

*Exhibit No.:*  
*Issue(s):* *Customer Engagement and Education; Violation of Commission Rule 20 CSR 4240-13.015 (1)(C)*  
*Witness:* *Sarah Fontaine*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *EC-2024-0092*  
*Date Testimony Prepared:* *February 22, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL & BUSINESS ANALYSIS DIVISION**  
**CUSTOMER EXPERIENCE DEPARTMENT**

**DIRECT TESTIMONY**  
**OF**  
**SARAH FONTAINE**

**Evergy Metro, Inc d/b/a Evergy Missouri Metro and  
Evergy Missouri West, Inc., d/b/a Evergy Missouri West**

**CASE NO. EC-2024-0092**

*Jefferson City, Missouri*  
*February 2024*

1  
2  
3  
4  
5  
6  
  
7  
8  
9  
10  
11  
12

**DIRECT TESTIMONY OF**

**SARAH FONTAINE**

**Evergy Metro, Inc d/b/a Evergy Missouri Metro and  
Evergy Missouri West, Inc., d/b/a Evergy Missouri West**

**CASE NO. EC-2024-0092**

EXECUTIVE SUMMARY .....1

HISTORY.....2

EVERGY NON-COMPLIANCE WITH COMMISSION ORDER.....4

COMMISSION RULE 13.015 (1)(C) VIOLATION .....10

CONCLUSION.....11

1 **DIRECT TESTIMONY OF**

2 **SARAH FONTAINE**

3 **Evergy Metro, Inc d/b/a Evergy Missouri Metro and**  
4 **Evergy Missouri West, Inc., d/b/a Evergy Missouri West**

5 **CASE NO. EC-2024-0092**  
6

7  
8 **Q. Please state your name and business address.**

9 A. My name is Sarah Fontaine, 200 Madison Street, Jefferson City, MO 65101.

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

11 A. I am employed by the Missouri Public Service Commission (“Commission”) as  
12 a Senior Research/Data Analyst for the Customer Experience Department, in the Financial and  
13 Business Analysis Division.

14 **Q. Please describe your educational and work background.**

15 A. Please see Schedule SF-d1.

16 **EXECUTIVE SUMMARY**

17 **Q. What is the purpose of your direct testimony?**

18 A. I will be providing further information concerning portions of Count 5 and  
19 Count 6, contained in Staff’s November 20, 2023 Amended Complaint, I will provide (1)  
20 Staff’s evidence of violation of the indicated Commission Order and (2) the violation of  
21 Commission rule 13.015(1)(C).

22 **Q. Are other witnesses providing testimony?**

23 A. Yes. Sarah L.K. Lange will provide additional testimony concerning  
24 Counts 1, 2, 3, 4 and portions of Count 5 and Count 6.

1 **HISTORY**

2 **Q. Can you please provide a brief history of the Commission Orders**  
3 **concerning the establishment of Time of Use (“TOU”) rates for Evergy customers?**

4 A. Yes. In order to view the whole scope of what my testimony will cover, it’s best  
5 to go back to Evergy’s 2018 rate case (Case Nos. ER-2018-0145 and ER-2018-0146). In that  
6 case, a Non-Unanimous Stipulation and Agreement Concerning Rate Design Issues  
7 (“Agreement”) was approved by the Commission. This Agreement included specific  
8 commitments by Evergy related to the establishment of Time of Use (“TOU”) rates for  
9 residential customers. These agreements can be found in detail as Schedule SF-d2. As of  
10 October 1, 2019, the Company offered a residential TOU rate as an opt-in rate. This was  
11 considered a pilot program. Within the Agreement, Evergy agrees to “evaluate leading practices  
12 on customer education and engagement on TOU deployment.”<sup>1</sup> In a presentation made to  
13 stakeholders in March of 2019, Evergy presented findings from a TOU focus group. In that  
14 presentation, it was stated, “After hearing about the idea and also seeing the actual visuals of  
15 rate plans, almost all except the elderly were very interested in the TOU Rate Plan.  
16 The interested consumers were motivated by the ability to make changes that would lower their  
17 KCP&L bill.” Evergy continued to make presentations to the Commission and to Stakeholders  
18 regarding the TOU pilot through December of 2021. According to its report in March of 2021,  
19 Evergy had reached 155% of the enrollment goal for 2021 with 5,438 active enrollments.

