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**Before the Public Service Commission
of the State of Missouri**

Direct Testimony

of

Jon Harrison

on behalf of

The Empire District Gas Company

August 2021



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FOR THE DIRECT TESTIMONY OF JON HARRISON
THE EMPIRE DISTRICT GAS COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. GR-2021-0320

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Jon Harrison, and my business address is 602 S. Joplin Ave., Joplin,
4 Missouri, 64802.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as the Director of
7 Customer Experience for the Liberty Utilities Co. (“Liberty”) Central Region, which
8 includes The Empire District Gas Company (“EDG” or the “Company”). In this role,
9 which I assumed on January 4, 2021, I am responsible for the experiences of our
10 customers, overseeing Contact Center Operations, Billing, Communications,
11 Collections, and Field Utility Specialists.

12 **Q. On whose behalf are you testifying in this proceeding?**

13 A. I am testifying on behalf of EDG.

14 **Q. Please describe your educational and professional background.**

15 A. I received a Bachelor of Business Administration degree from the University of Miami,
16 Florida and a Master of Business Administration degree from Lehigh University in
17 Bethlehem, Pennsylvania. I began my career as a General Product Salesman for
18 Bethlehem Steel Corporation in Bethlehem, Pennsylvania. I then became a Corporate
19 Lending Officer for Meridian Bank in Bethlehem, Pennsylvania and then a Credit
20 Manager for Eastman Kodak Company and GE Capital in Rochester, New York. After
21 leaving my role as a Credit Manager, I became the Director of Financial Operations for

1 Thermo Fisher Scientific in Pittsburgh, Pennsylvania. Before joining Liberty, I was the
2 Director of Collection Strategy & Payment Processing for National Grid in Syracuse,
3 New York.

4 **Q. Have you previously testified before the Missouri Public Service Commission**
5 **(“Commission”) or any other regulatory agency?**

6 A. I recently provided testimony before this Commission in File No. ER-2021-0312. I
7 have testified before the New York Public Service Commission and the Massachusetts
8 Department of Public Utilities.

9 **Q. What is the purpose of your Direct Testimony in this proceeding?**

10 A. With my Direct Testimony, I describe EDG’s customer service, including highlighting
11 some of the steps the Company is taking to further improve customer experience and
12 satisfaction. I also address stipulation compliance and EDG’s Low- Income Program.

13 “Liberty,” our new operating name, means freedom and represents the essence
14 of our purpose: helping people live better everyday lives through the delivery of clean
15 energy at reasonable rates. Through this case, Liberty is bringing about new
16 technologies and better customer solutions. We are implementing a new customer
17 website and mobile interface which will give customers greater control over their
18 energy usage and, ultimately, their natural gas bills. We have made investments, such
19 as the adoption of Automated Meter Reading (“AMR”) technology, in our system so
20 that we are able to continue to deliver reliable service to our customers and have worked
21 hard to improve customer service by offering additional ways for customers to interact
22 with us. We want our customers to know we will provide them the customer experience
23 options they expect and the service they deserve. We are listening to our customers,
24 and they are driving our solutions.

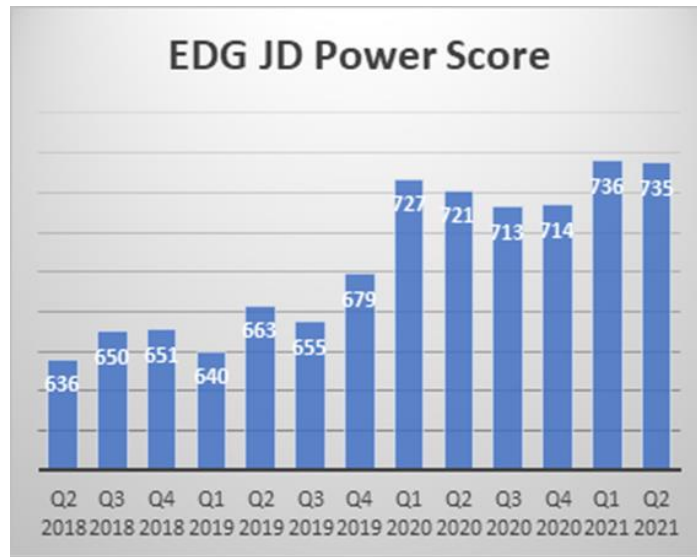
1 **II. CUSTOMER EXPERIENCE AND SATISFACTION**

