

**Exhibit No.:** \_\_\_\_\_  
**Issue(s):** TOU Education & Implementation/Customer  
Satisfaction Declines/Customer Service Approach &  
Call Center Concerns/Utility Complaints  
**Witness/Type of Exhibit:** Kremer/Rebuttal  
**Sponsoring Party:** Public Counsel  
**Case No.:** ER-2024-0189

**REBUTTAL TESTIMONY**

**OF**

**LISA A. KREMER**

Submitted on Behalf of the Office of the Public Counsel

**EVERGY MISSOURI WEST, INC. D/B/A  
EVERGY MISSOURI WEST**

CASE NOS. ER-2024-0189

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Denotes Confidential Information that has been redacted.

August 6, 2024

**PUBLIC**

## TABLE OF CONTENTS

| <b>Testimony</b>   | <b>Page</b> |
|--|-------------|
| Introduction   | 1           |
| Purpose of Rebuttal Testimony  | 1           |
| Disagreement with Company Statements that TOU Implementation has been a “Success”                        | 2           |
| Evidence that the Company’s TOU Educational Efforts were not Successful                                  | 4           |
| Evergy’s Disregard for Professional Advice Regarding TOU Education                                       | 7           |
| Messages Blaming the PSC for TOU Rates were Inappropriate and Non-Productive<br>For Customers            | 9           |
| The Difference Between Creating TOU Awareness and Educating Customers                                    | 11          |
| The Company’s Customer Service Approach and Call Center Concerns During the<br>Height of TOU Education   | 15          |
| Customer Satisfaction Tools and Customer Desires for Rate Plans  | 17          |
| Factors Other than TOU, such as Call Center Performance, that May have Impacted<br>Customer Satisfaction | 18          |
| Utility Complaints   | 20          |

**REBUTTAL TESTIMONY**

**OF**

**LISA A. KREMER**

**EVERGY MISSOURI WEST**

**CASE NO. ER-2024-0189**

1 **INTRODUCTION:**

2 **Q. Please state your name, title, and business address.**

3 A. Lisa A. Kremer. Consultant for the Office of the Public Counsel (“OPC”). 705 Briarwood  
4 Court, Jefferson City, MO, 65109.

5 **Q. Are you the same Lisa A. Kremer who filed Direct Testimony in this case?**

6 A. Yes.

7 **PURPOSE OF REBUTTAL TESTIMONY:**

8 **Q. What is the purpose of your Rebuttal Testimony?**

9 A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimony of Company  
10 witness Charles A. Caisley regarding statements he made concerning: the “success” of the  
11 Company’s Time of Use Implementation Plan,<sup>1</sup> to address customer satisfaction declines,<sup>2</sup>  
12 and Evergy’s “Customer Service Approach,”<sup>3</sup> including references to a “High-Touch”  
13 Contact Center.<sup>4</sup> I will also address customer complaint record keeping as Mr. Caisley has  
14 indicated he is responsible for customer complaints.<sup>5</sup>

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<sup>1</sup> Direct Testimony, Charles A. Caisley, Case No. ER-2024-0189, p.4, lines 13-15.

<sup>2</sup> Direct Testimony, Charles A. Caisley, Case No. ER-2024-0189, p. 6, lines 3-4.

<sup>3</sup> Direct Testimony, Charles A. Caisley, Case No. ER-2024-0189, p. 10 – 15, lines 4 through 11.

<sup>4</sup> Direct Testimony, Charles A. Caisley, Case No. ER-2024-0189, p. 13, line 19.

<sup>5</sup> Direct Testimony, Charles A. Caisley, Case No. ER-2024-0189, p 2, lines 5, 6.

1 **DISAGREEMENT WITH COMPANY STATEMENTS THAT TOU IMPLEMENTATION**  
2 **HAS BEEN A “SUCCESS”**

3 **Q. Do you agree with Mr. Caisley’s assessment on page 4, lines 13 through 15 of his**  
4 **Direct testimony that overall, “the Company’s TOU Implementation Plan has been**  
5 **successful in introducing [the] entire Missouri customer base to the opportunities and**  
6 **benefits that may result from TOU rates”?**

7 A. No. Evergy West substantially failed to educate Missouri customers as to the benefits of  
8 TOU rates as previously ordered by the Commission.

9 **Q. What do you mean when you say that Evergy West had been previously ordered by**  
10 **the Commission to educate customers as to the benefits of TOU rates?**

11 A. As part of its *Report and Order* issued in the Company’s last general rate case, the  
12 Commission ordered Evergy to “implement a program to engage and educate”<sup>6</sup> its  
13 customers on TOU six months before implementation of those rates.<sup>7</sup>

14 **Q. Why was it important for Evergy to “engage and educate” its customers on its TOU**  
15 **rates?**

16 A. First, regulated utility customers are entitled to know why utility rate changes of any kind  
17 occur. Evergy customers are captive customers being served by a for-profit, regulated  
18 monopoly. TOU rates in particular were a new offering that had not been previously  
19 deployed to all Evergy’s customers and the Commission recognized that Evergy studies  
20 showed customer hesitation around TOU.<sup>8</sup> It was therefore important for Evergy West to  
21 educate Customers to ensure they would not be concerned or confused, but instead to  
22 understand the choices and control they could and can have in their electric use, electric  
23 bills, and TOU decisions. It is necessary to remember that customers had been paying for  
24 the Advanced Metering Infrastructure (AMI) and Customer Care and Billing system, the  
25 primary purpose of which is to match the timing of electric usage with the price of

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<sup>6</sup> Missouri Public Service Commission order in Case No. ER-2022-0190, pg. 94.

<sup>7</sup> Missouri Public Service Commission Order in Case No. ER-2022-0130, pg. 94.

<sup>8</sup> Missouri Public Service Commission Order in Case ER-2022-0130, pg. 67.

1 electricity, for nearly a decade without seeing any meaningful benefits flowing from those  
2 investments until TOU rates were introduced.

