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MAWC – Exhibit 41 Takisha D. Walker Rebuttal Testimony File No. WR-2022-0303 Exhibit No.:

Issues: Customer Service Witness: Takisha D. Walker

Exhibit Type: Rebuttal

Sponsoring Party: Missouri-American Water Company

Case No.: WR-2022-0303
Date: January 18, 2023

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WR-2022-0303

REBUTTAL TESTIMONY

OF

TAKISHA D. WALKER

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

AFFIDAVIT

I, Takisha D. Walker, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Director Customer Care for American Water, that the accompanying testimony has been prepared by me or under my direction and supervision; that if inquiries were made as to the facts in said testimony, I would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of my knowledge and belief.

Takisha D. Walke

January 18, 2023

Dated

REBUTTAL TESTIMONY TAKISHA D. WALKER MISSOURI-AMERICAN WATER COMPANY CASE NO.: WR-2022-0303

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REBUTTAL TESTIMONY

TAKISHA D. WALKER

<u>I.</u>	INTRODUCTION

- 2 Q. Please state your name and business address.
- 3 A. My name is Takisha Walker. My business address is 1 Water St., Camden, NJ 08102.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by American Water Works Service Company, Inc. (Service Company or
- 6 Company or AWWSC) within the Customer Service Organization (CSO) as Director
- 7 Customer Care.

- 8 Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND
- 9 **BUSINESS EXPERIENCE.**
- 10 A. My educational background consists of a Master of Business Administration from
- Fontbonne University in St. Louis, MO, Bachelor of Organizational Studies from St. Louis
- 12 University in St. Louis, MO, and a Certified Project Manager Professional (PMP) from
- Project Management Institute (PMI). My business experience consists of twenty-two years
- with the Service Company or an American Water affiliate. I started in the Customer Service
- Organization performing tasks such as new hire trainings for various departments, handling
- 16 customer calls, and developing quality assurance programs. Through promotions within
- the Company, I have held roles on various teams including CSO business services team,
- 18 CSO collections team, Kentucky American Water field operations team, Service Company
- business transformation training team, Kentucky American Water business performance
- 20 team, Missouri American Water business development team and CSO Program
- 21 Management Office.

- 1 Q. What are your current employment responsibilities?
- 2 A. As Director, Customer Care, I am responsible for the Customer Care Team, which consists
- of the following: Call Handling, Learning and Development, Call Handling Quality
- 4 Assurance Team, and Workforce Management.
- 5 Q. Are you generally familiar with the operations of the call center for MAWC?
- 6 A. Yes.

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- 7 Q. What is the purpose of your Rebuttal Testimony in this proceeding?
- 8 A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimony of Staff
- 9 witness Charles Thomason related to the operations of MAWC customer services
- operations and performance.

II. CUSTOMER SERVICE ORGANIZATION

- 12 Q. Please describe the Customer Service Organization.
- 13 A. The CSO supports the customer service needs of MAWC and the other American Water
- 14 utility subsidiaries. The CSO responds to customer inquiries, maintains customer
- information systems, provides multiple language capabilities for customers, and operates
- a real-time direct service order entry system that dispatches work from the CSO to Field
- 17 Service Representatives (FSRs).
- 18 Q. Is the call center a part of the CSO?
- 19 A. Yes.
- 20 Q. Are there benefits to MAWC by being part of the AWWSC CSO organization rather
- 21 than by a standalone MAWC customer service department?
- 22 A. Yes, there are. These advantages include efficiency, consistency, and resiliency. By

consolidating the customer service function of American Water's regulated utility operating companies, each operating company enjoys greater economies of scale than would be available to individual, stand-alone company customer service departments. Resources such as equipment, training, monitoring, and supervision can be sourced more efficiently on a consolidated basis, which mitigates the costs ultimately borne by customers. A centralized CSO also ensures the consistency of customer service quality and training across jurisdictions as well as allowing each operating company the benefit of the lessons learned and best practices developed by the CSO. The use of a centralized, common CSO staff to provide service to multiple operating companies also means that additional staff are available should one company experience a spike in call volumes due to, for example, local weather conditions. The geographic diversity of the CSO creates resiliency, ensuring continued service in case a severe weather event, work stoppage or other contingency.