2 **Q. Please explain, generally, the Company's efforts to understand and meet the needs**
3 **of its Missouri customers.**

4 A. The Company continues to invest in efforts to understand and meet customer needs.
5 EDG provides numerous channels through which the customer can make their voice
6 heard, including the Company's contact center, surveys, focus groups, trade
7 organizations, and social media. Customers expect affordable and reliable service, and
8 the Company is working tirelessly to deliver those objectives through systems
9 development, productivity initiatives, and continuous process improvement. The
10 Company is open and very receptive to customer feedback to improve the quality of its
11 services. And while the COVID-19 pandemic impacted customers and Company
12 operations in extraordinary ways, EDG continually evaluated safe and effective options
13 to continue to meet customer needs, while also maintaining the safety of employees,
14 customers, and the public.

15 The Company uses after-call and JD Power surveys to assess customer
16 satisfaction levels. JD Power uses Safety and Reliability, Price, Billing and Payment,
17 Corporate Citizenship, Communications, and Customer Care to gauge satisfaction.
18 The Company has seen a positive trend over the past three years and continues to focus
19 on communications, energy efficiency programs, community activity, and payment
20 options to improve satisfaction.

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The after-call surveys provide feedback on customer experience relating to payments, service requests, and CSR efficiency allowing the Company to respond to customers and improve our representatives' performance.

5 **Q.**

Has the Company returned to all pre-COVID customer-facing practices?

6 **A.**

No. The COVID pandemic and its impact on customers and Company operations continues to be discussed by senior management weekly. The Company is gradually remobilizing its customer-facing workforce. EDG is evaluating remobilization based on call volume, service levels, COVID-19 preparedness and employee safety. EDG customers are also serviced at kiosk locations to facilitate payments.

11 **Q.**

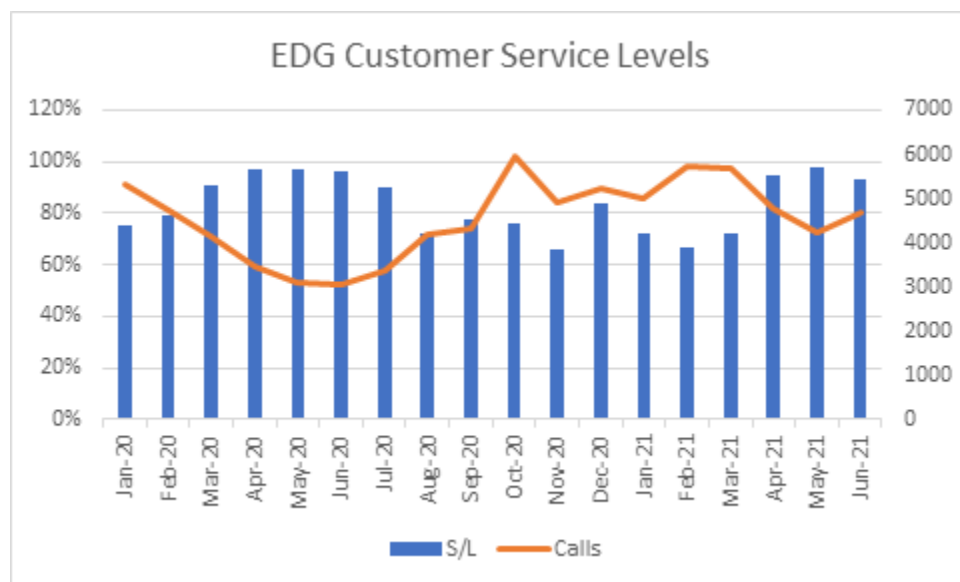
Has EDG remained in compliance with the Customer Service Conditions of the Staff settlement agreement (and incorporated into the Office of Public Counsel agreement) approved by the Commission in Case No. EM-2016-0213 (the "Merger Docket")?

