

Staff of the Missouri Public Service  
Commission,  
  
Complainant,  
  
vs.  
  
Kansas City Power & Light Company  
  
And  
  
KCP&L Greater Missouri Operations  
Company,  
  
Respondents

## **STAFF'S STATEMENT OF POSITIONS ON THE ISSUES**

**1. Count I -- Does the evidence establish that, through the relationship with Allconnect, the Company has violated section 393.190.1, RSMo?**

No . . . electrical corporation . . . shall hereafter . . . transfer . . . 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 will show (1) that KCPL and GMO (the “Company,” collectively) are each an electrical corporation and public utility, subject to regulation by the Commission; (2) that the information that each Company collects from its customers upon initiating or transferring service is part of its franchise, works or system; (3) that this customer information is necessary and useful in serving those customers and in the

performance of its duties to the public; (4) that both KCPL and GMO have transferred this information to Allconnect; and (5) that the Commission has not authorized these transfers. Therefore, the Commission must conclude that KCPL and GMO have each violated § 393.190.1, RSMo.

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

Yes. Rule 4 CSR 240-20.015(2)(C) is part of the Affiliate Transactions Rule for electric utilities. The cited section provides, in part:

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 will show (1) that KCPL and GMO are each an electrical corporation and public utility, subject to regulation by the Commission; (2) that GPES is an affiliate of both KCPL and GMO because all three companies are owned by Great Plains Energy; (3) that GPES entered into a contract with Allconnect, the Allconnect Direct Transfer Service Agreement (“Agreement”), on behalf of KCPL and GMO; (4) that all of the transactions that have occurred between Allconnect and KCPL and GMO pursuant to the Allconnect Direct Transfer Service Agreement are therefore affiliate transactions; (5) that pursuant to the Allconnect Direct Transfer Service Agreement between GPES and Allconnect, KCPL and GMO each transfer certain customer calls, and certain specific customer information, to Allconnect; (6) that the KCPL and GMO customers did not consent to the transfers of specific customer information by KCPL and GMO to Allconnect and no law or Commission rule or order otherwise authorized

these transfers. Therefore, the Commission must conclude that KCPL and GMO have each violated Rule 4 CSR 240-20.015(2)(C).

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

Yes. Rule 4 CSR 240-13.040(2)(A) is part of the Commission's Service and Billing Practices for Residential Customers of Electric Utilities. The cited section provides:

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 will show (1) that KCPL and GMO are each an electrical corporation and public utility, subject to regulation by the Commission; (2) that KCPL and GMO each transferred to Allconnect certain customer calls and customer information, including the customer confirmation number generated by the addition or change of customer information in the records of KCPL and GMO; (3) that KCPL and GMO each allowed Allconnect personnel to verify the accuracy of the transferred customer information and to provide the customer confirmation number to the customer; (4) that KCPL and GMO each allowed Allconnect personnel to investigate and resolve customer complaints involving Allconnect; and (5) that Allconnect's personnel are not "qualified personnel" within the intendments of Rule 4 CSR 240-13.040(2)(A) for the following reasons:

A. Allconnect is a telemarketer and Allconnect "Associates" are trained telemarketers, not trained regulated utility call center representatives;

B. The performance of Allconnect “Associates” is evaluated on criteria distinctly different from that of KCPL and GMO regulated utility call center representatives; and

C. Allconnect “Associates” interacted with KCPL and GMO customers in a different manner than did KCPL and GMO customer service representatives, including the use of “pushy” and aggressive sales tactics, because their goal was to make sales rather than to resolve customer issues.

Therefore, the Commission must conclude that KCPL and GMO have each violated Rule 4 CSR 240-13.040(2)(A).

**4. Penalties -- 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?**

Yes. The evidence will show that KCPL and GMO received a fee from Allconnect for each transferred call. The evidence will show that KCPL and GMO not only did not ask for their callers’ consent to transfer their calls, and their personal information, to Allconnect but actually misled them by telling them that they had qualified for savings. The evidence will show that KCPL and GMO entered into this relationship with Allconnect in order to realize additional revenues and that KCPL and GMO each booked these revenues below the line to benefit its parent company, although these revenues were earned using regulated assets, and thus did not share the benefit of the revenue in any manner that would reduce customer electric rates. For all of these reasons, the Commission should authorize its General Counsel to seek monetary penalties from

KCPL and GMO for this conduct. Additionally, the Commission should order KCPL and GMO to sever their relationship with Allconnect forthwith or, in the alternative, only to transfer calls and customer information to Allconnect with express customer consent.

Respectfully submitted,

**/s/ Kevin A. Thompson**

Kevin A. Thompson  
Chief Staff Counsel  
Missouri Bar Number 36288  
Attorney for the Staff of the  
Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, Missouri 65102  
573-751-6514 (Voice)  
573-526-6969 (FAX)  
[kevin.thompson@psc.mo.gov](mailto:kevin.thompson@psc.mo.gov)

#### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, hand delivery, of First Class United States Mail, postage prepaid, on all parties of record on this 11<sup>th</sup> day of January, 2016.

**/s/ Kevin A. Thompson**