

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.)	

REPLY BRIEF OF
KANSAS CITY POWER & LIGHT COMPANY AND
KCP&L GREATER MISSOURI OPERATIONS COMPANY

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Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”) (collectively, “KCP&L/GMO”, “Respondents” or “Company”) submit this Reply Brief (“Brief”) in response to the Staff’s Initial Brief (“Staff Brief”), and to the Office of the Public Counsel’s Initial Brief (“Public Counsel Brief”) both filed on February 11, 2016.

I. INTRODUCTION

In this proceeding, the Company’s Initial Brief filed on February 11, 2016, largely anticipated and addressed the arguments of the Commission Staff (“Staff”) and the Office of the Public Counsel (“Public Counsel”). It is therefore unnecessary for the Company to file an extensive reply brief. However, there are a few points that will be addressed below.

II. ARGUMENT

A. The Staff and Public Counsel Have Ignored the Competent and Substantial Evidence that the KCP&L/GMO Relationship With Allconnect Is Convenient For Consumers And Promotes The Public Interest.

Staff and Public Counsel barely mention the quantitative evidence in the record which clearly shows that the vast majority of consumers appreciate the opportunity to arrange their home services via one telephone contact through the Company with Allconnect. (See Company Brief at 4-11) Rather than acknowledging this evidence or attempting to refute it in any way, Staff mischaracterizes the Company’s position by stating: “Respondents argue that, by their relationship with Allconnect, they are doing their customers a favor and that most of their customers appreciate it.” (Staff Brief at 3) Similarly, Public Counsel ignores the quantitative evidence of the public’s favorable opinions about the Allconnect relationship with the Company. Instead, Public Counsel only expresses its own unsubstantiated opinion: “It is wrong to treat customers this way.” (Public Counsel Brief at 1)

As explained in the Company's Initial Brief at 4-11, the Company seeks ways to improve the way it does business with its customers in order to enhance the overall customer experience. It is not a matter of doing customers "a favor," as insinuated by Staff. And it is not "wrong," as Public Counsel argues, to try to fulfill our customers' needs and desires for a more convenient way to establish home services at a new residence. The Allconnect services are value-added services to the KCP&L/GMO customer.

It is a matter of good business to look for new ways to meet customers' needs. Gone are the days where KCP&L/GMO can act like a monopoly provider, and ignore our customers' desires for options and more convenient ways to do business across a larger spectrum of the economy. In fact, this fundamental aspect of business in the 21st Century has been recognized by many "monopoly" providers of electric service across America. Sixty-one (61) energy operating companies, covering thirty-three (33) states, and over 50 million households, have recognized their customers' needs and desires for more convenient ways to obtain services for their homes, and have entered into relationships with Allconnect to provide the one-stop shopping option. (Ex. 103, Scruggs Rebuttal, p. 3) The Allconnect value-added services are clearly in the mainstream of services offered to utility customers today, and are not unusual services in any way, shape or form. KCP&L/GMO should not be required by the Commission to eliminate the Allconnect services that peer utilities across the country find helpful, attractive, and convenient for their customers. In other words, KCP&L/GMO should not be required to fall behind their peer utilities who are trying to improve their customers' experiences by providing a one-stop shopping option for arranging home services.

In its Brief, Staff repeats its argument from its opening statement that these practices will become widespread if the Commission denies the Complaint (Tr. 15-16), and "then other utilities will start doing the same thing." (Staff Brief at 3) From the Company's perspective, it

would seem that the Commission should ask why other public utilities are not trying to meet their customers' needs "with new [and improved] ways of doing business." (Staff Brief at 2)

