

Exhibit No.:  
Issues: Communications  
Witness: Julie Catron  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Union Electric Company  
File No.: ER-2016-0179  
Date Testimony Prepared: July 1, 2016

**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO. ER-2016-0179**

**DIRECT TESTIMONY**

**OF**

**JULIE CATRON**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a Ameren Missouri**

**St. Louis, Missouri  
July 2016**

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**DIRECT TESTIMONY**

**OF**

**JULIE CATRON**

**FILE NO. ER-2016-0179**

**I. INTRODUCTION**

1  
2 **Q. Please state your name and business address.**

3 A. My name is Julie Catron and my business address is One Ameren Plaza,  
4 1901 Chouteau Avenue, St. Louis, Missouri 63103.

5 **Q. By whom are you employed and what is your position?**

6 A. I am employed by Union Electric Company d/b/a Ameren Missouri  
7 (“Ameren Missouri” or “Company”) as Director, Communications and Public Relations,  
8 a position I have held since 2014.

9 **Q. Please describe your educational background and employment**  
10 **experience.**

11 A. I have more than 20 years of experience in marketing communications. In  
12 every position I have held, I have focused on customer-facing communications to help  
13 create a strong positive relationship between companies and their customers. My  
14 educational background consists of a Bachelor of Arts degree in Philosophy and a  
15 Bachelor of Journalism degree in Broadcast News from the University of Missouri at  
16 Columbia. I am also a graduate of the Utility Executive Course at the University of  
17 Idaho, a member of the Class of 2015 of the Greater Missouri Leadership Challenge and  
18 a member of the 2016 class of Leadership Missouri.

1           Before joining Ameren Missouri, I worked at Nestle Purina PetCare Company for  
2 approximately three years. I worked in the company’s internal communications agency,  
3 CheckMark, as Account Supervisor on the Marketing Public Relations team supporting  
4 several major (more than \$1 billion in value) national pet food products as the marketing  
5 communications point person for earned communications, including national and local  
6 publicity in traditional, digital and social channels, and events and sponsorships. Prior to  
7 my work for Nestle Purina, I spent approximately two years as Vice President of  
8 Marketing and Membership for the YMCA of Greater St. Louis (“Y”), overseeing the  
9 Y’s integrated communications in relevant paid, owned and earned spaces. I also  
10 oversaw the Y's membership sales and member experiences for the 18 branches and its  
11 overnight lodge and camp facility. Before the Y, I spent nearly a year consulting clients  
12 in communications management strategy and execution, video production for internal  
13 communications, national publicity, and writing and editing services. Before starting my  
14 own communications company, I served nine years as Director of Communications for  
15 Busch Entertainment Corporation, the theme park subsidiary of Anheuser-Busch, Inc.,  
16 supporting the SeaWorld and Busch Gardens theme parks with national earned media as  
17 part of the integrated communications plans for the parks, the parent company, and  
18 Anheuser-Busch. I joined Anheuser-Busch from Fleishman-Hillard International  
19 Communications, where I spent approximately two years as an Account Executive in the  
20 consumer marketing group. I started my career at The Standing Partnership  
21 communications agency supporting consumer product and service clients.

1 **Q. What are your responsibilities in your current position?**

2 A. My duties as Director of Communications and Public Relations are to  
3 develop and direct strategic communications in paid, owned, and earned channels to  
4 achieve Company goals tied to customer satisfaction rankings, regulatory initiatives, and  
5 key performance indicators.

6 **Q. What is the purpose of your direct testimony in this proceeding?**

7 A. The purpose of my direct testimony is to provide appropriate context as a  
8 communications professional regarding why Ameren Missouri communicates with its  
9 customers through paid, owned, and earned spaces. We prudently communicate with  
10 customers using an integrated communications approach across a variety of dynamic  
11 communications channels. These communications are intended to reach our customers:  
12 1) where they are; 2) with the right message; and 3) at the right times. Our goal with  
13 these intentional communications is to enhance our customers' satisfaction. After all,  
14 customer satisfaction is nurtured, in no small part, from regular communications that  
15 include information allowing customers to better understand what initiatives the  
16 Company may undertake, and information that allows customers to better utilize and  
17 manage their electric service.

18 **II. THE REASONS AMEREN MISSOURI COMMUNICATES**  
19 **WITH CUSTOMERS**

20 **Q. Why does Ameren Missouri communicate with its customers?**

21 A. We communicate with our customers to provide information and  
22 transparency into our operations. For example, we inform our customers of actions the  
23 Company is taking to ensure reliable electric service, ways customers can access and  
24 manage their electric bills, and the safety and reliability of our electric infrastructure.

1 Ultimately, if we do a good job, our communications will help improve customer  
2 satisfaction. Customers who recall Ameren Missouri's informative messages consistently  
3 rate the Company favorably on customer satisfaction attributes as compared to the ratings  
4 given by customers who cannot recall the messages.

