there are specific procedures in place – applicable to Company personnel and Allconnect personnel – for the handling of escalated calls pertaining to the Company’s relationship with Allconnect. (Rebuttal Testimony of Jean A. Trueit, p. 6 line 14 through p. 7, line 2; and Rebuttal Testimony of Dwight Scruggs) The provisions of 4 CSR 240-13.040(2)(A) do not require that the “qualified personnel . . .” be employees of the Company. (Rebuttal Testimony of Darrin R. Ives, p. 13, line 19 through p. 14, line 13) As a consequence of all of the above, the Company has not violated 4 CSR 240-13.040(2)(A) by allowing Allconnect personnel to handle escalated calls of the Company’s customers pertaining to the Company’s relationship with Allconnect.

D. If the Commission finds in the affirmative on any of the preceding three issues, should the Commission direct its general counsel to seek monetary penalties against the Company?

Company position: No.

As discussed in the Company's position statements on the three issues listed above, the evidence establishes that the Company had very good reasons to believe that the relationship with Allconnect did not violate section 393.190.1 RSMo, 4 CSR 240-20.015(2)(C) or 4 CSR 240-13.040(2)(A). Moreover, the evidence establishes that there are substantial and robust governance processes in place to ensure that the Company's relationship with Allconnect is not detrimental to the interests of customers.

The substantial and robust governance process in place to ensure that the Company's relationship with Allconnect is not detrimental to the interests of customers include, but are not limited to, the following:

1. Regular periodic customer satisfaction surveys are undertaken by both the Company and Allconnect which, to date, have consistently shown that the services provided by Allconnect have a positive impact on customers' perceptions of the Company and satisfaction levels of the Company's customers (Rebuttal Testimony of Charles A. Caisley, Schedule CAC-1, pp. 1-2; Rebuttal Testimony of Jean A. Trueit, Schedule JAT-4, Schedule JAT-5 and Schedule JAT-6; and Rebuttal Testimony of Dwight Scruggs, p. 8, line 15 through p. 10, line 6, and Schedule DS-1 and Schedule DS-2, p. 2);
2. Specific procedures – applicable to Company personnel and Allconnect personnel – are in place for the handling of escalated calls (Rebuttal Testimony of Jean A. Trueit, p. 6, line 9 through p. 7, line 2; and Rebuttal Testimony of Dwight Scruggs, p. 11), with a result being that the percentage of escalated calls from the Company's customers (relative to total calls transferred by the Company to Allconnect) have fallen from 0.09% in 2013, to 0.06% in 2014, to 0.02% in 2015 (Rebuttal Testimony of Dwight Scruggs, p. 11, line 21 through p. 12 line 12);
3. Periodic meetings occur between Company personnel and Allconnect personnel for the purpose of ensuring that the Company's relationship with Allconnect, with adjustments as appropriate, is as beneficial as possible to the Company's customers, the Company and Allconnect (Rebuttal Testimony of Jean A. Trueit, p. 3, line 21 through p. 4, line 4; and Rebuttal Testimony of Dwight Scruggs, p. 10, line 7 through p. 11, line 3);
4. Specific procedures are in place to ensure that customer-specific information provided by the Company to Allconnect is secure (Rebuttal Testimony of Dwight Scruggs, p. 7, line 16 through p. 8, line 14);
5. Appropriate assignment and allocation of costs and revenues is undertaken in connection with the Company's relationship with Allconnect to ensure that no cross-subsidization of non-regulated operations is provided by regulated customers (Rebuttal Testimony of Ronald A. Klote, p. 3, line 16 through p. 12, line 7); and
6. A commitment has been made by the Company, in the form of testimony of the Company executive primarily responsible for initiating the relationship with Allconnect, that the Company will terminate its relationship with

Allconnect if the Allconnect relationship is negatively affecting customer satisfaction and it is not possible to remedy the underlying causes. (Rebuttal Testimony of Charles A. Caisley, p. 3, line 20 through p. 4, line 5)

Because the Company had very good reasons to believe that the relationship with Allconnect did not violate section 393.190.1 RSMo, 4 CSR 240-20.015(2)(C) or 4 CSR 240-13.040(2)(A) and because substantial and robust governance processes are in place to ensure that the Company's relationship with Allconnect is not detrimental to the interests of the Company's customers, the Commission should not direct its general counsel to seek monetary penalties against the Company.

Respectfully submitted,

/s/ Robert J. Hack

Robert J. Hack, MBN 36496

Phone: (816) 556-2791

E-mail: rob.hack@kcpl.com

Roger W. Steiner, MBN 39586

Phone: (816) 556-2314

E-mail: roger.steiner@kcpl.com

Kansas City Power & Light Company

1200 Main – 16th Floor

Kansas City, Missouri 64105

Fax: (816) 556-2787

James M. Fischer, MBN 27543

E-mail: jfischerpc@aol.com

Fischer & Dority, P.C.

101 Madison Street, Suite 400

Jefferson City, MO 65101

Telephone: (573) 636-6758

Facsimile: (573) 636-0383

Attorneys for Kansas City Power & Light
Company and KCP&L Greater Missouri
Operations Company

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been electronically mailed this 11th day of January, 2016 to all counsel of record in this proceeding.

/s/ Robert J. Hack

Robert J. Hack