Following discussions with Allconnect, as well as discussions with other utilities that do business with Allconnect, the Company decided that entering into the relationship with Allconnect was likely to improve its customers' overall experience and satisfaction levels. Based upon the results of customer satisfaction surveys specific to Allconnect, this has been proven to be a correct assessment. (Ex. 100 NP, Caisley Rebuttal, pp. 2-3) Staff and Public Counsel have not attempted to dispute or refute this evidence in any way. Staff's primary witness admitted that she accorded zero weight to the substantial quantitative evidence adduced by the Company that is probative of customers' overall receptiveness to and satisfaction with the Allconnect service offering. (Tr. 131-36) In fact, when the Commission reviews the quantitative evidence in the record related to customer satisfaction, the Commission will find that there is little, if any, competent and substantial evidence that our customers' overall experience is not improved by the Allconnect program. Staff and Public Counsel's attempts to ignore or denigrate the record on this point are simply not persuasive. If anything, these arguments show a desire by Staff and Public Counsel that the Company should operate in the same fashion utilities operated in the last century rather than seeking new and better ways to improve and enhance our customers' overall experience in a cost-effective fashion. The Company, and the Commission too, has an obligation to balance the interests of all of its customers, and ignoring quantitative evidence – which is recommended by both Staff and Public Counsel in this proceeding – is not the means to strike the best balance of those often competing interests.

A significant number of customers (**[REDACTED]**) have found the one-stop shopping option convenient and have purchased home services offered from Allconnect. (Ex. 100 HC, Caisley Rebuttal, p. 8) From the customers' perspective, this one-stop shopping option avoids making

numerous calls and hold times associated with separate calls to obtain services from individual home service providers—like telephone, internet, cable or satellite service, and home security. This one-stop shopping service is an advantage to the Company's customers that can exceed their expectations, but not a "favor" as suggested by Staff, or a "wrong" as suggested by Public Counsel.

For the customer who wants these services or simply wants to learn about what services may be available, the one-stop shopping option avoids the hassle and inconvenience associated with calling separate toll free numbers and waiting in multiple automated calling queues to obtain individual home services. It also avoids having to give the customer's name, address, and other customer specific information to numerous individual providers of these home services.

Contrary to Staff's suggestion that the Company is only "looking for new sources of revenue" (Staff Brief at 3), the Company's decision to provide our customers with the Allconnect one-stop shopping option was primarily aimed at the goal of enhancing the experience of the Company's customers. (Tr. 232, 268) Staff focuses on Company documents that refer to opportunities to develop non-regulated revenues. In particular, the Staff quotes from documents that indicate that the Company is looking for opportunities to ** [REDACTED] [REDACTED] ** (Staff Brief, p. 29) But, contrary to Staff's emphasis, as the documents note, the primary purposes of the Allconnect program are:

** [REDACTED]

[REDACTED] **

** [REDACTED]

[REDACTED] **

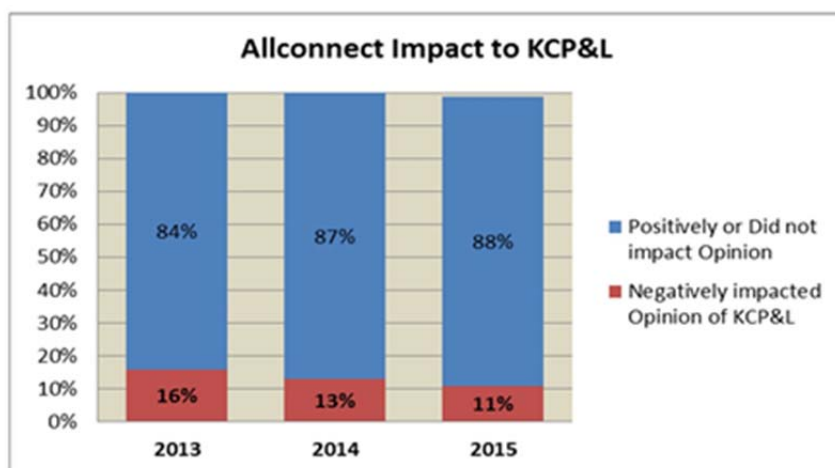
HIGHLY CONFIDENTIAL

** [REDACTED]

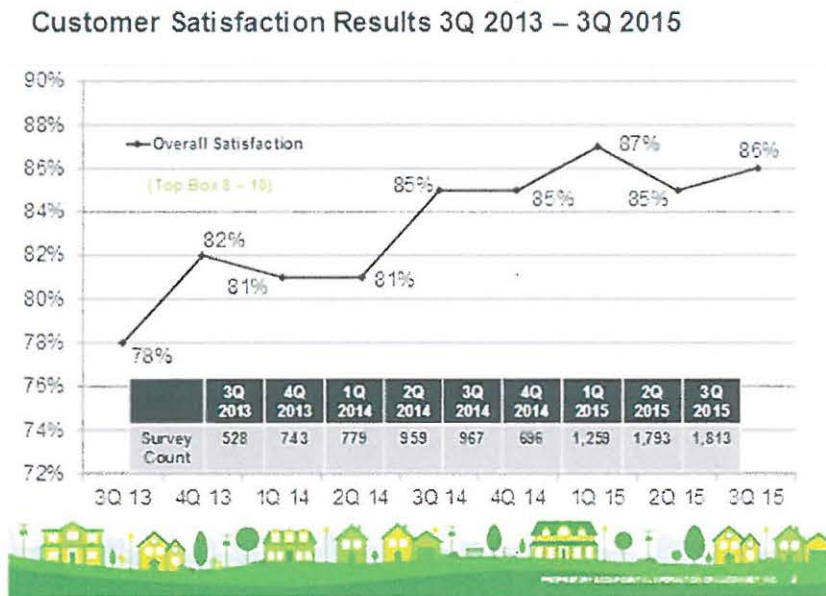
[REDACTED] ** (Staff Brief at 28-29; Ex. No. 1 HC, Kremer Direct, p. 17)

As the Company explained in its Initial Brief, the numerous customer satisfaction surveys and comments from the Company's customers show that a one-stop shopping option is a convenience for a significant percentage of eligible customers. In fact, ** [REDACTED] ** of the Company's new and transferred customers, a relatively high percentage of customers, choose to take advantage of this one-stop shopping option, and purchase or transfer other home services when offered by Allconnect. (Ex. 100 HC, Caisley Rebuttal, p. 8) This take rate is higher than any other marketing channel used by the Company and shows that the Allconnect one-stop shopping offering is attractive, convenient, and adds value to KCP&L/GMO's services. (Tr. 458) From a customer perspective, just the fact that KCP&L/GMO makes this one-stop shopping service available for customers is considered a positive.

While the Company has already included these customer satisfaction results and charts in its Initial Brief, this evidence is so compelling that it is worth repeating here. About 87-88% of customers surveyed by the Company held the opinion that Allconnect had either positively impacted their opinion of KCP&L or did not negatively impact their opinion of KCP&L. The following bar graph shows the results for 2013, 2014, and 2015:



About one-half (49% in 2015) of the customers indicated in KCP&L surveys that their experience with Allconnect positively impacted their perception of KCP&L overall. Another 39% said Allconnect did not have any impact on their perception of KCP&L. There was a small group of customers (about 11%) whose perceptions of KCP&L decreased in 2015 as a result of the Company's relationship with Allconnect. (Ex. 104 NP, Trueit Rebuttal, p. 9 and Sch. JAT-4) In 2013, the customer satisfaction results were about 78%, but by the end of 2014 and into 2015, those positive satisfaction results had risen to the 85%-87% range. (*Id.*):



(Ex. 103, Scruggs Rebuttal, Sch. DS-2)

Again, Staff and Public Counsel have not disputed this evidence.¹ Instead, they have chosen to simply ignore it, and instead question the real motives of the Company and its executives—and suggest that it is about the money. (Tr. 12; Ex. 2, Kremer Surrebuttal, pp. 1, 40; Staff Brief at 3; 28-29) Clearly this is not true, otherwise the Company would not have proposed that all costs and revenues related to its relationship with Allconnect be treated “above-the-line” (i.e., as a part of regulated cost of service) as a way to resolve the Staff’s complaint. (Tr. 60-61) In addition, Allconnect representatives **