15 **A.**

Yes, the Company is in compliance with these requirements, including the one that "Empire and Liberty will strive to meet or exceed the customer service and operational levels currently provided to their customers."

17

1 Call Center activity continues to produce favorable results with 2021 service levels
2 averaging 82.8% through June 2021. Improved IVR messaging and workflow
3 management are recent examples of process improvements. Customers are prompted
4 to enter location numbers to facilitate self-service for account information.
5 Additionally, Sr. CSR teams were formed to improve responsiveness to complex and
6 difficult inquiries. This improves answer quality, reduces hold time, and supports new
7 CSR training.



8

9 **Q. Are there other provisions from the Merger Docket that you would like to**
10 **address?**

11 A. Yes. The Company complied with the following requirements:

12 • Other than to provide necessary services to and in support of regulated
13 operations, EDG has not made available, sold or transferred customer information to
14 affiliated or unaffiliated entities without prior informed consent of the Missouri
15 customer.

16 • In evaluating billing systems for future use, EDG has and will continue to
17 consider the ability of any billing system to maintain or improve cumulative frequency

1 distribution of bills ending in each block in each billing cycle and the quality of existing
2 load research and metering data.

3 • Per the Office of the Public Counsel (“OPC”) Stipulation filed on August 23,
4 2016, EDG’s homepage includes a link for “Trouble Paying Your Bill” that allows
5 Customers to click on the link to access information regarding the Company’s
6 delinquency policy, including fees, timelines, cut-off practices, Community Action
7 Agency and other 3rd party contacts, LIHEAP, LIWAP, and additional Company
8 specific programs, as well as additional information for customers at risk of not being
9 able to pay their bills; and

10 • Per the Office of the Public Counsel (“OPC”) Stipulation filed on August 23,
11 2016, EDG has met with representatives of Economic Security Corporation of the
12 Southwest Area (ESC), Ozark Area Community Action Corporation (OACAC),
13 Missouri Valley Community Action Agency (MVCAA), West Central Missouri
14 Community Action Agency (WCMCAA), the Commission Staff, the Office of Public
15 Counsel, the Division of Energy, and Renew Missouri to discuss how to best serve its
16 low-income population.

17 **Q. Please generally describe some of the steps EDG is taking with regard to**
18 **enhancing its customers’ experiences.**

19 A. The Company is undergoing rigorous process improvement initiatives to enhance
20 customer experiences in areas including billing, contact center, and communications.
21 Programs are designed to meet customer needs and measure outcomes to identify and
22 develop solutions to deliver best-in-class service.

23 All aspects of the customer experience are under consideration in a continued
24 effort to increase customer satisfaction. Examples of projects include: Genesys

1 Pureconnect IVR (Interactive Voice Response) enhancements to improve call flows to
2 process payments and Customer Service Representative (“CSR”) training and
3 development to manage complex accounts. Customer Care is striving to improve the
4 proficiency of our CSRs in billing, energy efficiency, and energy cost management.
5 The development of these capabilities coupled with work-flow management will allow
6 the Company to channel calls to specialists to improve customer service and reduce
7 handle time. Energy efficiency messaging in the IVR and website is also being updated
8 to provide up-to-date communication required for customer education and engagement.

9 **Q. How does the Company use the data gleaned from JD Power to enhance customer**
10 **service?**

11 A. EDG analyzes the responses to identify price and non-price customer concerns towards
12 which it can allocate project management resources. The Company’s evaluation of this
13 most recent survey’s results suggested that gas safety, corporate responsibility and
14 energy efficiency have emerged as non-price customer priorities.

