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Issue: Purpose of Allconnect Relationship
Witness: Charles A. Caisley
Type of Exhibit: Rebuttal Testimony
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

CHARLES A. CAISLEY

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 Pursuant To 4 CSR 240-2.135.

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TABLE OF CONTENTS

1.	<i>Rationale for the Company's Relationship with Allconnect.....</i>	2
2.	<i>The Allconnect Relationship Benefits the Company and Its Customers.....</i>	4
3.	<i>Response to Specific Staff Allegations.....</i>	8

REBUTTAL TESTIMONY

OF

CHARLES A. CAISLEY

Case No. EC-2015-0309

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

2 A: My name is Charles A. Caisley. My business address is 1200 Main, Kansas City,
3 Missouri 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 Marketing and Public 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").

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

11 A: My responsibilities include the company's small-scale distributed and renewable
12 generation projects, energy products and services platforms, energy efficiency and
13 demand response portfolio, community and customer strategy and communications,
14 marketing, economic development, governmental affairs and public relations functions.

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

16 A: I graduated from the University of Illinois in Urbana-Champaign with a Bachelor's
17 degree in political science. I earned a Juris Doctorate degree from St. Louis University
18 School of Law and a Master of Business Administration from Washington University in
19 St. Louis. I joined KCP&L in 2007 as Director of Government Affairs. Prior to joining

1 KCP&L, I was employed by the Missouri Energy Development Association (MEDA),
2 the Missouri Industry Association for Missouri investor-owned utilities, as President.
3 Prior to that I was employed as the Chief of Staff to the Speaker of the Missouri House.
4 In both positions, I dealt extensively with Missouri utility law and energy policy.

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: No.

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

10 A: In response to the direct testimony of Commission Staff witnesses Kremer and Hyneman,
11 I will discuss the rationale for the Company’s relationship with Allconnect, Inc.
12 (“Allconnect”), the benefits that relationship provides to both the Company and its
13 customers and information responsive to specific allegations made by Ms. Kremer and
14 Mr. Hyneman.

15 **Rationale for the Company’s Relationship with Allconnect**

16 **Q: Please describe how and why the Company decided to enter into its existing**
17 **relationship with Allconnect.**

18 A: The Company seeks ways to improve the way we do business with our customers in
19 order to enhance the overall customer experience. Following discussions with Allconnect
20 as well as discussions with other utilities who do business with Allconnect, the Company
21 decided that entering into the relationship with Allconnect was likely to improve our
22 customers’ overall experience and satisfaction levels by providing additional services
23 around the time period when residential customers start or move their electrical service.

1 **Q: Why did the Company believe the Allconnect relationship was likely to improve**
2 **KCP&L and GMO customers' overall experience and satisfaction levels?**

3 A: The Company's relationship with Allconnect makes a service offering available to a
4 targeted group of customers (that is, residential customers initiating or moving service)
5 that provides them an opportunity to save time and money in connection with
6 establishing a new residence. This service offering, which is more fully described in the
7 rebuttal testimony of Dwight Scruggs, is not something that would be practicable for the
8 Company to provide on its own.

9 **Q: Was the Company aware of the issues in the State of Washington concerning**
10 **Allconnect and Puget Sound Energy discussed by Staff witness Kremer (on page 26**
11 **of her direct testimony) before it decided to enter into the relationship with**
12 **Allconnect?**

13 A: Yes. My understanding of that situation was consistent with the discussion in the rebuttal
14 testimony of Dwight Scruggs. What was important to the Company was the fact that the
15 Washington state regulation that Puget Sound Energy was found to have violated
16 required written consent from the customer. My understanding was that written consent
17 is not required in Missouri. Moreover, as discussed in more detail in the rebuttal
18 testimony of Darrin Ives, the Company believes its provision of customer-specific
19 information to Allconnect is consistent with requirements in Missouri.

