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MISSOURI PUBLIC SERVICE COMMISSION
FINANCIAL & BUSINESS ANALYSIS DIVISION
CUSTOMER EXPERIENCE DEPARTMENT

DIRECT TESTIMONY
Revenue Requirement

OF

SARAH FONTAINE

UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI

CASE NO. ER-2022-0337

Jefferson City, Missouri
January 2023

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1 billing issues reported by Ameren Missouri customers. I will also make recommendations,
2 where appropriate, in an effort to improve procedures to potentially decrease customer
3 complaints and improve the overall customer experience. Part of this effort includes a review
4 of tariff revisions and variances granted in Case No. EE-2019-0382.

5 **BILLING ISSUES**

6 Q. Please briefly explain the billing issues.

7 A. Beginning in mid-Spring 2022, Staff in the Consumer Services Department of
8 the Commission noticed several customer complaints that had similar issues with billing.
9 This concern was then shared with the Customer Experience Department (“CXD”) Staff
10 and other Commission Staff. The allegations included: increased estimations, customers not
11 receiving billing statements, incorrect calculations of re-bills, missed appointments of
12 field service personnel, meter change outs that were not recorded properly in the system,
13 and Ameren Missouri customer service representatives who were unable to provide
14 explanations to customers.

15 Q. Did these issues involve any rule or tariff violations?

16 A. Yes. Commission Rule 20 CSR 4240-13.020(1) requires every utility to render a
17 bill for each “billing period” to every residential customer in accordance with Commission rules
18 and its approved tariff. Commission Rule 20 CSR 4240-13.015(1)(C) defines “billing period”
19 as the following:

- 20 • (C) Billing period means a normal usage period of not less than
21 twenty-six (26) nor more than thirty-five (35) days for a monthly
22 billed customer nor more than one hundred (100) days for a quarterly
23 billed customer, except for initial, corrected, or final bills;

1 In situations where Ameren Missouri failed to generate a bill for customers, this rule was
2 violated.

3 Ameren Missouri has also been in violation of its tariff as it has had multiple customers
4 with estimated bills for over three (3) consecutive months as a result of human error and billing
5 system errors. Its tariff states:

- 6 • An estimated reading may also be used to compute an estimated bill
7 when an inaccurate or unreliable reading results from human or
8 billing system error, from failure of a remote meter reading device to
9 transmit a reliable reading, or as a result of a failure to detect and
10 verify usage due to a meter with a status of vacant; except Company
11 may not issue an estimated bill due to any of these three (3) stated
12 conditions for more than three (3) consecutive months.

13 Q. What steps did Staff take to further investigate these issues and conclude that
14 violations occurred?

15 A. Staff submitted data request (“DR”) Nos. 0279 through 0283 and 0286 through
16 0290. Responses to these DRs confirmed that errors occurred which coincided with the increase
17 of informal complaints.

18 Q. How did Ameren Missouri respond to the DRs sent by Staff?

19 A. Ameren Missouri addressed the following issues in its responses, which likely
20 contributed to the increase in informal complaints¹:

- 21 • Increased volume of consecutive estimated bills over the last
22 18 months for both Advanced Metering Infrastructure (“AMI”) and
23 Automated Meter Reading (“AMR”) meters. The volume peaked in
24 May and has steadily decreased since that time. Since July 2020,

¹ Ameren Missouri Response to Staff Data Request No.0279.

1 there have been 7,677 AMI metered customers impacted and
2 49,973 AMR metered customers impacted.

3 • Inaccurate meter type recorded in the system. This resulted in the
4 Company not completing service orders in a timely manner which, in
5 turn, prevented the Customer Information System (CIS)/billing system
6 from having the most accurate data regarding which meter and meter
7 type was installed at a given premise. These issues were likely a result
8 of process gaps, missed training opportunities, and human error. When
9 a service order for meter exchange is not completed in a timely
10 manner or is completed incorrectly, the account will estimate billing
11 until corrected.

12 • Increased volume of no bills, i.e. situations in which the CIS/billing
13 system was not able to generate a bill for a customer. This issue was
14 largely the result of a lack of timely completion of service orders.
15 Active service orders will prevent the billing system from issuing a
16 bill until the issue is addressed. The same process gaps, missed
17 training issues, and human errors that impact consecutive estimated
18 bills also impact no bills. In addition, a defect was identified in the
19 Company's CIS/billing system which, in limited circumstances,
20 prevented service orders from successfully completing an interval
21 billed account without manual intervention. This defect was identified
22 in May 2022 and was corrected in August 2022. The issue impacted
23 1,163 service orders and contributed to 802 no bills.