¹ It is possible that Public Counsel or Staff will argue that JD Power results show that the Company’s customer satisfaction has slipped recently. These arguments are wrong, and should therefore be ignored, for a number of reasons. Despite higher raw scores in nearly all areas of the JD Power residential customer satisfaction index, our rank has fallen relative to peer utilities in the last couple of years. For the calendar year of 2015, in the JD Power Residential Customer Study, KCP&L scored just below the median in eleventh place out of sixteen large Midwestern utilities. (Ex. 115) We believe that there are a number of drivers behind our drop relative to other utilities. Chief among them is a high number of rate cases in recent years, more than almost all of our regional peers, as well as spending significantly less on advertising the KCP&L brand relative to other utilities in our peer group. (Tr. 485-87) That said, we are seeing improvement in our ranking over the last two quarters and our customer satisfaction ranking is now ranked above the average for large utilities in the Midwest. (Ex. 117)

██████████** (Tr. 376), thereby eliminating any incentive for the Allconnect representatives to pressure customers in the telephone call to sign up for orders that are not desired.

The Commission should reject Staff's and Public Counsel's efforts to distort the primary purposes of the Allconnect relationship into something that is not customer-focused. Instead, consistent with the customer satisfaction surveys and other quantitative evidence, the Commission should conclude that the Company's customers find the Allconnect relationship with KCP&L/GMO to be helpful, convenient and an improved and enhanced way of doing business with the Company.

B. The Evidence Does Not Establish That, Through The Relationship With Allconnect, The Company Has Violated Section 393.190.1 RSMo.

In their briefs, Staff and Public Counsel continue to argue that "Respondents' conduct of selling and transferring customer information to Allconnect, without the prior authorization of this Commission, violates § 393.190.1 because it is the unauthorized sale and transfer of a part of Respondents' 'franchise, works or system,' necessary or useful in serving the public." (Staff Brief at 12; *see also* Public Counsel Brief at 5-8) Section 393.190.1 provides that an electrical corporation may not transfer "the whole or any part of its franchise, works, or system necessary or useful in the performance of its duties to the public" without first obtaining Commission authorization.

In its Brief, Staff has retreated from its original argument that customer information is part of the utility's "franchise, works or system." Now the Staff states: "Staff never suggested that customer information is part of a utility's 'works'; rather Staff insists that it is part of a utility's 'system.'" (Staff Brief at 7) From the Company's perspective, this is a distinction without a difference. As explained in the Company's Initial Brief, customer information is not part of the

(1) franchise; (2) works; or (3) system. (Company Brief at 12-17) Even if Staff is now arguing that customer information is part of the Company's "system," the Staff offers no legal support for that interpretation. In fact, it cites no PSC decision or court holding that such customer information is part of the "system" of a public utility.

Staff and Public Counsel cite only one Commission decision which dealt with SO₂ emission allowances, and not customer information. In Re Kansas City Power & Light, Case No. EO-92-250, 1 M.P.S.C.3d 359, 360-62 (Aug. 26, 1992), the Commission found that SO₂ emission allowances attached to each generating unit and became "an integral part of its generating system." *Id.* at 362. As explained in the Company's Initial Brief, the Commission should not rely upon this case dealing with SO₂ allowances. This decision was not appealed to the courts, and as a result, there is no case law reviewing the Commission's decision related to the sale or transfer of SO₂ emission allowances. (Ex. 100 NP, Ives Rebuttal, pp. 12-13) Intuitively, SO₂ allowances are more related to electric plant, as defined in Section 393.020(14). Customer information, on the other hand, has absolutely nothing to do with "real estate, fixtures and personal property" used to provide electric service. Contrary to the arguments of Staff, Section 393.190.1 does not reference customer information at all – it requires Commission approval for transfers of a utility's franchise, works or system.

Clearly, the customer information provided by the Company to Allconnect does not constitute the "system" of KCP&L and/or GMO, as argued by Staff. Section 386.020 RSMo does contain definitions including the terms "system":

(50) "Sewer System" includes all pipes, pumps, canals, lagoons, plants, structures and appliances, and all other real estate, fixtures and personal property, owned, operated, controlled or managed in connection with or to facilitate the collection, carriage, treatment and disposal of sewage for municipal, domestic or other beneficial or necessary purpose;

* * *

(60) “Water System” includes all reservoirs, tunnels, shafts, dams, dikes, headgates, pipes, flumes, canals, structures and appliances, and all other real estate, fixtures and personal property, owned, operated, controlled or managed in connection with or to facilitate the diversion, development, storage, supply, distribution, sale, furnishing or carriage of water for municipal, domestic or other beneficial use.