20 **Q: What steps has the Company taken to ensure that the relationship with Allconnect**
21 **is in the best interest of the Company and its customers?**

22 A: The Company regularly surveys its customers in multiple ways and our customers'
23 opinion of the Allconnect relationship has consistently polled favorably in terms of its

1 impact on overall customer satisfaction. I can state unequivocally that if customer
2 satisfaction survey results would show that the Allconnect relationship is negatively
3 affecting customer satisfaction, the Company would move quickly to remedy any
4 underlying causes and, if that proved not possible, would terminate its relationship with
5 Allconnect.

6 Allconnect also regularly surveys its KCP&L/GMO customers regarding their
7 satisfaction with the services it provides and shares those survey results with the
8 Company. Similar to the surveys conducted by the Company, the Allconnect survey
9 results show that KCP&L/GMO customers consistently have overall favorable opinions
10 of Allconnect.

11 Additionally, as described in the rebuttal testimony of Jean Trueit, the Company
12 regularly meets with Allconnect personnel to ensure that the relationship is beneficial to
13 the Company, its customers and Allconnect.

14 All of this activity will continue to be undertaken to ensure that the Allconnect
15 relationship remains in the best interest of the Company's customers.

16 **The Allconnect Relationship Benefits the Company and Its Customers**

17 **Q: Please describe how the Company's relationship with Allconnect currently benefits**
18 **the Company and its customers.**

19 **A:** The Allconnect relationship provides the following benefits to the Company and its
20 customers:

- 21 • Allconnect provides verification of customer account information entered into the
22 Company's customer information system at no charge to the Company. Absent
23 the Allconnect relationship, the Company would need to undertake this function

1 in some other way at a higher cost that, in all likelihood, would ultimately be
2 borne by customers in the form of higher rates.

- 3 • Allconnect provides KCP&L/GMO customers with a service offering enabling
4 them to have an opportunity to save time and money in connection with
5 establishing new residences. Survey results show that the availability of this
6 service offering has an overall positive impact on KCP&L and GMO customers'
7 satisfaction levels. It would not be practicable for the Company to make this
8 service offering available absent the Allconnect relationship.

9 In addition, the Allconnect relationship provides the Company with a stream of
10 unregulated revenues (amounting to **[REDACTED]** for 2013, **[REDACTED]** for 2014 and
11 **[REDACTED]** for 2015 (through September). While this revenue stream was certainly a
12 factor in the Company's decision to enter into the Allconnect relationship, it was not the
13 most important factor. The most important factor was and remains the overall impact on
14 customer satisfaction.

15 **Q: What data do you have demonstrating that the Allconnect relationship currently**
16 **benefits the Company and its customers?**

17 **A:** As discussed earlier, customer survey results show that the Allconnect relationship has an
18 overall positive impact on the Company's customer satisfaction levels. The following
19 data demonstrates this:

- 20 • Company Voice of Customer survey results discussed in the rebuttal testimony of
21 Jean Trueit;
- 22 • Company customer satisfaction survey results, both specific to the Company's
23 relationship with Allconnect and generally, set forth in Schedule CAC-1; and

- Allconnect customer satisfaction survey results discussed in the rebuttal testimony of Dwight Scruggs.

These survey results are summarized in Schedule CAC-1.

Q: Please describe how the Company's relationship with Allconnect may benefit the Company and its customers in different ways in the future.

A: The Allconnect relationship provides a channel for communicating with our customers in addition to other more traditional communication channels (bill inserts, website, social media, advertising, etc.). We have discussed internally whether the additional communication channel created by the Allconnect relationship might be a cost-effective way to market Company offerings and programs to the Company's customers, for example Missouri Energy Efficiency Investment Act ("MEEIA") programs. . The Company has concluded that Allconnect is a cost-effective, customer friendly and efficient way to market customers to regulated service offerings. With successful resolution to this case, the Company intends to use Allconnect for MEEIA and to enhance customer awareness and participation in other regulated services.

Q: What impact would termination of the Allconnect relationship have on the Company and its customers?

A: If the Company's relationship with Allconnect would be terminated, a service that data shows customers value and appreciate would be discontinued. In addition, costs and rates would be slightly higher. Additionally, the opportunity to make use of the additional communication channel that could potentially be used to market MEEIA programs and other regulated services would be lost.