15 **Q. What has the Company done to respond to these customer preferences?**

16 A. EDG has proactively taken steps to address each of these customer priorities.
17 Specifically, with respect to gas safety, the Company has designed and incorporated
18 bill messages and inserts educating customers on how to identify the odor of natural
19 gas and how to respond when they believe they are experiencing an active leak. In
20 addition, EDG has designed and distributed bill inserts encouraging customers to
21 participate in its Call Before You Dig damage prevention awareness program. What is
22 more, EDG uses radio public service announcements and social media posts to further
23 highlight critical natural gas safety measures.

1 As for corporate responsibility, EDG continues to embody Liberty's
2 commitment to the communities it serves through initiatives like its holiday gift-giving
3 program at the Platte House for developmentally disabled adults in Platte City.

4 Lastly, the Company continues to develop and expand its energy efficiency
5 offerings and programs, which Company witness Nathan Hackney will address in more
6 detail in his testimony.

7 **Q. Has the implementation of AMR improved customer service?**

8 A. Yes. AMR allows field staff to collect usage with hand-held devices from their
9 vehicles. This improves productivity and accuracy resulting in timely billing and fewer
10 estimations. Through June 2021, EDG recorded an average of only eight estimates per
11 month, which were generally due to obstructions, weather, or broken dials. AMR has
12 enhanced the customer experience through improvements in billing accuracy and
13 timeliness.

14 **Q. Please provide an update on the number of estimated reads being performed by
15 EDG, including the number of estimated readings exceeding three in a row.**

16 A. There were only five estimates in June of 2021 and an average of eight per month in
17 the first six months of this year. Estimates are required due to broken meter dials,
18 obstructions, animals/safety, or weather. If a meter is broken, a field service order is
19 created the following day, and the problem is resolved shortly thereafter. In 2020, there
20 were two customers with more than three consecutive estimates. However, in 2021,
21 there have not been any customers with more than three consecutive estimates.

22 **Q. Will the Company continue to take steps to enhance its customers' experiences?**

23 A. Yes. The Company understands the need for continuous improvements and
24 development of systems, processes, and employee skill sets to meet customer

1 expectations. For example, systems investment to facilitate customer interactions is
2 ongoing, illustrated by improvements to the “My Account” customer portal and
3 payment options. Enhancements to the My Account portal are also very important for
4 visibility to customer information. The system will also provide the ability to select
5 communication channels and payment methods preferred by the customer and to
6 enhance its billing and payment functions and provide relevant and actionable
7 information to customers on their account each month.

8 **Q. Please describe the payment option improvements being made.**

9 A. There are several initiatives underway to improve payment options and processing. For
10 example, the Liberty is developing the capability to pay by text. This technology alerts
11 the customer five days before the bill is due and allows payment from mobile devices.
12 A second consideration is for new accounts. Currently, when a customer is established,
13 their account number is initiated in the Customer Watch system and then transferred to
14 the KUBRA [EZ-PAY®](#) payment processing platform within two days. If a customer is
15 required to make a deposit on their account, they must wait 48 hours to make the
16 payment. We are improving that process through a real-time look-up to bypass the
17 interface file and validate the customer account to allow the payment to process
18 immediately. This will also improve payment processing for closed accounts. If a
19 customer discontinued their service in excess of 60 days and desires to pay an aged bill,
20 the account number is no longer in the KUBRA file. The real time look-up will facilitate
21 processing these payments.

22 A final payment enhancement pertains to Commercial and Industrial (“C&I”)
23 customers. Currently, there is a limitation of \$1,200 per transaction, requiring certain

1 customers to post multiple payments to pay monthly charges. The Company is working
2 to increase the limit to accommodate larger payments for these customers.

3 **III. METHODS OF BILL PAYMENT**

4 **Q. Has the Company investigated customer preferences on bill payment methods?**

5 A. Yes. The Company utilizes customer surveys and contact center feedback to determine
6 the most important issues to our customers. Ease of payment is a priority, including
7 having no fees for credit or debit card payments.