- Q. The Direct Testimony of Staff witness Tyrone Thomason suggests that the CSO performance is not adequate.¹ Please respond to the contention that the call center performance shows a deteriorating quality of service in 2020 and 2021, with modest improvement in 2022, in terms of ability to answer calls in a timely manner and avoid a significant abandonment rate.
- A. CSO performance in 2020, 2021 and 2022 was affected by low staffing levels during the height of the COVID-19 emergency. The CSO experienced an unusually high level of attrition among customer care agents available to handle customer calls during that period, which in turn increased the average speed to answer and call abandonment rates. For

¹ Thomason DT, p. 3.

example, at the beginning of 2019, we had 400+ CCAs available to handle customer calls 2 compared to about 300 CCAs at the end of 2022 and staffing levels as low as 260 CCAs 3 over 2020 and 2021. In short, the single biggest driver in the longer wait times recorded in 2020, 2021 and 2022 is the number of agents available to receive calls. Since the onset 4 5 of the pandemic, the CSO has added CCAs across the American Water footprint, including 6 agents in Camden, NJ, Gary, IN, Charleston, WV, and the Pittsburgh, PA area to reduce wait times for customers. 7

Is it fair to say that the CSO's primary challenge is a lack of CCAs? 8 Q.

- Yes, and the CSO continuously works to hire and train new CCAs each year to reach 9 A. 10 sufficient staffing in response to demand.
- 11 Q. Please describe the process of hiring new CCAs.

- 12 A. The CSO hires CCAs in classes comprised of 10 to 30 new agents. That process begins 13 with identifying the anticipated need for additional CCAs based on current vacancies and 14 anticipated attrition. Next, the positions are posted to attract applicants, those applicants 15 are evaluated through a two-step interview process, and if selected, are offered a position 16 as a CCA. The applicants must pass a background check and drug screening and must also demonstrate adequate internet connectivity for remote work. Once hired, the new CCAs 17 18 participate in an in-person orientation and begin their training.
- 19 How long does it typically take to hire a new CCA? Q.
- The process from posting CCA positions to hire date normally ranges from 60 to 75 days. 20 A.
- Once a new CCA is hired, how long is the process of training that person before they 21 Q. 22 take customer calls independently?
- From hire date to fully active agent resource typically takes 90 days. 23 A.

- 1 Q. What happens during those 90 days?
- 2 A. Each new CCA undergoes four weeks of remote training followed by eight weeks of hyper-
- 3 support nesting.
- 4 Q. Please explain what you mean by hyper-support nesting.
- 5 A. Hyper-support nesting is a program where the new CCAs are partnered with each other to
- begin taking customer calls as a team under the supervision of their managers. While one
- 7 CCA is speaking to a customer, the second CCA is there to provide resources to the first
- 8 CCA to help answer that customer's question(s) and/or concern(s). This process
- 9 encourages each new CCA to learn from those experiences together. Additionally, each
- class of new CCAs participates in daily group meetings to discuss how specific calls were
- handled and how to achieve the best outcome for each call.
- 12 Q. If a new class of CCAs is comprised of ten new agents, do those ten agents each handle
- their own calls during the first 90 days?
- 14 A. No. During the first 90 days, the new CCAs are paired with each other to handle individual
- 15 customer calls as a team. It is not until that training is complete that the new CCAs handle
- calls individually.
- 17 Q. How much time passes from posting vacant CCA positions to having new, fully
- trained CCAs answering customer calls individually?
- 19 A. The entire process can take approximately 165 days.
- 20 Q. Is retaining newly hired CCAs important?
- 21 A. Yes. During the first year, new CCAs are still building competencies in order to be efficient
- and effective agents. The first year of employment is critical to retention.