1 Terminating the Allconnect relationship would have a chilling effect on the
2 Company's efforts to find innovative ways to reach and communicate with customers.
3 Extensive research conducted by the Company as well as national marketing research
4 shows that customers are much more likely to engage in a service that is offered at a time
5 when they have a clear and present need or when information is presented within the time
6 and context of an activity. When a customer is starting or moving their electrical service,
7 billing programs, energy efficiency, online account services and paperless billing are all
8 within the relevant context of their move. Offering these and other regulated services
9 during this time period is a very cost effective and efficient way to target customers for
10 whom those services may be most beneficial and relevant.

11 The Company is constantly looking for ways to communicate to customers when
12 it is relevant to them to receive the information and on platforms that are cost-effective.
13 Many of those platforms were not possible or contemplated just a handful of years ago.
14 Innovation with vendors who can provide mobile phone alerts, text messaging, mobile
15 device apps, emailing services and other channels are all potential communications and
16 marketing channels provided by third parties like Allconnect that would be threatened if
17 the Company were prohibited from continuing its relationship with Allconnect.

18 **Q: Has the Company considered terminating the Allconnect relationship?**

19 **A:** Upon a determination by the Company that the Allconnect relationship is no longer
20 beneficial to customers, the Company would proceed to terminate the Allconnect
21 relationship in an orderly fashion as expeditiously as possible. As discussed above and in
22 the rebuttal testimony of Jean Trueit, the Company pays close attention to the Allconnect
23 relationship and its impact on KCP&L and GMO customers. Because the Company has

1 determined to date that the Allconnect relationship is beneficial to KCP&L and GMO
2 customers, the Company has not considered terminating the Allconnect relationship.
3 Furthermore, should the Company be required to terminate the Allconnect relationship in
4 Missouri, we fully intend to continue the service for Kansas customers as long as it
5 continues its current service levels. It should be noted that Westar has also successfully
6 launched the Allconnect program in Kansas.

7 **Response to Specific Staff Allegations**

8 **Q:** Staff witness Kremer alleges (on pages 9 and 22-25 of her direct testimony) that the
9 Allconnect relationship is detrimental to the Company's customer satisfaction
10 efforts and that the Company's claims that its relationship with Allconnect is
11 intended to enhance customer satisfaction is misleading. How do you respond?

12 **A:** Although it is clear that Ms. Kremer believes these allegations, she is simply wrong.

13 **Q:** Staff witness Kremer (on page 23 of her direct testimony) states that ****[REDACTED]**** of the
14 customers whose calls are transferred to Allconnect do not do buy products from
15 Allconnect, implicitly suggesting this means that the Allconnect service offering is
16 not viewed favorably by KCP&L and GMO customers. How do you respond?

17 **A:** I believe a take rate of approximately ****[REDACTED]**** shows that the Allconnect service
18 offering is quite attractive to KCP&L and GMO customers. Perhaps more importantly
19 though, from a customer satisfaction perspective, simply making the service offering
20 available for the customer to elect or decline has an overall positive impact on customer
21 satisfaction levels. This is borne out by the customer satisfaction survey results which
22 consistently show that the Allconnect program has a positive impact on the customer
23 experience. The services offered by Allconnect are all services that customers who are

1 starting or changing service need to procure or change at the time they are initiating the
2 change in or start of service. A ** [REDACTED] ** conversion rate is higher than every
3 other marketing channel that the Company utilizes. That shows this is highly effective
4 and well received. The fact that more than two thirds decline to use the service but
5 customer satisfaction levels are higher after Allconnect, means that simply offering the
6 service the vast majority of customers view in a positive manner.