Each of these statutory definitions enumerates a series of hard operational plant items and “other real estate, fixtures and personal property” used to provide that type of utility service. Thus a utility’s “system” encompasses the organization of the discrete parts of the plant and property used by the utility into an interdependent whole for the purpose of providing service to the public. Again, the customer information provided by the Company to Allconnect is not a part of KCP&L/GMO’s property interests and, therefore, cannot be considered a part of KCP&L/GMO’s system.

As explained in KCP&L/GMO’s Initial Brief at 17, if the Commission interpreted Section 393.190.1 as requiring prior regulatory approval for the provision of customer information to unaffiliated companies for regulatory purposes, as advocated by Staff, this policy would certainly raise a host of practical problems for every public utility dealing with routine customer matters. Public utilities would arguably be required to obtain Commission approval any time a public utility referred a customer account with an outstanding bad debt to an unaffiliated collection agency. In addition, public utilities “transferring” customer information to third party contractors for meter reading and call center operations purposes would require prior Commission approval under Staff’s construction.

For all of these reasons, the Commission should reject Staff and Public Counsel’s argument that Section 393.190.1 requires regulatory approval prior to the transfer of customer information to an unaffiliated company for regulated purposes because “customer information” is not part of a utility’s “system.”

C. The Evidence Does Not Establish That, Through The Relationship With Allconnect, The Company Has Violated 4 CSR 240-20.015(2)(C).

Staff concedes that to prove a violation, the Staff must show “that these transfers occurred in the context of affiliate transactions.” (Staff Brief at 13) In this regard, Staff and Public Counsel have failed to meet their burden.

First, Staff and Public Counsel argued that since GPES contracts with Allconnect on behalf of KCP&L and GMO, this fact brings this case under the Affiliated Transaction Rule. (Staff Brief at 15; Public Counsel Brief at 9) The Commission should reject this argument.

As explained in Company’s Initial Brief at 18-19, GPES contracts with many entities, as a matter of efficiency, on the behalf of KCP&L/GMO. (Ex. 101 HC, Ives Rebuttal, pp. 4-8 and Sch. DRI-1) This fact does not invoke the Affiliated Transaction Rule. No money or customer information is exchanged between GPES and Allconnect. All transactions are between KCP&L/GMO and Allconnect. The Commission should therefore reject Staff and Public Counsel’s argument that the Allconnect relationship is an affiliated transaction.

Second, Staff and Public Counsel argued that the Allconnect relationship involves an affiliate transaction “because the Allconnect relationship is an unregulated business operation of KCPL that engages in transactions with the regulated business operations of both KCPL and GMO, which are regulated electrical corporations.” (Staff Brief at 15-19; *see also* Public Counsel Brief at 9) Staff and Public Counsel are missing the point.

Allconnect is not an affiliate of KCP&L or GMO. Under the Affiliate Transaction rules, Allconnect is not “directly or indirectly, through one (1) or more intermediaries, controls, is controlled by, or is under common control with the regulated electrical corporation.” (*See* 4 CSR 240-20015(1)(A)) It is therefore indisputable that Allconnect is not an affiliate of KCP&L, GMO or GPES.

The initial purpose of KCP&L/GMO's transfer of each phone call and customer information is so that Allconnect can assist in the provision of a regulated utility service by confirming and verifying account information entered into the Company's customer information system. It is not "an unregulated business operation of KCPL" as argued by Staff because Staff witness Kremer agrees that confirmation of order and account accuracy is a part of regulated service. (Tr. 161) Nor can the function of confirming account and order information provided by Allconnect be characterized as some sort of pretext or after-the-fact justification. This is because the Allconnect contract specifically recognized this aspect of the relationship before it ever became operational or subject to question by Staff. (Ex. 1 HC, Kremer Direct, Schedule LAK-d2, p. 48 of 93) Nor can it be credibly argued that the confirmation function provided by Allconnect does not add value to the Company's operations. To the contrary, the evidence demonstrates that approximately 300 corrections are made as a result of the Allconnect each year and that about 90% of those corrections serve to prevent a bad experience by the customer and an expensive "truck roll" by the Company. (Tr. 496-99, 311) Additionally, the suggestion that this function creates more work and cost for the Company than it's worth is also wrong as it takes a matter of minutes for a Company clerk to sort the data provided by Allconnect and eliminate the "corrections" that do not need to be made. (Tr. 497-98, 318-20)

