

CONFIDENTIAL DESIGNATIONS

The Empire District Electric Company d/b/a Liberty

Case No. ER-2024-0261

RE: Direct Testimony of Candice Kelly, Schedule CK-4

The information designated “Confidential” is done so in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)3, 4, 5, and 8, due to the material consisting of marketing analysis for services offered in competition with others, marketing analysis for services provided to utility customers, work produced by external consultants, and/or other trade secrets.

Schedule CK-4 contains the Empire Electric JD Power Results, 2022-2023. The J.D. Power results fit precisely within the referenced rule subparts. Liberty has paid for a subscription service from J.D. Power to obtain the marketing analysis set forth in Schedule CK-4. The licensing agreement with J.D. Power specifically provides that confidentiality shall be maintained, that J.D. Power owns the intellectual property rights in its work product, that its work product is protected by copyright laws, and that its work product contains trade secrets.¹

Confidentiality shall be maintained consistent with the Rule and/or Section 386.480, RSMo., as the case may be.

¹ The non-public portions of Direct Schedule CK-4 must remain confidential, though some statistics are publicly available via J.D.Power’s website. <https://www.jdpower.com/sites/default/files/file/2021-12/2021171%20Electric%20Utility%20Residential.pdf> (2021 industry average); <https://www.jdpower.com/business/press-releases/2022-electric-utility-residential-customer-satisfaction-study> (industry average and Liberty specific) and <https://www.jdpower.com/business/press-releases/2023-electric-utility-residential-customer-satisfaction-study> (industry average and Liberty specific).

Exhibit No.: _____
Issue(s): Customer Service/Billing
Witness: Candice Kelly
Type of Exhibit: Direct Testimony
Sponsoring Party: The Empire District
Electric Company d/b/a Liberty
Case No.: ER-2024-0261
Date Testimony Prepared: November 2024

**Before the Public Service Commission
of the State of Missouri**

Direct Testimony

of

Candice Kelly

on behalf of

The Empire District Electric Company d/b/a Liberty

November 6, 2024



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THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2024-0261

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DIRECT TESTIMONY OF CANDICE KELLY
THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2024-0261

1 **I. INTRODUCTION**

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

3 A. My name is Candice Kelly. My business address is 3400 Kodiak Road, Joplin,
4 Missouri, 64804.

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

6 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as the Manager of
7 Customer Experience for the Central Region, which includes The Empire District
8 Electric Company (“Liberty” or the “Company”). In this role, which I assumed on April
9 11, 2022, I am responsible for the experiences of our customers, overseeing Contact
10 Center Operations.

11 **Q. On whose behalf are you testifying in this proceeding?**

12 A. I am testifying on behalf of Liberty.

13 **Q. Please describe your professional background.**

14 A. I began my employment with Liberty in July of 2006, as a Contact Center
15 Representative. I also worked in outage management from April 2012 until January of
16 2017, when I was promoted to Contact Center Supervisor. In April of 2022, I was
17 promoted to my current position.

18 **Q. Have you previously testified before the Missouri Public Service Commission**
19 **(“Commission”) or any other regulatory agency?**

20 A. Yes. I submitted testimony before this Commission in Case No. WR-2024-0104.

21 **Q. What is the purpose of your direct testimony in this proceeding?**

1 A. The purpose of my testimony is to describe Liberty's approach to providing customer
2 service and to provide information on approaches we use to interact with our customers
3 and provide service to them. In addition, my testimony discusses one of the merger
4 stipulations from Case No. EM-2016-0213.

5 **Q. Are you sponsoring any schedules in this testimony?**

6 A. Yes. I am sponsoring the below schedules.

<u>Direct Schedule CK-1</u>	Example of a New Residential Customer Invoice
<u>Direct Schedule CK-2</u>	Example of a Legacy Customer Bill
<u>Direct Schedule CK-3</u>	Example of the Updated My Account Screenshot
<u>Confidential Direct Schedule CK-4</u>	J.D. Power Report
<u>Direct Schedule CK-5</u>	Average Payment Plan Tariff Revision

7 **II. CUSTOMER EXPERIENCE AND SATISFACTION**

8 **Q. Please describe why Liberty focuses on customer experience.**

9 A. The experience of our customers is important to Liberty because we provide a service
10 that is critical to our customers and their daily lives. Because Liberty understands the
11 importance of its service to its customers, the Company also understands the need for
12 continuous improvement and development of processes and employee skill sets to meet
13 the ever-evolving expectations of its customers. In addition, many of Liberty's
14 employees are also customers; and our families live, work and attend school in the
15 communities that we have the privilege to serve. Personally, the vast majority of my
16 family members are customers of Liberty, and I take a great deal of pride in serving
17 our customers and my family with safe and reliable service and a high-quality customer
18 experience.