5 **Q. Why is customer satisfaction important?**

6 A. Serving our customers is a very important obligation, and we want these  
7 customers to feel confident in the service they receive. Satisfied customers ultimately  
8 save money for *all* of Ameren Missouri's customers, because they engage and  
9 communicate with the Company, the regulators, the consumer advocate and other  
10 regulatory stakeholders as well as other third parties in the lowest-cost ways. Customers  
11 who are not as satisfied increase costs to all customers, the Company, the Missouri Public  
12 Service Commission (“Commission”), the regulators, the consumer advocate and other  
13 regulatory stakeholders and other third parties through calls, letters, legal cases,  
14 complaints, and other communications that require thorough examination and response.  
15 In many cases, customers lodge complaints because they lack the information necessary  
16 to understand the full circumstances regarding an issue. Transparent and active  
17 communications with our customers helps avoid the confusion that can lead to this level  
18 of dissatisfaction. We want to pro-actively provide our customers the information  
19 necessary for them to feel that the Company is a good steward of the rates they pay for  
20 the service they receive. Investing in strategic, consistent, and intentional  
21 communications with our customers, thereby supporting customer satisfaction, ultimately  
22 saves all customers, the Company, the regulators, the consumer advocate, and other  
23 regulatory stakeholders money, time, and resources.

1           **Q.     Ameren Missouri has an exclusive right to serve customers in its**  
2 **territory.   Doesn't this mean that it does not need to spend money on**  
3 **communications to encourage customers to use its product?**

4           A.     Attracting more customers and/or increasing sales are not the reasons we  
5 take customer communications so seriously. The customers within our service territories  
6 generally are our customers by virtue of geography; however, so-called "captive  
7 customers" should not be taken for granted. I believe that we actually have a heightened  
8 obligation to communicate with our customers because, ultimately, they bear not just the  
9 costs of the services they receive, but the services we are able to provide. In other words,  
10 these customers do not simply pay to receive energy, they provide revenues to cover,  
11 among other things, the capital investments and the operations and maintenance costs  
12 necessary to receive that energy. In the currently shifting regulatory environment where  
13 the cost of delivering electricity continues to increase even though energy consumption  
14 has declined, it is important for these cost-bearing customers to be informed. It is  
15 important that our customers be informed when an infrastructure upgrade is necessary to  
16 enhance safety and reliability. It is important that our customers be informed of the  
17 energy usage management options available. It is important that our customers feel  
18 invested in and important to our provision of safe and reliable electric service. We want  
19 our customers to understand what we are doing with the money we receive, to know that  
20 we are working to provide them safe, reliable, and reasonably-priced service, and to help  
21 them support safety and reliability as a customer, as well as keep their costs under  
22 control.

1           **Q.     Are all of your communications focused toward customers?**

2           A.     Generally, that is true.  However, they are not the only ones who access  
3     and use these communications for information.  Media outlets and other third parties,  
4     including reporters, first responders and communities/municipalities, who often share  
5     information with our customers, also look to our social media pages for the most up-to-  
6     date information to convey to their viewers/stakeholders/residents/our customers.  It is  
7     very important, then, that we work together with these entities during small and major  
8     outages to communicate with our customers so they have what they need to either make  
9     informed decisions or know where to seek more information.

10          **III.    HOW AMEREN MISSOURI COMMUNICATES WITH CUSTOMERS**

11          **Q.     Would you explain the methods the Company uses in order to**  
12     **communicate with its customers?**

13          A.     Certainly.  As I noted above, Ameren Missouri uses a three-pronged  
14     approach in developing its communications.  Specifically, these communications are  
15     intended to reach our customers:  1) where they are; 2) with the right message; and 3) at  
16     the right times.

17                 Ameren Missouri uses multiple communication methods to implement this  
18     three-pronged approach, sometimes referred to as “communication channels,” including  
19     paid, owned, and earned communications.  Paid communications are just what the name  
20     implies:  communications that Ameren Missouri pays to have run on television, radio  
21     stations, in print media outlets like newspapers or magazines, online via websites, or sent  
22     directly to customers’ homes or businesses (e.g., postcards).  Owned communications are  
23     messaging systems and communication channels that the Company controls itself, such



1 as the Ameren Missouri website and social media pages on Facebook and Twitter.  
2 Earned communications are messages communicated by third parties without cost to  
3 Ameren Missouri, such as a news story on a TV station or a Facebook post by a media  
4 outlet or other third party.

5         Given the current state of technology, our customers expect to receive news  
6 through more channels than ever before. Accordingly, Ameren Missouri uses an  
7 integrated communications approach as a strategic way to prudently invest in  
8 communications to reach customers. This integrated communications approach includes  
9 all three communications types I described above: paid, owned, and earned  
10 communications. While paid communications are optimal for accomplishing our goals  
11 (as I will discuss shortly), Ameren Missouri uses all three communications channels for  
12 the best customer reach possible. However, each channel has its pros and cons when  
13 used alone, especially when examined from the perspective of our three-pronged  
14 approach to intentional communications.

