

Exhibit No.:  
Issues: Customer Service Issues Raised  
Witness: Karen H. Cooper  
Exhibit Type: Surrebuttal  
Sponsoring Party: Missouri-American Water Company  
Case No.: WR-2011-0337  
SR-2011-0338  
Date: February 2, 2012

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. WR-2011-0337  
CASE NO. SR-2011-0338**

**SURREBUTTAL TESTIMONY**

**OF**

**KAREN H. COOPER**

**ON BEHALF OF**

**MISSOURI-AMERICAN WATER COMPANY**

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

<b>IN THE MATTER OF MISSOURI-AMERICAN ) WATER COMPANY FOR AUTHORITY TO ) FILE TARIFFS REFLECTING INCREASED ) RATES FOR WATER AND SEWER ) SERVICE )</b>	<b>CASE NO. WR-2011-0337 CASE NO. SR-2011-0338</b>
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**AFFIDAVIT OF KAREN H. COOPER**

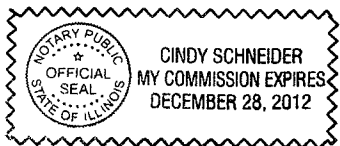
Karen H. Cooper, being first duly sworn, deposes and says that she is the witness who sponsors the accompanying testimony entitled "Surrebuttal Testimony of Karen H. Cooper"; that said testimony was prepared by her and/or under her direction and supervision; that if inquires were made as to the facts in said testimony, she would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of her knowledge.

  
\_\_\_\_\_  
Karen H. Cooper

**City of Champaign  
State of Illinois  
SUBSCRIBED and sworn to  
Before me this 31<sup>st</sup> day of January 2012.**

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

**My commission expires:**



**SURREBUTTAL TESTIMONY  
KAREN H. COOPER  
MISSOURI-AMERICAN WATER COMPANY  
CASE NO. WR-2011-0337  
SR-2011-0338**

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1 **SURREBUTTAL TESTIMONY**

2 **KAREN H. COOPER**

3  
4 **WITNESS INTRODUCTION AND PURPOSE**

5  
6 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TELEPHONE**  
7 **NUMBER.**

8 A. My name is Karen H. Cooper. My address is American Water, 1410 Discovery  
9 Parkway, Alton, Illinois 62002. My phone number is 618-433-4200.

10  
11 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

12 A. I am Manager, Business Services, for American Water's Customer Service  
13 Center (CSC).

14  
15 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES FOR THE COMPANY.**

16 A. As Manager, Business Services, I am responsible for management of issues  
17 and on-going client relations between CSC and operating companies, service  
18 delivery process and performance improvement initiatives, and other functions  
19 that support customer service delivery.

20  
21 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**  
22 **EDUCATION.**

23 A. I joined American Water in 1985 as a Water Quality Superintendent with Indiana-  
24 American Water Company, Inc. Prior to joining the American Water system, I  
25 was with the Ohio Environmental Protection Agency, Division of Public Water

1 Supplies, and also worked for an engineering firm in Massachusetts. Since  
2 joining the American Water system, I have held positions in management with  
3 increasing responsibility. In 1997, I was named Division Manager for the Illinois-  
4 American Water Company's Southern Division, which includes the Alton, East St.  
5 Louis, Granite City, Belleville and Cairo service areas. In October 2001, I  
6 accepted the position as Vice President and Manager of Ohio- American Water  
7 Company with responsibility for general management of statewide water and  
8 wastewater production, distribution, office, and call center facilities and  
9 operations. In July 2003, I accepted my current position at the American Water  
10 CSC as Manager of Business Services.

11 I have a Bachelor of Science degree from the Ohio State University. I am  
12 pursuing a Masters Degree in Business Administration from Southern Illinois  
13 University at Edwardsville.

14  
15 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

16 A. No. However, I have testified concerning the Alton CSC before the California  
17 Public Utilities Commission and the Arizona Corporation Commission. I have  
18 also testified before the Illinois Commerce Commission and the Public Utility  
19 Commission of Ohio.