20 In November of 2021, Evergy conducted a Customer Advisory Panel survey which is  
21 attached as Confidential Schedule SF-d3<sup>2</sup>. It found that customer satisfaction would increase if  
22 more rate options were available. \*\* [REDACTED]

---

<sup>1</sup> Non-Unanimous Partial Stipulation and Agreement Concerning Rate Design Issues, p. 3

<sup>2</sup> Evergy response to OPC DR 5017 in Case No. ER-2022-0129 and ER-2022-0130

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]

7 [REDACTED] \*\* This report was interesting in that it showed customers would be more satisfied with  
8 increased choice and it also showed that many customers lacked education about their rates,  
9 although Evergy had spent a significant amount of time and money as a result of the Agreement  
10 in which they researched and implemented outreach and education efforts.

11 **Q. Considering the results of the TOU pilot and customer surveys, were TOU**  
12 **rates part of the next rate case?**

13 A. Yes. Evergy filed its next rate case in November of 2021. TOU rates were once  
14 again a contested issue in Case Nos. ER-2022-0129 and ER-2022-0130. The Commission  
15 issued an Amended Report and Order in the cases on December 8, 2022. In paragraph 9, it  
16 ordered, “Evergy shall implement a program to engage and educate customers in the  
17 approximately ten-month lead-in time until its tariff provisions regarding the 2-period TOU rate  
18 as the default rate for residential customers becomes effective.”<sup>3</sup> Staff contends in this  
19 complaint that Evergy has failed to comply with that Order. Below, I will explain in more detail  
20 the Staff’s concerns related to the education by Evergy in response to the Order.

---

<sup>3</sup> Amended Report and Order, pp. 98-99.

1 **EVERGY NON-COMPLIANCE WITH COMMISSION ORDER**

2 **Q. In what specific way(s) did Evergy not comply with the Commission Order**  
3 **in Case Nos. ER-2022-0129 and ER-2022-0130 requiring it to implement a program to**  
4 **engage and educate customers?**

5 A. It's important to understand the difference between engagement and education.  
6 According to Webster's dictionary, to "engage" is to "hold the attention of or induce to  
7 participate" and to educate is to "provide information to inform". Evergy complied with the  
8 Order in that it put together a plan to engage with customers so as to gain attention and increase  
9 the participation during the implementation of default TOU rates. Where Evergy falls short in  
10 its compliance is in its customer education failing to inform customers in a meaningful way so  
11 that customers fully understand.

12 **Q. Did Evergy provide monthly reporting tracking customer awareness,**  
13 **enrollment rates, and customer contact center engagement?**

14 A. Yes. In Evergy's monthly reporting in Case No. EW-2023-0199, Evergy  
15 includes a "TOU Campaign Dashboard" which tracks customer awareness, online enrollments,  
16 contact center engagements and a summary of rate enrollment numbers. Percentages are given  
17 which are determined based on a monthly TOU survey conducted by Evergy showing  
18 "awareness of new rate options" and "awareness of mandatory TOU change." In the filing of  
19 this dashboard on January 10, 2024, which measured June – December 2023, Awareness of  
20 New Rate Options was at 95% and Awareness of Mandatory TOU Change was at 87%.

21 **Q. Do you consider Evergy's measurements successful in regard to**  
22 **awareness of customers?**

1           A.     I would consider those measurements in regard to awareness to be successful  
2 based on those percentages. If the Order *only* required Evergy to engage and make customers  
3 aware, I would agree that they were quite successful in that area; however, I would not agree  
4 with the tactics they chose to use to accomplish this.

