

**BEFORE THE PUBLIC SERVICE COMMISSION
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’S AND KCP&L
GREATER MISSOURI OPERATIONS COMPANY’S REPLY TO
STAFF’S RESPONSE IN OPPOSITION TO RESPONDENTS’
MOTION TO CONTINUE**

COME NOW Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”) (collectively, “KCP&L/GMO” or “Company”), pursuant to 4 CSR 240-2.080, and hereby replies to the Staff’s Response In Opposition To Respondents’ Motion To Continue filed on October 13, 2015. (“Response”) In support of this reply, the Company states as follows:

1. On October 13, 2015, Staff filed its Response In Opposition To Respondents’ Motion To Continue. Contrary to the Staff’s Response, the Company has demonstrated good cause for its request to continue the deadline for the filing of its response to the Staff’s Motion For Summary Determination. Pursuant to 4 CSR 240-2.117(D), the Commission may continue the motion for summary determination for a reasonable time to allow an opposing party to conduct such discovery as is necessary to permit a response to the motion for summary determination. This is exactly what the Company is requesting—time to complete its discovery

and determine the material facts and issues in dispute.

2. As explained in Company's Motion, the Company is currently in the process of conducting discovery in this proceeding which may not be completed by November 5, 2015. It is not possible to know whether there will be disputed issues of material fact until after Company files rebuttal testimony on November 19, 2015, at the very earliest. More likely, this will not be known until after Staff files its surrebuttal testimony on December 18, 2015.

3. The Company has reviewed the Staff Responses to data requests filed to date, however. Based upon its review, the Company believes that further discovery is required to respond to Staff's Motion For Summary Determination. Nevertheless, even at this early stage it appears highly likely to the Company that material issues of disputed fact will exist. Such likely disputed issues of material fact include, but are not limited to the following:

a) Contrary to Staff's allegations, Company does not transfer customer information to Allconnect as the term "transfer" is used in section 393.190.1 RSMo. because, among other reasons, the Company retains all rights and abilities to use that customer information upon and after providing it to Allconnect. As such, this arrangement does not violate section 393.190.1 RSMo. This will be addressed in more detail in rebuttal testimony to be filed on November 19, 2015.

b) Contrary to Staff's factual allegations, the limited customer information provided by the Company to Allconnect (i.e. unique customer identifier, customer name, service address, service commencement date, and service confirmation number) does not constitute its "franchise, works or system, necessary or useful in the performance of its duties to the public" as that phrase is used in section 393.190.1 RSMo. As such, this arrangement does not violate Section 393.190.1 RSMo. This will be addressed in more detail in rebuttal testimony to be filed on November 19, 2015.

c) Contrary to Staff's factual allegations, the fact that GPES served as a contracting vehicle for KCP&L's and GMO's relationship with Allconnect – whereby the Company interacts directly with Allconnect, Allconnect pays money directly to KCP&L and GMO, and GPES has no involvement outside of serving as a contracting vehicle – does not transform this into an affiliate transaction between KCP&L/GMO and GPES. As such, the provisions of Commission Rule 4 CSR 240-20.015 applicable to affiliate transactions do not apply to this arrangement. This will be addressed in more detail in rebuttal testimony to be filed on November 19, 2015.

4. If the crux of Staff's complaint is that the Company provides specific customer information to Allconnect as an unaffiliated third party service provider assisting KCP&L/GMO in the provision of regulated utility service, then Commission Rule 4 CSR 240-20.015(2)(C) is vague and overbroad and KCP&L/GMO are being subjected to disparate regulatory treatment from other utilities in Missouri in violation of the equal protection clause of the Missouri and United States Constitutions. Staff has admitted in response to Company data requests that utilities in Missouri make specific customer information available to unaffiliated entities, namely third party service providers engaged by those utilities to assist in the provision of regulated utility service (for function such as collections, meter reading, call center operations). (See attached Staff Response to KCP&L Data Request No. 8). Staff also has admitted that no such utility in Missouri obtains the consent of customers to make such information available to such unaffiliated third party service providers. (See attached Staff Response to KCP&L Data Request No. 8) Staff has further admitted that no such utility in Missouri has requested, or been granted, a waiver of or variance from the provisions of Commission Rule 4 CSR 240-20.015(2)(C) regarding the provision of specific customer information to unaffiliated third party service providers. (See attached Staff Response to KCP&L Data Request No. 8) The initial purpose of

