

Exhibit No.:

Issues: Call Center's Abandoned Call Rate  
Average Speed of Answer Indicators

Witness: J. Kay Niemeier

Sponsoring Party: MoPSC Staff

Type of Exhibit: Rebuttal Testimony

Case No.: EM-2000-292

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**J. KAY NIEMEIER**

**FILED**

MAY 2 2000

Missouri Public  
Service Commission

**UTILICORP UNITED INC.**

**AND**

**ST. JOSEPH LIGHT & POWER**

**CASE NO. EM-2000-292**

Jefferson City, Missouri  
May 2000

**\*\*Denotes Highly Confidential Information\*\***

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1                                   **REBUTTAL TESTIMONY**

2                                   **OF**

3                                   **J. KAY NIEMEIER**

4                                   **UTILICORP UNITED INC.**

5                                   **AND**

6                                   **ST. JOSEPH LIGHT & POWER COMPANY**

7                                   **CASE NO. EM-2000-292**

8           Q.     Please state your name and business address.

9           A.     J. Kay Niemeier, P. O. Box 360, Jefferson City, Missouri 65102.

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

11          A.     I am a Management Analyst II with the Missouri Public Service  
12 Commission (Commission). A Management Analyst is responsible for conducting and  
13 directing reviews of management operating and control systems at utility companies  
14 under the Commission's jurisdiction.

15          Q.     Describe your educational and professional background.

16          A.     I graduated from Lincoln University in Jefferson City, Missouri in May  
17 1997 with a Bachelor of Science Degree in Business Administration. I have been an  
18 employee of the Commission's Staff (Staff) since March 1, 1991. I have been employed  
19 with the Engineering and Management Services Department as a Management Analyst  
20 since December 1997.

21          Q.     What is the purpose of your testimony?

22          A.     The purpose of my testimony is to address the quality of service provided  
23 by the Missouri Public Service division of UtiliCorp United Inc. (UtiliCorp) and

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1 St. Joseph Light & Power Company (SJLP) and to attempt to ensure that as a result of the  
2 proposed merger, UtiliCorp's and SJLP's quality of service is not detrimental to the  
3 public interest.

4 In order to accomplish this, my testimony will analyze the customer  
5 service measurements, also referred to as "indicators," presently utilized by UtiliCorp and  
6 SJLP. My testimony will also address how these indicators may be utilized to determine  
7 the present levels of service and determine any future potential deterioration of customer  
8 service to the customers of the two merged companies. My testimony will be specific to  
9 the Call Center operations at each company.

10 Q. Are other Staff witnesses filing testimony regarding quality of service?

11 A. Yes. Staff witnesses Deborah Ann Bernsen and James L. Ketter will be  
12 filing testimony. Ms. Bernsen's testimony will address the importance of the quality of  
13 service and Mr. Ketter's testimony will address the retention of reliability indices to track  
14 electric service distribution system reliability.

15 Q. You state that your testimony will be specific to the Call Center operations  
16 at each company. What is a Call Center?

17 A. A Call Center is a facility that receives calls from all customers of the  
18 company. A company may have one or several Call Centers. The Call Center is staffed  
19 by customer service representatives that respond to customer inquiries and requests for  
20 service. The calls received at the Call Center could be in regard to a billing problem,  
21 request for new service, an outage, a meter problem, etc. The calls received at a Call  
22 Center are either handled by the customer service representative that answers the call or  
23 forwarded to the appropriate company employee for resolution.

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1 Q. Discuss UtiliCorp's Call Center.

2 A. UtiliCorp informed the Staff it operates one Call Center in Nebraska, one  
3 Call Center in Michigan and one Call Center in Missouri. The Missouri Call Center (Call  
4 Center) is located at the Missouri Public Service (a division of UtiliCorp) Offices in  
5 Raytown, Missouri, and operates 24 hours a day, seven days a week.