3 OPC communicated to the Company that it was important that the education component of  
4 customer messaging emphasize the supply/demand relationship of energy usage and  
5 energy costs both verbally in the education workshops in Case No. EW-2023-0199 and in  
6 writing in its July 14, 2023, filing in the same docket beginning at the bottom of page 5.<sup>9</sup>  
7 To that end, OPC provided several illustrations, such as: “Don’t Tower Your Power” at  
8 5:00 pm, “Level Out Your Load” over the hours of 3:00 to 10:00 pm and others. These  
9 illustrations were designed to emphasize the connections between the timing and amount  
10 of energy usage (as well as changing electric prices throughout the day when demand is  
11 lower and higher), which is a foundational educational concept to help customers better  
12 manage and understand their energy usage and ways to control their bills. Evergy’s Time  
13 of Use rates had the opportunity to reduce electric bills (or not raise bills) for approximately  
14 90% of its customers based upon the Oracle study presented by the Company in the August  
15 10, 2023, agenda meeting and presented many excellent opportunities for customer  
16 education about energy usage, pricing, and demand, generally.

17 **Q. Did the Office of the Public Counsel ever express concerns to Evergy regarding its**  
18 **lack of promotion of educational benefits in its marketing and educational TOU**  
19 **efforts?**

20 A. Yes. OPC expressed and documented its concern regarding the Company’s lack of  
21 promoting customer benefits as far back as at the May 23, 2023, stakeholder meeting and  
22 followed its comments in its July 14, 2023, filing in Case No. EW-2023-0199 on page 3 of  
23 10:

24 “As expressed in the May stakeholder meeting, education regarding the  
25 TOU rates offered to Evergy customers should be accurate and  
26 informational, without being alarmist. The OPC is concerned that Evergy’s  
27 current messaging does not fully promote the benefits of TOU rates or  
28 explain the rationale behind the pricing change, which may lead some  
29 customers to hold an apprehensive view of this change. One example from

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<sup>9</sup> Direct Testimony, Lisa Kremer, Case No. ER-2024-0130, Schedule LAK-D-5C, page 5 of 10,

1 the workshop includes “Message Idea” which contained the following  
2 language:

3 “Missouri will be changing electric rate structures this Fall. Learn how to  
4 Prepare.”

5 Later in the same memorandum on page 9 of 10, OPC offered the following:

6 “Moving forward, the OPC recommends the Company develop specific  
7 indicators . . . to denote “success” that customers understand Evergy Time  
8 of Use Rates.

9 **EVIDENCE THAT THE COMPANY’S TOU EDUCATIONAL EFFORTS WERE NOT**  
10 **SUCCESSFUL**

11 **Q. What evidence do you point to that demonstrates the Company has not been**  
12 **successful in educating customers on TOU and/or introducing customers to the**  
13 **opportunities and benefits of TOU as claimed by Mr. Caisley in his direct testimony.**

14 A. There are a number of examples of TOU educational failure on the part of the Company,  
15 some of which are provided later in my testimony. However, no evidence relays this failure  
16 better than the Company’s own words on page 6 of its September 8, 2023, filing in Case  
17 No. ET-2024-006. Despite at least 16 studies on TOU demonstrating some level of  
18 customer benefit – including the compelling Oracle Study<sup>10</sup> that found that 91% of Evergy  
19 West customers would either: (1) experience bill savings or (2) experience no bill increase  
20 with the then default rate (Standard Peak Saver) – only three weeks prior to the October 1  
21 beginning transition to TOU the Company reported to the Commission that:

- 22 • 84% of customers in August say they are somewhat concerned or extremely  
23 concerned about switching to time-based rates.
- 24 • 73% of customers are concerned their bill will go up with time-based rates.
- 25 • [Only] 19.6% of customers in August find switching to time-based rates  
26 very or extremely appealing.

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<sup>10</sup> Comments of the Office of the Public Counsel and Response to Other Prior Filings in Case No. EW-2023-0199, OPC July 14<sup>th</sup> Memorandum, last paragraph, page 6 of 10.

1 **Q. What does this evidence lead you to conclude about the success of the Company’s**  
2 **customer education up to the time of the imminent transition to TOU?**

3 A. In my opinion, there can be no conclusion but that the Company had far more failure in its  
4 educational efforts than success and consequently did not fulfill the Commission’s  
5 directive to “educate” customers on TOU. Given how much educational expense the  
6 Company had incurred by September 8, 2023, customers should have been well prepared  
7 and anticipating TOU with confidence in the benefits it stood to offer them, without  
8 confusion, fear or trepidation. Instead, 84% of those customers were “somewhat or  
9 extremely concerned” when there was nothing to be concerned about. This widespread  
10 customer concern is exactly what I believe the Commission’s order directing Evergy to  
11 “engage and educate customers . . . in the 2-period TOU rate”<sup>11</sup> was trying to avoid.

12 **Q. What other information do you point to that demonstrates Evergy failure at customer**  
13 **education?**

14 A. In my Direct Testimony in the present case, I indicate that “awareness” of Time of Use  
15 Rates is not the same thing as being “educated” about such rates<sup>12</sup> and I provide  
16 considerable evidence of customer confusion and customer messaging that was not  
17 productive and was exacerbated by a tone of blame by the Company on the MPSC for  
18 ordering the TOU transition. Customer disbelief, according to Mr. Caisley<sup>13</sup> that TOU can  
19 be of benefit to them is perhaps most concerning and particularly demonstrative of  
20 educational failure, contrary to his statements of “success.”

21 If, after a six-month lead time of “education,” Evergy customers still do not believe the  
22 message from its regulated utility company that TOU rates would not only not harm them  
23 but, in fact, may prove to be in their benefit due to cost savings, then one must ask  
24 themselves: how were the messages of “opportunities and benefits” delivered and why  
25 would its customers not believe Evergy? Why had the Company not gained its customers’  
26 trust on this matter?

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<sup>11</sup> Missouri Public Service Commission Order, Case No. ER-2022-0130, pg. 94.

<sup>12</sup> Direct Testimony, Lisa Kremer, Case No. ER-2024-0189, p. 3, lines 5-10.

<sup>13</sup> August 10, 2023, Missouri Public Service Commission Agenda Session, approximately at minute 56 in recording.