15         Paid communications enable control of the message the Company's stakeholders  
16 receive, and are a cost-effective way to reach a large number of customers throughout the  
17 service territory with clear, consistent, frequent, and accurate messages. Paid  
18 communications channels include, but are not limited to, print media outlets, radio  
19 outlets, outdoor content including billboards, television outlets, digital outlets, direct  
20 mail, sponsorships, and events. Through the paid communications channel, the Company  
21 is best able to convey the intended message since the campaign strategies and messaging  
22 are based on customer research and Company communication priorities. Because  
23 Ameren Missouri is paying for a service, delivery of the information has the greatest

1 chance to reach the intended customers, especially when delivering messages to  
2 customers through targeted and strategic digital communications channels. This  
3 communications method offers the greatest control over the message content and  
4 provides the greatest customer reach. The primary downside of this delivery method is  
5 that, because the Company controls the message, some may misconstrue Ameren  
6 Missouri's intent in distributing the message as self-serving, when it's primary intent is,  
7 in fact, educational. Ameren Missouri still considers this the strongest communication  
8 channel because paid communications have the best chance of reaching customers: 1)  
9 where they are; 2) with the right message; and 3) at the right times.

10 Owned communications enable the Company to control the message that  
11 stakeholders receive, and have been important to the dissemination of accurate company  
12 information. Owned communications channels include, but are not limited to, the  
13 company's website, social media channels, e-mail, and energy statements.  
14 Unfortunately, this delivery method provides no guarantee that the information will reach  
15 all of the intended customers or stakeholders through a channel they will use. To  
16 summarize, owned communications meet only two of the prongs in the three-pronged  
17 approach: 1) the chances of the message appearing where the customer will be looking is  
18 diminished; 2) even though it is conveying the correct information; and 3) is delivered at  
19 the right times.

20 Earned communications, since they are accomplished by third parties without any  
21 investment on Ameren Missouri's behalf, are an important component of reputation  
22 management and can also be an effective tool for stakeholder education. Pro-active  
23 earned media initiatives allow for the reinforcement of key messages that help educate

1 customers. Earned communications channels include, but are not limited to, news media  
2 outlets and third party social media channels. The downside of earned communications,  
3 however, is a distinct lack of control over the reach, content, and timing of the message.  
4 There is simply no guarantee that the correct information will reach all of the intended  
5 customers or stakeholders through all of the channels and at the time the customer wants  
6 it. In other words, earned communications may or may not meet any of the prongs in the  
7 three-pronged approach: 1) the chances of the message appearing where the customer  
8 will be looking is diminished; 2) there is no assurance that it is conveying the correct  
9 information; and 3) there is no control over when the information will be published.

10 **Q. Why, then, do you use all three communications channels – paid,**  
11 **owned and earned communications – if paid communication is the strongest option?**

12 A. Utilized together, the three communications channels balance each other  
13 out well. While paid communications allow us to cost-effectively manage the timing,  
14 distribution, and content of the message, it is still important to supplement paid messages  
15 with owned and earned communications. For one thing, repetition through several  
16 channels helps improve the customer's recall of the message. Additionally, because paid  
17 communications cost money, there is a pressure to keep the messaging short. While paid  
18 communications can maximize the accuracy, timing, and reach of the message, owned  
19 and earned communications channels can provide even more content without increased  
20 cost. This helps us keep communications costs down. For example, newspaper and  
21 online advertisements can include a message such as, "Please see Ameren.com for  
22 additional information." Once customers receive the message through the paid channel,  
23 they can then go to the Company's owned spaces for more complex and in-depth

1 information. The customers can have access to information including photos, videos,  
2 brochures, fact sheets, etc., in low to no-cost ways that are unavailable through paid  
3 channels. Additionally, the customers are able to access this information on their own  
4 terms at the time that is convenient to them, and come back to it as many times as they  
5 need, now that they know where it is. We should not, however, assume customers know  
6 where to find that detailed information without the help of paid communications  
7 delivering a strong message regarding its location. In our paid communications, we  
8 regularly communicate about our owned channels to ensure we are sharing with  
9 customers about where to go for more information, and offer choices for customers to  
10 learn more about the topic. We not only want our customers to be educated, we want to  
11 make that education as easy to access as possible.

12 **Q. You have used the term "digital communications." Please explain**  
13 **that phrase.**

14 A. Digital communications are messages delivered in electronic spaces –  
15 such as a text message, an e-mail, information on a webpage, Google search results,  
16 Facebook and Twitter posts, YouTube videos, etc. Digital communications channels  
17 include electronic paid, owned, and earned channels, and include search engines like  
18 Google, Company web pages, Facebook, Twitter, LinkedIn, YouTube, online news  
19 media sites, etc. Digital media is a growing landscape, and most earned media message  
20 distribution channels – e.g., print, television, and radio – also use digital channels for  
21 digital content. Sometimes it's the same content, and sometimes it's different from what  
22 is found in the traditional print newspaper, television news broadcast or radio news  
23 report. In many cases, the digital version of the story or content is more comprehensive

1 in digital channels – more photos, live updates, additional and/or longer video, and more  
2 detailed stories. Often, a digital news media outlet will post a story or content before it  
3 posts or publishes in a traditional counterpart, mostly due to the immediacy and  
4 flexibility in how digital channels work. Breaking news happens all the time, not just  
5 when the evening news is broadcast or in time for a reporter to get a story to print in the  
6 daily newspaper.