1 Q. Has Ameren Missouri taken any action to remedy Staff's concerns about the
2 billing issues?

3 A. Yes. In fact, once the concerns and issues were identified through Staff DRs in
4 this case, Ameren Missouri reached out to Staff and wanted to meet to clarify and discuss the
5 issues. A meeting occurred with Staff and Ameren Missouri on November 8, 2022, to discuss
6 the sources of the issues, the steps being taken to alleviate the issues and plans for how things
7 will be handled in the future.

8 Q. Did Ameren Missouri share with Staff the specific actions it is taking?

9 A. Yes. Ameren Missouri shared that it has formed a task force to identify gaps and
10 mitigate meter and billing issues; established a cross-functional Tiger Team² to triage and
11 rectify issues in related accounts; implemented enhanced visibility and communication with
12 Company leadership to maintain focus and track process; increased customer communication
13 to enhance transparency (including separate letters sent when customers have not received a
14 bill or have received consecutive estimated bills as well as updating bill messages);
15 initiated increases to staffing in related teams to address increased work volumes looking at
16 both short-term and long-term needs; developed new reports and tools to assist teams with
17 productivity in their daily work; and reprioritized meter record updates required for timely,
18 accurate billing.

19 Q. During the November 8, 2022 meeting, did Ameren Missouri further clarify
20 what caused the various billing issues?

² According to the U.S. General Services Administration "Tiger Team" is defined as "cross functional teams pulled together for a period of time to address a critical issue".

1 A. Ameren Missouri discussed a few topics that it believed were contributing
2 factors. The complexity of interval data associated with TOU rate integration and deployment
3 of AMI meter technology, including the increase in data being supplied along with the storage
4 needs for that data, caused a few of the issues. When Ameren Missouri personnel originally
5 started noticing increased customer complaints, they were not identifying trends and found it to
6 be mostly unique situations that caused the errors. At times, a backlog caused mistakes resulting
7 in increased consecutive estimates and missed bills. In some instances, a meter reader would
8 exchange a meter and record the wrong data for the meter or a meter would be replaced but the
9 service order was not canceled. A combination of errors such as these led to the increased
10 complaints and billing errors.

11 Q. As a result of the actions Ameren Missouri has taken, does it appear there have
12 been improvements?

13 A. Yes. In the November 8th meeting, Ameren Missouri shared that the number of
14 accounts with no bills was down 46% from October 2022. The number of accounts with three
15 (3) or more consecutive estimated bills was down 35% from February 2022. Ameren Missouri
16 also stated that its goal is to eliminate these billing issues within the December 2022 timeframe.

17 Q. Although Ameren Missouri has made improvements, does Staff recommend any
18 other process changes to address the billing issues?

19 A. Yes. Staff recommends that Ameren Missouri:

- 20 • Incorporate monthly estimation data into the monthly reports
21 provided to Commission CXD Staff. This data should indicate
22 estimations that are three months or more in addition to all estimates
23 reported each month.

- 1 • Incorporate monthly “no bill” statement data into the monthly
2 reports provided to Commission Staff. In addition, provide the
3 number of customers billed outside of 24-35 days as required by
4 Commission rules.
- 5 • Meet with Staff periodically to discuss billing and estimation
6 procedures, improvements, and all status updates.
- 7 • Improve account and technician notes to ensure processes are being
8 followed and workflow is not stalled.
- 9 • Continue to provide additional training to employees in an effort to
10 reduce human error and increase the employee’s ability to accurately
11 address customer questions and concerns.

12 Q. Is Staff recommending that the Commission order an investigation or
13 complaint against Ameren Missouri given the amount of informal complaints and rule and
14 tariff violations?

15 A. Not at this time. The Company is aggressively attempting to make
16 improvements and work with Staff to improve the identified situation. Staff believes that
17 through regular updates, continued transparency and the proposed tariff revisions (addressed in
18 the next section), the Company will remedy the situations. If the errors continue, Staff would
19 likely file a complaint in that instance.

20 **EE-2019-0382 VARIANCE AND TARIFF REVIEW**

21 Q. You mentioned a review of tariff revisions and variances granted in Case No.
22 EE-2019-0382. Can you please explain why this is necessary?