1 I offer again here, as I did in my Direct Testimony, that the true benefits of TOU were not  
2 effectively delivered to customers including messages that were diluted with themes of  
3 regulatory mandates, the stated need for an imminent TOU rate choice decision by the  
4 customer that was not necessary or they would be placed automatically on the Standard  
5 Peak Saver Plan,<sup>14</sup> and the lack of positive messaging relaying customer opportunities  
6 through TOU.<sup>15</sup> For the sake of its captive customers, for whom it would not be in business  
7 without, Evergy should have moved forward with positive, constructive, and customer-  
8 focused messaging. In many cases throughout its educational campaign it did not.

9 **Q. Do you have demonstration that Evergy customers do not have trust in Evergy as an**  
10 **electric company?**

11 A. Yes. A 2024 study by Escalent rated Evergy low as an electric trusted brand, 128<sup>th</sup> place  
12 out of 142 utilities studied.<sup>16</sup> Results of this Escalent study found that “Brand Trust Is  
13 Higher for Utilities That Spend More on Communications and Highlight Savings and  
14 Environmental Programs for Customers.” Evergy’s score of 627 in that study is compared  
15 to the mean average of 680. Greater communication of “savings” during TOU deployment  
16 could have served Evergy and its customers well during its TOU deployment.

17 **Q. Did you attend all five local public hearings held in St. Joseph, Lees Summit, Sedalia**  
18 **and the two virtual lphs?**

19 A. Yes.

20 **Q. Did anything particularly strike you regarding the Company’s directive or advice to**  
21 **customers during the question-and-answer period regarding their testimony to the**  
22 **Missouri Public Service Commission in the virtual hearing on August 1, 2024, at 6:00**  
23 **pm?**

24 A. Yes. During a discussion with a customer regarding Time of Use rates during the question-  
25 and-answer period prior to the hearing beginning, there was an opportunity for the

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<sup>14</sup> Direct Testimony, Lisa Kremer, Case No. ER-2024-0189, p. 12, line 12.

<sup>15</sup> Direct Testimony, Lisa Kremer, Case No. ER-2024-0189, p 19, lines 22-24.

<sup>16</sup> Escalent Study Results entitled “Brand Trust is Higher for Utilities That Spend More on Communications and Highlight Savings and Environmental Programs for Customers,” June 27, 2024.



1 Company to provide some needed education regarding the TOU rates to a customer. A  
2 customer had expressed confusion and dissatisfaction with the TOU rates but instead of  
3 providing helpful, productive information, the Company instead publicly blamed the  
4 Missouri Public Service Commission for the TOU rates. This blaming by Evergy in a  
5 public setting in front of an audience comprised of customers attending a meeting held  
6 strictly for their benefit was both non-productive and non-helpful. Mr. Ives specifically  
7 said the rates were not the Company's idea and advised the customer to express their  
8 dissatisfaction with the rates to the Commission in their testimony when the hearing began.  
9 There was no explanation from the Company to the customer as to how the rates were  
10 developed, the purpose of TOU rates and the history supporting the rates. There was no  
11 mention of the 16 studies demonstrating customer benefit through TOU rates, the hundreds  
12 of millions of dollars in ratepayer investment and profits paid to Evergy for years in  
13 hardware, software and fiber network.

14 **Q. Did the Company's response to the customer at the local public hearing concern you?**

15 A. Yes. I had sympathy for the customer expressing the concern and other customers listening  
16 to the exchange occurring between the customer and the Company. I believe the  
17 Company's response in that setting bordered on the inappropriate. Unfortunately, Evergy's  
18 response is consistent with the concerns I raised in my Direct Testimony and suggests a  
19 concerted effort to undermine customer understanding of how they can benefit from TOU  
20 rates.

21 **EVERGY'S DISREGARD FOR PROFESSIONAL ADVICE REGARDING TOU**  
22 **EDUCATION**

23 **Q. With regard to Mr. Caisley's specific statements that the Company had been**  
24 **"successful in introducing customers to . . . benefits that may result from TOU" do**  
25 **you have any additional information and observations that demonstrate differently?**

26 A. Yes. OPC Data Request 5071 requested the "communications, including all e-mails, notes,  
27 and draft education content between the Company and \*\*\_\_\_\_\_\*\* its education  
28 consultant, for the marketing and communications work it prepared for Evergy in its Time  
29 of Use customer education campaign. The Company's response, some of which is included

1 in Schedule LAK-R-1, demonstrates areas where the Company appears to have disregarded  
2 from its consultant suggested messages that could have provided impactful customer  
3 perceptions of TOU and may have boosted customer confidence and assurance that TOU  
4 rates would not only not result in higher bills but could result in bill savings and bill  
5 affordability. To be clear, this information was provided by \*\*\_\_\_\_ \*\* in May of 2023,  
6 which would have provided ample time to be included in education content.

7 Specifically, the consultant suggested messaging that included themes of customer cost  
8 and bill savings (Please see Confidential Schedule LAK-R-2) that were ranked by \*\*\_\_\_\_  
9 \_\_\_\_\_ \*\* Of the  
10 \*\*\_\_\_\_ \*\* research messages that were leading or above average in all boxes, \*\*\_\_\_\_ \*\*  
11 included some form of specific message of energy bill lowering, cost reductions or savings.  
12 While messages that mention “specific discounts and savings – such as that noted in the  
13 \*\*\_\_\_\_ \*\* materials may have been less believable by customers, such as\*\*\_\_\_\_  
14 \_\_\_\_\_ \*\* more general messages of cost and bill  
15 savings were noted to be believable by customers, important and have positive impact on  
16 signup. And, as the Escalent study found above, companies that “highlight savings” build  
17 brand trust.<sup>17</sup>

18 The Company’s “Education and Awareness Strategy” message ideas presented in the May  
19 23, 2023, “Time of Use Workshop 2” pg. 12. (Please see Schedule LAK-R 3 which was  
20 filed by the Company in Case No. EW-2023-0199 on May 25, 2023) did not appear to  
21 emphasize customer savings until on and after January 1, 2024, at which time all customers  
22 would have transitioned to one of the TOU rates. Page 13 of the workshop document  
23 entitled “Campaign Phases” presents five main educational message ideas for the customer  
24 from June 15<sup>th</sup>, 2023, through September 30<sup>th</sup>, 2024. There is only one main message idea  
25 during that time that addresses “savings.”