7 **Q. Does Ameren Missouri communicate with customers in digital**  
8 **channels?**

9 A. Yes. Digital channels are important communication tools for Ameren  
10 Missouri. Clearly, technology has spurred a lot of change, but it has especially impacted  
11 the communications landscape since I began my professional career more than 20 years  
12 ago. In fact, it has changed the way all companies do business. The pace of  
13 communicating with customers has increased along with customers' expectations for  
14 finding what they want and need quickly, which naturally affects overall customer  
15 satisfaction. The available tools for creating, sharing and consuming information  
16 continue to grow and evolve. For any business to effectively communicate – with  
17 prudent plans and investments for messages customers can more easily recall – it must  
18 use an integrated approach with traditional and digital paid, owned and earned  
19 communications.

20 Ameren Missouri takes an “always on” approach to our communications to ensure  
21 consistent, frequent communication. We use Facebook and Twitter social media outlets  
22 in paid, owned, and earned ways. In addition, we employ paid internet radio, video  
23 pre-roll, paid search, digital banners, and television advertising. Customers engage in

1 these spaces. By providing information through these channels, we make it easy for  
2 customers to engage with us. We invest prudent amounts to ensure customers easily find  
3 the information they want and need from us. We keep the owned and earned messaging  
4 consistent with the paid messages to ensure clarity, understanding, and repetition to aid  
5 recall.

6 Social media is one of the fastest growing communications channels for our  
7 customers. Accordingly, we engage with customers through social media channels so we  
8 can share important, relevant information as quickly as possible. Customers also provide  
9 feedback about the topics they want to learn more about or perceive differently than in  
10 our communications. Social media has opened another beneficial tool for interactive  
11 communications with our customers.

12 **Q. Are digital channels taking on greater importance?**

13 A. Yes, because the way people use social media is changing. A study  
14 entitled “News Use Across Social Media Platforms 2016” by Pew Research Center (“Pew  
15 study”) released May 26, 2016, reported that 62 percent of adults get news through social  
16 media. That number was only 49 percent in 2012. That is a change of 13 percent in just  
17 four years, or more than three percent annually, demonstrating a fast and dynamic change  
18 in the media landscape.

19 We work hard to ensure we are focused on the right digital channels. The Pew  
20 study reported 66 percent of Facebook users get their news from Facebook. According to  
21 the Pew study, Facebook is by far the largest social networking site, reaching 67 percent  
22 of U.S. adults. Two-thirds of Facebook users who get news from Facebook amount to 44  
23 percent of the general population. In addition, the Pew study found that 62 percent of

1 Facebook users are most likely to happen upon news online while online for other  
2 reasons. Of Twitter users, 59 percent get their news from Twitter. Twitter users were  
3 more evenly divided between those online looking for news and those online for other  
4 reasons.

5 Social media outlets are important to our customers. We hear from them more  
6 frequently through social media, particularly during major outage situations. During  
7 outage situations, we often share updates with our customers regarding restoration  
8 progress, crews working in specific areas (including photos of crews working), and other  
9 relevant information. On more typical days, we communicate consistent with our current  
10 communications campaign, Energy at Work, which I will discuss in more detail later in  
11 my testimony. In other words, we communicate in a manner that addresses three primary  
12 areas: reliability, clean energy, and community. This type of messaging helps  
13 continually educate our customers, as well as keeps our customers interested in engaging  
14 with us. Clear, consistent messaging using social media helps us create a foundation of  
15 transparency and engagement, enabling our customers to receive the right messages at the  
16 right times, no matter the situation. If we had no social media presence, and did not  
17 communicate at all in digital spaces, we would risk the degradation of the engagement  
18 and transparency customers have told us they want. Customers spend an increased  
19 amount of time using digital communications, including social media. We also use paid  
20 communications to acquire more followers on our social media pages. We need to  
21 consistently raise the awareness of our presence in this channel to be able to  
22 communicate with our customers in a time of crisis. After all, staying active and

1 providing consistent information on social media keeps Ameren Missouri more  
2 accessible in its customers' news feeds.

3 It makes sense, then, to consistently use these channels to provide news and  
4 important information for our customers. We use these channels prudently and we study  
5 the engagement levels for our communications to ensure we are communicating  
6 information that our customers find important. Given the large online presence and its  
7 apparent use as a news source, it is very important that Ameren Missouri be able to  
8 communicate clearly and consistently in a variety of channels.

9 **Q. How do your communications compare to communications by other**  
10 **organizations?**

11 A. We communicate with customers in many of the same ways that other  
12 utilities, as well as companies in other industries, communicate with customers. For  
13 example, the Commission itself has a website and a Facebook page, and at least one  
14 Commissioner communicates with stakeholders and our customers through Twitter and a  
15 blog which features photos and videos. New channels and increased stakeholder  
16 expectations about communications require new ways of thinking about communications.  
17 Simply put, in this digital age, the ways we are able to reach customers has changed.  
18 Paid communications are a necessary part of communicating to ensure our messages are  
19 reaching our customers where they are, with an accurate message, and in a timely  
20 manner. If we are not appropriately engaging our customers, if we are not where they are  
21 or leading them to where we are, we are automatically hindering our effectiveness.  
22 Without paid advertising and social media, we have hindered our own reach, our  
23 interactive capabilities, and the repetition necessary for effective message recall. In order



1 to stay both relevant and effective in our customer messaging, we need to invest in paid  
2 communications spaces.