Q. Why is the first year of a CCAs employment critical to retention?

A. In addition to the resources and time devoted to their training, the CSO has observed that

CCAs who stay on the job for at least one year are likely to remain long-term making for

a more efficient workflow.

5 Q. Does the CSO face challenges retaining new CCAs?

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A. Yes. CCA positions are entry level positions. New hires often leave to pursue other opportunities based solely on pay. Additionally, new CCAs covered by a collective bargaining agreement are not eligible for benefits for their first 90 days of employment and often leave for benefits they perceive to be more immediate. Furthermore, new CCAs who excel in the role often advance within the organization, leaving a CCA vacancy to fill.

Mr. Thomason testified that terminating geographic routing should have improved ASA, and further suggested that the intended effect of improving Average Speed to Answer (ASA) never materialized.² Do you agree with his assessment?

No. Isolating the singular issue of geographic routing does not provide a full picture of the CSO landscape in 2020. While the removal of geographic routing allows for more efficient routing of incoming calls to available CCAs, other factors were also at play that impacted call answer times. For example, COVID-19 absences were beginning to have a major effect on operations throughout 2020, and that contributed to increased ASA. Furthermore, call volumes decreased in early 2020 due the temporary pause in collection activities, the temporary pause to in-home service appointments, and a drop in move-in/move-out requests, all of which were attributable to COVID-19. As a result of the drop in call volume, certain vacancies were not filled when they arose. When call volume began to increase, it

Page 7 Walker - RT

² Thomason DT, p. 9.

- was difficult to fill those positions. The CSO continues its efforts to backfill those positions.
- Q. Mr. Thomason also correlates the move to remote CSO operations with increased
 ASA.³ Do you agree with that correlation?
- 5 A. No. CCAs' productivity is monitored in real time, and no measurable change in CCA productivity occurred during or after the migration to remote work.
- 7 Q. Does the CSO have customer service options other than speaking to a live CCA?
 - A. Yes. In addition, the CSO's interactive voice response (IVR) system provides customers with several alternatives to holding for a CCA. Some of these alternatives result in an "abandoned" call or increased answering time even when they provide a satisfactory customer experience. The IVR informs customers of the availability of online self-service features that they can utilize without waiting for a CCA for common interactions like moving in and starting service. If customers choose to wait for a representative, the IVR informs them of current estimated wait time and gives them the option of entering their number and having a CCA call them back. If after entering the queue and hearing the wait time the customer decides to call later or utilize an online self-serve option, the call will be counted as "abandoned" even though the customer will have been served. If the customer utilizes the courtesy call-back (CCB) feature, the time between the beginning of the customer's initial call and the call-back is counted as answering time. As shown on Table TDW-1 below, if customers electing a CCB are removed from the data Staff witness Thomason relied on, the average wait times are roughly half of those presented in his Direct

³ *Id*.

1 Testimony.

Table TDW-1

Year	ASA with CCB	ASA without CCB
2019	2:39	1:23
2020	12:43	5:05
2021	21:43	9:58
2022	10:53	7:56

- Q. Do longer average answering times during periods of high call volume prevent customers calling to report emergencies from getting through?
- No. The IVR asks the customer to describe the reason they are calling and analyzes the answer for words associated with emergency conditions. If it detects those words, the IVR puts the customer's call at the front of the call queue to be answered by the next available CCA. In 2022, the average wait time for a MAWC customer with an emergency was 1:31.
- 9 Q. Mr. Thomason testified that there is a direct correlation between ASA and
 10 Abandoned Call Rate (ACR). 4 Do you agree with that statement?
- 11 A. No.
- 12 **Q.** Why not?
- 13 A. Because customer callers whose issues are resolved using other methods and who then end
 14 their calls are also counted in the ACR and that does not correlate to a customer who has
 15 abandoned a call terminated the call before being connected with a CCA because of a
 16 long ASA. More specifically, the fact that a call is "abandoned" does not necessarily mean
 17 that the customer received poor service. For this reason, call abandonment is not a good