26 The messages in large print in the Company’s Campaign Creative on page 16 of the May  
27 23, 2023, Time of Use Workshop 2 that addressed all five phases of education do not

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<sup>17</sup> Escalent Study Results entitled “Brand Trust is Higher for Utilities That Spend More on Communications and Highlight Savings and Environmental Programs for Customers,” June 27, 2024.

1 include themes of bill reductions and customer savings even though these messages were  
2 found to be **\*\*\_\_\_\_\_\*\*** Conversely, a negative  
3 message the Company seemed to amplify in its marketing efforts was “blaming” the TOU  
4 transition on the Missouri Public Service Commission. And this surprisingly after  
5 information provided by **\*\*\_\_\_\_\*\*** to have shown **\*\*\_\_\_\_\*\*** impact on customers choosing  
6 a TOU plan. (Please see Schedule LAK-R-1, slide 15, caption circled). Nonsensically, and  
7 against their hired expert’s advice, the very message of “mandatory” regulatory  
8 requirements by the Missouri PSC as the reason for moving to time-based rates was a  
9 message the Company repeatedly lead forth within its educational efforts, particularly as  
10 the dates of TOU transition wore on such as in its August 2023 billing communication,  
11 customer postcards and newspaper ads. (please see Schedule LAK-D-6, pages 5-7 in my  
12 Direct Testimony). Again, and this after being advised on May 10, 2023, from the  
13 Company’s hired consultant that:

14 **“\*\*\_\_\_\_\_\*\*”**

15 **MESSAGES BLAMING THE PSC FOR TOU RATES WERE INAPPROPRIATE AND**  
16 **NON-PRODUCTIVE FOR CUSTOMERS**

17 **Q. Mr. Caisley begins a discussion of the success of Evergy’s educational campaign on**  
18 **page 5, line 6 of his Direct Testimony but you find fault with that campaign including**  
19 **what you characterize as the Company’s inappropriate public blame on the Missouri**  
20 **Public Service Commission for ordering TOU. From a customer perspective, what**  
21 **value did the Company add to its customer education efforts when it chose to blame**  
22 **TOU publicly on the Missouri Public Service Commission?**

23 A. It provided no value and was not a productive message for customers.

24 **Q. As you indicated above the Company appears to have changed its messaging**  
25 **regarding “why” it was implementing TOU significantly between some of its July**  
26 **2023 customer communications to August 2023. What exactly are you referring to?**

27 A. Specifically, the Company went from customer communication that attributed its  
28 movement to TOU rates from matching usage to energy costs (July) to attributing the  
29 change to a mandate from the Missouri Public Service Commission (August) even after it

1 had been advised by its consultant months before that **\*\*\_\_\_\_\_\*\*** or messages of  
2 blame do not resonate with customers.

3 **Q. Why would the Company do that?**

4 A. I have asked myself that question since receiving the Company’s response to OPC DR  
5 5071 and have inquired of the Company with a data request presently regarding their  
6 message change. The Company’s response is due August 7<sup>th</sup>, one day after the filing of  
7 rebuttal testimony. One can only speculate that the Company’s reasoning for making this  
8 communication change from July to August and fault the Missouri PSC for its TOU  
9 movement was to negatively tilt public perception, particularly after it did so against the  
10 professional advice it received from its consultant (more on this follows) and the Office of  
11 Public Counsel that advocates for rate payers. I can think of no other reason.

12 **Q. What specifically did the Office of the Public Counsel advise the Company regarding**  
13 **placing TOU fault with the PSC in customer communications?**

14 A. OPC advised the Company to “not distance itself from ownership of [the] rates as the office  
15 had noted that Evergy’s FAQs and excerpts to the press lead with the assertion that the  
16 Missouri Public Service Commission ordered the Company to have these rates.”<sup>18</sup>

17 **Q. You addressed the Company’s message of “blame” on the Missouri Public Service**  
18 **Commission in your Direct Testimony.<sup>19</sup> After having received the Company’s**  
19 **response to OPC Data Request No, 5071 is there anything further on that matter you**  
20 **would like to address as it relates to Mr. Caisley’s Direct Testimony and his**  
21 **statements regarding the Company’s educational performance?**

22 A. Yes. The Company received guidance at or before May 18, 2023, from its chosen  
23 educational expert that: **“\*\*\_\_\_\_\_\*\* \*\* \*\*\_\_\_\_\_**

24 **\_\_\_\_\_\*\*** were further explained by the consultant as: **“\*\*\_\_\_\_\_**  
25 **\_\_\_\_\_**

<sup>18</sup> Comments of the Office of the Public Counsel and Response to Other Prior Filings, Case No. EW-2023-0199, July 14, 2023, pg. 6 of 10, Memorandum to Missouri Public Service Commission Official Case File.

<sup>19</sup> Direct Testimony, Lisa Kremer, Case No. ER-2024-0189, p. 2, line 19, p. 10, lines 3-5.

1           \_\_\_ \*\* In other words, the Company was advised by its experts to not place blame for  
2           TOU on the PSC in customer messaging but that is exactly what the Company did..

3 **THE DIFFERENCE BETWEEN CREATING TOU AWARENESS AND EDUCATING**  
4 **CUSTOMERS**

5 **Q. Do you agree with Mr. Caisley’s statements<sup>20</sup> in his Direct Testimony which indicate**  
6 **the Company has been “highly effective” by driving high awareness of TOU and**  
7 **adoption of the new plans, as the results have shown in their monthly dashboards**  
8 **customer surveys?**

9 A. Yes and No. The Company may have generated customer “awareness” of TOU as  
10 expressed by some of its surveying, but the Company was ordered to “educate” customers.  
11 There is a significant difference between being “educated” about something and simply  
12 being “aware” of it. Someone may be “aware” that solar energy exists but have no idea  
13 how much energy can be generated by roof top panels, how expensive the panels are, how  
14 to find a reputable seller, how long the panels last, and so forth. “Awareness” does not  
15 equate to “knowledge.” TOU education should have provided a “path forward” for  
16 customers to understand the relationship with energy usage and pricing. Surveys that seek  
17 to measure primarily customer “awareness” do not target the core direction that I believe  
18 was the point of the Commission’s order: education. Customers can be “aware” and  
19 confused and concerned at the same time. They can be “aware” of a matter but have no  
20 idea that the matter can be of benefit to them.