8 **Q. Does the Company offer customers different methods to pay their bills?**

9 A. Yes. The Company recognizes that it is not “one size fit all” when it comes to paying
10 one’s utility bill, and as a result, has worked to provide as many bill payment options
11 for customers as reasonably possible. Currently, customers can mail in payments, pay
12 at third party locations such as grocery stores, pay through online banking (ACH), or
13 pay online using a credit or debit card. Currently, our Missouri customers use all of
14 these options, though we have experienced an increased desire on the part of our
15 customers to pay electronically via text.

16 **Q. Are there any fees associated with making payments?**

17 A. Currently, there is a direct charged fee to customers when using their card. That fee is
18 currently \$1.00 for a check or cash or \$2.25 for a credit/debit card per residential
19 payment if a customer uses a Firstech kiosk and \$1.75 if the customer pays through the
20 KUBRA payment processing platform.

21 **Q. Should customers have to pay an additional fee for making online payments with
22 a card?**

23 A. No. While the Company attempts to assign costs to the appropriate cost-causers as part
24 of its cost of service study, online transactions are a normal part of daily life for many

1 EDG customers. The fees associated with these transactions are similar to bank fees
2 the Company incurs and which are included in the cost of service paid by all customers.
3 We believe it is important from a customer service perspective to provide our customers
4 the choice to pay through a variety of methods at no additional cost.

5 **Q. Has the Commission approved recovery of payment processing fees for Empire**
6 **District Electric customers?**

7 A. Yes. In order ER-2019-0374, the Commission approved the recovery of these fees in
8 the base rates of Empire District Electric customers.

9 **Q. How does the Company propose to recover the costs associated with online card**
10 **payments?**

11 A. The Company proposes recovering these fees the same as other bank fees in its cost of
12 service. Inclusion of these fees represents a very small part of the Company's cost to
13 serve its customers and provides the opportunity to meet customers' needs and to
14 potentially improve the percentage of our customers who pay their bills in a timely
15 fashion. EDG witness Dana Liner further describes the fees included in the Company's
16 proposed cost of service in her Direct Testimony.

17 **Q. How will the Company inform customers there is no longer a direct fee to pay**
18 **their bill by credit card or similar means if approved by the Commission for**
19 **recovery in base rates?**

20 A. The Company will notify customers using multiple platforms. There will be an alert
21 added to the Company's website on the home page as well as on the payment page,
22 customers who have an email address on file will receive an email, and letters will be
23 mailed to all Commercial customers who used online payments or IVR payment system
24 within the last year.

1 **IV. CUSTOMER FIRST**

2 **Q. Previously in your Direct Testimony, you mentioned improvements to the “My**
3 **Account” customer portal and the implementation of AMR. Are these changes**
4 **part of a larger endeavor?**

5 A. Yes. After several years of research and planning, Liberty is moving forward with a
6 company-wide comprehensive replacement of the existing customer information
7 system (“CIS”), accounting software, and other vital systems, as well as business
8 processes throughout Liberty to enhance service to customers and improve efficiency.
9 This initiative, collectively referred to as “Customer First,” leverages the capabilities
10 and experience of the entire Liberty organization to address critical needs across the
11 enterprise by upgrading or replacing key systems that have become generally obsolete,
12 costly to maintain, difficult to integrate with other Liberty systems, and potentially
13 present security risks.

14 **Q. Please describe Customer First.**

15 A. Customer First is a comprehensive initiative for Liberty and its operating utilities,
16 including EDG. Customer First will replace the current billing system, which has
17 limitations and struggles to meet the Company’s business needs. Customer First will
18 also replace the financial system currently used for general and plant accounting which
19 also has limited capabilities and lacks visibility into data outside the system, creating
20 challenges with managing inventory accuracy. Following industry practice, Liberty
21 evaluated multiple top-tier software vendors before selecting SAP as its core enterprise
22 technology platform for Customer First. Included in this suite of tools are solutions to
23 enhance customer engagement; improve employee recruiting and onboarding; and,

1 improve system monitoring and resiliency. As shown below, Customer First focuses
2 on six functional projects.