⁴ Thomason DT, p. 4.

indicator of performance. As explained above, when customers decide to utilize the self-service option after entering the queue and hearing the expected wait time, their call is counted as having been "abandoned" even though the customer's needs have been addressed. In addition, the IVR system informs customers who call on Mondays that hold times are shorter on other days of the week; it also informs customers when hold times are getting longer due to high call volumes; and the CSO also uses it to inform callers when MAWC is responding to an emergency. In each of these circumstances, customers decide whether they would prefer to continue holding or to call back at a less busy time. When they decide to call back later, their "abandoned" call reflects the fact that the customer has been provided with the information they needed in order to save time by calling during a less busy period. The IVR also informs customers about self-service options, so if a customer hears they can complete the transaction they need online, and they then end the call, that call will be reflected as an "abandoned" call.

Q. How do you respond to Mr. Thomason's assertion that the call center performance results were considerably below what is reported by other regulated utilities in Missouri? ⁵

Mr. Thomason's comparison of call center performance statistics for gas and electrics to water utilities is like comparing apples to oranges. Severe winter weather tends to affect water utilities to a greater degree than gas and electric utilities. Moreover, Mr. Thomason does not disclose whether the gas and electric utilities whose results he cites utilize IVR systems that result in customers "abandoning" their calls to utilize self-serve options or call another day. Finally, as noted above, the CSO counts the time it takes for the IVR to call

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⁵ Thomason DT, p. 6.

a customer back when the CCB feature is used when calculating average speed to answer,
while it is my understanding that other utilities offering this option generally do not include
the time until callback as part of their average answering time. Therefore, Mr. Thomason's
comparison of the CSO's performance with other utilities' customer service performance
cited is not meaningful.

6 Q. Are ASA and ACR the best methods for measuring CSO performance?

A. No. Measuring customer satisfaction is a better indicator of customer call center performance than wait times and the call abandonment rate. Customer satisfaction reflects those metrics, but it also reflects whether CCAs spend sufficient time on calls to fulfill customers' needs and whether they in fact fulfilled those needs.

Q. How does the CSO rate with respect to customer satisfaction?

A. I believe it rates quite well. MAWC and the CSO measure customer satisfaction based on numerous factors, including pulse surveys for phone, field and customer portal interactions and a net promoter score survey that includes utility industry standards as measured by the J.D. Power U.S. Water Utility Residential Customer Satisfaction Study. In response to our internal assessments, 76% of MAWC (compared to 73% of American Water overall) customers served by the CSO rated our CCAs' overall performance as excellent or very good in 2022. In addition, the 2022 J.D. Power U.S. Water Utility Residential Customer Satisfaction Study results showed MAWC along with two other American Water affiliates were the top three performing water utilities in the Midwest Large Region. Schedule TDW-1 RT.

Q. Mr. Thomason also takes issue with the target 75% improvement in wait times as

compared to 2021	⁶ How do you	address that	testimony?
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A. The target of 75% improvement over the 2021 wait times is a progressive step to overcome an unprecedented challenge. As with any call center environment, implementing multiple actions results in progress to achieve milestone accomplishments. Actions such as those noted above have produced improvements in wait times in 2022. In March 2022, MAWC's ASA was 22:58. However, later months demonstrated a noticeable trend of improvements in ASA. In October, the ASA was 8:50. In November, the ASA was 4:31. In December, a month with historic winter storms across the country, the ASA was 4:51.

Q. Do you agree with Mr. Thomason's recommendation that MAWC perform a comprehensive operational audit, and if not, why not? ⁷

- A comprehensive operation audit is neither necessary nor likely to yield additional information beyond that which the Company is already aware. The Company is aware that the current driver of longer than normal ASA is due to agent resources. The Company is aware of the need to hire and retain competent CCAs and has already focused efforts in that area. In our ongoing efforts to improve ASA, we have:
 - 1. Hired additional CCAs;
 - 2. Implemented incentives to retain CCAs in an unprecedented competitive job market, including:
 - a. Offering a remote work environment,
 - b. Adding different geographic locations for agent hiring,
 - c. Increasing starting pay, and
- d. Implementing employee recognition programs.

