

Exhibit No. 3

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Witness: Trina Muniz
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File No.: ER-2021-0240
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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2021-0240

REBUTTAL TESTIMONY

OF

TRINA MUNIZ

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

**St. Louis, Missouri
October 15, 2021**

REBUTTAL TESTIMONY

OF

TRINA MUNIZ

FILE NO. ER-2021-0240

I. INTRODUCTION

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Q. Please state your name and business address.

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3 A. My name is Trina Muniz. My business address is One Ameren Plaza, 1901
4 Chouteau Ave., St. Louis, Missouri.

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Q. By whom are you employed and what is your position?

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6 A. I am employed by Ameren Services as their Corporate Communications
7 Operations Strategist.

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**Q. Please describe your educational background and employment
9 experience.**

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10 A. I have a bachelor's degree in Business Administration with a specialization
11 in Marketing from Southern Illinois University of Edwardsville and a master's degree in
12 Business Administration from Webster University. I have over 35 years of experience in
13 customer communications.

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14 I joined Ameren Services in 2001 as the Senior Supervisor of Advertising. At that
15 time, I was responsible for all paid customer communications in Missouri and Illinois. In
16 2010, I transferred to Ameren Missouri and became Managing Supervisor, Marketing and
17 Advertising. In 2014, I became Manager, Marketing and Advertising. In 2017, I became
18 Creative Services Project Manager. In 2021, I became Corporate Communications

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1 Operations Strategist. My responsibilities include the management of the communications
2 budgets for Ameren Missouri and Ameren Services.

3 **Q. What are your responsibilities in your current position?**

4 A. I currently manage resource allocation, workflow tracking and budgets for
5 Communications.

6 **Q. To what testimony or issues are you responding?**

7 A. I am responding to the direct testimony and working papers of Jane Dhority. I
8 will be responding to Ms. Dhority's analysis of Ameren Missouri's advertising costs based on
9 an ad-by-ad review versus by campaign. I will also respond to Ms. Dhority's issue with the
10 response time she has received on advertising data requests.

11 **Q. How did you classify the advertising costs?**

12 A. In the 1985 Kansas City Power & Light Company ("KCPL") Case No. EO-85-
13 184, standards were established for five classifications of advertising:

14 **General** – informational advertising that is useful in the provision of adequate
15 service;

16 **Safety** – advertising that conveys the ways to safely use electricity and to avoid
17 accidents;

18 **Promotional** – advertising used to encourage or promote the use of electricity;

19 **Political** – advertising associated with political issues; and

20 **Institutional** – advertising used to improve the Company's public image.

21 In the order establishing these categories, the Commission held that General and Safety
22 advertisements are typically eligible for recovery, that Institutional and Political
23 advertisements are never eligible for recovery, and that Promotional advertisements are

1 eligible for recovery if the utility can provide cost justification for the advertisement
2 expenditure. Following these guidelines, I assigned the appropriate classifications based
3 on the messages being communicated.

4 **Q. Did you follow any other guidance for classifying advertising costs?**

5 A. Yes. In a previous Ameren Missouri rate review, File No. ER-2008-0318, the
6 Commission issued a Report and Order that allowed the recovery of advertising based on the
7 percentage of allowable cost in an advertising campaign. The Commission held that the entire
8 campaign should be considered rather than evaluating the expenditures on an ad-by-ad basis. If
9 51% of a campaign's cost is for allowable advertisements, then the entire campaign is allowable.

10 **Q. Do you have any general comments regarding how communications**
11 **expenditures should be reviewed for prudence?**

12 A. Yes. Advertising is defined as describing or drawing attention to a product,
13 service or event in order to promote sales, services or attendance at events through paid
14 media channels. Under that definition, Ameren Missouri does not advertise. And even
15 though Ameren Missouri does not advertise the way consumer packaged goods companies
16 do, we do need to cost effectively educate our customers and communicate changes we are
17 making to their service. We use a variety of channels to inform and educate our customers
18 about their electric service, how they can manage their accounts and energy usage, and the
19 actions we are taking to deliver the service they expect. In summary, Ameren Missouri
20 uses mass media channels as a means to communicate information to our 1.2 million
21 customers in a cost-efficient and effective manner.