KCP&L/GMO's transfer of each phone call is so that Allconnect can assist in the provision of regulated utility service by confirming and verifying account information entered into the Company's customer information system. 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 to do business with Allconnect. This will be addressed in more detail in rebuttal testimony to be filed on November 19, 2015.

5. If the crux of Staff's complaint is that KCP&L/GMO make specific customer information available to Allconnect for unregulated purposes without customer consent, then KCP&L/GMO vigorously dispute Staff's factual assertion because KCP&L/GMO make specific customer information available for use by Allconnect for unregulated purposes only if the customer agrees to do business with Allconnect. As such, KCP&L/GMO have not violated the provisions of Commission Rule 4 CSR 240-15.020(2)(C). This appears to be a factual issue which requires an evidentiary hearing.

6. Contrary to Staff's allegations, KCP&L/GMO have qualified personnel – both in-house employees and agents employed by Allconnect – available during normal business hours to receive and respond to all customer inquiries, service requests, safety concerns, and complaints, including complaints regarding Allconnect. As such, KCP&L/GMO have not violated Commission rule 4 CSR 240-20.13.040(2)(A). This will be addressed in more detail in rebuttal testimony to be filed on November 19, 2015.

7. Staff also sets forth a number of allegations described by Staff as “undisputed material facts” that are, in fact, disputed by KCP&L/GMO. For example:

- a. KCP&L/GMO specifically dispute Staff's allegation that “[T]he transfer of calls to Allconnect is inconvenient for KCP&L and GMO's customers

because they often do not receive their confirmation number until after they have had to listen to a prolonged sales pitch from the Allconnect representative.” (Staff’s Motion for Summary Determination, paragraph 13)

- b. KCP&L/GMO specifically dispute Staff’s allegation that KCP&L/GMO have “assumed a ‘hands-off’ approach to difficulties their customers encounter with Allconnect, the result of a managerial decision KCP&L and GMO have made at the expense of their customers.” (Staff’s Motion for Summary Determination, paragraph 17)
- c. KCP&L/GMO specifically dispute Staff’s allegation that “[T]hrough their relationship with Allconnect, KCP&L and GMO are exploiting their monopoly position and subsidizing their nonregulated operations.” (Staff Motion for Summary Determination, paragraph 18)
- d. KCP&L/GMO specifically dispute Staff’s allegation that “KCP&L and GMO are selling their customer’s information and access without the customers’ knowledge or consent and without even sharing any part of the proceeds with the customers.” (Staff Motion for Summary Determination, paragraph 19)
- e. KCP&L/GMO specifically dispute Staff’s allegation that “GPE and its subsidiaries specifically structured their relationship with Allconnect in order to prevent the Commission from requiring that the proceeds benefit the regulated operations of KCP&L and GMO and that the sole “actual purpose of the agreement with Allconnect is to increase non-regulated net margin contribution.” (Staff Motion for Summary Determination , paragraph 20)
- f. KCP&L/GMO also specifically dispute Staff’s allegations that “[T]he use of KCP&L and GMO’s regulated assets to support unregulated business activities constitutes improper subsidization of an unregulated business line. (Hyneman Direct, pp. 27, 31). KCP&L’s management, which also acts for GMO, is acting in manner that is detrimental to KCP&L and GMO’s customers, both from a customer service standpoint in unsolicited and forced transfers of regulated customers and their information to an unregulated marketing company and the use of regulated rate base plant in service assets and regulated utility employees in the process.” (Staff Motion for Summary Determination, paragraph 21)

8. In light of the foregoing, it is clear that (1) there are currently issues of material fact in dispute and (2) there will almost certainly be additional issues of material fact in dispute

that will become apparent after the filing of rebuttal testimony on November 19, 2015. Consequently, there is no basis to require KCP&L/GMO to respond to Staff's motion for summary determination at all, but in no event should KCP&L/GMO be required to respond until a reasonable time after the filing of rebuttal testimony.

