

*Exhibit No.:*

*Issue(s): Time of Use – Customer  
Engagement, Education*

*Witness: Tammy Huber*

*Sponsoring Party: MoPSC Staff*

*Type of Exhibit: Surrebuttal Testimony*

*Case No.: ER-2024-0189*

*Date Testimony Prepared: September 10, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL & BUSINESS ANALYSIS DIVISION**

**CUSTOMER EXPERIENCE DEPARTMENT**

**SURREBUTTAL TESTIMONY**

**OF**

**TAMMY HUBER**

**EVERGY MISSOURI WEST, INC.,**

**d/b/a Evergy Missouri West**

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

*Jefferson City, Missouri*

*September 10, 2024*

1                                   **SURREBUTTAL TESTIMONY**

2   **OF**

3   **TAMMY HUBER**

4                                   **EVERGY MISSOURI WEST, INC.,**  
5   **d/b/a Evergy Missouri West**

6   **CASE NO. ER-2024-0189**

7                Q.     Please state your name and business address.

8                A.     My name is Tammy Huber, 200 Madison Street, Jefferson City, MO 65101.

9                Q.     Are you the same Tammy Huber who filed direct testimony in this case?

10              A.     Yes.

11              Q.     What is the purpose of your surrebuttal testimony?

12              A.     The purpose of my surrebuttal testimony is to respond to the rebuttal testimony  
13 filed in this case by Mr. Charles Caisley and Ms. Katie McDonald on behalf of Evergy Missouri  
14 West (“EMW”).

15    **TIME OF USE – CUSTOMER ENGAGEMENT, EDUCATION**

16              Q.     On page 22, lines 1-3, of Mr. Caisley’s rebuttal testimony, he states,  
17 “Staff witnesses Lange and Huber . . . suggest a sizeable disallowance of the Time of Use  
18 (“TOU”) education costs.” Do you agree with the characterization of your testimony?

19              A.     No. The purpose of my direct testimony was to discuss my concerns with  
20 **portions** of EMW’s TOU customer outreach. Staff witness Sarah Lange discusses the detailed  
21 disallowance recommendation on pages 6, 8 and 9 of her surrebuttal testimony, but there is not  
22 a single time in my direct testimony that I used the word disallowance, let alone discuss the size  
23 of any disallowance.

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1 Q. On page 26 of Mr. Caisley’s rebuttal testimony, beginning with line 2, he finds  
2 issue with your direct testimony and states, “She asserts that Evergy research “showed there is  
3 a solid link between knowledge of the rate plans and customer satisfaction.” As a result, Staff  
4 asserts that, if customer satisfaction is low, then the education campaign must have been  
5 ineffective.” Do you agree with Mr. Caisley’s characterization of your testimony?

6 A. In general, yes. On page 6 of my direct testimony I discussed a survey attached  
7 to my direct testimony as Confidential Schedule TH-d2. This survey was conducted by  
8 Evergy’s internal Customer Advisory Panel and is titled: “Rates: Knowledge and Preferences.”  
9 There is a direct quote from that survey that states \*\* “ [REDACTED]  
10 [REDACTED] ” \*\* So I would agree that I believe there is a solid link  
11 between knowledge of the rate plans and customer satisfaction. In addition, in that same survey  
12 Evergy also found that \*\* “ [REDACTED]  
13 [REDACTED]  
14 [REDACTED] .” \*\* My testimony focused on  
15 the fact that Evergy should have used positive aspects of TOU choices, options, and knowledge  
16 to help ensure customers could see the value in TOU rate options. Instead, Mr. Caisley was  
17 quoted stating that Evergy does not support “mandated time-based rates,” and when  
18 “pricing options are forced on electric utility customers, they respond with significantly lower  
19 customer satisfaction scores.”<sup>1</sup> Mr. Caisley stated that my testimony “selectively references  
20 the research only citing parts that she believes support her thesis.” I discussed the survey in my  
21 testimony because I felt it was important to point out that Evergy found that customer  
22 satisfaction relied heavily on choices and knowledge. However, especially in the beginning

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<sup>1</sup> Direct Testimony, Tammy Huber, ER-2024-0189, Pages 6 and 7.

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1 phase of the campaign, rather than focusing on the increase in customer rate choices and taking  
2 the opportunity to educate customers on the potential benefits of TOU, Evergy chose to put  
3 focus on the rates being "mandated" by the PSC, when in fact all rates provided by regulated  
4 utilities are based on Commission order. Evergy also focused on the fact that customers needed  
5 to make a decision soon or else be defaulted into a plan that they didn't get to choose, despite  
6 the fact that customers could choose to change their rate plan at any point and, according to the  
7 Brattle Group research, the majority of customers would save money on the default rate.