7 **Q: Staff witness Kremer (on page 7 of Schedule LAK-d2 of her direct testimony)**
8 **alleges that Staff has observed instances in which Allconnect agents have treated**
9 **KCP&L and/or GMO customers in a pushy or aggressive way in an effort to sell**
10 **Allconnect products and services. How do you respond?**

11 **A:** I am aware of instances, particularly in 2013 when the relationship was just beginning,
12 where Allconnect agents handled calls with KCP&L and/or GMO customers in what
13 could be fairly characterized as a pushy or aggressive manner in an effort to sell
14 Allconnect products. I do not believe Allconnect agents should handle calls with
15 KCP&L/GMO customers in this fashion and I and other Company personnel have
16 discussed this with Allconnect. Allconnect agreed with me on that point. Those
17 discussions have had a positive impact, because, as explained in the rebuttal testimony of
18 Jean Trueit and Dwight Scruggs, the occurrence of such calls has been reduced from
19 0.09% in 2013 to 0.06% in 2014 and 0.02% in 2015 (through October). I am not
20 suggesting, however, that there has not been and there will never be any recurrence of
21 such conduct by Allconnect agents. Just as KCP&L customer service representatives can
22 make mistakes in handling calls, so can Allconnect agents. That is simply a fact, and is
23 the reason both companies have management personnel to train, coach and counsel

1 employees. The fact that the incidence rates for these events have gone down, coupled
2 with the fact that the incidence rate is less than 1% shows the Company's dedication to
3 ensuring that the Allconnect program is executed with the highest concern for having
4 positive interactions.

5 **Q: Staff witness Kremer (on page 8 of her direct testimony) alleges that KCP&L and**
6 **GMO customers suffer detriment from the Allconnect relationship because**
7 **Allconnect "[F]ails to give a complete list of service providers for the services**
8 **Allconnect is attempting to sell . . .". How do you respond?**

9 **A:** I understand, as discussed in more detail in the rebuttal testimony of Dwight Scruggs, that
10 Allconnect provides a complete list of the service providers with whom Allconnect has a
11 business relationship who provide service where the customer's residence is located.
12 This provides the customer with a convenient one-stop shopping option for the service
13 providers on the list but in no way obligates the customer to take any service whatsoever.
14 This convenient option is attractive to some customers, and although this option might be
15 even more convenient and attractive if all service providers were on Allconnect's list, that
16 serves as no reasonable basis to eliminate an option that many customers find convenient
17 and attractive. The perfect should not be the enemy of good. In addition, if there is a
18 local company or provider that wants to utilize the Allconnect platform, the Company is
19 willing to work with Allconnect to help make that a possibility.

1 **Q:** Staff witness Hyneman alleges (on page 14 of his direct testimony) that the
2 Company's contract with Allconnect was signed by you as an officer of Great Plains
3 Energy Services Incorporated ("GPES") and was not signed by any employee or
4 officer of KCP&L as a representative of KCP&L's regulated utility operations.
5 How do you respond?

6 **A:** Mr. Hyneman is wrong. I am an officer and employee of KCP&L and have never been
7 an officer or employee of GPES. I signed the Allconnect agreement in my capacity as
8 Vice President, Marketing and Public Affairs for KCP&L. In his rebuttal testimony,
9 Darrin Ives addresses the Company's use of GPES as a contracting vehicle and why the
10 use of GPES as a contracting vehicle does not transform the Company's relationship with
11 Allconnect – an entity unaffiliated with the Company – into an affiliate transaction.

12 **Q:** Does that conclude your rebuttal testimony?

13 **A:** Yes, it does.

Staff of the Missouri Public Service Commission)
)
Complainant,)
)
v.)
)
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)
)
 Respondents.)

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

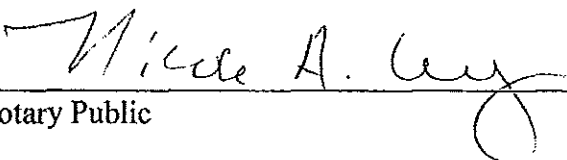
1. My name is Charles A. Caisley. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Vice President – Marketing and Public Affairs.

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

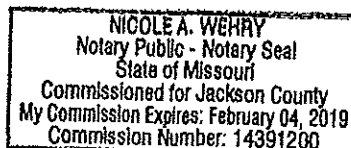
any attachments thereto, are true and accurate to the best of my knowledge, information and belief.


Charles A. Caisley

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


Notary Public

My commission expires: Feb. 4 2019



Allconnect Customer Satisfaction

KCP&L tracks customer satisfaction with our Allconnect program through multiple surveys in addition to the one that Allconnect does on their own.