10. Finally, it is also important to note that Staff has the burden of proof in this Complaint case. *See Ag Processing v. Public Service Commission*, 385 S.W.3d 511 (Mo. App. 2012); Section 386.390 RSMo. Staff has not presented any evidence to support its factual and legal allegations, and Staff may not avoid its burden of proof merely by asserting that judicial economy would be promoted by deciding the issues without giving the Company the opportunity to rebut the Staff allegations in an evidentiary hearing.

WHEREFORE, the Company respectfully renews its requests that the deadline for responding to Staff's Motion For Summary Determination be extended until January 11, 2016 in order to allow the Company the opportunity to ascertain if there are material facts and issues in dispute in this matter, and otherwise respond to the allegations and assertions contained in Staff's Motion.

Respectfully submitted,

/s/ James M. Fischer

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**Counsel for Kansas City Power & Light
Company and KCP&L Greater Missouri
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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 21st day of October, 2015.

/s/ Roger W. Steiner

Roger W. Steiner

Missouri Public Service Commission**Respond Data Request**

Data Request No.	0008
Company Name	MO PSC Staff-(All)
Case/Tracking No.	EC-2015-0309
Date Requested	9/8/2015
Issue	Other - Other
Requested From	Lisa Kremer
Requested By	Stephanie Gates
Brief Description	i. Are you aware of utilities operating in the State of Missouri who engage third party contractors
Description	i. Are you aware of utilities operating in the State of Missouri who engage third party contractors (i.e., outsource) to undertake functions in support of regulated operations such as, but not limited to, collection activities (both in the field and through telephone calls and legal process); service line installation and/or replacement; meter inspection and/or maintenance (including activities related to automated meter reading equipment); meter reading; responding to customer contacts or inquiries. If so, please explain your knowledge of: a) which utilities outsource which functions; b) whether these utilities provide customer information to the third party contractors in connection with the provision of such service; c) whether any of those utilities obtain the consent of customers prior to providing customer information to the third party contractor; d) whether any of those utilities has requested a waiver of 4 CSR 240-20.015(2) (C); and e) whether the Commission has granted or denied any such requested waiver.
Response	Yes, I am aware that utilities regulated by the Commission engage third party contractors to undertake functions in support of regulated operations. a. KCP&L Greater Missouri Operations (GMO) engages a third party (KCP&L) to operate virtually its entire operations. I am aware that utilities in Missouri generally operate in a manner that they engage third party contractors to undertake activities in support of their regulated operations. I do not keep, nor am I aware of anyone on Staff keeping, a list of third party contractors used by Missouri regulated utilities. Even if there were such a list, the Staff would seek utility specific permission to disclose this information to KCP&L-GMO. There is the matter of Section 386.480 RSMo. and individual utilities may consider this information to be highly confidential or proprietary, which involves 4 CSR 240-2.135. Staff suggests KCP&L-GMO inquire directly of other Missouri regulated utilities as to the outside service providers they employ. Staff notes that it would not routinely provide the names of KCP&L-GMO's outside service providers to other utilities in response to a utility data request nor in response to a survey conducted by a third party such as NARUC. I am not aware of any regulated utility in Missouri that conducts its business in a manner similar to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with Great Plains Energy Services (GPES). Review of the Federal Energy Regulatory Commission (FERC) Form One filings completed by all the Missouri regulated electric utilities, demonstrates that all record expenses in Account 923 known as "Outside Services," Such recording of expenses in FERC