22 The ways customers expect to receive messages have changed dramatically in the
23 past 36 years since the parameters were set. In 1985, there was not widespread use of the

1 internet, social media or cellular devices. Today, the vast majority of Americans – 97% –
2 own a cell phone. The share of Americans that own a smartphone is now 85%, up from just
3 35% in Pew Research Center’s first survey of smartphone ownership conducted in 2011.
4 This data demonstrates that our customers are accessing information at their fingertips
5 where and when they want it. As a result, the way we communicate has had to evolve as
6 the communications landscape evolved. To communicate effectively in today’s
7 communications landscape, the Company uses an integrated mix of channels and strategies
8 that is as varied as our customers’ information consumption habits, always with a focus on
9 cost effectiveness.

10 **Q. Are the KCPL advertising classifications by themselves adequate for**
11 **classifying advertisements?**

12 A. No. As I previously mentioned, in File No. ER-2008-0318, the Commission
13 issued a Report and Order that utilized the KCPL classifications but added that recovery should
14 be based on the overall campaign and not on an ad-by-ad basis. If the majority, meaning 51%,
15 of the campaign messages are recoverable, the entire campaign is allowable.

16 In research we have conducted, our customers have told us they want more information
17 about improvements we are making to keep their service reliable and affordable and about the
18 services we offer that make it easier and more convenient for them to understand and manage
19 their energy usage and accounts. They expect the Company to provide information that will
20 help them make energy usage or account-related decisions or better understand how Ameren
21 Missouri is improving their service through a variety of channels. This is why it is
22 appropriate for the Company to use advertising as a means to reach and educate our customers.

1 **Q. Do you agree with Staff’s recommendation to return to an ad-by-ad**
2 **analysis of advertising expense?**

3 A. No. We support the Commission's decision to consider advertising expense
4 at the campaign level. A stand-alone message is quickly forgotten. According to *Forbes*,
5 consumers are exposed to over 10,000 messages in a day and a customer must hear or see
6 the message seven or more times for the message to be retained. Our messages must be
7 repeated frequently enough to help our customers retain the message and have the
8 information they need and expect.

9 Staff's review, undertaken by auditors rather than communication professionals,
10 only considers the individual cost of a communication rather than its effectiveness. By
11 using campaigns, we are able to reach our customers through a variety of channels –
12 broadcast TV, online, social media, in their energy bill and through other channels – where
13 and when they are the most receptive. This is the standard for effective communication in
14 today’s communications environment. Our campaigns are planned holistically and the
15 content is designed to work together to help convey the message through multiple,
16 integrated channels. They are not planned as stand-alone ads, which would neither achieve
17 the necessary awareness of the information nor be as cost effective as the approach utilized.

18 **Q. Ms. Dhority claims that Ameren Missouri has not been responsive in**
19 **completing advertising data requests. Are there improvements that can be made to**
20 **how Ameren Missouri responds to these data requests?**

21 A. Ameren Missouri's responses to these data requests required us to obtain a very
22 large amount of information and some of it is not housed on site. That said, we are committed
23 to improving our performance on this aspect of data request responses. As is common

1 practice on major initiatives, Ameren's communications department conducts an after-action
2 review following each rate review to assess what went well throughout the process and find
3 opportunities for improvement. We are always looking for ways to improve the way we store
4 the large volume of communications data to make response times quicker and easier for those
5 who are responding. Per Ms. Dhority's own findings, Ameren Missouri has reduced its response
6 time in the last three rate reviews. We are committed to continuing to look for ways to provide
7 Staff with the information they need in a timely manner.

8 **Q. Would it save time to provide Ms. Dhority with screen shots instead of links**
9 **to social media?**

10 A. It would not. We post hundreds of social media messages every year to engage
11 with our customers on a near-daily basis. By going to our social media channels, you can see
12 the information we have posted. It would not be an efficient use of time to produce individual
13 screenshots and file these posts for later review. They are available at any time by going to our
14 sites.