6 In response to Staff Data Request No. 3931, UtiliCorp reported its current  
7 Call Center staffing level to be 67 customer service associates. In addition to these  
8 customer service associates, its Call Center staffing level included five supervisory  
9 positions: one Director of the Call Center, two Call Center Supervisors and two Lead  
10 Customer Service Associates.

11 Q. Discuss SJLP's Call Center.

12 A. SJLP informed the Staff it operates one Call Center for its customers at its  
13 headquarters in St. Joseph, Missouri. The Call Center's hours of operation are 7:30 a.m.  
14 to 5:30 p.m., Monday through Friday.

15 In response to Staff Data Request No. 3918, SJLP reported its Call Center  
16 staffing level to be 16 customer service representatives and two supervisors for years  
17 1997, 1998 and 1999.

18 Q. How did you conduct your evaluation of UtiliCorp's and SJLP's Call  
19 Centers?

20 A. Beginning in January 2000, the Staff made two visits to UtiliCorp  
21 Headquarters, Kansas City, Missouri; two visits to the Missouri Public Service (MPS)  
22 Offices, Raytown, Missouri; and one visit to SJLP Headquarters, St. Joseph, Missouri.  
23 Discussions were held with employees at all three locations. Various performance

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1 indicators were reviewed and discussed to determine their use and effectiveness. In  
2 addition, these discussions addressed organizational charts, customer billing, meter  
3 reading procedures, disconnect/reconnect procedures, payment options, disconnection for  
4 non-payment procedures and the extent of automation of the information system.

5 Where possible, the Engineering and Management Services Staff  
6 attempted to compare similar customer service measurements or indicators of the two  
7 companies. In other instances, the Staff evaluated reports of both companies and  
8 developed an assessment of the level of customer service presently being provided by  
9 each Company's Call Center.

10 Q. What indicators did you review?

11 A. I reviewed the Abandoned Call Rate (ACR) and the Average Speed of  
12 Answer (ASA) indicators.

13 Q. Define the indicator Abandoned Call Rate.

14 A. Abandoned Call Rate is the percentage of telephone calls that are  
15 terminated after being placed in the network queue when contacting the company's Call  
16 Center by telephone.

17 Q. Describe the calculation of UtiliCorp's ACR.

18 A. UtiliCorp's ACR is calculated as follows: 1) the number of calls answered  
19 is subtracted from the number of calls received; and 2) this difference is divided by the  
20 number of calls received (the number of calls received – the number of calls answered/the  
21 number of calls received).

22 Q. What was UtiliCorp's actual ACR for the years 1997, 1998 and 1999?

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1           A.     As stated in the response to Staff Data Request No. 3903, UtiliCorp's  
2 actual ACR was \*\* \_\_\_\_\_ \*\* for years 1997, 1998 and 1999,  
3 respectively.

4           Q.     What was UtiliCorp's ACR objective for the years 1997, 1998 and 1999?

5           A.     In response to Staff Data Request No. 3903, UtiliCorp stated that its ACR  
6 objective was a range of \*\* \_\_\_\_\_ \*\* for years 1997, 1998 and 1999.

7           Q.     Discuss Staff's position regarding UtiliCorp's ACR objective.

8           A.     When setting objectives, certain criteria must be addressed. The  
9 objectives should be: 1) clearly defined; 2) challenging but realistic; and 3) measurable.  
10 The ACR objective set by UtiliCorp for years 1997, 1998 and 1999 does not meet these  
11 three criteria.

12                     The ACR figure is of great importance to Staff because it reflects the  
13 significance a company places upon responding to its customers' calls. The ACR  
14 objective should represent a target level of performance. To utilize a range for an  
15 objective negates the value of setting a target. An exact percentage provides the  
16 employees with a more specific, better defined expectation for which to strive. When a  
17 broad range is set as an ACR objective, it is difficult to determine what goals are being  
18 sought or achieved. This is demonstrated by the fact that UtiliCorp's actual ACR during  
19 the years 1997 through 1999 ranged from a low of \*\* \_\_\_\_\_ \*\* to a high of \*\* \_\_\_\_\_ \*\*, a  
20 difference of 5.4%.