8 Q. On page 26, beginning on line 20 of Mr. Caisley's rebuttal testimony, he states,  
9 "The fact is that Evergy's Missouri residential customers were aware, engaged and educated on  
10 TOU implementation and plans. They just didn't like it. As awareness and engagement grew,  
11 so did dissatisfaction." Do you believe that Mr. Caisley's view of customer perception toward  
12 TOU implementation is appropriate?

13 A. No. His view is reflective of the negative and alarmist language that Evergy used  
14 which led to customer dissatisfaction rather than mitigating customer concern in those areas.  
15 As discussed in my direct testimony<sup>2</sup> there were instances in which Mr. Caisley was quoted  
16 stating, "Evergy . . . does not support mandated time-based rates." In his rebuttal testimony<sup>3</sup>  
17 Mr. Caisley stated that customers were "forced into a TOU rate" and had a "lack of choice."  
18 Negative statements such as these and previous quotes certainly did not aid in helping customers  
19 see benefits to the rate options. As former Commission Chair Rupp stated in his letter to  
20 Senators in Case No. EW-2023-0199, "This is the first time residential homeowners were given  
21 four rate options regardless of their unique circumstances. . ."

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<sup>2</sup> Tammy Huber, Direct Testimony, page 6, lines 15-18.

<sup>3</sup> Charles Caisley, Rebuttal Testimony, pages 26 and 27.

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1 Q. In Mr. Caisley's rebuttal testimony,<sup>4</sup> he states that you "used outdated research  
2 from earlier in the education campaign regarding knowledge of rate plans." Can you explain  
3 what information Mr. Caisley is referring to?

4 A. The information I provided in my direct testimony on page 5 came from the  
5 reporting filed January 2024 in EW-2023-0199. I specifically discussed this information  
6 because it highlighted survey results from TrueNorth research that showed that although  
7 awareness increased from Wave 1 to Wave 2, there was also an increase in customer concern  
8 and misunderstanding. This was concerning to Staff because customers needed to have all the  
9 information available from the beginning. If customers initially did not have all of the  
10 information or had inadequate information, it would be difficult to explain or correct their  
11 perception of TOU plan options in subsequent communications. Wave 1 (May 2023) and  
12 Wave 2 (September 2023) survey results were just before October and that's when Evergy was  
13 making the big push for customers to choose a rate option.

14 Q. While referring to your testimony, Ms. McDonald's states,<sup>5</sup> "her testimony  
15 admits that Evergy conducted a campaign to engage and educate customers." Does your  
16 testimony admit that Evergy conducted a campaign to engage and educate customers as  
17 described by Ms. McDonald?

18 A. Yes, but then it outlines my concerns with the campaign. My concerns with the  
19 campaign was the messaging, and how Evergy's attempt to educate customers caused  
20 confusion, alarm, fear and anger among the public and other stakeholders by focusing on  
21 placing blame instead of focusing on providing information. The basic TOU rate structure, the

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<sup>4</sup> Charles Caisley, Rebuttal Testimony, page 26, line 5.

<sup>5</sup> Katie McDonald, Rebuttal Testimony, page 23, line 23 and page 24, line 1.

1 benefits of TOU and the bill impacts were not the forefront of the campaign. The emphasis was  
2 on who ordered the change and that was often listed before anything else on the material.

3 Q. On page 24, lines 12-14, of Ms. McDonald's rebuttal testimony, she states that  
4 you "suggest that customers would be better off not knowing about the opportunity to access  
5 less expensive energy during off-peak times and weekends, and to have more control over their  
6 energy, is insulting to Evergy customers." Does your testimony suggest that customers would  
7 be better off not knowing about the opportunity to access less expensive energy during off-peak  
8 times or to have more control over their energy?

9 A. No. My direct testimony focused on the fact that the marketing lacked  
10 educational information that was needed for customers to understand the potential impact of  
11 the rate changes. Evergy focused on peak pricing in their marketing and my statement was that  
12 the materials confused customers in combination with the alarming tactics utilized in the  
13 campaign. For example, using the word "mandate" in their communications clouded important  
14 messages. I believe customers would benefit from knowing the positive as well as negative  
15 aspects of the TOU program, rather than the misleading information distributed by Evergy that  
16 caused dissatisfaction amongst customers with the TOU program options that were designed to  
17 help customers with less expensive energy or ways to ensure their bills are affordable.

18 Q. Ms. McDonald states that "Evergy's customers have a very good understanding  
19 of the TOU rate options, why Evergy has TOU rates, and how to be successful on their rate,  
20 and this knowledge and understanding continues to increase as Evergy moves through all five  
21 phases of our outreach campaign."<sup>6</sup> Do you agree with Ms. McDonald?

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<sup>6</sup> Katie McDonald, Rebuttal Testimony, page 20, lines 7-10.