Just under half (43%) of customers indicate that the Allconnect program has improved their perception of KCP&L. Another one- third (36%) said it has not had any impact on their perception of KCP&L. There is a small group (18%) of customers whose perceptions of KCP&L decreased and continues to be monitored closely. This is consistent with our other research that has a small group of customers who are always dissatisfied with their utility. KCP&L's Allconnect study is an online survey that is specific to the customer's experience with the Allconnect program. Each quarter, there are 400 completed surveys for this study.

<i>Given the fact that your electric utility offered you the opportunity to purchase additional home services such as phone, internet, and cable all in one call, how did this impact your impression or perception of KCP&L?</i>					
	Total	4Q13	1Q14	2Q14	3Q14
	N=1496	N=376	N=368	N=372	N=380
<i>Greatly improved</i>	26%	24%	27%	24%	26%
<i>Somewhat improved</i>	17%	18%	16%	16%	20%
<i>No change</i>	36%	37%	34%	38%	34%
<i>Somewhat decreased</i>	11%	11%	12%	11%	11%
<i>Greatly decreased</i>	7%	7%	7%	7%	6%
<i>Don't know</i>	4%	4%	4%	4%	3%

Source: KCP&L Allconnect Study

<i>Thinking about KCP&L, please tell me if you have a favorable or unfavorable impression of the company?</i>							
	Apr 2014	Jul 2014	Oct 2014	Jan 2015	Mar 2015	Jun 2015	Oct 2015
	N=600	N=600	N=603	N=603	N=600	N=600	N=600
<i>Favorable</i>	82%	81%	83%	82%	80%	84%	85%
<i>Unfavorable</i>	13%	13%	10%	13%	12%	11%	11%
<i>Don't know</i>	5%	6%	6%	4%	6%	5%	4%

Source: WPA Customer Tracking Study

KCP&L's VOC (Voice of Customer) study shows similar results as our Allconnect study. The VOC study is a study based on customer transactions with our call center. We have included three questions in regards to the Allconnect experience among callers who start or transfer service. There are approx. 15-20 customers who answer these questions each month.

<i>And, in terms of starting service with KCP&L, would you say your experience with the Allconnect agent...?</i>		
	2014	YTD 2015
	N=1209	N=906
<i>Positively impacted your opinion of KCP&L overall</i>	43%	50%
<i>Negatively impacted your opinion of KCP&L overall</i>	13%	12%
<i>Did not impact your opinion of KCP&L</i>	44%	39%
<i>Don't know</i>	0%	0%

Source: KCP&L VOC Study (Sep 2015)

Allconnect also conducts their own tracking study to monitor their program with a third party research firm. Their questionnaire is slightly different from KCP&L's questions but also shows high customer satisfaction.

Considering your experience from the point you were transferred to Allconnect, how satisfied were you with us? <i>10pt scale, where 1=Very Dissatisfied and 10=Very Satisfied</i>		
	2014	YTD 2015
	N=3373	N=5339
Customer Satisfaction (Top 3 box)	83%	86%

Source: Allconnect Tracking Study (Oct 2015)

Given the fact that your utility provider offered you the opportunity to purchase additional home services (phone, internet, cable) all in one call, how much did this improve your impression/perception of your utility provider?		
	2014	YTD 2015
	N=3373	N=5339
Improved Impression/Perception	81%	62%**

Source: Allconnect Tracking Study (Oct 2015)

**** The question was changed in 2015 to be more consistent with the KCP&L VOC survey.**

Current Question

Given the fact that your utility provider offered you the opportunity to purchase additional home services (phone, internet, cable) all in one call, how much did this improve your impression/perception of your utility provider?

☐ Greatly Improved ☐ Improved ☐ Decreased ☐ Greatly Decreased ☐ No Change

Previous Question

Given the fact that your utility provider offered you the opportunity to purchase additional home services (phone, internet, cable) all in one call, how much did this improve your impression/perception of your utility provider?

☐ Greatly Improved ☐ Improved ☐ Slightly Improved ☐ Not at all