

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
SURREBUTTAL TESTIMONY OF BRETT C. CARTER
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NOS. ER-2004-0034 AND HR-2004-0024 (CONSOLIDATED)**

1 Q. Please state your name and business address.

2 A. Brett Carter, 10700 E 350 Highway, Kansas City, MO 64138

3 Q. By whom are you employed?

4 A. Aquila, Inc. (“Aquila” or “Company”).

5 Q. Please state your area of responsibility with Aquila.

6 A. I am the Vice President of Central Services. In this position I am responsible for
7 Aquila’s centralized functions that support the Company’s state utility operations
8 including the call center, customer account management, information technology,
9 customer solutions and revenue assurance.

10 Q. Describe your educational background.

11 A. I graduated from Clarion University of Pennsylvania in May 1988 with a Bachelor of
12 Science Degree in Accounting. I received my MBA from the University of
13 Pittsburgh (Pennsylvania) in May 1996.

14 Q. Describe your work experience.

15 A. I have worked in several operational and staff roles in industries ranging from
16 national retail to over-the-counter consumer healthcare products to the energy sector.
17 The last 10 plus years of my career I have been in the energy industry. I joined
18 Consolidated Natural Gas (now Dominion) in 1993 before becoming employed by
19 Aquila in January of 1997.

1 Q. What is the purpose of your surrebuttal testimony filed in this case before the
2 Missouri Public Service Commission (“Commission”)?

3 A. The purpose of my testimony is to respond to statements regarding the Company’s
4 service quality made by Commission Staff (“Staff”) witness Lisa A. Kremer in her
5 rebuttal testimony.

6 Q. What specific statements are you responding to?

7 A. First, I am responding to the request made by Mrs. Kremer of her rebuttal testimony
8 regarding formally ordered reporting of monthly Call Center statistics to the
9 Commission.

10 Q. Does the Aquila believe that monthly reporting is a good indicator of whether the
11 Company is managing its Call Center appropriately?

12 A. No.

13 Q. Why?

14 A. Due to the cyclical nature of the utility business, there are swings both up and down
15 with regards to service level that are uncontrollable. A call center environment also
16 has uncontrollable short-term issues that can skew monthly reporting. Further, my
17 surrebuttal testimony in Case No. EF-2003-0465, clearly states on page 2 the reasons
18 quarterly reporting is more effective as:

19 Tracking and reporting the numbers, especially related to service quality are
20 important to our overall improvement process and plans. Monitoring trends on
21 a quarterly basis however, is a more effective way to communicate about our
22 service levels especially given the plans we have to improve or maintain the
23 current levels. A change to monthly reporting would create additional and
24 unnecessary work under these circumstances.
25

26 Q. Are there other reasons why quarterly reporting is more effective?

1 A. Yes. Quarterly reporting will provide a much more accurate picture as to how we are
2 managing our customer services. Each quarter represents very different dynamics that
3 should be looked at as cyclical events. Taking a one month view is not a good
4 representation of how we are managing our to meet our metric objectives. We would like
5 to accompany the reporting of the quarterly statistics with a face to face meeting with the
6 Staff in order to discuss our plans and our successes.

7 Q. Are there other statements that Mrs. Kremer makes in her rebuttal that you would like to
8 comment on?

9 A. Yes. On page 5 of her rebuttal testimony she states that:

10 While the Company has indicated it is providing quality customer service, it does
11 point to the need for improvement in its Call Center performance. These statements,
12 however, do not identify the specific improvements being referred to.
13

14 Q. What are your comments with respect to this statement?
15

16 A. On page 2 of my surrebuttal testimony in Case No. EF-2003-0465, I specifically referred
17 to the quantitative measurements that Aquila currently provides to Staff on a quarterly
18 basis as average speed of answer, abandoned call rate and service levels. Furthermore on
19 page 3 of that surrebuttal, I specifically outline steps that we are taking to improve on
20 these metrics as:

21 ...Improvements are planned in three areas. First, with respect to personnel we are
22 enhancing recruiting, hiring, retention, training, career planning and compensation
23 plans. Second, business rule design focused on tariff compliance. Third enhancing
24 technology we use to provide service to customers...

25 Q. Have you met with the Staff to discuss your improvements plans?

26 A. Yes. We indicated to the Staff on October 15, 2003 in a meeting with Mrs. Kremer that
27 we had plans to increase the number of Call Center personnel. We feel that we are

1 moving forward aggressively with our stated plans to address our customer service
2 issues.

3 Q. Have any of these improvements been implemented?

4 A. Yes. Our staffing levels have been positively impacted with the changes that we have put
5 in place. In the fourth quarter our average agent staffing level was at 180 FTE's, which
6 was an additional 37 agents above the budget. Our 2004 budget was set to include 175
7 FTE's. We have allowed for an additional three supervisory roles of which two are in
8 place, with the expectation of the third being in place by the end of the first quarter of
9 2004. As noted in my surrebuttal testimony in Case No. EF-2003-0465 Schedule BC-1,
10 we implemented new interactive voice response features in the second quarter of 2003.
11 These business enhancements have already had a positive impact on the business, that
12 can be seen over the last quarter of 2003.

13 Q. What have been the results of the improvements that were made in 2003?

14 A. The fourth quarter results for 2003 are as follows:

15	Service Level Quarter	74% of all calls answered in 20 seconds
16	Average Speed of Answer (ASA)	51 Seconds
17	Abandon Call Rate (ACR)	4.5%

18 These statistics are a direct reflection of Aquila's commitment to quality service for its
19 customers. This trend of information shows that all of the efforts that we have been
20 putting into improving our customer service is working. But again, examining this data
21 one month at a time would not have provided for a clear depiction of the affects of our
22 enhancements.

23 Q. Has Staff previously recommended service statistics that Aquila should meet?

- 1 A. Yes. In Case No. EM-2000-292, Staff recommended, in its rebuttal testimony, that the
2 Company Average Speed of Answer objective be set at 65 seconds. In Case No. EF-
3 2003-0465 Staff's recommendation for Abandoned Call Rate is 8%. As you can see
4 above the 4th quarter 2003 statistics exceed those recommendations.
- 5 Q. Does this conclude your testimony?
- 6 A. Yes, it does.