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⁶ Thomason DT, p. 11.

⁷ Thomason DT, p. 12.

1		3. Implemented technology to provide customers additional options for service,
2		including scheduled call backs to provide customers an option for future call
3		backs and additional customer self-service options on MyWater to provide
4		customers with service channels outside of a telephone call.
5		4. Implemented resource planning improvements to ensure CCAs are scheduled at
6		optimal call times and equipped with the correct skills and resources to align with
7		customer call flow volume.
8		5. Implemented practices to improve the CCA selection process during the hiring
9		phase, including plans to begin pre-employment screening assessments in Q1,
10		2023, to test candidates for technical skills and customer service (soft) skills.
11		6. Implemented processes to improve CCA transition from new hire training to
12		production.
13		7. Implemented actions to promote an engaged and inclusive culture for the remote
14		agent workforce.
15	Q.	Does this conclude your Rebuttal Testimony?
16	A.	Yes.



Inflation Turns Water into Whine: Customer Satisfaction with Water Utilities Plunges as Rates Surge, J.D. Power Finds

Average Monthly Bill Rises \$5.73 during Past Two Years

TROY, Mich.: 4 May 2022 — The six-year streak of improving or flat customer satisfaction with residential water utilities has come to an end. According to the J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction Study, SM released today, the past several years of goodwill earned through investment in water quality, proactive customer communications and digital customer service channels have been washed away by a significant increase in monthly bills.

"The timing couldn't be worse," said **Andrew Heath, senior director of utilities intelligence at J.D. Power**. "The rate relief efforts put in place during the pandemic have come to an end just as the forces of inflation have driven a significant increase in the monthly bills of residential customers. Customer satisfaction has declined in every factor of the study, as the average monthly water utility bill in the U.S. is now up \$5.73 from 2020—without a corresponding increase in consumption. Utilities looking to combat this negative sentiment really need to get serious about proactive customer communications and customer service."

Following are key findings of the 2022 study:

- Customer satisfaction goes down the drain as prices rise: Overall customer satisfaction with residential water utilities is 731 (on a 1,000-point scale), down 6 points from last year's study and ending six consecutive years of improving or flat satisfaction levels. The decline coincides with a \$5.73 increase in the average monthly bill amount vs. 2020. Importantly, that cost increase does not correspond with a significant increase in water usage that was seen in 2021 when a largely homebound customer population was consuming more water than ever.
- **Declines observed in every factor:** While customer satisfaction scores decline in every factor of the study this year, the declines are most pronounced in the areas of communications and price. Notably, among those customers who receive a bill, 35% say they recall hearing about a rate increase by their water utility.
- Digital communications and customer service more important than ever: Overall satisfaction
 scores are highest (794) when customers recall receiving a proactive electronic communication
 from their water utility. Likewise, the number of customers using digital channels to access
 customer service increases 43% from 2019 and customer satisfaction is highest when interacting
 with customer service digitally.

Study Rankings

The study measures customer satisfaction with water utilities in eight geographic regions. Highest-ranked utilities and scores, by region, are as follows:

- Midwest Large: Illinois American Water (773) (for a third consecutive year)
- Midwest Midsize: Aqua (758)
- Northeast Large: **NYC Environmental Protection** (763)
- Northeast Midsize: Boston Water and Sewer Commission (762)

- South Large: **Miami-Dade County** (766)
- South Midsize: Orange County Utilities (794)
- West Large: **Seattle Public Utilities** (766) (for a third consecutive year)
- West Midsize: Irvine Ranch Water District (771)

The U.S. Water Utility Residential Customer Satisfaction Study, now in its seventh year, measures satisfaction among residential customers of 90 water utilities that deliver water to at least 400,000 customers and is reported in four geographic regions and two size categories: Midwest Large, Midwest Midsize, Northeast Large, Northeast Midsize, South Large, South Midsize, West Large and West Midsize. Overall satisfaction is measured by examining 33 attributes in six factors (listed in order of importance): quality and reliability; price; conservation; billing and payment; communications; and customer service. The study is based on the responses of 33,054 residential water utility customers and was conducted in four waves from June 2021 through March 2022.