5           **Q.     What specific concerns does Staff have regarding the tactics used by Evergy**  
6 **to engage and educate?**

7           A.     The Company used phrases like “mandatory,” “mandated,” and “required” and  
8 told customers to “pick your rate plan by October or you’ll default to the...”. They also in early  
9 publications advised customers to not use their air conditioner during peak hours. These phrases  
10 and messages are all concerning to Staff. This type of messaging is fear-based and led to alarm  
11 and confusion for customers. Evergy then laid the blame of its customer dissatisfaction on  
12 customers not wanting mandatory TOU rates while very purposefully using the exact  
13 “mandate” term on its communications with customers. Evergy did not help mitigate the known  
14 concern; rather, it fueled it in its choice of wording/phrasing in its marketing tactics. Fear-based  
15 marketing is known to be effective and it was effective for Evergy based on pre-enrollment  
16 numbers. Unfortunately, this fear-based and alarmist approach left customers feeling more  
17 negative than necessary about this change. It also clouded other important educational messages  
18 that could have and should have been at the forefront during this time.

19           **Q.     Will you provide examples of Evergy using alarmist or confusing**  
20 **messaging?**

21           A.     Yes. There are a number of examples. First, rather than specify “Evergy  
22 Missouri” in communications to customers, the Company said “‘Missouri’ is moving to  
23 time-based rate plan.” This is misleading and makes it sound like the entire state of Missouri is

1 moving to these rates which was not true. Second, Evergy repeatedly let customers know that  
2 Missouri utilities (again not specific to Evergy) were ORDERED or REQUIRED by the MPSC  
3 to transition to MANDATORY time-based rate plans. This alarmist and fear-based wording  
4 was used over and over again. Finally, the terminology “choose your new plan by October or  
5 you’ll be placed into the Standard Peak Saver Plan” is repeatedly used. This is worded in a way  
6 that is alarmist, making it sound like the standard peak saver plan is something customers would  
7 not want and also does not make it clear that customers would be able to change that plan after  
8 being defaulted in October. This terminology may work well as a call to action but the result is  
9 not only action being taken; rather, it also creates feelings of being forced which results in  
10 customer dissatisfaction. Specific examples of these customer and general public  
11 communications are attached as Schedule SF-d4. In summary, over the months of June through  
12 September, there were 32 individual sources of outreach which used the terms and/or tactics  
13 discussed above.

14 **Q. Were there customer complaints or comments received by the Commission**  
15 **which show that customers were not properly educated about TOU rates?**

16 A. There were several customer complaints, telephone calls, inquiries, and public  
17 comments made to this end. Some specific samples of public comments can be found in  
18 Schedule SF-d5, attached. Customer comments included: confusion and feelings of being  
19 misled regarding when the new rate would take effect after pre-selecting their rate plan,  
20 misunderstanding and thoughts that there was a “deadline” to choose their rate plan, feelings  
21 that there was a lack of information as to how to pick the best plan, belief that they would not  
22 have the option to change their plan, belief that customers would not benefit from TOU rates,



1 feelings that the communication by Evergy was not up to par and finally, comments that the  
2 educational materials sent were not informative and that they were confusing and frightening.

3 **Q. Were there lessons that could have been learned from the TOU Pilot or**  
4 **customer surveys which Evergy could have used to aid them with engagement and**  
5 **education for the full switch to TOU rates?**

6 A. Yes. The Company managed to surpass the enrollment goals for the TOU Pilot  
7 program. They accomplished this without using these fear-based and alarmist tactics. Staff is  
8 not sure why the Company felt the need to change course considering it should have had a  
9 viable path forward having spent significant time and money over the last several years  
10 researching and studying how to inform and educate its customers regarding TOU. In the pilot,  
11 the Company used the “Wait ‘til 8” and “Switch, Shift, Save” campaigns in an effort to make  
12 messaging easy to remember and understand. Evergy chose not to use an easy to remember and  
13 understand message in the switch to full TOU. Another option would have been to take heed of  
14 multiple survey results which showed that customers want more options when it comes to rates.  
15 This would have been the time to put major focus on the terminology it used in its monthly  
16 Missouri residential customer survey stating “You now have the ability to choose from four  
17 new time-based rate plans to help save money and align with your personal budget, lifestyle,  
18 and energy usage.”<sup>4</sup> Unfortunately, Evergy chose to focus on the “mandatory” and  
19 “requirement” terminology which clouded the message about choice. This was an interesting  
20 decision on Evergy’s part considering it knew, based on 2022 research, that customers would  
21 look less favorably on TOU rates if they were mandated or required.<sup>5</sup>