21                     The ACR objective should be revisited annually by the company to ensure  
22 the objective remains valued and reflects the goals of the company's Call Center. The  
23 objective must be challenging, yet realistic. Although UtiliCorp's actual ACR fluctuated

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1 between \*\* \_\_\_\_\_ \*\*, UtiliCorp did not modify its ACR objective. The ACR  
2 objective remained the same for the years 1997, 1998 and 1999.

3 Q. Describe the calculation of SJLP's Abandoned Call Rate.

4 A. SJLP's ACR is calculated as follows: 1) the number of voice  
5 response unit (VRU) hang-ups is subtracted from the total number of calls and 2) this  
6 difference is divided into the number of abandoned calls. (Number of abandoned  
7 calls/total number of calls – VRU hang-up calls).

8 Q. What is the difference in SJLP's VRU hang-up calls and abandoned calls?

9 A. The VRU hang-up calls refer to those calls where the customer nearly  
10 immediately hangs up when the customer realizes that he/she will not automatically  
11 speak to a customer service representative. The caller does not allow the VRU system to  
12 place the call into the queue and route to the next available customer service  
13 representative.

14 Abandoned calls are calls received by the VRU system that are terminated  
15 by the caller prior to a Call Center customer service representative speaking with the  
16 caller. The VRU system places the call in the queue and the customer decides to  
17 terminate the call before the customer service representative answers the call.

18 Q. Is SJLP's ACR calculation the same as UtiliCorp's ACR calculation?

19 A. No. UtiliCorp does not deduct the VRU hang-ups when calculating ACR.  
20 As previously stated, UtiliCorp's ACR calculation is the number of calls received minus  
21 the number of calls answered divided by the number of calls received.

22 Q. Why does SJLP distinguish between VRU hang-ups and abandoned calls?

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1           A.       SJLP's VRU system begins taking customers' calls only after all customer  
2 service representatives are busy taking calls. This VRU system is referred to as a  
3 "back-end" method. By using the back-end method on the VRU system, SJLP customers  
4 receive a "live voice" when their call is answered by an available customer service  
5 representative which may be when the call is first answered. Only if a customer service  
6 representative is not available, does the VRU system place the customer's call into the  
7 queue and route the call to the next available customer service representative.

8           Most VRU systems, such as the UtiliCorp VRU system, utilize a  
9 "front-end" method, meaning all calls received are first processed through the VRU  
10 system. When the front-end VRU system is used, all calls are placed into the queue and  
11 the calls are then forwarded to the next available customer service representative. When  
12 the front-end VRU system is used, the customer service representative is not permitted to  
13 answer any of the calls immediately.

14           SJLP distinguishes between the VRU hang-up calls and the abandoned  
15 calls because SJLP believes that its customers are very familiar with the VRU system,  
16 i.e., the SJLP customer knows that all customer service representatives are busy when  
17 his/her call is not answered by a customer service representative. SJLP believes that  
18 customers prefer to hang up immediately (VRU hang-ups), when the call is not answered  
19 by a customer service representative, and call again at a later time in hopes of reaching a  
20 customer service representative.

21           SJLP also believes that many of the customers that hang up as soon as  
22 they realize they will not speak to a customer service representative (VRU hang-ups) are  
23 repetitive calls. The customer continues calling and hanging up after realizing that

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1 his/her call is being answered by the VRU. It is impossible to distinguish the number of  
2 repetitive calls that are included in the figures for SJLP's VRU hang-ups.

3 Q. What was SJLP's actual ACR for the years 1997, 1998 and 1999?

4 A. As stated in the response to Staff Data Request No. 3918, SJLP's actual  
5 ACR was 4.26% and 4.07% for years 1998 and 1999, respectively. SJLP's year 1997  
6 ACR figures were not available.