For more information about the U.S. Water Utility Residential Customer Satisfaction Study, visit https://www.jdpower.com/business/utilities/water-utility-residential-customer-satisfaction-study.

See the online press release at http://www.jdpower.com/pr-id/2022050.

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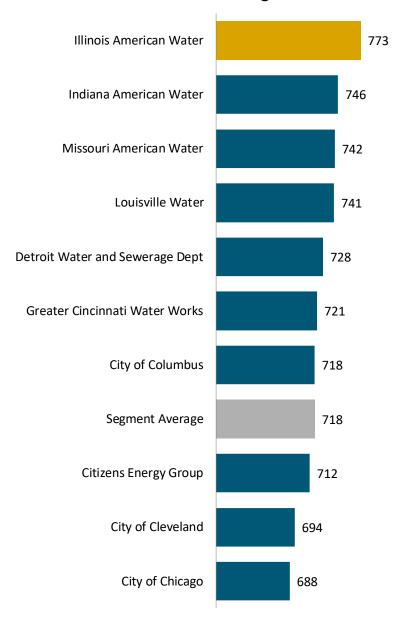
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NOTE: Eight charts follow.

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Midwest — Large



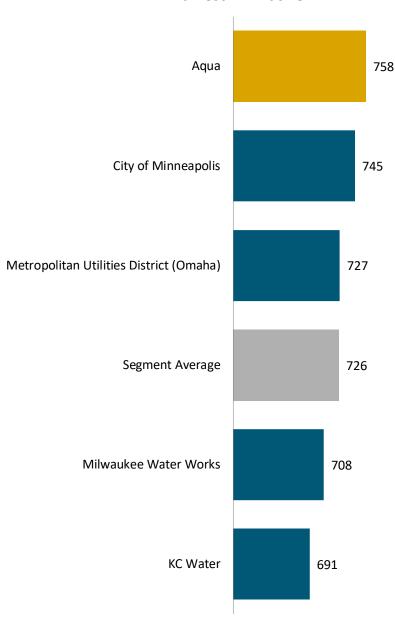
Source: J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction Study S M

J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Midwest — Midsize

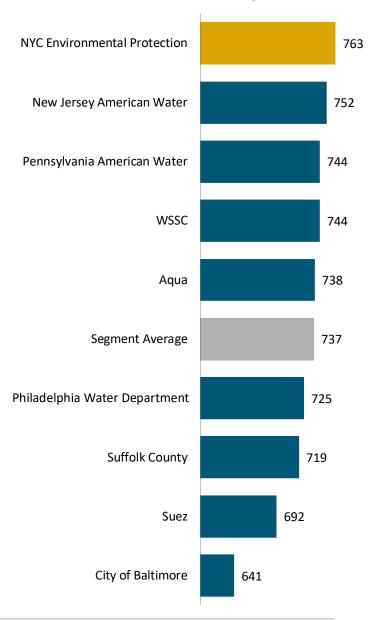


 $Source: \textit{J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction Study} {}^{\text{SM}}$

