

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

In the Matter of Kansas City Power & Light)
Company's Request for Authority to) **File No. ER-2016-0285**
Implement a General Rate Increase for)
Electric Service)

PUBLIC COUNSEL'S RESPONSE TO ORDER DIRECTING FILING

COMES NOW the Office of the Public Counsel ("OPC" or "Public Counsel")
and for its *Response to Order Directing Filing* states:

1. On April 13, 2017 the Missouri Public Service Commission ("Commission") issued its *Order Directing Filing* requiring Kansas City Power & Light Company ("KCPL") to provide certain information regarding surveys by April 17th. Within the same order the Commission instructed other parties wishing to respond to do so by April 18th.
2. On April 17, 2017 KCPL filed its response in the Commission's Electronic Filing Information System. In an email to the parties, KCPL provided copies of the surveys referenced in its filing and its workpaper showing its calculations.
3. Public Counsel has reviewed the documents and does not dispute that the surveys provided yesterday do not inquire about specific ballot issues or candidates. Furthermore, Public Counsel also agrees the company should not charge customers for the cost of survey questions that are not related to the provision of regulated utility services.
4. However, Public Counsel does not view the company's allocation proposal and future cost treatment as an appropriate resolution of the issue. The reason is because the provision of survey data collected on behalf of the regulated utility to non-regulated affiliates requires application of the Commission's affiliate transaction rules. In

particular, the pricing standards section of Commission Rule 4 CSR 240-20.015(2)(A) providing, in part:

(2) Standards.

(A) A regulated electrical corporation shall not provide a financial advantage to an affiliated entity. For the purposes of this rule, a regulated electrical corporation shall be deemed to provide a financial advantage to an affiliated entity if—

...

2. It transfers information, assets, goods or services of any kind to an affiliated entity below the greater of—

A. The fair market price; or

B. The fully distributed cost to the regulated electrical corporation.

5. To be clear, even if the Commission determines that all of the questions asked were appropriate¹ as long as the survey was conducted on behalf of, and paid for by, the regulated utility the treatment of the costs is governed by the foregoing rule. If the resulting survey data and information are provided to an affiliated entity the appropriate adjustment is either the fair market price or the fully distributed cost, whichever is greater.

6. During the hearing, KCPL's witness testified that once the survey is conducted the company shares the information with its political action group (Tr. Vol. 12, p. 1496).² In its *Response* KCPL confirms it has asked ratepayers to pay for these surveys. Because the company's practice is to provide the survey information to its affiliate (the political action committee) the Commission's affiliate pricing rules dictate how any cost should be treated – not a calculation based on a percentage of particular questions asked.

¹ Public Counsel believes only the costs for questions related to the provision of regulated utility services should be charged to customers.

² The witness also testified that the information is shared with certain public officials at no cost (Tr. Vol. 12, p. 1471).

7. Public Counsel's first preference is that the Commission order the company to stop asking the personal political questions not used or necessary for regulated utility purposes on a prospective basis.³ If, instead, the Commission chooses to make an adjustment it should do so in a manner consistent with the asymmetric pricing standards found in Commission Rule 4 CSR 240-20.015(2)(A).

WHEREFORE Public Counsel submits its *Response to Order Directing Filing*.

Respectfully,
OFFICE OF THE PUBLIC COUNSEL

/s/ Tim Opitz
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 18th day of April 2017:

/s/ Tim Opitz

³ Of course, even if the disfavored survey questions are excluded from future surveys the disclosure that the survey data is provided to an affiliate at no cost warrants further investigation.