7 Q. What was SJLP's ACR objective for the years 1997, 1998 and 1999?

8 A. SJLP stated that its ACR objective was less than 5% for the years  
9 1998 and 1999.

10 Q. Are you able to compare the two companies' ACRs when the companies  
11 calculate their ACRs differently?

12 A. It is not possible to make a direct comparison between the two companies'  
13 ACR figures. However, it is possible to draw some conclusions from the information  
14 provided by the companies concerning the level of customer service being provided by  
15 each Call Center.

16 Q. What conclusions did Staff reach regarding the level of customer service  
17 being provided with regard to UtiliCorp's ACR and SJLP's ACR?

18 A. An important distinction Staff made regarding UtiliCorp's ACR and  
19 SJLP's ACR was the fact that SJLP's VRU system and UtiliCorp's VRU system have  
20 been implemented in a different manner. As previously stated, SJLP's VRU system is  
21 considered "back-end" and UtiliCorp's VRU system is considered "front-end." SJLP  
22 believes it is important that its customers' calls are answered directly by a customer  
23 service representative instead of calls being received by a VRU system and then

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1 forwarded to the next available customer service representative. SJLP attempts to have  
2 its customer service representatives directly answer as many calls as possible. It is only  
3 when all customer service representatives are busy answering calls that customers' calls  
4 are received by the VRU system and forwarded to the next available customer service  
5 representative.

6 SJLP believes that its customers are accustomed to SJLP's VRU system,  
7 which often allows them to speak directly to a customer service representative when their  
8 call is received at the Call Center instead of to a VRU system.

9 Q. Did the Staff reach any conclusions regarding UtiliCorp's ACR objective  
10 and SJLP's ACR objective?

11 A. Yes. The Staff is concerned with the ACR objective set by UtiliCorp  
12 having such a broad range. UtiliCorp achieved an ACR within its own objective range  
13 for 1998 only. UtiliCorp's ACR objective remained unchanged for three consecutive  
14 years—1997, 1998 and 1999.

15 The Staff found that SJLP's ACR objective of less than 5% was achieved  
16 during both years 1998 and 1999. Staff noted SJLP's ACR objective remained  
17 unchanged from 1998 to 1999.

18 An ACR objective is a desired future result and should be evaluated  
19 annually so that the ACR objective continues to reflect the goals of the company's  
20 Call Center. An ACR objective should create a challenge for the company and its ACR  
21 objective must be evaluated annually in order to continue to present a challenge to the  
22 company.

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1           Q.     Does the Staff have any recommendations regarding UtiliCorp's ACR in  
2 the event that a merger is approved between SJLP and UtiliCorp?

3           A.     Yes. The Staff views a company's ACR as an important indicator of  
4 customer service provided by the Call Center. If this merger is approved, the Staff  
5 recommends that indicators be developed for the post-merger company based upon each  
6 company's historical data. These customer service indicators must ensure that the level  
7 of customer service currently experienced by each customer base does not deteriorate.

8                     The Staff recommends that UtiliCorp set a specific ACR instead of an  
9 ACR with a range. A specific ACR would allow employees an exact number for which  
10 to strive instead of a range.

11                    SJLP's ACR indicator and UtiliCorp's ACR indicator will no longer be  
12 maintained separately, because the SJLP and MPS Call Centers will be combined into  
13 one Call Center. The two companies' ACR objectives and ACR actual figures will be  
14 combined into one ACR objective and one ACR actual figure if the proposed merger of  
15 UtiliCorp and SJLP is to be approved.

16           Q.     What specifically does the Staff recommend?

17           A.     After analyzing the information provided by the companies, the Staff  
18 recommends that the Commission set UtiliCorp's ACR objective at \*\*\_\_\*\*. The Staff  
19 would propose that a variance of 50 basis points be added to this objective for purposes  
20 of implementing remedial actions as outlined in the testimony of Staff witness Bernsen.  
21 This will result in a maximum allowable level of \*\*\_\_\*\*. This variance will allow for  
22 occurrences outside of UtiliCorp's control that may impact the attainment of the  
23 objective.