Account 923 demonstrates that they all utilize third party contractors in some capacity. The FERC uniform system of accounts (USOA) does not provide specific information regarding outside services for particular accounts. As stated above, I am aware of no Missouri regulated utility that conducts its business in a manner similar to KCP&L and GMO and the Allconnect Direct Transfer Service Agreement with GPES. Allconnect payments to KCP&L are not in support of regulatory activities/functions but instead are in support of ownership and sale/transfer of KCP&L-GMO's customer information to Allconnect. Third party contractors, such as those referred to by KCP&L-GMO in this data request perform services, to the best of my knowledge, to solely support regulated utility service, of which there is no comparison to the KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. b. Yes, in some cases: collections, meter reading, call center operations and possibly others would require some amount of customer information. I am aware that third party contractors performing certain activities/functions require utility customer information to perform their contractual duties. Contractual provisions between utilities and its contractors may include provisions to maintain the privacy/confidentiality of customer information as well as restrict the use of the customer information for the exclusive performance of the contracted service. Third party contractors are not sold customer information to use for commercial purposes outside of the regulatory context. Third party contractors, such as those referred to by KCP&L-GMO in this data request, perform services, to the best of my knowledge, to solely support regulated utility service, of which there is no comparison to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. c. Not to my knowledge. I am not aware of any utility in Missouri obtaining the consent of customers prior to providing customer information to a third party contractor to perform an activity in support of its regulated operations. Contractual provisions between utilities and their contractors may address privacy/confidentiality and restrictions on the use of customer information beyond the utilization needed to satisfy contractual commitments. Third party contractors, such as those referred to by KCP&L-GMO in this data request, perform services, to the best of my knowledge, to solely support the regulated utility service, of which there is no comparison to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. d. Not to my knowledge. I am not aware of any utility in Missouri seeking a waiver to 4 CSR 240-20.015(2)(C) prior to providing customer information to a third party contractor to perform an activity/function in support of its regulated operations. Contractual provisions between utilities and their contractors may address privacy/confidentiality and restrictions on the use of customer information beyond the utilization needed to satisfy contractual commitments. Third party contractors, such as those referred to by KCP&L-GMO in this data request, perform services, to the best of my knowledge, to solely support the regulated utility service, of which there is no comparison to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. e. Not to my knowledge. I am not aware of any utility in Missouri having requested, received, or been denied a waiver to 4 CSR 240-20.015(2)(C) prior to providing customer information to a third party contractor to perform an activity/function in support of its regulated operations activities. Contractual provisions

between utilities and their contractors may address privacy/confidentiality and restrictions on the use of customer information beyond the utilization needed to satisfy contractual commitments. Third party contractors, such as those referred to by KCP&L-GMO in this data request, perform services, to the best of my knowledge, to solely support the regulated utility service, of which there is no comparison to KCP&L-GMO and the Allconnect Direct Transfer Service Agreement with GPES. The critical distinction between the relationship KCP&L-GMO has with Allconnect from other third party contractors referred to by KCP&L-GMO in this data request is 1) Allconnect pays KCP&L for each call transferred to Allconnect as well as for customer information (KCP&L-GMO does not pay Allconnect as it does traditional third party contractors). Allconnect payments to KCP&L-GMO are booked to KCP&L non-regulated operations. KCP&L-GMO's non-regulated operations do not profit from the activities of the other third party service providers referred to by KCP&L-GMO in this data request. 2) KCP&L-GMO do not credit to its customers the money it makes from the transfer of customer calls and sale/transfer of customer information to Allconnect. 3) KCP&L-GMO transfer customer calls to Allconnect and sell/transfer customer information without customer consent. The verification of customer information that KCP&L-GMO state Allconnect performs for KCP&L-GMO was successfully performed by KCP&L-GMO prior to KCP&L-GMO's engagement with Allconnect, and such data verification is successfully performed by all other regulated utilities in the state of Missouri without the assistance of Allconnect or other third party marketers. Data Request submitted by Lisa Kremer (lisa.kremer@psc.mo.gov).

Objections

NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **EC-2015-0309** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **MO PSC Staff-(All)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **MO PSC Staff-(All)** and its employees, contractors, agents or others employed by or acting in its behalf.

Security : Public**Rationale :** NA