15 **Q. Are there campaigns Ms. Dhority is proposing to disallow that you believe**
16 **should be included in rates?**

17 A. Yes, Louie the Lightning Bug and Power Play Goals for Kids ("PPGK").

18 **Q. Please explain why the Louie the Lightning Bug campaign should be**
19 **allowed.**

20 A. According to the KCPL standards for advertising, safety advertising is always
21 allowed. Louie the Lightning Bug is a syndicated service used by the utility industry to help
22 communicate safety messages to children. Images of Louie, along with safety messages, raise
23 awareness of what children need to do to be safe around electricity. For example, when the

1 Louie balloon is in a parade, the Louie bus accompanies the balloon. The balloon draws
2 attention to messaging on the bus, which displays safety messages such as, "When lines are
3 down, don't hang around," which help link the image with the message.

4 In addition, Ameren Missouri distributes Louie coloring and activity books to help
5 spread safety messages in schools and at community events. These books educate children on
6 how to be safe around electricity. With this consistent use of the Louie image and materials,
7 children and their parents come to recognize Louie as their reminder to always be safe around
8 electricity. It should also be noted that this cost for the Louie campaign in 2020 was lower
9 than in past rate reviews due to the pandemic. There were fewer opportunities to attend
10 events and hand out material so the amount we are seeking to recover is less than in past
11 cases.

12 Finally, I would note that Staff does not give a reason for disallowance, which I am told
13 by my attorneys, is necessary for Staff to overcome the presumption of prudence. Without that
14 basis, there is no reason to disallow this cost. This is a safety advertising expense and the full
15 \$12,187.79 should be allowed.

16 **Q. Please describe why the Power Play Goals for Kids program should be**
17 **allowed.**

18 A. Ameren Missouri uses the Power Play Goals for Kids program to raise
19 awareness and acquire new followers on our Facebook pages so that we can reach more
20 customers through this channel. When our customers follow our social media pages, it allows
21 us to do several important functions:

22 - reiterate messages they are seeing in other channels to increase recall of messages,

- 1 - keep them informed of what we are doing to keep their service reliable and
- 2 affordable,
- 3 - help them manage their energy usage and accounts, and
- 4 - communicate important information (including storms and outages) in real time.

5 In all PPGK messages, a call to action of "go to [AmerenMissouri.com/Blues](https://www.amerenmissouri.com/blues)" is used to
6 direct our customers to our Facebook page. During the PPGK campaign, we are able to acquire
7 new followers at a lower acquisition cost than when we do not have this campaign in place. We
8 are also able to amplify these messages by communicating with the St. Louis Blues' more than
9 738,800 followers compared to the 63,000 that follow Ameren Missouri. In addition, through
10 this campaign, we partner with four different charities to reach additional audiences that we may
11 not reach through the St. Louis Blues or our own pages to both increase awareness and cost-
12 effectively acquire new followers to Ameren Missouri social media channels.

13 Increasing the number of social media followers is important. Social media is the fastest
14 growing communications channel that we have, so we utilize it to meet customer
15 expectations and cost-effectively communicate with our customers. By raising awareness of
16 our social media pages, Ameren Missouri is able to communicate with our customers where
17 and when they are open to receiving information. For instance, if they are following our pages,
18 they will see messages about payment options, paperless billing and storm and outage
19 information, to name just a few of the topics on which we share timely information through
20 social media channels. We also monitor these pages for customer questions and concerns and
21 have a dedicated team in Customer Care that provides customer service by directly engaging
22 with our customers in these channels. PPGK raises the awareness of our presence on Facebook
23 and in return, we can reach and help more of our customers.

1 According to Pew Research Center, over 69% of Americans use Facebook. As a result,
2 customers expect to see the companies they do business with on social media so they can engage
3 with them when and how they choose.

4 Staff does not give a reason for its disallowance of this cost. As I noted above, I am told
5 by my attorneys, it is necessary for Staff to provide some basis for its argument in order to
6 overcome the presumption of prudence. Without that basis, there is no reason to disallow this
7 cost. In accordance with the standards set forth in File No. ER-2008-0318, the total cost of this
8 campaign – \$246,859.84 – should be allowed.

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

10 A. Yes, it does.