---

<sup>4</sup> Case No. EW-2023-0199, Monthly Time of Use Customer Transition Reporting, January 2024, p. 100

<sup>5</sup> Case No. ER-2024-0189, Evergy Direct Testimony of Charles A. Caisley, February 2024, p. 6

1           **Q.     Evergy made an On the Record presentation before the Commission**  
2 **concerning the progress of the TOU rollout in Case No. EW-2023-0199 on**  
3 **January 22, 2024. Did the Commissioners have questions or comments pertinent to**  
4 **messaging and if so, what was Evergy’s response?**

5           A.     The Commission took note of Evergy’s continued use of the word “mandatory”  
6 and “mandated” during the On the Record presentation. Commissioner Kolkmeier asked the  
7 Company if it referred to this rate as the “mandatory” rate when talking with everyone including  
8 customers. The Evergy representative stated, “Specific to the overall implementation last year,  
9 the specific messaging we used was that Missouri was moving to time-based rates and then we  
10 moved into the offerings that Evergy had for customers. So we didn’t use the mandated  
11 language, it was more that we were moving to time-based rates.” Then Chairman Rupp also  
12 spoke to this stating, “I saw on one of your slides you had mandated written about four times.  
13 We had this conversation when we were going through this and we were told that when you  
14 initially started getting the pushback from politicians and stuff that Evergy pivoted and started  
15 using mandate in all of their publications and everything to try to remind customers that it was  
16 not them, so basically to deflect some blame and that just kind of added fuel to the fire. Like  
17 oh, this is mandated when in reality every one of our orders is a mandate.”<sup>6</sup> Evergy’s response  
18 that it didn’t use the “mandated” language is incorrect. Clearly, based on the examples provided  
19 in Schedule SF-d4, the language was used many times in its communications with customers  
20 and with the general public. In the most recent Monthly Time of Use Customer Transition

---

<sup>6</sup> Case No. EW-2023-0199, On the Record Presentation, January 22, 2024. No transcript but can be found in the Commission’s Video Webcast Archive on YouTube. [On the Record Presentation - YouTube](#)

1 Reporting filed in Case No. EW-2023-0199 on February 9, 2024, the word “mandatory”  
2 appeared 23 times.

3 **Q. Are there additional examples of customers not being educated?**

4 A. Yes, according to the October 2023 Top Line Report – Wave 2, which is  
5 included in the Monthly Time of Use Transition Reporting in Case No. EW-2023-0199,  
6 “interest in the Time of Use plans were limited with only 13% saying they are positive about  
7 the idea of switching to a TOU plan. Most do not believe they will save money by switching.  
8 Similarly, only 16% say they will save money on this plan. About half (46%) believe their rates  
9 will increase.”<sup>7</sup> Customer concern actually *increased* from Wave 1 to Wave 2, showing 50%  
10 of surveyed customers were concerned that they “need to use electricity during peak hours when  
11 they are most expensive.”<sup>8</sup>

12 This indicates a failure by Evergy to educate its customers on the fact that, while  
13 customers will pay more for energy used during peak hours, the reduction in the cost of energy  
14 in other hours will offset the increased charges for energy used during peak hours.

15 In this same survey, it showed that even though awareness had increased, “the level of  
16 understanding increased only slightly.” Only 18% of customers surveyed said they understand  
17 the TOU plan a lot or a great deal. It also showed that “customers believe this will benefit  
18 Evergy or the government; few believe it will benefit the customers.”<sup>9</sup>

19 Overall, Evergy’s focus on fear-based, alarmist and misleading information took away  
20 from its opportunity to better educate its customers and focus on the positive aspects of TOU  
21 rates. Considering the amount of time that Evergy has had to educate its customers on TOU,

---

<sup>7</sup> Case No. EW-2023-0199, Monthly Time of Use Customer Transition Reporting, January 2024, p. 111

<sup>8</sup> Case No. EW-2023-0199, Monthly Time of Use Customer Transition Reporting, January 2024, p. 132

<sup>9</sup> Case No. EW-2023-0199, Monthly Time of Use Customer Transition Reporting, January 2024, p. 112

1 customers should be more educated on the topic. When customers engaged only to the point of  
2 taking action, but were not educated to understand, the result is as we see in the third-party  
3 survey: customers are concerned, customers don't see the benefit to them, and customer  
4 satisfaction decreases.