3 **IV. TYPES OF INFORMATION AMEREN MISSOURI COMMUNICATES**  
4 **TO CUSTOMERS**

5 **Q. How do you determine what type of information to communicate to**  
6 **customers?**

7 A. We not only make sure we are providing information the customers *need*  
8 to know, such as important safety, cost, and reliability information, but also what the  
9 customers *want* to know. We want our customers to feel sufficiently informed regarding  
10 the service they receive because this goes a long way toward providing customer  
11 satisfaction.

12 **Q. You have specifically mentioned communications regarding safety.**  
13 **Could you describe your safety communications strategy?**

14 A. Certainly. Of course, safety is of paramount concern for the Company.  
15 Ameren Missouri is committed to delivering electricity safely. We make our customers  
16 aware of the dangers that can be found around electricity. We do not limit ourselves to  
17 responsive communications during situations that could threaten safety. Instead, we pro-  
18 actively and consistently communicate with our customers regarding safety concerns.

19 We use many messaging tactics to communicate and make lasting impressions on  
20 our customers. For consistency and effectiveness, we employ integrated messages in  
21 paid, earned, and owned channels. This includes the use of Louie the Lightning Bug, our  
22 mascot, in many different ways. We also use specific safety communications exclusively  
23 at the Lake of the Ozarks, and have taken the lead in increasing our focus on a longer-  
24 term communications strategy there in collaboration with co-op utilities in the area.

1           **Q.     Why do you use Louie the Lightning Bug?**

2           A.     By tying the message of safety to a recognizable figure, we raise the recall  
3 of the safety messages. Therefore, events like parades and appearances play an integral  
4 role in the way we communicate. By consistently sharing a safety message every time  
5 Louie the Lightning Bug is seen, we are alerting our customers to be safe around  
6 electricity.

7           **Q.     Why are you communicating about safety at the Lake of the Ozarks in**  
8 **particular?**

9           A.     In 2016, we increased our spending on electric safety to include dock  
10 safety at the Lake of the Ozarks. As required by our Federal Energy Regulatory  
11 Commission license to operate Bagnell Dam, we have determined the need to educate  
12 both dock owners on how to be responsible when they have electricity on their docks as  
13 well as visitors who come to the lake to fish and swim. This education includes making  
14 visitors to the Lake aware about what to do if they feel electricity in the water, and the  
15 processes in place to ensure inspections and safe practices when dealing with electricity  
16 and water.

17           **Q.     You also mentioned the importance of providing customers the**  
18 **information they want. Are customers requesting information about specific topics**  
19 **from the Company?**

20           A.     Yes. Our focus group research shows customers are interested in  
21 receiving messages from Ameren Missouri about specific topics. The research shows  
22 customers want to understand the value of the investments we make on their behalf.  
23 Advertising effectiveness research shows that customers want to know what we are doing

1 in the areas of reliability, clean energy, and community support. In addition, safety  
2 message recall is consistently high in our quarterly advertising effectiveness data.

3 Customers benefit from our communications about how to be safe around  
4 electricity, during times of extreme weather conditions, and in specific regions of our  
5 service territory. The data from our research confirms that these topics are being  
6 communicated at an appropriate frequency most of the time, the messages are clear, the  
7 provided information delivered the most benefit to customers, and the information is  
8 what our customers want us to provide. Ameren Missouri develops and executes  
9 consistent, clear messaging that is informed by its customer research recommendations,  
10 allows for real-time adjustments based on feedback from customers through the  
11 advertising effectiveness study, and provides other short-term data for digital  
12 communications. As I have stated, we believe it is vital to communicate with customers  
13 to ensure their education and understanding.

14 It is not only Ameren Missouri's research that reinforces our messaging strategies.  
15 The Edison Electric Institute ("EEI") considers provision of information about safe,  
16 reliable, affordable, and clean energy at the core of its messaging focus. EEI specifically  
17 urges messaging to educate and inform key stakeholders, and expects and encourages its  
18 members to communicate in these areas of focus. Ameren Missouri believes it furthers  
19 this industry objective effectively.

20 **Q. Have the Company's communications strategies been effective?**

21 A. Yes. Ameren Missouri is currently implementing an integrated campaign  
22 called Energy at Work that has demonstrable success in achieving these goals. We began  
23 executing the campaign in paid, owned, and earned spaces in January 2015. Prior to

1 execution, we tested the concept and other concepts with customers to learn about what  
2 they want and need to know to make daily decisions. To date, Ameren Missouri's  
3 communications effectiveness favorability continues to increase, engagement with digital  
4 content continues to increase beyond industry standards, and customer satisfaction data  
5 also continues to trend positive. While many factors contribute to customer satisfaction  
6 and every co-worker plays a role in working to ensure our customers are satisfied, we use  
7 the data to help optimize our communications strategy to determine and fulfill the needs  
8 of our customers. We want to make sure we are doing our part to contribute to a positive  
9 customer experience.