20  
21 **Q. WHAT IS THE SCOPE OF YOUR TESTIMONY IN THIS CASE?**

22 A. The scope of my testimony is to address on behalf of Missouri-American Water  
23 Company (MAWC) some of the customer service issues raised in the rebuttal  
24 testimony of Commission Staff witness J. Kay Niemeier.

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**I. PURPOSE OF TESTIMONY**

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

A. I will discuss several issues raised questioning American Water’s CSC operations and processes, and I will provide additional information to explain how CSC works to optimize its operation and customer satisfaction as they relate to MAWC.

**II. CUSTOMER SERVICE ISSUES RAISED**

**Q. ARE THERE ANY CUSTOMER ISSUES RAISED IN MS. NIEMEIER’S TESTIMONY THAT YOU WOULD LIKE TO RESPOND TO?**

A. Yes. The first issue I want to address is Ms. Niemeier’s concerns about staffing levels. In her testimony, Ms. Niemeier expresses concerns about the decrease in the average number of employees at the Alton and Pensacola centers between January 2009 and June 2011, while MAWC has experienced growth in the number of customers. The number of customers certainly is one factor that CSC considers when it evaluates how it can meet customer care needs. However, there are a number of other variables that CSC considers on an on-going basis that contribute to its success in meeting customer needs, including staffing levels, staff scheduling, measuring performance, and analyzing trends and opportunities. Thus, adjusting call center staffing is only one piece of the puzzle.

**Q. HAVE OTHER CHANGES BEEN MADE BY THE CSC THAT HAVE IMPACTED**

1           **STAFFING LEVELS?**

2    A.    Yes.  Notably, in 2010, the CSC made several changes to customer service  
3           operations to improve productivity, efficiency and customer satisfaction.  These  
4           initiatives included providing on-line customer self service options and an  
5           improved Integrated Voice Response (IVR) system that also provides options for  
6           self-service or defaulting to a customer service representative (CSR), depending  
7           on individual customer needs.  The web self-service tool was originally launched  
8           in September 2009, and was actively promoted to increase enrollment and usage  
9           throughout 2010.  The IVR upgrade was installed in January 2010.  These  
10          improvements were implemented to provide customers with options and operate  
11          the CSC more efficiently by decreasing the needs for customers to speak directly  
12          with a CSR.

13                 In addition to the technology improvements, CSC changed its strategy for  
14                 utilization of a first party collections agency for handling of calls from customers  
15                 for which collections activity was initiated.  Until December 2009, the outside  
16                 collection agency telephone number was included on a limited number of  
17                 collections notices; the remainder included the CSC toll free telephone number.  
18                 A change was made in December 2009 that placed the first party agency  
19                 telephone number on the majority of collections notices, enabling American  
20                 Water to more fully utilize the agency expertise and capabilities in handling  
21                 customers with collections-related calls.

22  
23    **Q.    DOES CSC MONITOR THE EFFECTIVENESS OF THESE EFFORTS?**

24    A.    Yes.  CSC continuously monitors service level as well as agents' performance  
25           and average call handle times.  As proficiency increases, average call handle

1 time generally decreases. This decrease factors favorably into the overall  
2 staffing needs. While new hires and other events may factor into average call  
3 handle time, overall, average handle time decreased from 5 minutes and 47  
4 seconds at the end of 2008 to 5 minutes and 35 seconds at the end of 2011.

5 The above-described improvements all contributed to reduce the overall  
6 staffing requirement despite the addition of new customers.

7  
8 **Q. DO YOU HAVE ANY OTHER COMMENTS ABOUT MS. NIEMIER'S**  
9 **CONCERNS ABOUT CSC STAFFING?**

10 A. Yes. Ms. Niemeier also expressed concerns that additional calls from customers  
11 immediately following an acquisition may strain the existing call center staff.  
12 Typically, a new acquisition may only add call volume for a temporary period.  
13 The CSC anticipates such temporary increases in call volume and adjusts its  
14 scheduling of employees by managing paid time off and increasing overtime  
15 opportunities. As a result, it is not necessary to hire and train employees to  
16 cover the short term increase in call volume following an acquisition, only to have  
17 to let them go when any increase in call volume subsides. Making scheduling  
18 adjustments instead of adding staff, allows CSC to maintain overall cost  
19 effectiveness for the operation.