1 A. During the process of investigating informal complaint issues related to
2 estimated billing and customer notification, Staff became concerned about the lack of
3 notification to customers with consecutive estimated bills. This led to a review of the most
4 recent tariff changes relating to these areas. In Case No. EE-2019-0382, Ameren Missouri
5 submitted an *Application for Variances*, which included its *Smart Meter Plan* that detailed its
6 planned implementation and benefits of Advanced Metering Infrastructure (“AMI”). In this
7 case, Ameren Missouri specifically requested a variance from 20 CSR 4240-13.020 (2)(A)3
8 and 20 CSR 4240-13.020(3) on the grounds that “allowing customer meter readings will be
9 confusing or impossible for customers, and given the communications capabilities of AMI,
10 should be unnecessary.” It also proposed tariff changes using this same justification. In the
11 Commission approved *Partial Stipulation and Agreement*³ Ameren Missouri, Staff, OPC,
12 AARP and Consumers Council of Missouri all agreed to the revised tariff and recommended
13 the variance be granted.

14 Q. Can you please explain in more detail what these variances and tariff
15 revisions entailed?

16 A. Ameren Missouri asserted that tariff revisions were needed as well as variances
17 from customer meter reading rules and estimated billing in 20 CSR 4240-13.020 (2)(A)3 and
18 20 CSR 4240-13.020(3).

19 20 CSR 4240-13.020(2)(A)3 states:

20 (A)A utility may render a bill based on estimated usage – (3) when
21 the utility is unable to obtain a meter reading for reasons beyond the
22 utility’s reasonable control, including an inability to access the
23 customer’s premises as necessary. If the utility is unable to obtain an
24 actual correct meter reading for these reasons, where necessary it shall
25 undertake reasonable alternatives to obtain a customer reading of the

³ Filed on May 15, 2020 and Commission approved on May 28, 2020.

1 meter, for example mailing or leaving post-paid, pre-addressed postcards
2 upon which the customer may note the reading unless the customer
3 requests otherwise

4 20 CSR 4240-13.020(3) states:

5 If a utility is unable to obtain an actual meter reading for three (3)
6 consecutive billing periods, the utility shall advise the customer by first
7 class mail or personal delivery that the bills being rendered are estimated,
8 that estimation may not reflect the actual usage, and that the customer
9 may read and report their electric, gas, sewer, or water usage to the utility
10 on a regular basis. A utility shall explain to the customer the procedure
11 by which this reading and reporting may be initiated...

12 At the time of the filing in Case No. EE-2019-0382, Ameren Missouri's tariff stated:

13 MO. P.S.C. Schedule No. 6 2nd Revised Sheet No. 131

14 If the Company is unable to obtain an actual meter reading for three
15 (3) consecutive months, the residential customer shall be advised that
16 bills being rendered are estimated, may not reflect actual usage, *and*
17 *customer may read and report electric usage to the Company on a*
18 *regular basis*. An estimated reading may also be used to compute an
19 estimated bill when an inaccurate or unreliable reading results from
20 human or billing system error, from failure of a remote meter reading
21 device to transmit a reliable reading, or as a result of a failure to detect
22 and verify usage due to a meter with a status of vacant; except Company
23 may not issue an estimated bill due to any of these three (3) stated
24 conditions for more than three (3) consecutive months.

25 Ameren Missouri's 3rd revised tariff, which was approved in Case No. EE-2019-0382
26 and became effective on July 9, 2020, removed the italicized part of the sentence that states a
27 customer may read and report electric usage to the Company.

28 Q. Does Staff have concerns about Ameren Missouri's application of the above
29 referenced variances and tariff revisions resulting from Case No. EE-2019-0382?

30 A. Yes. Staff in the Commission's Customer Experience Department was made aware
31 through an informal complaint, and later confirmed in Staff DRs 0334 and 0336, that no customer,
32 regardless of whether the customer is serviced by an AMI meter or an AMR meter, receives

1 notification by mail when there are three (3) or more consecutive estimated bills. Ameren Missouri
2 confirmed that both written notifications of consecutive estimated bills as well as the practice
3 of sending postcards to allow customers to read their own meter had stopped. This lack of
4 notification and failure to send postcards for customer reads was based on Ameren Missouri's
5 interpretation of the Stipulations in Case No. EE-2019-0382. Staff disagrees with this
6 interpretation. On page 11 of its *Application* in Case No. EE-2019-0382, Ameren Missouri
7 specifically states that these variances are requested for "all residential AMI customers". Ameren
8 Missouri was applying the variance to all customers including those with AMR meters.
9 AMR customers still have the capability of reading their own meter; thus, postcards should
10 continue to be sent to those customers. Also, all customers should receive notification by first class
11 mail after three (3) consecutive estimated bills regardless of the meter type. The need for this has
12 come to the forefront in light of the customer complaints related to estimated bills.