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5 **Q. Please address the timing of the implementation of the various Customer First**
6 **components for EDG’s customers.**

7 A. The Company is currently piloting Smart Energy Water’s (SEW) My Account portal
8 where customers will have a single view of their account including usage, account
9 balances, service interruptions, and payment options. It is expected that My Account
10 will be fully commercialized and available later this summer. The Foundations portion
11 of Customer First, which includes a common CIS, Enterprise Resource Planning
12 system, and Enterprise Asset Management system, is scheduled to be implemented in
13 Missouri in the second quarter of 2023.

1 **V. ASSISTANCE FOR LOW-INCOME CUSTOMERS**

2 **Q. How does Empire specifically assist its customers with low incomes?**

3 A. The Company assists low-income customers through its payment plan offerings
4 designed to meet the customer's financial needs. For example, customers are able to
5 pay half of their balances owed, with the remaining amount over three months to
6 manage arrears. Longer payment terms are available to assist customers in cold weather
7 periods. The Company also has an Experimental Low-Income Program ("ELIP").

8 **Q. Please describe the ELIP currently offered by EDG.**

9 A. The ELIP was approved for implementation by the Commission for Aquila, Inc.
10 (Aquila") in MPSC Case No. GR-2004-0072. Aquila was later acquired by EDG, and
11 EDG continued the program. The Commission later directed EDG to continue the
12 program and EDG was ordered to continue it without significant modifications in
13 MPSC Case No. GR-2009-0434. The program provides participants with a fixed credit
14 on their monthly bill from November through March. This monthly stipend is either
15 \$40 or \$60, depending on the customer's income, as screened by their local Community
16 Action Agency ("CAA").

17 **Q. Please provide a review of the ELIP since the last rate proceeding.**

18 A. In the winter of 2009-2010, which coincided with the proceeding of GR-2009-0434,
19 the ELIP serviced a total of 35 customers. The following winter, in 2010-2011, the
20 program featured 21 participants. In the winter of 2011-2012, the program featured 13
21 participants. This downward trend has continued, as detailed in the 2021 EDG ELIP
22 Annual Report, filed with this testimony as Direct Schedule JH-1, until just one
23 participant remained in the winter of 2020-2021.

24 **Q. How many customers can the program support with its current budget?**

1 A. Without calculating the potential for rollover of unspent prior-year funding, the
2 program's annual allotment of \$25,000 is capable of supporting as many as 625
3 customers at the \$40/month level or 416 customers at the \$60/month level.

4 **Q. Why do you believe the program has never fully reached its potential, even in its
5 best years?**

6 A. EDG believes that the scope of the program—designed by Aquila prior to its
7 acquisition by EDG—is too narrow. The program, as originally designed and currently
8 offered, is only available to EDG customers in the City of Sedalia, Missouri. This
9 clause excludes a vast majority of the customers this program may help.

10 **Q. What changes and improvements does EDG propose making in this program?**

11 A. The first change EDG proposes making to this program is a name change. EDG would
12 like to change the name of this program from ELIP to the Low-Income Affordability
13 Program ("LIAP"). This change will align the program with nomenclature of the
14 similarly-designed Liberty-Midstates program. Next, EDG also wishes to expand
15 eligibility for the program so that it is available to all of its residential natural gas
16 customers. Lastly, EDG requests modifying the eligibility criteria so that customers
17 may be disqualified from the program if they do not remain on a level payment plan.
18 The tariff revisions necessary to effectuate these changes are presented as part of the
19 pre-filed testimony of Company witness James Young.

20 **VI. CONCLUSION**

21 **Q. Please briefly summarize the Company's focus on delivering excellent customer
22 service for all of its customers.**

23 A. EDG's customers are at the center of our purpose. As I describe in my testimony, EDG
24 works to build genuine connections with all customers by listening, anticipating their

1 needs, and offering solutions. We want our customers to know we will provide them
2 the customer experience options they expect and the gas service they deserve.

3 **Q. Does this conclude your Direct Testimony at this time?**

4 **A. Yes.**

VERIFICATION

I, Jon Harrison, under penalty of perjury, on this 23rd day of August, 2021, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Jon Harrison