10 **Q. Please describe Energy at Work.**

11 A. Energy at Work was specifically designed with customer-requested  
12 information in mind. Based on our focus study research and EEI's correlating studies, we  
13 developed this campaign with a focus on communications regarding three primary areas:

- 14
- Reliability – providing reliable power
  - 15 • Clean Energy – creating energy supply plans for the future
  - 16 • Community – supporting and generating progress for our communities

17 **Q. Is Ameren Missouri requesting recovery of costs related to all three**  
18 **Energy at Work communications areas?**

19 A. Yes. I understand that taken alone, the "Community" portion of the  
20 communications could fall under the "Institutional" category of disallowed costs.  
21 However, the Community communications is not an isolated program – they are one part  
22 of a three-part communications campaign. When a communications campaign has  
23 dedicated 51% or more to recoverable communications, the whole of the program is

1 recoverable. Since the Community portion represents only one-third of the whole, it is  
2 appropriate to allow recovery for the Energy at Work program in its entirety.

3 **Q. Please describe in more detail the work done with the focus groups**  
4 **that contributed to the Energy at Work campaign.**

5 A. The focus group research provided major insights about what customers  
6 want from Ameren Missouri:

- 7 • **Direct Customer Benefits.** Customers want to know how this relates to  
8 or impacts them directly, so we communicate it in ways they can  
9 understand. Communicating direct benefits sparks interest in the  
10 overall message.
- 11 • **Local:** For the audience to connect, they need to feel a local tie,  
12 particularly as it relates to economic development and charity  
13 involvement messages. Our communications effectiveness research  
14 has shown that messages about local community efforts in charity  
15 involvement often receive the most engagement with our customers,  
16 especially in social media channels.
- 17 • **Diversity:** Customers appreciate seeing a diverse group of employees  
18 and customers represented in communications. It solidifies the  
19 company's commitment to all its customers.
- 20 • **Employees:** The audience truly appreciates what our employees do.  
21 They like seeing employees as messengers, as well as partners, in their  
22 energy usage.

- 1                   • Transparency: Customers want more information and understanding  
2                   of what Ameren Missouri is doing. They want the company to be even  
3                   more transparent and share details to keep them informed on topics  
4                   related to reliability, rates, and more.
- 5                   • Push Information to Customers: Customers want to know what is  
6                   going on during times of inconvenience, and they want it as accessible  
7                   and available as a breaking news story. They want Ameren Missouri  
8                   to push information to them so they don't have to explore to find it,  
9                   with the option to opt-out of these pro-active communications.
- 10                  • Positive Perception: Customers believe Ameren Missouri is friendly,  
11                  customer-focused and has a good reputation — three key attributes  
12                  that solidify the strong customer-first foundation of all  
13                  communications.

14                  Based on the research, the Energy at Work campaign approach is designed to  
15                  demonstrate the value that Ameren Missouri delivers to the communities it serves  
16                  through relevant examples that highlight the direct impact on the customer. The  
17                  communications themselves feature these attributes:

- 18                  • Simple and clear to be easily understood by our customers.
- 19                  • Flexible enough to apply to and connect to a range of messages.
- 20                  • Consistent with Ameren’s vision and values of accountability,  
21                  stewardship, teamwork, and commitment.

- 1                   • Believable — whether it’s a crew at a jobsite, a service vehicle on the  
2                   road or volunteers over the weekend, customers have the opportunity  
3                   to see “energy at work” every day.

4           **Q.    Is this campaign having the desired results regarding message recall**  
5 **and customer engagement?**

6           A.    Yes, we are making strides.    In our quarterly communications  
7 effectiveness study, which started with a baseline survey in Q4 2014, we have seen  
8 awareness levels of Ameren Missouri communications increase.  It’s very important to  
9 note that out of those surveyed, customers who reported being aware of Ameren Missouri  
10 communications continue to report significantly higher levels of satisfaction on average  
11 than those who reported not being aware of seeing any communications from Ameren  
12 Missouri in specific channels during the same timeframe.  Customers who were aware of  
13 Ameren Missouri communications also showed significantly higher levels of satisfaction  
14 across the J.D. Power & Associates’ Customer Satisfaction Study categories, including  
15 attributes in the Communication and Corporate Citizenship categories.  These high  
16 awareness levels, paired with high satisfaction ratings through each study period in 2015  
17 and into 2016 to-date, demonstrate that the messages both reached and resonated with  
18 customers.  Additionally, high levels of recall indicated that television continues to be an  
19 effective way to reach our customers.