13 Q. What recommendations does Staff make in order to address the above concerns?

14 A. Staff recommends that Ameren Missouri's tariff be revised to reflect that written
15 notification shall be sent to all customers who have received an estimated bill for three (3) or more
16 consecutive months. Tariff language should also reflect that Ameren Missouri will provide post
17 cards to customers with AMR meters so that the customers can read their own meter in
18 circumstances of three (3) or more consecutive estimated bills.

19 Q. Has Ameren Missouri stated whether it is willing to make these changes?

20 A. During conversations between Staff and Ameren Missouri, as well as in its
21 response to Staff DR 0337, Ameren Missouri stated that it is willing to make these changes and
22 already planned to begin sending separate notification for three (3) or more consecutive estimated
23 bills beginning in November 2022. Ameren Missouri also confirmed with Staff via a follow up

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Sarah Fontaine

1 | email from the November 8, 2022, meeting that it will restart sending the meter read postcards to
2 | electric AMR customers beginning in late January 2023.

3 | Q. Does this conclude your direct testimony?

4 | A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Adjust)
Its Revenues for Electric Service) Case No. ER-2022-0337

AFFIDAVIT OF SARAH FONTAINE

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW SARAH FONTAINE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Sarah Fontaine*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



SARAH FONTAINE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 5th day of January 2023.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070



Notary Public

Sarah Fontaine

Educational and Employment Background and Credentials

I am currently employed as a Research/Data Analyst for the Missouri Public Service Commission (“Commission”). I previously worked for the Commission from 2004-2008 as an Administrative Support Assistant in the General Counsel’s Office. I earned a Bachelor of Science degree in Human Services from Columbia College in May 2013.

Prior to my current position at the Commission, I worked for the State of Missouri at the Secretary of State’s Office and the Department of Revenue. I have also worked in regulatory affairs for a natural gas company and in the real estate field.

The following is a list of cases before the Commission in which I have provided testimony, Staff recommendation or significant analysis:

Case Number	Company Name/Type of Case	Contribution
AW-2020-0356	Working Case to Consider Best Practices for Recovery of Past-Due Utility Customer Payments After the Covid-19 Pandemic Emergency	Staff Report
GO-2020-0182	Spire - Investigation - Customer Service, Billing/Recordkeeping practices	Analysis
AO-2021-0264	Cause of the February 2021 Cold Weather Event and its Impact on Investor Owned Utilities	Staff Report
EC-2021-0079	Coleman Russ v. Evergy Metro, Inc. – Formal Complaint	Analysis
EC-2021-0317	Vivian Houston v. Ameren Missouri – Formal Complaint	Analysis
GC-2021-0209	Tom O’Sullivan v. Spire – Formal Complaint	Analysis

Case Number	Company Name/Type of Case	Contribution
GR-2021-0108	Rate Case – Spire Missouri, Inc.	Direct Testimony
WC-2021-0075	Louis DeFeo v. Missouri-American Water Company – Formal Complaint	Staff Report
WC-2021-0251	William B. Rilenge v. Missouri-American Water Company – Formal Complaint	Staff Report
WA-2023-0071	In the Matter of Missouri-American Water Company’s Application for a Certificate of Convenience and Necessity Authorizing it to Install, Own, Acquire, Construct, Operate, Control, Manage and Maintain a Water System and Sewer System in and around the City of Smithton, Missouri	Staff Report
WA-2023-0092	In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Certificates of Convenience and Necessity to Provide Water and Sewer Service in an Area of St. Charles County, Missouri (Stone Ridge Meadows)	Staff Report
WC-2023-0106	Charles Harter, Complainant v. Missouri-American Water Company, Respondent	Staff Report

Case Number	Company Name/Type of Case	Contribution
WM-2023-0065	In the Matter of the Joint Application of 188 North Summit, LLC, and Seges Utility Company, LLC For Authority to Sell the Water System and Wastewater System Assets of Seges Mobile Home Park, LLC, to Seges Utility Company, LLC, and For a Certificate of Convenience and Necessity To Provide Water and Sewer Services	Staff Report
GC-2023-0097	Charles A. Harter, Complainant V. Spire Missouri, Inc. d/b/a Spire, Respondent	Analysis
ER-2022-0337	In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Adjust Its Revenues for Electric Service	Direct Testimony