

Exhibit No.:  
Issues: Customer Service Bonus  
Witness: Cheryl E. Milton Roberts  
Exhibit Type: Surrebuttal Testimony  
Sponsoring Party: Missouri-American Water Company

Case No.: WR-2003-0500  
Date Filed: December 5, 2003

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. WR-2003-0500**

**SURREBUTTAL TESTIMONY  
OF**

**CHERYL E. MILTON ROBERTS**

**ON BEHALF OF  
MISSOURI-AMERICAN WATER COMPANY**

**JEFFERSON CITY, MISSOURI**

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

IN THE MATTER OF MISSOURI-AMERICAN )  
WATER COMPANY FOR AUTHORITY TO FILE )  
TARIFFS REFLECTING INCREASED RATES )  
FOR WATER SERVICE )

CASE NO. WR-2003-0500

AFFIDAVIT OF Cheryl Milton Roberts

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

*Cheryl Milton Roberts*

State of Missouri

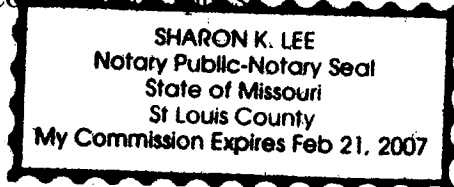
County of St. Louis

SUBSCRIBED and sworn to

before me this 5th day of December 2003.

*Sharon K. Lee*  
Notary Public

My commission expires:



SURREBUTTAL TESTIMONY  
CHERYL M. ROBERTS  
MISSOURI-AMERICAN WATER COMPANY  
CASE NO. WR-2003-0500

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**WITNESS INTRODUCTION**

1   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2

3   A.   Cheryl Milton Roberts, 535 North New Ballas Road, St. Louis, MO 63141.

4

5   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

6

7   A.   Cheryl Milton Roberts, 535 North New Ballas Road, St. Louis, MO 63141.

8

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

10

11   A.   I am employed by Missouri-American Water Company, a subsidiary of American Water  
12       Company. I hold the position of Manager, Employee and Organizational Development.

13

14   **Q.   ARE YOU THE SAME CHERYL MILTON ROBERTS WHO PREVIOUSLY FILED**  
15       **REBUTTAL TESTIMONY IN THIS CASE?**

16

17   A.   Yes.

18

19   **Q.   WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

20

21   A.   My testimony will address that part of the Rebuttal Testimony of Staff witness Jeremy K.  
22       Hagemeyer that concerns the Customer Service Bonus.

23

**CUSTOMER SERVICE BONUS**

24

25  
26   **Q.   ON PAGE 6 OF HIS REBUTTAL TESTIMONY, MR. HAGEMEYER ATTEMPTS TO**  
27       **DESCRIBE THE CUSTOMER SERVICE BONUS AND ALSO REFERENCES THE**  
28       **ANNUAL INCENTIVE PLAN. DO YOU AGREE WITH HIS DESCRIPTION?**

29

1 A. I should clarify a couple of points in regards to the Annual Incentive Plan (AIP) and the Customer  
2 Service Bonus.

3  
4 **Q. WHAT CLARIFICATIONS DO YOU BELIEVE ARE NECESSARY?**

5  
6 A. First, all employees are eligible to participate in the Customer Service Bonus, if their district  
7 achieves a score of 85% or better. Corporate employees are eligible to receive the bonus, if the  
8 total Company score on the survey is above 85%.

9  
10 However, to be eligible for the AIP customer service payout, which is a formal, separate program,  
11 employees also have department specific accountabilities that s/he must meet. For example:

- 12  
13
  - Achieve zero (0) complaints related to field services.
  - Inspect a minimum of two (2) completed job sites per week for completeness,  
14 evaluate accordingly.

15  
16  
17 Performance results for the AIP will be based on specific accountabilities in addition to the  
18 Customer Service survey result.