The specific and limited customer information provided by KCP&L/GMO (i.e. unique customer identifier, customer name, service address, service commencement date, and service confirmation number) is only utilized by Allconnect to assist in the provision of regulated utility service unless and until the customer agrees and consents to do business with Allconnect.

The Staff correctly points out the previous model that was used with Allconnect was unsuccessful due to the small number of transfers. (Staff Brief at 20) Mr. Caisley clearly explained that the transfer model previously used was causing problems in the Company's call

center because customers would inquire of Company representatives about the unregulated services offered by Allconnect before the customers were transferred to the Allconnect customer service representatives who were trained to answer those questions. It was confusing to the customers and was time-consuming for the Company's customer service representatives. In the end, this process was also adversely affecting the performance metrics of the Company's Call Center. (Tr. 449-50) As is demonstrated by information late-filed pursuant to the request of the Commission, during the 32-month period of KCP&L's prior relationship with Allconnect, only 11,548 calls were transferred to Allconnect. (Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company's Response To Request For Late-Filed Information, Attachment A filed February 8, 2016) The Company is concerned that reverting back to that model in the future will produce similar results and, if so, it is likely that the Allconnect relationship would no longer be worthwhile to the Company's Missouri operations or the Company's Missouri customers.

Staff incorrectly argues that the Allconnect confirmation model involves a ** [REDACTED] [REDACTED] ** ploy. (Staff Brief at 32-33) There is nothing about this process that could legitimately be so characterized. Customers are asked if they have anything else that the Company customer service representative can address before they are informed that they will be transferred to Allconnect where they will have the opportunity to arrange for other home services. The process is straightforward and may be declined if the customer does not want to be transferred to Allconnect.

In fact, the only competent and substantial evidence in the record of any customer who had a first-hand experience with Allconnect was Public Counsel's witness Mr. Charles Hyneman. (Tr. 221-25) He testified that he declined to be transferred to Allconnect, and he was not transferred by the Company's customer service representative:

Q. Did you personally arrange electric service on behalf of your daughter with the Company?

A. Yes. When my daughter and son-in-law initially set up service with KCPL at their apartment, they went through the Allconnect process and frustrated and -- and there were concerns so -- and they told me about it. And when they moved again to another apartment, my daughter asked me if I would make the call so she wouldn't have to go through that.

Q. And as I understand, you made the call to KCPL to start new electric service at her apartment, and is it correct that when KCPL -- when the KCPL customer service representative offered to transfer you to Allconnect, you stopped them and you said, No, I don't want to be transferred?

A. I don't recall the exact words, but I did indicate that I did not want to be transferred.

* * *

Q. You expressed your desire not to be transferred, and KCPL honored your request; is that correct?

A. Yes.

Q. In other words, you were successful in not being transferred to Allconnect; is that true?

A. Because of my knowledge, correct.

Q. Is it correct that KCPL's customer service representative provided you with a confirmation number for your daughter's electric account?

A. As I recall, yes. (Tr. 221-24)

As Mr. Hyneman's testimony demonstrates, it is not a difficult process to decline to be transferred to Allconnect under the existing practices. This is borne out by the fact that approximately 9% of eligible calls are not transferred to Allconnect because the customers specifically decline to be transferred. (Tr. 322) Regardless of how the practice is characterized—Confirmation Model, opt-out model (Tr. 519), or "implicit consent" (Tr. 519) - the current practice is not abusive, or difficult for the customers to understand. The current practice gives customers

the opportunity to decline to be transferred to Allconnect, or alternatively, to hear about a convenient one-stop option for arranging other home services at the time when they are most likely to be interested in doing so--when they are moving to a new residence.