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1 Q. How did the Staff determine the \*\*\_\_\*\* ACR objective?

2 A. There were several factors that resulted in Staff's recommendation of  
3 \*\*\_\_\*\*. UtiliCorp's objective for years 1997, 1998 and 1999 was a range of  
4 \*\*\_\_\_\_\_\*\*.

5 UtiliCorp informed the Staff that its actual ACR figures were negatively  
6 impacted by training requirements in 1997 and 1998. Training of customer service  
7 representatives was necessary for: 1) conversion to the new information system, CIS+;  
8 2) standardization of processes and procedures; and 3) implementation of ATLAS,  
9 UtiliCorp's on-line employee assistance program. UtiliCorp also stated that during 1999,  
10 UtiliCorp's ACR figures were negatively affected by efforts directed toward  
11 Y2K compliance. UtiliCorp informed the Staff that it expects a "dramatic improvement"  
12 in its ACR figures. This dramatic improvement is expected because the UtiliCorp's  
13 training requirements will now be less than the training requirements in 1997 and 1998.  
14 Additionally, the amount of Y2K compliance efforts have decreased substantially.

15 UtiliCorp witness Stephen L. Pella states in his direct testimony that,  
16 "As new processes are implemented, we should see stable or improved customer  
17 service." (Pella Direct, p. 9).

18 Q. Are there any other factors that support Staff's opinion that UtiliCorp's  
19 ACR should be \*\*\_\_\*\*?

20 A. Yes. With Commission approval of the proposed merger, SJLP customer  
21 calls will eventually be received at UtiliCorp's Call Center. The SJLP customer calls will  
22 continue to be received at SJLP's Call Center until UtiliCorp determines its Call Center is  
23 ready to convert SJLP's customer calls to its Call Center.

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1                   It can be contended that SJLP customers are accustomed to an ACR of  
2 less than 5%; this objective has been met by SJLP. The Staff believes an ACR of  
3 \*\*\_\_\* may: 1) assist in maintaining an acceptable level of customer service to SJLP  
4 customers; and 2) not deteriorate the level of service for all customers of UtiliCorp.

5                   Given the current difference in ACR calculations by each company, it is  
6 Staff's opinion that an ACR objective of \*\*\_\_\*\* for UtiliCorp is clearly defined,  
7 challenging but realistic, and measurable. Because the suggested ACR of \*\*\_\_\*\*  
8 approximates the middle of UtiliCorp's objective range and UtiliCorp did achieve this  
9 suggested ACR in 1998, \*\*\_\_\*\* is a reasonable and appropriate measure at this time.

10           Q.     Is the Staff making a recommendation regarding UtiliCorp's process used  
11 in setting its own ACR objective?

12           A.     Yes. If the proposed merger of UtiliCorp and SJLP is to be approved, the  
13 Staff recommends that UtiliCorp's actual ACR objective be revisited every year. The  
14 Staff recommends that UtiliCorp analyze its actual ACR figures for the previous three  
15 years in order to set an ACR objective that is clearly defined, challenging but realistic,  
16 and measurable.

17           Q.     You previously stated that the other indicator Staff reviewed was the  
18 Average Speed of Answer (ASA). Define Average Speed of Answer.

19           A.     Average Speed of Answer is the number of seconds a caller waits before  
20 the call to the Call Center is answered by a Call Center employee.

21           Q.     What was UtiliCorp's actual ASA?

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1           A.     In response to Staff Data Request No. 3903, UtiliCorp stated that its actual  
2     ASA was \*\* \_\_\_\_\_ \*\* for years 1997, 1998 and 1999,  
3     respectively.

4           Q.     What was UtiliCorp's ASA objective for years 1997, 1998 and 1999?

5           A.     In the same UtiliCorp response to the Staff Data Request, UtiliCorp stated  
6     that its ASA objective was a range of \*\* \_\_\_\_\_ \*\* for years 1997, 1998 and  
7     1999.

