

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

In the Matter of the Establishment of a Working)	
Case for the Writing of a New Rule on the)	
Treatment of Customer Information by)	Case No. AW-2018-0393
Commission Regulated Electric, Gas, Steam)	
Heating, Water, and Sewer Utilities and their)	
Affiliates and Non-Affiliates)	

**EVERGY’S RESPONSE TO ORDER
REQUESTING COST OF COMPLIANCE RESPONSES**

COMES NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (collectively, “Evergy” or “Company”), and as requested by the Missouri Public Service Commission’s (“Commission”) February 26, 2020 *Order Requesting Cost of Compliance Responses* (“Order”), provides the following comments:

1. The Company anticipates significant costs relating to compliance with Staff’s proposed rule. In many instances, the Company has not been able to fully evaluate the cost of the proposed rule. Nevertheless, the Company provides its estimates below:

(1) Definitions

2. Because the proposed rule significantly expands the list of items that are deemed to be personally identifiable customer information beyond section 407.1500.1 (9) RSMo. and there is no sensitivity assessed (i.e. “address” to be protected the same as “social security number”), the Company will incur additional costs to secure this information to prevent disclosure. The Company already takes multiple precautions (i.e. limited employee access, redaction, etc.) to protect customer social security numbers from disclosure. In order to provide the same level of protection for address, phone number, date of birth, payment history, unique electronic identifier or routing code, or usage information the Company conservatively estimates the cost of compliance with the rule to be \$5.7 Million to over \$17 Million and take multiple years in order to upgrade the Company’s information

handling and storage systems. Such large expenditures and effort would not be necessary if the rule does not require the Company to enhance protection of personally identifiable customer information beyond the scope of what is required under section 407.1500.1 (9) RSMo. and the Company's current protections.

(2) Utility Related Services

3. This part of the proposed rule requires specific contractual terms when personally identifiable customer information is transferred to a third-party nonaffiliate providing utility services. While the Company generally supports the intent of the suggested contract terms, the implementation will be difficult and potentially impossible for several reasons. First, while the intent of the language may be possible to negotiate in many contracts, some of the Company's vendor have significant negotiation position and do not negotiate terms and conditions. Therefore, allowance for the contractual terms identified in the proposed rule or terms with similar intent would be necessary. Without the services of some of these significant vendors, the Company will be significantly financially and operationally impacted as these vendors provide critical services that we are unable to perform. Second, the Company believes that unless there is a grandfathering provision in the rule, there will be a significant cost and effort to renegotiate every existing contract. Due to the breadth of what has been identified in the proposed rule as personally identifiable customer information, many vendor contracts are implicated. For those select contracts where we have a negotiation position to renegotiate terms and conditions, if we conservatively assume one hundred contracts to be negotiated and assemble or contract a five-person negotiating team (supply chain, legal, risk, security and business representatives) to expedite the review, we could estimate completing on average ten contracts a week that would be ten weeks. The cost of the team at an hourly loaded or outsourced rate of \$400 per hour would be \$800,000. By adding language such as, "This section applies to applicable contracts issued after the effective date

of this rule.”, the proposed terms or terms of similar intent can be added as new contracts are negotiated and the above costs would be minimized. Moreover, some existing contracts would not be able to be modified until they are up for renegotiation because there is little leverage for a vendor to execute an amendment with no benefit in exchange.

(3) Nonutility Related Services

4. This section of the proposed rule requires recorded verbal or written affirmative customer consent. This language should be broadened to include “or another demonstration that customer consent was received.” This would allow the use of electronic forms which while not explicitly logging consent would clearly demonstrate that the customer consent was intended by completing the electronic form. Requiring recorded verbal or written consent and not this flexible demonstration for these services would unnecessarily increase the cost to comply.

(4) Aggregated or Anonymized Customer Information or Data

5. The proposed rule states, “Aggregated or anonymized customer information or data may be disclosed to affiliates or third-party nonaffiliates upon similar terms and conditions.” In the proposed rule, Section (1)(B) excludes aggregated or anonymized customer information from the definition of personally identifiable customer information. Since the aggregated or anonymized customer information does not require the protections of personally identifiable customer information, requiring “similar terms and conditions” in this section of the proposed rule creates an unclear and unnecessary cost for compliance.

(5) Privacy Policy

6. The proposed rule requires the Company identify applicable federal, state, county and city laws, rules, etc. (which would include subpoenas or court orders) which support, limit or prohibit disclosure of customer information. The Company believes that this rule would create much work for

very little benefit as the Company operates in many different jurisdictions. Just listing the numerous jurisdictions much less the requirements would be extensive and not something typically identified in a privacy policy. In addition, the Company receives 12-15 subpoenas for customer information per month and these subpoenas prohibit notification of the customer. The Company believes that this requirement can be met with no additional cost with a general statement in its privacy policy that states that the Company complies with various applicable laws, rules, orders or judicial processes (e.g. subpoenas or court orders) and utility tariffs which support, limit or prohibit disclosure. The more significant issue is that there would also be the constant need to review the jurisdictions and update the privacy policy for activity on nearly a daily basis. To require the Company to nearly continuously update the privacy policy for the extensive required information would only occur at a significant cost to comply.

Respectfully submitted,

/s/ Roger W. Steiner

Robert J. Hack, MBN 36496
Roger W. Steiner, MBN 39586
Energys, Inc.
1200 Main Street, 16th Floor
Kansas City, MO 64105
Telephone: (816) 556-2791
Telephone: (810) 556-2314
Facsimile: (816) 556-2110
E-Mail: Rob.Hack@energys.com
E-Mail: Roger.Steiner@energys.com

**Attorneys for Energys Missouri Metro and
Energys Missouri West**

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 20th day of March 2020.

/s/ Roger W. Steiner

Roger W. Steiner