

Exhibit No.:	
Issue:	
Witness:	Brett Carter
Sponsoring Party:	Aquila, Inc.
Type of Exhibit:	Surrebuttal Testimony
Case No.:	EF-2003-0465
Date Testimony Prepared:	September 26, 2003

**MISSOURI PUBLIC SERVICE COMMISSION**

**SURREBUTTAL TESTIMONY**

**OF**

**BRETT CARTER**

**ON BEHALF OF**

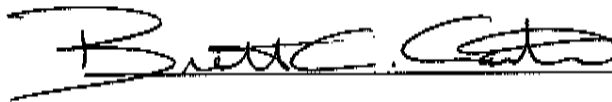
**AQUILA, INC.**

**September 26, 2003**

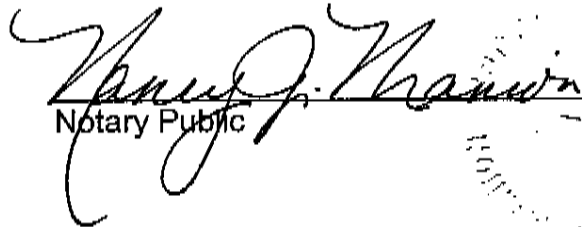
**VERIFICATION**

STATE OF MISSOURI     )  
                                       )  
 COUNTY OF JACKSON    )     ss.

Brett C. Carter, having been duly sworn upon my oath, state that I am the Vice President, Central Services of Aquila, Inc., that I am authorized to make this affidavit on behalf of Aquila, Inc., and that the matters and things stated in the foregoing sur-rebuttal Testimony and schedules thereto are true and correct to the best of my information, knowledge and belief.



Signed and sworn to before me, the undersigned notary public, on this 24<sup>th</sup> day of SEPTEMBER, 2003.

  
 Notary Public

My Commission Expires:

NANCY J. MANION  
 NOTARY PUBLIC STATE OF MISSOURI  
 JACKSON COUNTY  
 MY COMMISSION EXPIRES 10/02/05

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI  
SURREBUTTAL TESTIMONY OF BRETT CARTER  
ON BEHALF OF AQUILA, INC.**

Q. Please state your name and business address.

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

Q. By whom are you employed?

A. Aquila, Inc. ("Aquila" or "Company").

Q. Please state your area of responsibility with Aquila.

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

Q. Describe your educational background.

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

Q. Describe your work experience.

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

Q. Did you submit direct testimony?

1 A. No, I did not.

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

4 A. The purpose of my testimony is to respond to the testimony of certain  
5 Commission Staff ("Staff") witnesses in this case concerning customer service  
6 matters. In this regard I will provide a description of our central service  
7 operations, and to explain Aquila's plans to improve quality of service, along  
8 with an effective reporting process to the Staff.

9 Q. What quantitative measurements does Aquila currently use to assess service  
10 quality in its call center?

11 A. Average speed of answer, abandoned call rate, and service levels. We  
12 currently report these statistics as aggregated numbers for all seven states in  
13 which we operate. We report these reliability statistics to the Missouri Staff  
14 quarterly.

15 Q. In its testimony in this case, Staff has requested reporting these statistics on a  
16 monthly basis. How do you respond?

17 A. Monthly reporting is not the most effective approach.

18 Q. Please explain.

19 A. Tracking and reporting the numbers, especially related to service quality are  
20 important to our overall improvement process and plans. Monitoring trends  
21 on a quarterly basis, however, is a more effective way to communicate about  
22 our service levels especially given the plans we have to improve or maintain

1 the current levels. A change to monthly reporting would create additional and  
2 unnecessary work under these circumstances.

3 A. Q. Please explain your plans to improve the manner in which the Company  
4 addresses service levels in the call center. Improvements are planned in  
5 three areas. First, with respect to our personnel we are enhancing our  
6 recruitment, hiring, retention, training, career planning and compensation  
7 plans. Second, business rule design focused on tariff compliance. Third,  
8 enhancing the technology we use to provide service to customers either  
9 through our Customer Service Associates or through our Interactive Voice  
10 Response (“IVR”) system.

11 Q. Could you please elaborate on these plans?

12 A. With respect to the first area, we are increasing our Customer Service  
13 Associate staffing level in the call center to 175 FTE’s to directly improve  
14 service levels. We have launched a series of new hire training classes  
15 targeted for completion by the end of 2003.  
16 Improving our team’s engagement in the service delivery process through  
17 better recruitment, hiring, retention, training, career planning and  
18 compensation plans are targeted to help identify and retain the right people,  
19 which will improve turnover. Processes implemented in 2003 to improve  
20 overall performance and quality are as follows:

21 New recruitment processes

- 22 • Direct hire vs. contract (temporary)
- 23 • Extensive screening and testing

- Market studies – recruit qualified and quality individuals
- New hire training enhanced and lengthened to better tool employee

Retain engaged, experienced and knowledgeable employees

Recognition for:

- Service Level Objectives
- Quality
- Attendance

Activities Committee:

- Morale booster
- Customer Focus
- Community Awareness

Employee Development

- Mentoring
- Career advancement opportunity through Help Desk function
- Developmental Supervisor Training

Implementation of a formal quality assurance process that includes monitoring of calls, and benchmarking against other utilities is key to optimize performance. We are adding quality monitoring to insure that the customer receives the appropriate treatment while conversing with our employees.