20  
21 **Q. DO YOU HAVE ANY COMMENTS ABOUT THE SPECIFIC CUSTOMER**  
22 **SERVICE ISSUES MS. NIEMEIER RAISES IN HER TESTIMONY?**

23 A. Yes. First, I would like to state that CSC takes its customer service obligations  
24 seriously and always is concerned if it learns that a customer is not satisfied with  
25 its service. CSC handled more than 3.8 million calls from customers in 2011.



1 There was not sufficient information in Ms. Niemeier's testimony to be able to  
2 address the underlying facts for each of the specific examples she identified;  
3 however, I would like to provide information about the practices and processes  
4 around some of the issues she raised that reflect our commitment to customer  
5 service, even if we make an occasional mistake.  
6

7 **Q. CAN YOU ADDRESS THE ISSUE MS. NIEMEIER RAISED ABOUT A  
8 CUSTOMER NOT RECEIVING A CALL BACK FROM A SUPERVISOR?**

9 A. Yes. Ms. Niemeier indicates that a customer who contacted the CSC was told by  
10 a representative that a supervisor would call him back to discuss his issue, and  
11 that the customer stated that he received no follow up call. Supervisor calls are  
12 a regular part of CSC's processes and procedures. I regret if we did not fulfill  
13 this commitment to the customer Ms. Niemeier references. If a specific issue  
14 such as this is brought to our attention, we follow up to assure that the customer  
15 is cared for, and that any gap in the process or individual performance is  
16 identified and corrected.  
17

18 **Q. MS NIEMEIER'S REBUTTAL TESTIMONY INDICATES THAT TWO  
19 CUSTOMERS NOTED THAT CUSTOMER REQUESTS TO SPEAK TO A  
20 SUPERVISOR WERE DENIED AND THAT TWO CUSTOMERS WERE TOLD A  
21 SUPERVISOR WAS UNAVAILABLE. DO YOU WISH TO COMMENT ON  
22 THESE ISSUES?**

23 A. Yes. As Ms. Niemeier's testimony points out, CSC has a practice for escalating  
24 customer requests when the CSR cannot fully address the service need.  
25 However, CSC does not have a 1:1 ratio of supervisors to CSRs, and there can

1 be times when supervisors are assisting other customers or CSRs and may not  
2 be immediately available to take a customer's call. If the customer still wishes to  
3 speak to a supervisor, the CSR promises a call back and informs the supervisor.

4  
5 **Q. CAN YOU ADDRESS MAWC POLICY IN RESPONSE TO A QUESTION**  
6 **RAISED ABOUT WHETHER MAWC PROVIDES LEAK ADJUSTMENTS IN**  
7 **MS. NIEMEIER'S REBUTTAL TESTIMONY?**

8 A. Yes. It is currently MAWC's policy to provide leak adjustments for residential  
9 customers for appliance malfunctions, hidden leaks, irrigation system leaks and  
10 toilets leaks. Leak adjustments are given at 50 percent off the excess usage  
11 over the customer's average usage (based on same time of the prior year). The  
12 adjustment is calculated by determining an adjusted usage. The adjusted usage  
13 is the high bill usage minus the customer's average multiplied by 50 percent.

14 Since the MAWC practice is that leak adjustments be given only one time  
15 for a premise, the practice is to limit leak adjustments to situations where usage  
16 is more than two (2) times the average usage. This prevents the one time per  
17 premise leak adjustment from being used on a minimal adjustment amount and  
18 not being available for a more substantial leak in the future.