21 I suggest that TOU educated customers, knowing what we know after numerous TOU  
22 studies, particularly the Oracle Study, had nothing to be afraid of or confused about but  
23 had opportunities to (1) save on their electric bills and (2) gain greater understanding on  
24 the connections between timing and price of electricity and their usage patterns.

25 We know from Evergy’s consultant’s research that:

26           \*\*\_\_\_\_\_\*\*

<sup>20</sup> Direct Testimony, Charles A. Caisley, Case No. ER-2024-0189, p. 5, lines 8-11.

<sup>21</sup> Company Data Request Response 5071, \*\*\_\_\_\_\_\*\*

1 **Q. What specifically can you point to regarding the Company’s failure in TOU customer**  
2 **“education?”**

3 A. In response to OPC Data Request No. 5021, the Company provided its Evergy TOU A&U  
4 Research report, End-of-Year Report conducted in January 2023. Page 4 of that response  
5 provides the following that although “we do see a significant increase in TOU customer  
6 satisfaction in wave 3 satisfaction with the TOU plan remains low.” Further and perhaps  
7 most concerning is the Company’s statement that demonstrates that as of the end of 2023  
8 after the transition of all Evergy customers to TOU:

9 “Opportunities to improve understanding of the plan”

- 10 • While most understand the basic premise of the plan, not many feel  
11 that they know a lot about it. In fact, less than half, 43%, indicate  
12 you can change when you use electricity in your home to save  
13 money.
- 14 • There remains some divergence in opinions as to whether the TOU  
15 plan will save customers money (30%) or cost more (26%).

16 **Q. What can you conclude about this research on customer understanding of TOU?**

17 A. First, customers do not understand TOU and second, this failure to understand is not the  
18 customers’ fault. Evergy was responsible for educating its customers and it has been  
19 unsuccessful.

20 This Company research further demonstrates that “awareness” does not equate to  
21 “education.” In fact, awareness may still represent incorrect beliefs and that is evidently  
22 where many Evergy customers are on TOU.

1 **Q. Mr. Caisley on page 4 of his Direct Testimony, lines 16 through 22 says “customers**  
2 **have been better educated about the various rate options, and approximately 30%**  
3 **proactively made a choice of TOU rate plans that will serve their individual**  
4 **circumstances, and likely many more chose to wait to be defaulted after reviewing**  
5 **their options. More than 155,000 Evergy customers (both EMM and EMW**  
6 **customers) had preselected a TOU plan before being defaulted onto a TOU rate**  
7 **plan.” What are your observations about Mr. Caisley’s statements?**

8 A. Mr. Caisley does not present evidence that well over 70% of Evergy customers “chose to  
9 be defaulted after reviewing their options.” Based upon other Company research customers  
10 overwhelmingly do not understand TOU and their “choice” to default may possibly have  
11 been, in their minds, no choice at all but to take what they thought may be a path of least  
12 of resistance and do nothing out of well documented customer confusion and concern.

13 **Q. What else can you add regarding Mr. Caisley’s statements on page 5, lines 8 through**  
14 **22 of his Direct Testimony where he states that the education “campaign have been**  
15 **highly effective by driving high awareness of TOU and adoption of new plans, as the**  
16 **results have shown in our monthly dashboards and customer surveys?**

17 A. Mr. Caisley is attempting to paint a more positive picture of the Company’s education  
18 campaign and its results than what is justified or what the Company’s responses to Data  
19 Requests indicate. He is also confusing “awareness” with “education” which I have  
20 addressed previously in my Direct Testimony and above here in my rebuttal testimony.  
21 Specifically, I point to the extensive customer confusion addressed in my Direct Testimony  
22 noted in multiple PSC Agenda sessions as well as the fact that only 43% of customers  
23 understand that they can save money by changing when they use electricity.

24 Simply noting that customers recall “hearing” about Evergy’s new rate options is not a  
25 marker or measure of educational success. Further, his statements of “the tradeoff for  
26 awareness was a negative impact to customer satisfaction” bring forth questions of what  
27 customer satisfaction would have been had the Company taken a more positive, productive  
28 customer outreach effort, emphasizing customer savings opportunities, customer control  
29 and choice and embracing, on behalf of its customers, TOU. Instead, the Company took a

1 stance of fault finding and distancing itself from the rates. And all of this when  
2 overwhelmingly we know from studies that customers were not going to be harmed.

3 His statement on line 21 of his Direct testimony indicating that high numbers of customers  
4 pre-selected a TOU rate plan conflicts with his statement on the opposite page which  
5 indicates only 155,000 (or approximately 30%) of 562,694 customers (including Evergy  
6 Metro and Evergy West customers<sup>22</sup>) proactively made a choice of TOU rate plans. Mr.  
7 Caisley appears to be indicating, without any support, that many others made a conscious  
8 choice to wait to be defaulted, which is not a reasonable conclusion to make. I calculate  
9 the percentage of customers who pre-selected a TOU rate plan at 27.5% which is hardly  
10 indicative of a successful educational campaign, but we cannot expect customers who do  
11 not understand rate structures to make a decision as important as this.