8           Q.     What is the Staff's position regarding UtiliCorp's ASA objective?

9           A.     When setting objectives, certain criteria must be addressed. The  
10    objectives should be: 1) clearly defined; 2) challenging but realistic; and 3) measurable.  
11    The ASA objective set by UtiliCorp for years 1997, 1998 and 1999 does not meet these  
12    three criteria.

13                     UtiliCorp's ASA is an important benchmark because this figure reflects  
14    the amount of time that UtiliCorp believes is reasonable for its customers to wait before  
15    their calls are answered by a customer service representative.

16                     UtiliCorp's ASA objective is not an effective objective, as it does not  
17    provide a specific target for which UtiliCorp can strive. To utilize a range for an  
18    objective negates the value of setting a target. When a range is set as an objective, it is  
19    difficult to determine what goals are being sought or achieved.

20                     Just as an exact percentage is normally used for an ACR objective, an  
21    exact amount of seconds or an amount of seconds less than a certain amount of seconds  
22    should be used for a company's ASA objective. This specific amount of seconds  
23    provides the employees an exact or reasonably defined expectation for which to strive.

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1           The ASA objective should be revisited annually by the company to ensure  
2     the objective remains valued and reflects the goals of the company's Call Center.  
3     UtiliCorp's actual ASA was \*\* \_\_\_\_\_ \*\* for years 1997,  
4     1998 and 1999, respectively. The ASA objective of \*\* \_\_\_\_\_ \*\* remained the  
5     same for years 1997, 1998 and 1999.

6           Q.     Discuss the Average Speed of Answer for SJLP.

7           A.     The Staff requested SJLP's actual ASA figures in Staff Data Request  
8     No. 3918. SJLP was not able to provide Staff with an ASA figure.

9           Q.     What information did SJLP provide the Staff in response to Staff Data  
10    Request No. 3918?

11          A.     SJLP informed the Staff that the SJLP computer system records the  
12    number of calls answered within 10 seconds, 20 seconds, 30 seconds, 40 seconds, 50  
13    seconds and 60 seconds. These calls are recorded by segments (half-hour or hour). SJLP  
14    informed Staff that the amount of calls received and the amount of calls answered within  
15    a certain amount of seconds is recorded and printed in a report each day and then deleted  
16    from its computer system. This report is called "Answered-Call Profile – ACD Group  
17    CustServ" (ACP).

18          The Staff was informed by SJLP that typically February is SJLP's least  
19    busy month and June is SJLP's most busy month at its Call Center. In order to provide a  
20    representative sample, the Staff reviewed SJLP's 1998 and 1999 ACP information for the  
21    months of February and June.

22          Q.     What calculations did the Staff perform with this ACP information?

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1           A.     The Staff made two calculations from the information that SJLP provided.  
2     First, a calculation was made to determine the average percent of the number of calls that  
3     were received and answered at the Call Center within 60 seconds. Second, a calculation  
4     was made to determine SJLP's ACP.

5           Q.     What was the result of the calculation for the average percent of the  
6     number of calls answered within 60 seconds?

7           A.     The average percent of the number of calls received at SJLP's Call Center  
8     that were answered within 60 seconds was 95.14% for 1999 and 96.14% for 1998. This  
9     calculation was performed by using SJLP's weighted average of calls answered within 60  
10    seconds for the months of February and June for each year. The two-month weighted  
11    average was then calculated into a simple average to obtain an average of calls answered  
12    within 60 seconds for each year.

13          Q.     What did the Staff determine SJLP's ACP to be?

14          A.     SJLP's computer system calculates a weighted average for each segment  
15    of the day (either half-hour or hour). The Staff used the weighted average for February  
16    and June of 1998 and 1999 to calculate an average for each year. The Staff calculated  
17    SJLP's ACP to be 9.28 seconds and 12.77 seconds for 1998 and 1999, respectively.