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1           A.     Respectfully, no. Based on customer feedback received at the local public  
2 hearings held in this case, it became evident to Staff that customers are still having difficulties  
3 understanding how to be successful on their rate plan. Staff heard one customer discuss  
4 changing his rate each season to try and make things “work better.” Evergy representatives  
5 assured customers they could look at the rates, but first made sure customers knew that it was  
6 not Evergy who wanted this change and it was ordered by the Commission. Although it was  
7 not Evergy’s preference to move fully to the TOU design, customers need to know how to  
8 leverage TOU to lower their bills right now, not get the impression, “it’s not our fault.”  
9 Customers need assistance and positivity, not negativity. It is clear customers are still confused  
10 about their rate plan, as they did not receive appropriate information throughout  
11 Evergy’s campaign.

12           Other stakeholders working with low-income groups have shared information with Staff  
13 indicating that customers are still very confused. Stakeholders have shared that customers do  
14 not know they have other options and believe they have to stay on the default plan. They believe  
15 their only option is to wake up early or stay up late to do laundry or to cook outside instead of  
16 using their stove.

17           Q.     Ms. McDonald quoted your direct testimony and stated, “Evergy’s “beginning  
18 phases” tactics, as Ms. Huber described them, were purposefully designed to lay a foundation  
19 on the TOU topic that would allow customers to build their knowledge as they moved through  
20 the other phases of the campaign.”<sup>7</sup> Can you elaborate on what you meant by  
21 “beginning phases”?

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<sup>7</sup> Katie McDonald, Rebuttal Testimony, page 20, lines 19-22.

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1           A.     Yes. I was referring to the verbiage used in many of the materials that were  
2 distributed early in Phase 1 that sent a sense of urgency to customers to pick their plans before  
3 October. There are examples of several of Staff’s concerns with some of the materials  
4 highlighted and included in my direct testimony as Schedule TH-d3.

5           Q.     What were Staff’s concerns with the “beginning phases”?

6           A.     Specifically, on page 12 of my direct testimony, I included a screenshot of an  
7 early publication (June 2023) which uses the words, “avoid cooling.” This tip was specifically  
8 concerning to Staff because, to the more vulnerable population who may not understand their  
9 rate options and felt rushed into deciding with only a “broad” amount of information at that  
10 time, this could have been a dangerous situation. Staff’s point was the Phase 1 materials  
11 appeared fear-based and, whether that was the intention or not, it is concerning some of those  
12 messages introduced safety concerns. Some of the more vulnerable population may have taken  
13 them as literally meaning to **avoid cooling** all together.

14           In my direct testimony, I discussed concerns and the importance of educating customers  
15 on their rate options. A lot of Staff’s concern comes from how Phase 1 was handled as  
16 customers were alarmed, confused, and did not understand their rates.

17           According to Ms. McDonald, Evergy used more detailed messaging in phases 2-5 of  
18 their campaign.<sup>8</sup> Phase 1 began June 15, 2023 and went through November 30, 2023.

19           The *Amended Report and Order* in the ER-2022-0130 rate case required Evergy to both  
20 engage AND educate its customers “in the approximate ten-month lead-in time.” It was the  
21 expectation that Evergy would engage and educate customers prior to October of 2023.

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<sup>8</sup> Katie McDonald, Rebuttal Testimony, page 21.



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1           Q.     On page 20 of Ms. McDonald’s rebuttal testimony she states, “Evergy’s TOU  
2 education campaign was designed using the Awareness, Interest, Desire, and Action (“AIDA”)  
3 model and principals, or “Marketing Funnel” approach, . . . also known as the educational  
4 theory of Constructivism, which has been a proven and successful approach most often used in  
5 education and marketing.” Do you have any comments about the AIDA model or the  
6 educational theory of Constructivism?

7           A.     Yes. Overall, the AIDA model is not a bad approach and it is has been widely  
8 used. However, there are some criticisms of the model with concern to the lack of consideration  
9 in customer retention and customer satisfaction. The focus is on gaining attention, creating  
10 interest, leading to desire and then taking action. Where Evergy was shortsighted in its  
11 approach, which shows in its use of this model, was putting the major focus on awareness and  
12 action and lacking in the area of education, which could have improved customer satisfaction  
13 in the short and long term.

14           With regard to Ms. McDonald’s reference to the educational theory of Constructivism,  
15 it is Staff’s understanding that this theory builds on customer’s existing knowledge. With this  
16 in mind, it would have been prudent for Evergy to consider what customers already know about  
17 energy use and grow off of that. If the idea is that customers know nothing about TOU rates so  
18 Evergy would “lay the foundation” and build from there, it should have been especially  
19 important to have a solid foundation to start with. Evergy’s foundation was built on alarmist,  
20 fear, blame shifting, and anger inducing information. When the foundation isn’t solid, it’s  
21 difficult to successfully build on top of it. The end result was customer dissatisfaction  
22 and confusion.

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1           Everyy did not use these tools in ways that were successful outside of creating  
2 awareness and invoking action. While those areas are important, it is also important to consider  
3 the means in which they are approached.

4           Q.     Does this conclude your surrebuttal testimony?

5           A.     Yes, it does.

