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Staff – Exhibit 256
Tammy Huber
Surrebuttal
File No. ER-2024-0189

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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

Surrebuttal Testimony of
Tammy Huber

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.”¹ 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

¹ Direct Testimony, Tammy Huber, ER-2024-0189, Pages 6 and 7.

Surrebuttal Testimony of
Tammy Huber

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 testimony² there were instances in which Mr. Caisley was quoted
16 stating, "Evergy . . . does not support mandated time-based rates." In his rebuttal testimony³
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. . ."

² Tammy Huber, Direct Testimony, page 6, lines 15-18.

³ Charles Caisley, Rebuttal Testimony, pages 26 and 27.

Surrebuttal Testimony of
Tammy Huber

1 Q. In Mr. Caisley’s rebuttal testimony,⁴ 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,⁵ “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

⁴ Charles Caisley, Rebuttal Testimony, page 26, line 5.

⁵ Katie McDonald, Rebuttal Testimony, page 23, line 23 and page 24, line 1.

Surrebuttal Testimony of
Tammy Huber

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."⁶ Do you agree with Ms. McDonald?

⁶ Katie McDonald, Rebuttal Testimony, page 20, lines 7-10.

Surrebuttal Testimony of
Tammy Huber

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.”⁷ Can you elaborate on what you meant by
21 “beginning phases”?

⁷ Katie McDonald, Rebuttal Testimony, page 20, lines 19-22.

Surrebuttal Testimony of
Tammy Huber

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.⁸ 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.

⁸ Katie McDonald, Rebuttal Testimony, page 21.

Surrebuttal Testimony of
Tammy Huber

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.

Surrebuttal Testimony of
Tammy Huber

1 Everyday 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.