The current practice, as Mr. Caisley noted, could be viewed as “implicit consent” by the customer. (Tr. 519) Under existing practices, the customer is told that he will be transferred to Allconnect, but each customer, just as Mr. Hyneman did, can choose to decline to be transferred. In the event the customer does not decline to be transferred to Allconnect, he has implicitly agreed to be transferred.

In Kearney v. Solomon Smith Barney, 137 P.3d 914, 930, 45 Cal Rptr.3d 730, 749, 39 Ca.4th 95, 118 (Cal. Sup. Ct. 2006), the California Supreme Court discussed a similar situation of implicit consent. The court stated: “If, after being so advised [that the call is recorded], another party does not wish to participate in the conversation, he or she simply may decline to continue the communication.” It is very common for today’s customers to give implied consent in their daily affairs when dealing with a host of service providers or telephone callers. Often, we are told that “This call may be recorded for quality assurance purposes.” If the customer does not want to be recorded, then he just hangs up. Otherwise, he has given his implied consent to continue the conversation and be recorded. Similarly, sometimes citizens are asked to “Stay on the line for an important message from Congressman X.” If the citizen does not hang up, he has given his implicit consent to listen to the political message. In the event that the Commission finds that 4 CSR 240-20.015(2)(C) is applicable to this case (which it should not), then the Commission should find that customers give their implicit consent to be transferred to Allconnect under existing practices.

In summary, Staff has failed to demonstrate that there is an affiliate transaction involved in the relationship between Allconnect and the Company. Therefore, the Commission should not

look to the Affiliate Transaction rule as the basis for its decision in this case. However, if the Commission determines that 4 CSR 240-20.105(2)(C) is applicable, then the Commission should find that, under the current practice, the customer gives his implicit consent to be transferred to Allconnect if he does not decline to be transferred. As a result, there is not a violation of the rule.

If, on the other hand, the Commission does not accept these arguments, then the Company respectfully requests that it be granted a variance from 4 CSR 240-20.015(2)(C) so that KCP&L/GMO customers may continue to be given an opportunity to learn about and take advantage of Allconnect's Savers and Movers Program.

D. The Evidence Does Not Establish That, Through The Relationship With Allconnect, The Company Has Violated 4 CSR 240-13.040(2)(A).

In its brief, Staff has now alleged that "KCPL and GMO abdicated their customer service responsibilities imposed by Rule 4 CSR 240-13.040(2)(A) by allowing Allconnect personnel to perform customer service functions that should be performed by their own Customer Service Representatives." (Staff Brief at 23) This is patently false. KCP&L/GMO customer service representatives continue to perform the customer service functions necessary to provide quality service to their respective customers. KCP&L/GMO have qualified personnel available and prepared to receive and respond to all customer inquiries, service requests, safety concerns and complaints related to regulated service at all times during normal business hours.

The rule requires that a utility must have qualified personnel available to respond to customer inquiries, service requests, safety concerns and complaints. The rule does not prescribe the manner in which this response is to be achieved and does not require that the personnel be employees of the utility. Complaints of KCP&L and GMO customers related to Allconnect may be handled by either KCP&L personnel, Allconnect personnel or both. For complaints related to regulated electric service, KCP&L/GMO personnel continue to handle the electric complaints.

(Ex. 104 NP, Trueit Rebuttal, p. 7) Staff has not alleged that the Company lacks adequate resources to respond to customer complaints, customer inquiries, service requests and safety concerns, but instead appears to be arguing that customer complaints must be handled by employees of the utility, that is, by KCP&L personnel. This is incorrect. In fact, the Company's representatives would typically handle issues related to regulated electric service, but would have Allconnect representatives resolve issues related to arrangements for unregulated home services.

Public Counsel also states: "KCPL and GMO themselves admit that, in certain instances, Allconnect agents handled calls with utility customers 'in what could be fairly characterized as a pushy or aggressive manner in an effort to sell Allconnect products,'" citing Mr. Caisley's rebuttal testimony. (Public Counsel Brief at 12) Mr. Caisley's testimony related to a period in 2013 when the Allconnect relationship was just beginning, and he testified that the Company took steps with Allconnect to alleviate this concern. (Ex. 100, Caisley Rebuttal, p. 9) At best, Public Counsel is taking Mr. Caisley's testimony out of context. At worst, it totally mischaracterizes the evidence. In either case, this Public Counsel argument is wrong and should be disregarded.