18          Q.     What is SJLP's ACP objective?

19          A.     SJLP informed Staff that SJLP customer service representatives are  
20    expected to answer customer calls no later than the third ring.

21          Q.     Is it possible to compare SJLP's ACP and UtiliCorp's ASA?

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1           A.     No. It is not possible to do so as the individual systems at each company  
2 maintain different data. Each company's measurement of its ACP or ASA is done  
3 differently and it is not possible to compare the levels.

4                     However, Staff was able to reach several conclusions based upon a review  
5 of the information provided by the two companies.

6           Q.     What conclusions did the Staff draw following its review of SJLP's ACP  
7 and UtiliCorp's actual ASA?

8           A.     After reviewing the information provided by SJLP, the Staff concluded  
9 that a significant percentage of the calls received at SJLP's Call Center are answered  
10 within 60 seconds.

11                    The information provided by UtiliCorp for years 1997, 1998 and 1999 led  
12 Staff to the conclusion that UtiliCorp achieved its ASA objective only for the year 1998.

13           Q.     Does Staff have any recommendations regarding UtiliCorp's ASA in the  
14 event that a merger is approved between SJLP and UtiliCorp?

15           A.     Yes. As stated previously, it is the Staff's opinion that a company's ASA  
16 is an important indicator of customer service. Staff recommends that indicators for ASA  
17 be developed for the post-merger combined company based upon each company's  
18 historical data. These indicators must ensure that the level of customer service currently  
19 experienced by each customer base does not deteriorate.

20                    Staff recommends that UtiliCorp set an exact figure for its ASA objective  
21 instead of an ASA objective with a range. A specific ASA objective would allow  
22 employees an exact number for which to strive.

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1               SJLP's ASA indicator and UtiliCorp's ASA indicator will no longer be  
2 maintained separately, because the SJLP and MPS Call Centers will be combined into the  
3 existing Call Center located in Raytown, Missouri. The two companies' ASA objectives  
4 and ASA actual figures will be combined into one ASA objective and one ASA actual  
5 figure if the proposed merger of UtiliCorp and SJLP is to be approved.

6               Q.     What specifically does the Staff recommend?

7               A.     After reviewing both companies' information, the Staff recommends that  
8 the Commission set UtiliCorp's ASA objective at \*\*\_\_\_\_\_\*\*. The Staff would  
9 propose that a variance of 5% be added to this objective for purposes of implementing  
10 remedial actions as outlined in the testimony of Staff witness Bernsen. This will result in  
11 a maximum allowable level of \*\*\_\_\_\_\_\*\*. This variance will allow for  
12 occurrences outside of UtiliCorp's control that may impact the attainment of the  
13 objective.

14              Q.     How did the Staff arrive at this ASA determination?

15              A.     The Staff averaged the three years of actual ASA figures provided by  
16 UtiliCorp and calculated a three-year ASA average to be \*\*\_\_\_\_\_\*\*  
17 \_\_\_\_\_. Also, the Staff averaged the ACP information provided by SJLP and  
18 calculated a two-year average for the years 1998 and 1999 to be 11.03 seconds. Staff  
19 also considered the ACP information provided by SJLP that shows 95.14% and 96.14%  
20 of the Call Center calls received were answered within 60 seconds during 1999 and 1998,  
21 respectively.

22              UtiliCorp informed the Staff that its actual ASA figures were negatively  
23 impacted by training requirements in 1997 and 1998 and by Y2K compliance efforts

Rebuttal Testimony of  
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1 in 1999. Training of customer service representatives was necessary for: 1) conversion to  
2 the new information system, CIS+; 2) standardization of processes and procedures; and  
3 3) implementation of ATLAS, UtiliCorp's on-line employee assistance program.  
4 UtiliCorp informed the Staff that it expects a dramatic improvement in its ASA figures.  
5 This improvement would be due to the fact that training requirements are less now than  
6 in 1997 and 1998 and the Y2K compliance efforts are substantially less now than in  
7 1999.