5 **COMMISSION RULE 13.015 (1)(C) VIOLATION**

6 **Q. Can you please describe how Evergy violated Commission Rule**  
7 **13.015(1)(C)?**

8 A. Yes. Staff in the Commission's Customer Experience Department ("CXD")  
9 were made aware of an increase in customer telephone calls and informal complaints which  
10 were handled by the Commission's Consumer Services Department ("CSD"). These complaints  
11 and concerns were from customers who switched to the new rate plan during the middle of their  
12 billing cycle and in turn received longer and/or shorter bills than normal. For example, in the  
13 case of one particular informal complaint, the customer changed his rate plan to the Nights and  
14 Weekends Saver rate online which caused his current rate to end mid-cycle and issue out a bill  
15 for only 18 days. The next bill he received billed in a 30-day cycle, so it included the 12 days  
16 on the new rate plus his normal bill cycle. This caused the customer to have a 43-day bill with  
17 the new rate.

18 Commission Rule 13.015(1)(C) states:

19 (C) Billing period means a normal usage period of not less than twenty-six (26)  
20 nor more than thirty-five (35) days for a monthly billed customer nor more than  
21 one hundred (100) days for a quarterly billed customer, except for initial,  
22 corrected, or final bills;

23  
24 **Q. What steps did Staff take upon learning of this issue?**

1           A.       Staff contacted Evergy about the issue. Evergy’s billing department seemed to  
2 be aware of the situation and explained that the long bills were due to the customer changing  
3 their rate within their bill cycle. Evergy’s’s billing system does not allow it to bill for less than  
4 15 days. Therefore, in the event that the rate changed before the 15<sup>th</sup> day of the billing cycle,  
5 those extra days would be added to the next bill. When Evergy made the decision to allow  
6 customers to change rates as soon as the next day, one would think it would have known of the  
7 billing issues this would cause and it would have proactively sought a Chapter 13 variance or  
8 at least informed Staff of the circumstances. This is especially relevant since it impacted a large  
9 number of customers; according to Evergy’s response to Staff DR 0015, “43,872 customers  
10 experienced a bill outside of the 26-35 day billing period...” It is Staff’s understanding that  
11 Evergy’s intent is to make the change so that when a customer chooses to switch to a new rate  
12 plan, the new plan will take effect at the start of the next billing cycle rather than the next day.  
13 Staff believes that this change will make things more seamless for the customer and will address  
14 this violation. However, Staff notes that this is inconsistent with what Evergy has presented to  
15 the Commission and the general public leading up to this point. Staff recommends that Evergy  
16 continue to keep Staff and the Commission informed on its intent and/or plans to make this  
17 change.

18       **CONCLUSION**

19           **Q.       Does this conclude your direct testimony?**

20           A.       Yes, it does.  
21  
22

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

The Staff of the Missouri Public Service Commission,  
Complainant,  
v.  
Evergy Metro, Inc. d/b/a Evergy Missouri Metro; and Evergy Missouri West, Inc. d/b/a Evergy Missouri West,  
Respondents.

**File No. EC-2024-0092**

**AFFIDAVIT OF SARAH FONTAINE**

STATE OF MISSOURI     )  
  ) ss  
COUNTY OF COLE     )

**COMES NOW SARAH FONTAINE**, and on her oath states that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Sarah Fontaine*; and that the same is true and correct according to her best knowledge and belief.

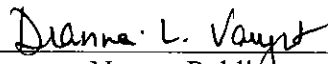
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**SARAH FONTAINE**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20<sup>th</sup> day of February 2024.

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: July 18, 2027  
Commission Number: 15207377

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