1 **Q. Please explain how Liberty has improved the customer experience since its last**
2 **rate case.**

3 A. Liberty has undertaken several initiatives since its last rate case to improve our
4 customers' experience with respect to both in-person and remote service. For example,
5 the Bolivar and Ozark offices opened a few months before the close of the last rate case,
6 in February and June of 2022, respectively. With the implementation of Customer First
7 the Company has redesigned its customer bills. Regarding electronic customer service
8 options, Liberty continues to expand its My Account capabilities.

9 **Q. What do you think is the most visible change from a customer perspective?**

10 A. Liberty's redesigned customer bill is a universal and tangible document that customers
11 see and receive. In addition, the revised My Account application provides visible and
12 downloadable data such as prior bills, usage patterns and payment history. Samples of
13 a new bill and a legacy bill are included as Direct Schedules CK-1 and CK-2.

14 **Q. What is My Account and how does it assist Liberty customers?**

15 A. My Account is Liberty's online self-serve platform for customers. Our goal is to
16 provide customers with significant usage information and electronic customer service
17 options, so that customers can perform these tasks at their convenience. In My Account,
18 customers can view and export their usage, make payments, and request to start, stop
19 or transfer service. Customers can also set their preferences for receiving text and email
20 communications from Liberty regarding outages and billing. Customers with an
21 Advanced Metering Infrastructure ("AMI") meter can view near real-time data
22 including hourly, daily and monthly usage, compare usage trends and see their usage
23 with weather overlays. Customers can easily view their daily averages, usage so far for

1 the month, projected usage, as well as peak and off-peak usage. Sample of a screenshot
2 of the updated My Account usage graph is included as **Direct Schedule CK-3**.

3 **Q. In Liberty's last rate case, it agreed through a Stipulation that customers served**
4 **with an AMI meter would have online access to data from their meter and be able**
5 **to download data for all accounts by March 31, 2024, with Liberty having a goal**
6 **to provide such access earlier - by March 31, 2023. Please provide an update of**
7 **Liberty's efforts in this regard.**

8 A. Liberty met its goal. Liberty's customers can view and download their usage data
9 through the My Account platform. This functionality has been available to our
10 customers since August 2021 and the upgraded version of My Account, which became
11 available in April 2024, is Green Button compliant. The Green Button standards refer
12 to the global initiative to have digital access to consumption data to support the efficient
13 use of resources.

14 **Q. In the last case the Company anticipated that AMI would allow for additional**
15 **customer service functional benefits. Has that occurred?**

16 A. Yes. Liberty's customers with AMI meters have seen decreases in meter estimations
17 due to weather or other issues that may impact traditional meter reading schedules.
18 Another benefit to customers is that Customer Service Representatives ("CSRs") can
19 more quickly assist customers with billing inquiries related to charges or costs, because
20 meter reads can be verified electronically, as compared to requiring a service trip that
21 would take longer to complete. Customers can also use the more detailed billing
22 information to create changes to their habits and routines, which could help them
23 control their usage.

1 **Q. Are there other self-service options that have been made available to customers**
2 **since the last rate case?**

3 A. Yes. Time of Use rates were implemented after the last rate case, and customers can
4 view their peak and off-peak usage in My Account. Customers may also view their
5 projected usage based on consumption for the month to date. This level of detail helps
6 customers manage their costs and billing expectations.

7 While My Account has been available to our customers since August 2021, self-
8 service options have continued to improve with the Company's implementation of
9 Customer First. One example is the use of online forms. Prior to Customer First,
10 customers could access forms on our Company website to complete service requests
11 that generated an email to Liberty CSRs. The CSRs, after receiving the email, then
12 manually entered the order. In some cases, the CSRs had to contact customers to
13 complete the application or service request. In the enhanced version of My Account,
14 customers can now complete the form through the My Account platform instead of
15 Liberty's website. If the customer's identity can be verified through My Account, the
16 service order will be issued without any intervention from a CSR, which results in a
17 more efficient experience for customers. Customers can now view their request status
18 in My Account.

19 **Q. In addition to the My Account options, has Liberty increased the number of**
20 **methods by which customers can pay their bills?**

21 A. Yes, Liberty has increased the number of methods by which our customers can pay
22 their bills. As previously mentioned, the Bolivar walk-in office was acquired in
23 February 2022, the Ozark walk-in office reopened in a new location in June 2022 and
24 the Neosho walk-in location opened in October 2022. At these locations, customers can

1 pay their bills in-person and CSRs are available to assist with other inquiries. The
2 implementation of Customer First brought additional improvements for customers
3 including real-time payment posting and different payment locations, such as Wal-
4 Mart, have been added to our list of approved collectors.