20           In addition to the communications effectiveness research across all channels in  
21 our core areas of messaging focus, we regularly study our digital engagement data every  
22 two weeks to ensure prudence in spending and to leverage opportunities to learn about  
23 what customers want and find most engaging.  Across digital distribution channels and

1 messages since the Energy at Work campaign launch in the first quarter of 2015, we have  
2 seen consistent and extremely high engagement levels both in paid and owned channels.  
3 For example, video, streaming, banner ad, and paid search elements drew engagement  
4 levels up to 17 times the industry averages. We are bringing customers to a valuable tool  
5 they can use to access educational resources, usage information, bill payment tools, etc.  
6 Each customer who comes to the website and lingers to explore is another potential  
7 customer who may ultimately utilize the services and conveniences we have made  
8 available there. As noted in Ameren Missouri witness Tara Oglesby's direct testimony in  
9 more detail, increased digital interaction is an important driver in customer satisfaction.

10 By outlining the research, strategy, areas of focus, and customer recall and  
11 engagement data to date, we not only continue to help focus Ameren Missouri's  
12 messages and strengthen its relationships with customers, but also demonstrate a prudent  
13 investment that provides value to our customers. We share topics of interest with  
14 customers, and they spend time online engaging with those topics – much longer than  
15 industry averages and much more than without paid digital communications. We want to  
16 minimize "bounce rates" (i.e., the number of website visitors who visit and then  
17 immediately leave) and instead encourage greater visitor retention and exploration. If the  
18 visiting customer is engaged in the website content and clicking through the variety of  
19 available information on our website, then we have a better informed, and ultimately  
20 more satisfied, customer.

21 We have to work to stay on top of customer communications preferences. We  
22 discovered in our first quarter in 2016 advertising effectiveness research that customers  
23 have shifted television viewing habits. We cannot reach our customers if we do not know



1 where their attention is focused. This result demonstrates the need to continue to review  
2 customer data to ensure that we are communicating the right messages at the right times  
3 in the right places. The more favorable rankings across all measures compared to first  
4 quarter 2015 shows that we have been successful in targeting our communications.

5 **V. HISTORICAL COMMISSION REVIEW OF COMMUNICATION**  
6 **EXPENDITURES**

7 **Q. Throughout your testimony, you have used the term**  
8 **“communications.” Isn’t the correct word “advertising?”**

9 A. No, it is not. While I understand why some may use the term  
10 "advertising," I think it misconstrues what we are truly trying to accomplish with many of  
11 these communications. The traditional definition of “advertising” is the activity or  
12 profession of producing information for promoting the sale of commercial products or  
13 services. Ameren Missouri is not communicating with the goal of promoting the sale of  
14 its product. In fact, Ameren Missouri, through its energy efficiency programming,  
15 actively encourages its customers to use less of its product. Rather, the Company needs  
16 to communicate with our customers about how we produce and distribute electricity  
17 because customers have indicated a desire to have this specific information provided to  
18 them, and because the communication of this type of information improves customer  
19 satisfaction. We communicate about how we are providing cleaner, more dependable  
20 electricity. We communicate about services that can help customers manage their  
21 electric accounts. We are not advertising; we are *communicating*.

22 Further, I believe the repeated labeling of many of Ameren Missouri’s  
23 communication efforts as “advertising” causes dissatisfaction among customers and  
24 others. I can understand why customers ask, “Why does Ameren Missouri advertise? I

1 am already buying their product because, thanks to my address, I don't have any real  
2 choice." The "advertising," therefore, implies to many that the Company is effectively  
3 handling customers' money in an unnecessary and imprudent manner. While we use  
4 some of the same communications channels as those used by "advertisers," we are not  
5 advertising in the traditional and common sense of the word.

6 Our industry has changed, and the needs of our customers have changed. We are  
7 not advertising; we are fulfilling our customers' needs and requests for information. We  
8 ask that the regulators and stakeholders reconsider the historical view of these  
9 communications practices in light of the changing communications landscape.

10 **Q. How have communications historically been treated during rate**  
11 **proceedings?**

12 A. The criteria historically used to categorize communications in Missouri's  
13 investor-owned utility regulatory process are from a 31-year old decision in a 1985 rate  
14 proceeding involving Kansas City Power & Light Company. See Report and Order, *Re:*  
15 *Kansas City Power and Light Company*, Case Nos. EO-85-185 et al. (KCPL Order). In  
16 evaluating communications that at least, in part, did fit the traditional definition of  
17 "advertising" at the time, the Commission created the following categories:

- 18 • General: informational advertising that is used in the provision  
19 of adequate service;
- 20 • Safety: advertising which conveys the ways to safely use  
21 electricity and to avoid accidents;
- 22 • Promotional: advertising used to encourage or promote the use  
23 of electricity;
- 24 • Institutional: advertising used to improve the company's  
25 image; and
- 26 • Political: advertising associated with political issues.

1 The KCPL Order said that General and Safety advertising costs are recoverable, that  
2 Institutional and Political advertising costs are not recoverable, and that Promotional  
3 advertising must be reviewed and, to the extent the utility can provide cost-justification  
4 for the advertising, the justified portions may be allowed.

5 While we may eventually want to re-evaluate whether these categories are still  
6 relevant in this digital age, I am not suggesting we do so at this time. What I am  
7 suggesting instead is that we re-evaluate the application of two of these categories.