8           Given the difference in ASA and ACP information provided by each  
9 company, it is Staff's opinion that an ASA objective of \*\*\_\_\_\_\_\*\* for UtiliCorp is  
10 clearly defined, challenging but realistic, and measurable.

11           Q.    Is the Staff making a recommendation regarding UtiliCorp's process used  
12 in setting its own ASA objective?

13           A.    Yes. The Staff recommends that UtiliCorp's actual ASA objective be  
14 revisited every year. The Staff recommends that UtiliCorp analyze its actual ASA figures  
15 for the previous three years in order to set an ASA objective that is clearly defined,  
16 challenging but realistic, and measurable.

17           Q.    Does Staff have any further comments to make?

18           A.    Yes. The Staff observed during its analysis that UtiliCorp's Call Center  
19 performance, as measured by ACR and ASA, declined from 1998 to 1999. UtiliCorp's  
20 ACR increased from \*\*\_\_\*\* in 1998 to \*\*\_\_\_\_\_\*\* in 1999. UtiliCorp's ASA increased  
21 from \*\*\_\_\_\_\_\*\* in 1998 to \*\*\_\_\_\_\_\*\* in 1999. UtiliCorp offered explanations  
22 for the increase in the indicators. However, UtiliCorp failed to achieve its own minimum  
23 ASA objective of \*\*\_\_\_\_\_\*\* by \*\*\_\_\_\_\_\*\*.

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1           If the proposed merger of UtiliCorp and SJLP is to be approved, Staff  
2 believes it is imperative that indicators be set in order to provide a method of monitoring  
3 the level of service being provided by the Call Center. If the proposed merger is to be  
4 approved, a transition will be implemented from two separate Call Centers to one Call  
5 Center. After the transition is complete, the SJLP Call Center will be closed. Thereafter,  
6 the SJLP customer calls will be received at UtiliCorp's Missouri Call Center. SJLP's  
7 ACR and ASA indicators and UtiliCorp's ACR and ASA indicators will no longer be  
8 maintained separately. The two companies' ACR and ASA indicators will be combined  
9 into one ACR indicator and one ASA indicator if the proposed merger of UtiliCorp and  
10 SJLP is to be approved.

11           Based on Staff's analysis of actual data, Staff recommends UtiliCorp's  
12 ACR objective be set at \*\*\_\_\*\* and the ASA objective be set at \*\*\_\_\_\_\_\*\*. Based  
13 upon the available data for each company, these recommended indicators will serve as  
14 methods of assessing the level of customer service being experienced by the post-merger  
15 company.

16           Q.   How does Staff recommend the Commission monitor these proposed  
17 service indicators for the post-merger Call Center?

18           A.   Staff witness Bernsen will address in her rebuttal testimony the Staff's  
19 recommendation for the Commission's monitoring of the proposed service indicators, as  
20 well as the process for UtiliCorp to take remedial actions in this area, if appropriate.

21           Q.   Does this conclude your rebuttal testimony?

22           A.   Yes, it does.

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

In the Matter of the Joint Application of )  
UtiliCorp United Inc. and St. Joseph Light & )  
Power Company for Authority to Merge St. )  
Joseph Light & Power Company With and Into )  
UtiliCorp United Inc. and, In Connection )  
Therewith, Certain Other Related Transactions. )

Case No. EM-2000-292

AFFIDAVIT OF J. KAY NIEMEIER

STATE OF MISSOURI     )  
                                  )     ss.  
COUNTY OF COLE     )

J. Kay Niemeier, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 19 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

J. Kay Niemeier  
J. Kay Niemeier

Subscribed and sworn to before me this 18 day of May 2000.

Toni M. Willmeno  
Toni M. Willmeno  
Notary Public, State of Missouri  
County of Callaway  
My Commission Expires June 24, 2000