In summary, Staff and Public Counsel have failed to demonstrate that the Respondents are violating 4 CSR 240-13.040(2)(A) by providing customer information to Allconnect. As a result, Staff's Complaint should be denied since it has failed to demonstrate that the Staff is entitled to relief as a matter of law.

E. The Commission Should Not Direct Its General Counsel To Seek Monetary Penalties Against The Company.

Staff and Public Counsel continue to assert that penalties are appropriate in this case. (Staff Brief at 27-28; Public Counsel Brief at 13) As explained in the Company's Initial Brief, even if the Commission finds a violation of a statutory provision or a PSC rule, the Commission should not direct its General Counsel to seek monetary penalties against the Company. 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). Nothing in the Staff or Public Counsel's briefs have refuted this contention. Moreover, the evidence establishes that there are substantial and robust governance processes in place and that those processes are effective to ensure that the Company's relationship with Allconnect is not detrimental to the interests of customers.

The Company has also indicated that if the Commission orders that express customer consent is required to be transferred to Allconnect, then the Company will endeavor to fashion a script that would accomplish this directive without unduly minimizing the number of customers that are presented with the one-stop shopping option or causing the problems that have existed with past practices. (Tr. 452) For example, the Company believes that the following script would be acceptable if the Commission rejects the Company's position and requires express consent:

Script of Agent Transfer Model

I have completed your order. And now with your permission, I would like to get you to Allconnect, a company that will help you with other services regarding your move at no additional charge. Is that ok?²

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), because substantial and robust governance processes are in place and work to ensure that the Company's relationship with Allconnect is not detrimental to the interests of the Company's customers, and because the quantitative evidence shows that the vast majority of eligible customers respond favorably to the convenience of a one-stop shopping opportunity, the

² Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company's Response To Request For Late-Filed Information, Attachment C filed February 8, 2016).

Commission should not direct its General Counsel to seek monetary penalties against the Company.

If the Commission determines that the Allconnect relationship is detrimental to customers, the Company will evaluate the order, and most likely would proceed to terminate the Allconnect relationship with respect to its Missouri customers in as orderly a fashion as possible. (Ex. 101 NP, Ives Rebuttal, p. 21) However, since the Company believes that the Allconnect relationship is a value-added service for its customers in Kansas, the Company expects to continue to provide this service in Kansas. (Tr. 456)

III. CONCLUSION

For the reasons discussed in our Initial Brief and herein, the Staff's Complaint should be denied, and the case dismissed. The Commission should find that the Company has not violated any statute or PSC rule in seeking to provide customers with a one-stop shopping opportunity to establish unregulated home services such as home phone, internet, satellite or cable television, and home security services through the Allconnect Movers Program. The Company has made a business judgment that the Allconnect relationship will enhance the overall customer experience (which has proven to be true), and the Commission should not second-guess this management decision. The Commission should also decline to step into the shoes of management by micro-managing the scripts that are used by KCP&L customer service representatives to transfer the customers to Allconnect.

As explained herein, sixty-one (61) energy operating companies, covering thirty-three (33) states, and over 50 million households, have recognized their customers' needs and desires for more convenient ways to obtain unregulated services for their homes, and have entered into relationships with Allconnect to provide the one-stop shopping option. (Ex. 103, Scruggs Rebuttal, p. 3) The Allconnect services are clearly in the mainstream of services offered to

utility customers today, and are not unusual services in any way, shape or form. KCP&L/GMO should not be required by the Commission to eliminate the Allconnect services that peer utilities across the country find helpful, attractive, and convenient for their customers.

In the event the Commission finds a technical violation of one of its rules, the Commission should grant the Company a variance from the regulation so that KCP&L/GMO customers may continue to be given an opportunity to learn about and take advantage of Allconnect's Savers and Movers Program.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 25th day of February, 2016, to all counsel of record.

/s/ Robert J. Hack

Robert J. Hack