19  
20 **Q. MR. HAGEMEYER GOES ON TO STATE ON PAGE 7 OF HIS REBUTTAL**  
21 **TESTIMONY THAT THE BONUS SHOULD BE DISALLOWED FOR ONE GROUP OF**  
22 **EMPLOYEES, (MANAGEMENT AND NON-UNION), BUT PERHAPS ALLOWED FOR**  
23 **OTHER EMPLOYEES (UNION). DO YOU AGREE WITH THIS APPROACH TO THE**  
24 **CUSTOMER SERVICE BONUS?**

25  
26 A. No. I do not agree with this recommendation. It takes a team effort to deliver the high levels of  
27 service that our company demands for its customers. All of the employees are equal contributors  
28 to our overall service levels and therefore should have the ability to be recognized for their  
29 achievements.

30  
31 **Q. DO YOU AGREE WITH MR. HAGEMEYER'S ASSESSMENT OF THE CUSTOMER**

1        **SERVICE SURVEY, WHICH IS FOUND ON PAGES 8 AND 9 OF HIS REBUTTAL**  
2        **TESTIMONY?**

3  
4    A.    No, I do not.

5  
6    **Q.    WHY DO YOU DISAGREE WITH MR. HAGEMEYER'S ASSESSMENT OF THE**  
7        **SURVEY?**

8  
9    A.    In his testimony, Mr. Hagemeyer states that the survey "should be a more meaningful measure of  
10        the performance at the Company." I contend that the survey is deliberately broad so that we can  
11        get information about issues and demographics of which we would otherwise not be aware. For  
12        example: Which customers would like to communicate via E-mail?

13  
14   **Q.    DO QUESTIONS ABOUT E-MAIL COMMUNICATION COUNT TOWARD THE**  
15        **ACHIEVEMENT OF THE CUSTOMER SERVICE BONUS?**

16  
17   A.    No. The Customer Service Bonus score is calculated from the customer response to the question:  
18        "Overall, and all things considered, how satisfied are you with your water company?" The other  
19        questions are not used in the tabulation of the score.

20  
21        It is also critical to note that in our customers' minds, water quality, service and value all come  
22        together to form our customers' opinion of how "satisfied" they are with their water company.  
23        The other survey questions supply us with critical information surrounding these areas.

24  
25   **Q.    ON PAGE 8 OF HIS REBUTTAL TESTIMONY, MR. HAGEMEYER FURTHER**  
26        **ALLEGES THAT THE QUESTIONS INVOLVING THE CALL CENTER HAVE**  
27        **"ABSOLUTELY NOTHING TO DO WITH THE LEVEL OF CUSTOMER SERVICE**  
28        **PROVIDED BY MAWC PERSONNEL." DO YOU AGREE WITH THIS STATEMENT?**

29  
30   A.    No. It must also be noted that our employees in the field are dealing with Call Center employees  
31        and customers via the phone on a daily basis, even though the Call Center is the central contact

1 point. This is a deliberate partnership and the two entities work very closely together.

2  
3 For instance, if a customer has a pool of water in their yard or they need to have the water turned  
4 off for some reason, the customer will work with the Call Center, as well as the Field Customer  
5 Service Representative to resolve the problem. Field Customer Service generally has ownership  
6 for the final resolution. In instances where customers have expressed dissatisfaction, the  
7 resolution usually rests with the Regional office and Field Customer Service, as well.

8  
9 **Q. MR. HAGEMEYER ALSO CITED HIS CONCERN ABOUT THE NUMBER OF**  
10 **RESPONDENTS TO THE MAWC SURVEY IN 2002. IS THIS A VALID CONCERN?**

11  
12 **A.** I do not think so. It is important to note that we are not trying to survey all of Missouri American  
13 Water's customers, as the cost would be prohibitive. We are surveying a random, representative  
14 sample of our customers using statistical methods to ensure valid metrics for evaluation.

15  
16 Going forward, we will be continually reviewing and enhancing the survey to ensure that we are  
17 getting the necessary feedback on how we are performing. On an annual basis, we are always  
18 working to "raise the bar" so that our levels of service will continue to improve company-wide.

19  
20 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

21  
22 **A.** Yes, it does.