

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

In the Matter of a Working Case to Draft a Rule)
Regarding Utility Pay Stations and Loan Companies) File No. AW-2014-0329

KANSAS CITY POWER & LIGHT COMPANY AND
KCP&L GREATER MISSOURI OPERATIONS COMPANY'S COMMENTS

COME NOW Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (collectively, “KCP&L” or the “Company”), and hereby files comments in response to the Missouri Public Service Commission’s (“Commission”) May 27, 2014 *Notice of Opportunity to Comment and Request for Responses*.

Comments:

KCP&L appreciates the opportunity to file these Company specific comments in addition to those filed jointly with the MEDA member utilities. The Company believes authorized pay stations are a valuable customer service bill-payment option for our customers and has contracted with Global Express to manage our pay station network. Global Express contracts and retains utility pay stations/agents to provide geographical coverage; maintain an environment and business standard that reflects positively on KCP&L; and most importantly provides this needed customer service option for customers. Customers that utilize our authorized pay station network could be using this payment option for a variety of reasons. Authorized walk in locations are a needed payment option for the unbanked and/or “cash only” customers that do not have a credit card option.

The majority of the Company's authorized pay station network is comprised of grocery and convenience stores, pharmacies, and small town businesses. There are currently nine (8-MO; 1-KS) locations out of KCP&L's total authorized pay station network of 77 (69-MO; 8-KS) that offer check cashing services and/or payday loans.

The Company has placed certain requirements on all its pay station agents to ensure customers are not placed at any disadvantage. Pay station agents are not permitted to require a “store purchase” for KCP&L customers to make a payment. If a KCP&L customer utilizes an authorized pay station location to make their monthly utility payment and that location is a short term lender, the customer is not pressured or obligated to agree to a pay day loan. In fact, many customers making such payments do so because they are “unbanked” and unbanked customers are not eligible for small loans by short term lenders. No predatory behavior has ever been reported to KCP&L. KCP&L has no knowledge of any written or verbal customer complaint specific to the check cashing services and/or payday loan services provided at authorized pay stations. The Company has specific language included in its Supplier contract that the number of

payday loan and check cashing locations shall be limited, and has the right to refuse any proposed agent.

The volume of payments processed at all KCP&L authorized walk in pay stations continues to decline compared to past years. In 2013, only 2.6% of the total payments processed were at authorized walk in pay stations. The dollar volume of those payments was 1.6% of total payment amounts made by our customers. As a subset of these payments made at authorized walk in pay stations, the number of payments made at pay day lender locations was 10% of total pay station network payments and less than 0.2% of total payments made by our customers.

While KCP&L believes authorized pay stations are a valuable customer service bill-payment option for our customers, KCP&L customers also have a variety of other options available for payment of their monthly bill. See below for the various payment options available to customers.

Customer Payment Choices/Options:

- Online: Payment may be made online at KCP&L's website with Visa, MasterCard, debit/ATM card or checking with no fee.
- Auto Pay: Payment may be made automatically each month on Customer's regular due date by setting up recurring payments with Visa*, MasterCard*, checking or savings.
 - *Recurring card payments are not available for customers in the Greater Missouri Operations service area. These customers may set up a recurring payment with savings or checking account.
- Text Message: Payment may be made by text message from Customer's mobile phone after they enroll in Text Notification and store their checking information.
- Phone: Payment may be made by phone with Visa, MasterCard, debit/ATM card or checking by calling KCP&L's automated payment line.
- Mail: Payment may be mailed using KCP&L return envelope and sending check or money order along with bill stub.
- In Person: Payment may be made in person at an authorized KCP&L payment location with cash, check or money order along with bill stub.

Proposed Rule Language:

The Company appreciates the opportunity given by the Commission to provide comments regarding a potential rule amendment that would forbid utilities to establish pay agent relationships with companies that make secured or unsecured short term loans. KCP&L has located authorized pay stations in such companies for some time and has found them to provide a valuable service for certain customers. The Company is unaware of any negative customer experience in such locations, and does not believe such a rule is necessary. However, if the Commission determines after investigation that a rule is necessary regarding utility pay stations and short-term lenders, KCP&L suggests the below for consideration:

- Short-term lenders shall not be the sole source of authorized utility pay stations.

WHEREFORE, the Company submits its comments in response to the Commission's May 27, 2014 *Notice of Opportunity to Comment and Request for Responses*.

Respectfully submitted,

/s/ Roger W. Steiner

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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, to all parties of record this 25th day of June, 2014.

/s/ Roger W. Steiner

Roger W. Steiner