12 **Q. You address the advice and materials received from the Company’s consultant,**  
13 **\*\*\_\_\_\_\_\*\* is there anything else you found noteworthy in the Company’s**  
14 **response to OPC DR 5071.**

15 A. Yes. In a memorandum dated May 2, 2023, one of 16 areas of questioning used in the  
16 **\*\*\_\_\_\_\_\*\*** research included “Understanding of why TOU, and who is behind it.” What  
17 value the “who is behind it” could mean for the Company’s customers is questionable.  
18 What was the Company and/or its consultant trying to demonstrate by such a question? In  
19 the initial paragraph of that same memorandum **\*\*\_\_\_\_\_\*\*** also stresses that **\*\*\_\_\_\_\_**  
20 \_\_\_\_\_  
21 \_\_\_\_\_**\*\*** Interesting that the consultant didn’t say we must do an outstanding job,  
22 an excellent job, but only an **\*\*\_\_\_\_\_\*\*** job and that in order to make sure Evergy  
23 collects from its customers the costs of its education. Please see Schedule LAK-R-4.

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<sup>22</sup> Residential Customers from PSC 2023 Annual Report.



1 **Q. In your Direct Testimony beginning on page 13 lines 16 through page 16 line 13 you**  
2 **indicate the Company has spent \*\*\_\_\_\_\_\*\* Million to date on customer education and**  
3 **outreach expenses and you recommend a disallowance of half of those expenditures.**  
4 **Is there anything you would like to clarify at this time regarding a proposed**  
5 **disallowance?**

6 A. Yes. My recommendation assumed the Company was requesting the amounts it has spent  
7 as of March 31, 2023, recorded in its AAO Cost Tracking & Reporting Update filed in  
8 Case No. EW-2023-0199 and as indicated on page 13 line 23 of my Direct Testimony.  
9 That request assumption may or may not be correct and at this time I am attempting to  
10 clarify amounts the Company is requesting from its rate payers in OPC DR 5079. I may  
11 revise my position regarding a potential disallowance after receiving additional  
12 information from the Company. The Commission in its December 8, 2022, order on page  
13 72 authorized the tracking of customer education and outreach costs associated with TOU  
14 rates for “consideration and possible recovery in Evergy’s next rate case” which would be  
15 the present case.

16 **Q. Does the existence of a tracker for education and outreach costs guarantee to the**  
17 **Company they may receive those costs from their rate payers?**

18 A. My understanding is that the tracker does not guarantee the recovery of the expense and  
19 the Commission’s language in its order specifically used the phrase “possible recovery.”

20 **THE COMPANY’S CUSTOMER SERVICE APPROACH AND CALL CENTER**  
21 **CONCERNS DURING THE HEIGHT OF TOU EDUCATION**

22 **Q. On page 10, beginning at line 5 of his Direct Testimony Mr. Caisley addresses the**  
23 **Company’s Customer Service Approach. He emphasizes increasing customer**  
24 **demand for digital self-service tools and provides a graphic demonstrating how calls**  
25 **to Customer Service Representatives (CSRs) have decreased. Do you have any**  
26 **observations about customer calls to CSRs and the shift to digital self-service tools?**

27 A. Yes. We know the world has evolved and will continue to evolve when it comes to  
28 technological advances and the provision of service among service providers of all types.  
29 Having digital access to account information, the ability to place an inquiry electronically,

1 communicate a complaint by e-mail, etc. can be beneficial for many customers and I  
2 believe the Company should continue to seek ways to respond to the needs of its customers  
3 in manners in which customers prefer. I point out with caution, however, that a regulated  
4 utility company – providing a critical service necessary for life, health and safety – is vastly  
5 different than service providers such as credit card companies, banking institutions, or  
6 businesses that provide on-line shopping. We can akin utility companies to health care  
7 providers, fire departments, law enforcement, and hospitals. Families, seniors, young  
8 people and all Evergy West customers require electricity for heating and cooling and  
9 without it may suffer illness and/or death. That unique aspect of a regulated utility  
10 company heightens scrutiny on how they respond to customer calls. While the Company  
11 may provide phone access to report service outages or service emergencies, I would argue  
12 that a customer with a disconnection notice, desiring to make a pay arrangement, reporting  
13 extenuating circumstances of a family illness or death, and needing sources of assistance  
14 to navigate help the call center and a well-trained call center representative may be a  
15 lifeline.

16 As mentioned in my Direct Testimony, I expressed concerned about reductions in both call  
17 center hours and staffing during the height of the Company’s customer TOU education  
18 roll-out. This combination seems to be a one-two punch by the Company against the  
19 customer at a highly critical time. Mr. Caisley’s Direct Testimony is silent on these factors  
20 except to say on page 14 lines 20 through 22 that reducing the call center hours was  
21 intentional to reduce customer frustration when calls cannot be transferred elsewhere in the  
22 Company. But he is silent on the significant discussions in the Company’s Board of  
23 Director’s Minutes addressed in my Direct Testimony<sup>23</sup> regarding call center \*\*\_\_\_\_\_

24 \_\_\_\_\_ \*\* and \*\*\_\_\_\_\_ \*\* in call center performance and all of this during the height  
25 of customer TOU education.

26 The Company’s response to OPC data request 5069 is attached as confidential Schedule  
27 LAK-R-5 which demonstrates that while the Company increased its “Contingent/Contract  
28 Headcount” significantly during the TOU roll-out for the months of May, June, July,

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<sup>23</sup> Direct Testimony, Lisa Kremer, Case No. ER-2024-0189, pg. 20-21, lines 26, through 8.

1 August, September, October and November of 2023, its in-house, CSR-Customer  
2 Advocate Headcount staffing declined during that time period ranging from reductions of  
3 **\*\*\_\_\_\_\_\*\*** While contract call center personnel can provide needed aid in taking  
4 customer calls, I would argue that they will not, of no fault of their own, be able to match  
5 the expertise of seasoned Company Customer Advocates that have extensive experience  
6 and knowledge of the Company's tariffs, Commission rules, the Company's service  
7 territory, the Company's Customer Care and Billing system (CCB), the Company's  
8 customer base and the skills necessary to provide expert assistance during a transition as  
9 important as the movement to TOU. And all of this while the Company reduced its call  
10 center hours.