8 I take no issue with three of the categories and their existing applications: Safety,  
9 Promotional, and Political. General and Institutional, however, are causing some  
10 consternation in how they have historically been applied. Please bear in mind, these  
11 criteria were established when print media, radio, and television were the primary outlets  
12 for information and, more importantly, when utilities actively encouraged greater  
13 electricity consumption. Now, the information outlets are far more varied, with even  
14 those three traditional outlets themselves utilizing digital channels. Moreover, we  
15 encourage our customers to use less electricity. I do not believe that the continued  
16 classification of communications expenditures between these two categories today  
17 provides the same value to the Commission as it did historically. Given the rise of digital  
18 media, our customers want delivery of the message in a different format and with much  
19 quicker timing. I suggest that the prudence examination of digital-era communications  
20 should shift. For example, 30 years ago, a radio or TV ad was the quickest way to deliver  
21 info, and a newspaper ad was the way to deliver the message with the most detail.  
22 Today, more and more people are looking at smart phone alerts and social media to  
23 expediently get information, and then moving to a company's website to get the

1 additional detail. With both traditional and emerging media sources, we have several  
2 communications outlets we need to engage, and to engage in different manners, in order  
3 to communicate effectively. The means of delivery, lure for engagement, content for  
4 search engines, etc., are not themselves the criteria for a prudence determination of the  
5 communications expenditure. Instead, the over-arching purpose (i.e., intent) of the  
6 communication, tempered by its ultimate effectiveness, should direct the determination of  
7 prudence.

8 Historically, if a communication appeared to promote Ameren Missouri as a  
9 company, regardless of the additional content of the message, it has been classified as  
10 "Institutional," the cost of which is not recoverable. As a communications professional  
11 directing the forms of customer communications with a specific educational and  
12 customer satisfaction goal in mind, I strongly suggest that it is time to revisit this issue.

13 **Q. How do you suggest the Commission determine what is "General"**  
14 **and what is "Institutional"?**

15 A. I suggest that when evaluating these communications, we look deeper into  
16 the intent behind them. For example, was that print ad intended to do nothing more than  
17 boost the company's reputation for the creation of a new program, or was it intended to  
18 get customers to volunteer for a pilot program for a new and potentially cost-saving  
19 initiative? Was that Facebook posting made to get positive attention for Ameren  
20 Missouri or was it done to make sure the Company stayed in the customer's active news  
21 feed so emergency postings would be spotted more quickly? Did the communication  
22 contain certain key words because Ameren Missouri wanted to create more positivity

1 around itself, or was it because those key words are important in search engine  
2 optimization?

3         While a strict categorization of communications between Institutional and  
4 General may have been more effective when they were first introduced, the analysis of  
5 communications in these categories should be updated given the different industry  
6 environment, the exponential growth of digital communications, and the different content  
7 and methods they require. Just because a communication may seem promotional does  
8 not mean that it was there for no reason other than to promote the company. Whether it  
9 was to maintain news feed positions, to take advantage of search engine optimization  
10 opportunities, or a variety of other reasons, communications that may have been  
11 considered "institutional" in the past may not have been undertaken for purely self-  
12 promoting purposes. It is the nature of the digital and information-intensive age in which  
13 we live – in order to be a visible presence, in order to make sure our customers are  
14 getting the information they have asked for - a different communication style is now  
15 necessary.

16         In the past, Staff has stated that they read the communications and then classify  
17 them according to the “primary message” received from each particular communication.  
18 This has led to treating communications intended to improve customer satisfaction as  
19 “image advertising,” and therefore Institutional – and unrecoverable. Much of today's  
20 customer satisfaction, however, relates directly to how they receive information they  
21 deem necessary, which is not always limited to safety and reliability. If one of the goals  
22 is the promotion of customer satisfaction – which is ultimately part of the balance in any

Direct Testimony of  
Julie Catron

1 regulatory proceeding - I suggest that the time has come to begin re-evaluating the  
2 categorization of these communications expenses.

3 **Q. Does this conclude your direct testimony?**

4 **A. Yes, it does.**

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

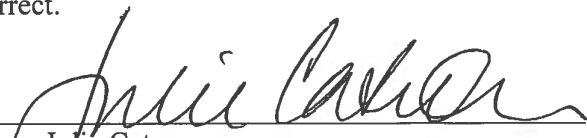
In the Matter of Union Electric Company     )  
d/b/a Ameren Missouri's Tariffs to             )           Case No. ER-2016-0179  
Increase Its Revenues for Electric Service.     )

**AFFIDAVIT OF JULIE CATRON**

**STATE OF MISSOURI**     )  
  ) ss  
**CITY OF ST. LOUIS**     )

Julie Catron, being first duly sworn on her oath, states:

1.     My name is Julie Catron. I work in the City of St. Louis, Missouri, and I am employed by Union Electric Company d/b/a Ameren Missouri as Director, Communication and Public Relations.
  
2.     Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 28 pages, and Schedules N/A, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
  
3.     I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

  
\_\_\_\_\_  
Julie Catron

Subscribed and sworn to before me this 29<sup>th</sup> day of June, 2016.

  
\_\_\_\_\_  
Notary Public

My commission expires:  
2-21-18