Q. What about the second area?

A. With respect to the second area, thorough documentation of our methods and procedures to be used in training and quality assurance monitoring will be stored in our performance support tool (ATLAS). This will support the goal of fair and

1 consistent treatment of customers. We have also begun benchmarking our call  
2 center results against other utilities as a way to help guide planning and decision  
3 making.

4 Q. Discuss the third area.

5 A. With respect to the third area, advancing our technology is also an important  
6 part of our strategy. Our current plans include improving the capability of our  
7 IVR to provide higher levels of customer self service, which requires little wait  
8 time. The IVR is currently being utilized to complete questions for  
9 approximately 18% of our customer base. For those customers that enjoy  
10 using the IVR we are continually making enhancements. In the month of  
11 September 2003 we rolled out additional functionality within our IVR system  
12 as we continually try to improve on ease of use and functionality. For a  
13 complete listing of the new features added in September please see  
14 Surrebuttal Schedule BC - 1.

15 We also are creating the ability to segment our call data by state for reporting  
16 and analysis. In the future, we would like to move to a graphical user  
17 interface for our current customer information system to simplify navigation  
18 and improve service.

19 Q. Are there any clarifications other matters you would like to make discuss in  
20 regard to Staff's testimony regarding customer service issues?

21 A. Yes, in Ms. Kay Niemeier's rebuttal testimony (page 8, lines 5 – 11), there is a  
22 reference that Missouri calls are typically handled by the Missouri call center.  
23 Currently, call flows are directed to either our Lincoln, Nebraska or Raytown,

1 Missouri call centers based on skill set and availability through an automated  
2 routing process. This method provides the best match for the selection the  
3 customer has made as they entered the phone system to the appropriate  
4 Customer Service Associate. The numbers mentioned in June during the  
5 informal interviews in lines 10 and 11 were for the approved and current  
6 staffing levels for all Customer Service Associates in a call center role  
7 respectively, not physical capacity of our facility.

8 Q. What is the relevance of all of this with respect to the reporting issue in this  
9 case?

10 A. Given those plans to improve the manner in which Aquila addresses service  
11 levels, quarterly reporting is more appropriate.

12 Q. Can you address the Staff's the company's claim that Aquila is experiencing  
13 diminishing or reduced levels of customer service?

14 A. Yes. As mentioned previously the business rules that drive the manner in  
15 which we operate have been enhanced and refined more diligently in the past  
16 eighteen months. New processes like Positive Identifications are causing  
17 calls to be extended longer than they have been in the past. Our ability to  
18 insure that the customers asking for service are identified through credit  
19 records is pertinent to improving on other metrics like our bad debt. These  
20 new processes mean that existing employees have to be taken off of the  
21 phone in order to be trained. Our staffing levels for 2003 and 2004 reflect the  
22 impact that these critical business processes are having on our call center  
23 statistics. Admittedly the call center service level statistics have not been



1 where we want them to be in the past or even currently, however, and we are  
2 using industry benchmark data to ensure appropriate service level targets and  
3 staffing levels. Hiring quality and capable individuals and preparing them for  
4 the duties of a CSA is a long process. Establishing a class of candidates  
5 takes several weeks and the training following the hiring takes months. Once  
6 a call center CSA is hired and trained, their level of productivity increases to  
7 what we define as maximum capability over two years. We are committed to  
8 improving on our call center metrics and we would be willing to share  
9 information as we continue rolling our improvement plans. Improving on  
10 processes through standardized business rules while maintaining and/or  
11 improving customer will continue to be a balancing act for the next couple of  
12 years.

13 Q. Does this conclude your surrebuttal testimony?

14 A. Yes, it does.

**The new automated features of the IVR system implemented by the Company  
in September 2003 include the following:**

- Most recent 12 bills (replaces 6 bills)
- Most recent 12 payments
- 12 or 24 month bill history -- Includes billed amounts, payments and usage  
(replaces 18 month bill history)
- Next scheduled bill date (spoken in addition to amount due, last payment  
received and date of last payment)
- Next scheduled meter read date
- Meter read instructions
- Pending payment arrangement (utility, non-utility and deposit)
- Scheduled disconnect date
- Account number option in the "payment by phone" script
- Existing budget bill customers:
- Monthly budget bill
- Total account balance
- Next scheduled budget adjustment date
- Non budget bill customers:
- Suggested budget amount
- Budget enrollment
- Confirmation provided for completed payment arrangements
- Iowa payment arrangement customers (hear that they may be eligible for  
a 12 month arrangement)