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Northeast — Large

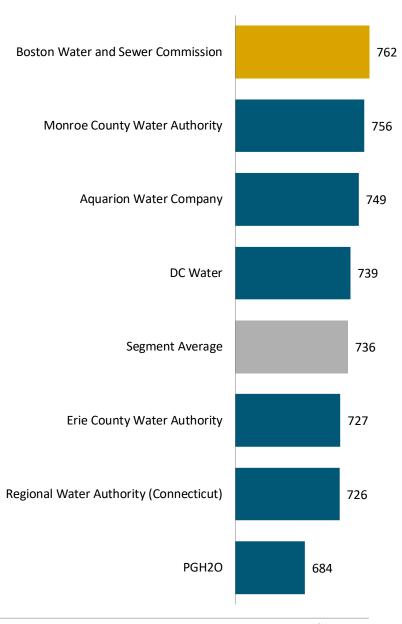


Source: J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

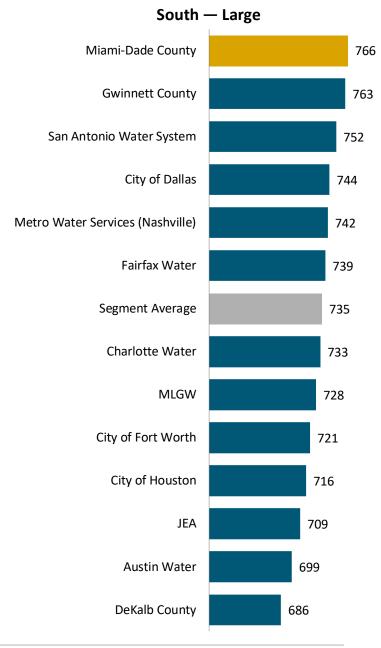
Northeast — Midsize



Source: J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction Study S M

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

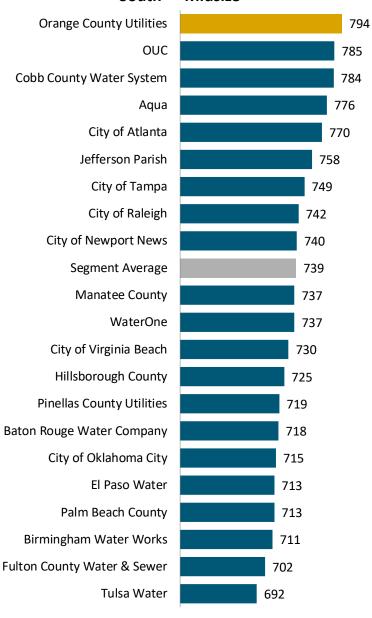


Source: J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

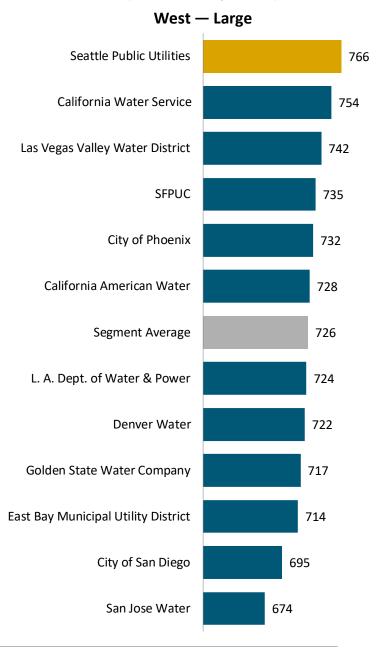
South — Midsize



Source: J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

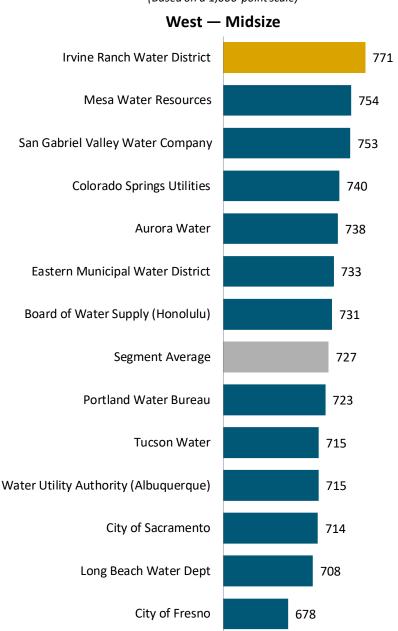
(Based on a 1,000-point scale)



Source: J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Source: J.D. Power 2022 U.S. Water Utility Residential Customer Satisfaction StudySM