19 To illustrate, if a customer experiences a high bill in January of 2012 and  
20 contacts the CSC regarding that bill, the CSR will discuss usage history with the  
21 customer. If during the course of the conversation the cause of the unusually  
22 high usage is not identified, the customer can be sent a leak detection kit to help  
23 them identify any leaks. Once a leak is repaired and the customer provides  
24 MAWC with documentation of the repair, the customer's request for the leak  
25 adjustment will be processed by the CSC billing department. In this example,

1 January 2012 usage will be compared to the average usage in the same period  
2 in prior years. If the January 2012 usage is more than 2 times the average prior  
3 years' usage, the average usage will be subtracted from the usage on the high  
4 January 2012 bill and multiplied by 50 percent to arrive at the adjusted usage.

5 The calculation is done as follows:

6  
7 January 2012 usage= 19 100CF units (high bill)

8 January 2011 usage = 3 100CF units (used as customer's average)

9 Calculations: 19 minus 3=16 100CF units overage (excess high usage)

10 16 x 50% = 8 100CF units are provided as a credit adjustment due to a leak

11 The adjustment is then applied to the customer's next bill.

12  
13 **Q. ARE THERE CUSTOMERS TO WHOM THE HIDDEN LEAK ADJUSTMENTS**  
14 **POLICY DOES NOT APPLY?**

15 A. Yes. Commercial, Other Public Authority and Rate J customers in St. Louis  
16 County are not eligible for hidden leak adjustments.

17  
18 **Q MS. NIEMEIER EXPRESSED CONCERNS OVER THE QUALITATIVE**  
19 **ASPECTS OF CSC PERFORMANCE IN HER REBUTTAL TESTIMONY. DO**  
20 **YOU WISH TO COMMENT ON HER CONCERNS?**

21 A. Yes. CSC considers several measures in determining the quality of CSR  
22 performance. First, MAWC conducts a customer survey of customers'  
23 experiences with their service requests. The survey is organized specifically to  
24 measure and evaluate customers' experiences with the CSRs on the telephone.

1 In 2011, 91% of customers rated the overall performance of the telephone  
2 representative they spoke with as “excellent” or “very good.”

3 CSC also maintains a quality monitoring program designed to capture a  
4 random sample of calls handled by each CSR each month and evaluates them.  
5 Some calls are recorded for review by quality assurance specialists; some calls  
6 are reviewed via supervisors in side-by-side sessions with their team members.

7  
8 **Q. MS. NIEMEIER COMMENTED ON THE CALL RECORDING CAPABILITY OF  
9 THE CALL CENTER. DO YOU WISH TO COMMENT AS WELL?**

10 A. Yes. The recording capability is sufficient to facilitate the quality monitoring  
11 program it is in place to support. Additional recording and storing capacity could  
12 be added but it would be hard to justify that as a good use of resources when  
13 ultimately a very small number of calls may need to be retrieved in order to  
14 review a particular customer call, but it would add significant additional cost to  
15 the operation of the CSC that would have to be borne by all customers.

16  
17 **Q. DO YOU HAVE A RESPONSE TO MS. NIEMEIER’S RECOMMENDATION TO  
18 HAVE PERIODIC MEETINGS BETWEEN MAWC AND STAFF TO DISCUSS  
19 CUSTOMER ISSUES?**

20 A. The CSC hosts visitors to its Alton and Pensacola locations throughout the year  
21 to facilitate discussion of performance, review training and sit side-by-side with  
22 CSRs to review call handling procedures and proficiency. Staff has participated  
23 in such visits in the last few years. CSC would welcome additional visits by Staff  
24 to discuss and review customer issues.

25

1 **Q MS. NIEMIER’S TESTIMONY INCLUDES SOME CONCERNS EXPRESSED**  
2 **ON COMMENT CARDS SENT BY STAFF AND RECEIVED FROM**  
3 **CUSTOMERS. DO YOU HAVE ANY COMMENTS ON THESE CUSTOMER**  
4 **COMMENT CARDS?**

5 A. Yes. The Company is interested in any and all feedback from customers that the  
6 Staff receives so that it can care for individual customer issues and continue to  
7 improve processes, performance and customers’ experiences. The Company  
8 looks forward to reviewing the Report that Staff issues and to using the  
9 information to identify any issues or trends, and hopes that Staff will share such  
10 information on an on-going basis.

11

12 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

13 A. Yes, it does.