11 **CUSTOMER SATISFACTION TOOLS AND CUSTOMER DESIRES FOR RATE PLANS**

12 **Q. Is there anything further regarding Mr. Caisley's Direct Testimony, page 6, lines 3**  
13 **through 16 and the graphic demonstrating declines in customer satisfaction with**  
14 **Evergy at the top of page that you would like to address?**

15 A. Yes. On those pages Mr. Caisley addresses declines in customer satisfaction during the  
16 TOU transition beginning throughout the summer of 2023. Beginning at line 11 on page  
17 6 he states that "this is not unexpected, as both Evergy's past surveys and JD Power's 2019  
18 Utility Industry outlook survey found that "when pricing options are forced on electric  
19 utility customers, they respond with significantly lower customer satisfaction scores."

20 Studies and surveys can be useful tools, but we must go cautiously in their consideration.  
21 I say this as we are aware of other recent specific Evergy survey information which  
22 indicated, to the contrary of the JD Power 2019 Study that **\*\*\_\_\_\_\_**  
23 **\_\_\_\_\_\*\*** This is from confidential OPC Data  
24 Request 5017 in the Company's last rate case, Case No. ER-2022-0130. Further, almost  
25 **\*\*\_\_\_\_\_\*\*** of customers said Evergy *should* offer more rate plans with  
26 **\*\*\_\_\_\_\*\*** saying they did not know and only **\*\*\_\_\_\_\*\*** saying the Company shouldn't offer  
27 more plans. We must keep in mind this key finding was in a study, specific to Evergy  
28 customers, unlike the JD Power 2019 Study Mr. Caisley referred to above.

1 And, as I mentioned in my Direct Testimony,<sup>24</sup> customers were not required or forced to  
2 choose a TOU plan. Customers were, or should have been, presented the option to choose  
3 a plan, but choice was not a requirement, and the Commission anticipated the need to create  
4 a default rate. This key fact should have been incorporated into appropriate customer  
5 engagement and education. The Company’s message, as indicated in Schedule LAK-D-6  
6 in my Direct Testimony instead used messaging that stated: “It’s time to choose your new  
7 time-based plan” and “Choose your new plan now!”

8 In one message the Company provided the following:<sup>25</sup>

9 “If you have not selected a new plan by October, you will be moved to the  
10 Standard Peak Saver Plan.”

11 While the fact of that message was truthful, its delivery may have been perceived with a  
12 tone of near ‘threat’ to some customers who may well have had no idea what the “Standard  
13 Peak Saver Plan” was. That message could have been worded in a much more positive  
14 context, such as letting the customers know that new rates, that could benefit them, were  
15 coming and they had the ability to make a choice now or later, but choices, promoting  
16 general cost savings [messages of bill savings were addressed above in my testimony has  
17 having positive influence on customers] could be theirs.

18 **FACTORS OTHER THAN TOU, SUCH AS CALL CENTER PERFORMANCE, THAT**  
19 **MAY HAVE IMPACTED CUSTOMER SATISFACTION**

20 **Q. Are there other factors that may have contributed to declines in the Company’s**  
21 **customer satisfaction?**

22 **A.** Yes. The other thing I would offer regarding Mr. Caisley’s comments concerning declines  
23 in customer satisfaction during the TOU roll out was to reiterate the call center performance  
24 challenges during that same time that can be observed in the Company’s call center metrics  
25 and were addressed in Board of Director’s materials that I discussed in my Direct  
26 Testimony.

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<sup>24</sup> Direct Testimony, Lisa Kremer, Case No. ER-2024-0189, p. 12, lines 10-20.

<sup>25</sup> Direct Testimony, Lisa Kremer, Case No ER-2024-0189, Schedule LAK-D-6, pg. 17.

1 I refer to Confidential Schedule LAK-D-12 in my Direct Testimony that demonstrates what  
2 I will call “woeful” call center performance metrics during the critical months of August,  
3 September and October of 2023, the height of the Company’s TOU education and roll-out.  
4 The percentage of calls abandoned (ACR) were: \*\*\_\_\_\_\_\*\* for those months  
5 and the average speed of answer (ASA) was \*\*\_\_\_\_\_\*\* seconds for that time  
6 frame.

7 For a frame of reference, the Company’s call abandoned rate for 2021, during the same  
8 months was \*\*\_\_\_\_\_\*\* with an average speed of answer of \*\*\_\_\_\_\_\*\*  
9 \_\_\_\_\_ \*\* Average speed of answer includes calls that \*\*\_\_\_\_\_\*\* when  
10 the call center is busy (which lowers (or improves) the ASA as \*\*\_\_\_\_\_\*\* calls are offered  
11 when a Customer Service Advocate is known to be available ) and the abandoned rate does  
12 not include customers that \*\*\_\_\_\_\_\*\* their call and select a \*\*\_\_\_\_\_\*\* call which also  
13 lowers (or improves) the ACR rate.<sup>26</sup>

14 My point of offering this discussion regarding the Company’s significant call center  
15 concerns in the midst of its TOU educational efforts, is to propose that poor call center  
16 performance may have been a driver of declines in customer satisfaction. The Company  
17 knew call volumes would substantially increase during TOU but still reduced its call center  
18 hours and reduced its in-house call center representatives. I have performed analysis of  
19 utility call center metrics for many years and Evergy’s metrics during the TOU transition  
20 are, without question, poor. And this performance is still with a Company Intelligent  
21 Voice Assistant (IVA) system powered by artificial intelligence<sup>27</sup> that Mr. Caisley  
22 addresses in his testimony.<sup>28</sup> Customers clearly wanted to speak to a live representative to  
23 obtain help navigating TOU.

24 The Company’s IVA was not able to adequately serve customers during the TOU transition  
25 and customers wanted help in the form of a live person to guide them. The call center  
26 that is now the utility’s “front door” for those wanting the assistance of a live person was  
27 essentially, closed. Perhaps had the Company been prepared to better serve its customers

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<sup>26</sup> Company response to OPC Data Request No. 2013.

<sup>27</sup> Company response to OPC Data Request No. 5068.

<sup>28</sup> Direct Testimony, Charles Caisley, Case No. ER-2024-0189, pg. 11 and 12, lines 8 through 7.

1 during the TOU transition, answer its phone, and be available to its customers it would not  
2 have experienced the declines in the customer satisfaction that the Company points to.

3 **UTILITY COMPLAINTS**

4 **Q. On page 2, line 6 of his Direct Testimony, Mr. Caisley indicates that he is responsible**  
5 **for customer complaints among a number of other things. You addressed, beginning**  
6 **on page 27 line 4 of your Direct Testimony concerns indicating that the Company may**  
7 **not be in compliance with Commission rules regarding utility complaints. Can you**  
8 **add anything further to that discussion?**

9 A. Yes. As addressed in my Direct Testimony the Company appears to be of the opinion that  
10 complaints with respect to the requirements of PSC rules are only complaints received from  
11 external bodies to the Company, such as from the Missouri Public Service Commission,  
12 the Better Business Bureau, or the Missouri Attorney General's Office. The Company  
13 does maintain some information on a category of customer concerns it calls "escalations"  
14 but it does not maintain that data for two years and it cannot segregate the customer  
15 escalations by each individual company, Metro and West.

16 My Direct Testimony pointed to two Commission rules which I believe demonstrates both  
17 Evergy West and Evergy Metro should be maintaining complaints received directly from  
18 its customers (a very different subset of complaints than from those received from the PSC,  
19 Better Business Bureau or Attorney General Office) for two years and should have those  
20 complaints segregated by each utility. Specifically, I pointed to two rules:

21 20 CSR 4240-13.040 (5)(B)

22 (5) A utility shall maintain records on its customers for at least two (2) years  
23 which contain all information concerning (B) the number and general  
24 description of complaints registered with the utility.

25 20 CSR 4240-13.040 (2)(A)

26 A utility shall establish personnel procedures which, at a minimum, always  
27 ensure that – (A) during normal business hours qualified personnel shall be

1 available and prepared to receive and respond to all customer inquiries,  
2 service requests, safety concerns and complaints.

3 **Q. Is there a third rule you would point to as support that the Commission contemplated**  
4 **the Company would receive complaints directly from its customers and as such the**  
5 **Company should maintain those records in accordance with 20 CSR 4240-13.040**  
6 **(5)(B)?**

7 A. Yes. 20 CSR 4240-13.020(9) is a discussion of what every residential bill should clearly  
8 state. This information is important and includes beginning and ending meter readings,  
9 the date when the bill is due and delinquent, if different, previous balances, amounts due  
10 for the current billing period, etc. But also required to be on the bill by 20 CSR 4240-  
11 13.020(9)(G) is:

12 The telephone number the customer may call from the customer's service  
13 location without incurring toll charges and the address of the utility where  
14 the customer may initiate an inquiry or complaint regarding the bill as  
15 rendered or service provided. Charges for measured local service are not  
16 toll charges for purposes of this rule.

17 This rule requirement for the utility to provide its phone number so that customers  
18 may reach the utility to communicate a complaint is demonstration, in my opinion,  
19 that the Commission anticipated customers would express complaints directly to  
20 the utility. Such complaints may never reach the Missouri Public Service  
21 Commission, the Missouri Attorney General's Office or the Better Business  
22 Bureau.

23 **Q. Are there specific PSC rules that pertain to Commission complaint procedures**  
24 **for utility customers that you believe further distinguishes Commission**  
25 **complaints from those expressed by customers directly to the utility?**

26 A. Yes. 20 CSR 4240-13.070, entitled: Commission Complaint Procedures states the  
27 following:

28 "The purpose of this rule sets forth the procedures to be followed prior to  
29 and in filing formal or informal complaints with the commission regarding  
30 matters covered in this chapter.

1 (1) Prior to filing an informal or formal complaint, the customer  
2 shall pursue remedies directly with the utility as provided in this  
3 chapter. The commission specifically reserves the right to waive this  
4 requirement when circumstances so require.

5 (2) Any person aggrieved by a violation of any rules in this chapter  
6 or the Public Service Commission laws of Missouri relating to  
7 utilities may file an informal or formal complaint under 4 CSR 240-  
8 2.070.

9 (3) If a utility and a customer and/or applicant fail to resolve a matter  
10 in dispute, the utility shall advise the customer and/or applicant of  
11 his/her right to file an informal complaint with the commission  
12 under 4 CSR 240-2.070.

13 While formal and informal Commission complaints are required to have first been  
14 addressed by the customer to the utility for possible resolution, there would understandably  
15 be numerous customer complaints expressed directly with the utility that would never rise  
16 to the Missouri Public Service Commission. My experience has also demonstrated that  
17 customers are not always advised by utilities that they may contact the Missouri Public  
18 Service Commission if their complaint with the utility is not resolved.

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

20 Yes.



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

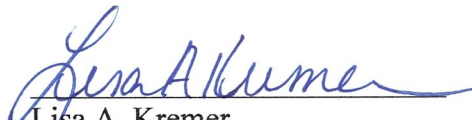
In the Matter of Evergy Missouri West, Inc. d/b/a         )  
Evergy Missouri West's Request for Authority to         )  
Implement A General Rate Increase for Electric         )  
Service   )  
Case No. ER-2024-0189

**AFFIDAVIT OF LISA A. KREMER**

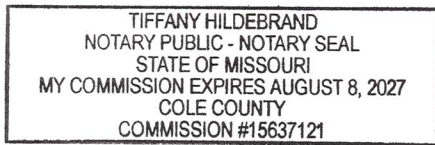
STATE OF MISSOURI    )  
                                  )  ss  
COUNTY OF COLE     )

Lisa A. Kremer, of lawful age and being first duly sworn, deposes and states:

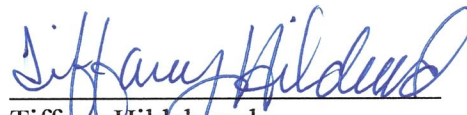
1.    My name is Lisa A. Kremer. I am a Consultant for the Office of the Public Counsel.
2.    Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3.    I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
Lisa A. Kremer

Subscribed and sworn to me this 5<sup>th</sup> day of August 2024.



My Commission expires August 8, 2027.

  
Tiffany Hildebrand  
Notary Public