5 **Q. Given Liberty's focus on customer experience, explain how Liberty analyzes its**
6 **efforts.**

7 A. Liberty uses call center metrics and surveys to analyze the customer experience. Call
8 center metrics include tracking service level as well as averages for wait time, handling
9 time, and talk time. Liberty also tracks wrap up codes that are entered by the CSRs at
10 the end of calls that identify the primary reason for the call. In addition, Liberty has
11 used JD Power surveys and Qualtrics surveys to receive feedback from our customers.

12 In 2021, Liberty introduced their first Voice of the Customer ("VoC") Program
13 by investing in a dedicated tool to solicit and analyze customer feedback. We deployed
14 this tool as a pilot program in our Liberty service territory through post-call and post-
15 outage email surveys. This pilot ended in Liberty in Q1 2023 and created the enterprise
16 landscape for Liberty by connecting this tool to SAP. In 2024, the organization
17 deployed this survey tool throughout Liberty's customer territories, starting in the East
18 Region. The Central region, including Liberty, deployed after our Customer First
19 implementation.

20 The advantages of the VoC program are that the Qualtrics survey is a post-call
21 transactional survey where customers are asked about a specific interaction with the
22 Company following that interaction. The JD Power survey requests are sent to
23 customers but do not necessarily reach customers who have interacted with the

1 Company recently. The Qualtrics survey also has a higher response rate than the JD
2 Power survey.

3 In 2022, through the Qualtrics survey, the Company saw an overall satisfaction
4 rate of 76%, with 60% of respondents being very satisfied. Customers who completed
5 this survey also noted a first call resolution percentage of 87%. Customers responding
6 to the post-outage survey reported a 68% overall satisfaction rate with 40% being very
7 satisfied.

8 The 2023 results for Qualtrics showed 75% of respondents being satisfied with
9 Liberty overall, with 61% of those being very satisfied. Eighty-eight percent of
10 respondents reported being satisfied with the customer service team member they
11 interacted with, and 80% of those being very satisfied. The pilot program ended in the
12 second quarter of 2023 as the Qualtrics survey began to be implemented across the
13 organization following the conversion to Customer First.

14 **Q. In Liberty's last rate case, Liberty agreed to provide a report regarding its J.D.**
15 **Power results. Has Liberty done so?**

16 A. Liberty is providing the report as an attachment to my direct testimony, **Confidential**
17 **Direct Schedule CK-4.**

18 **Q. Please summarize the recent J.D. Power results.**

19 A. From 2022 to 2023, the response rate increased from 337 responses (0.43% response
20 rate) to 1,046 responses (still a response rate of only 1.35%). Net Promoter Score
21 ("NPS") measures customer loyalty and 82% of customers that gave Liberty a low NPS
22 was due to cost. Annual scores for 2022 and 2023 were 659 and 652, respectively.
23 Please see the table below for quarterly scores for 2022 and 2023.

Period	Overall Customer Satisfaction	Power Quality and Reliability	Price	Billing and Payment	Corporate Citizenship	Communications	Customer Service
2022 Q1	699	752	623	759	627	677	791
2022 Q2	683	732	612	741	621	661	753
2022 Q3	667	719	580	738	594	644	761
2022 Q4	659	711	570	735	585	633	741
2023 Q1	694	736	603	769	633	687	781
2023 Q2	663	707	570	744	603	643	727
2023 Q3	664	712	561	757	602	631	741
2023 Q4	652	703	546	739	592	620	722

1 **Q. Why do you think the response rate to the survey continues to be low?**

2 A. I believe the length of the survey contributes to the low response rate of 1.35%. Another
3 contributing factor may be that the survey is sent out to customers which may not have
4 had a recent interaction with the Company.

5 **Q. Has the Company seen a change in its call center metrics since the conversion to**
6 **its new customer information system (“CIS”) in April 2024?**

7 A. Yes. Liberty has seen an increase in call volume following the implementation of our
8 new CIS, as there has been an increase in customers calling in to get a better
9 understanding of their bills, in addition, to an increase in customers calling to discuss
10 billing concerns that have occurred since the conversion. Increases in the call volume,
11 along with the system being new for customer service representatives, has also caused
12 an increase in average handling time as well as “not ready time.”

13 **Q. What steps has the Company taken to return metrics back to the appropriate**
14 **levels it had prior to conversion?**

15 A. In preparation for the conversion and to give customer service representatives time to
16 adjust to the new system, Liberty hired a third-party vendor prior to the transition to
17 help with the potential increase in call volume and also hired additional internal

1 temporary positions. Unfortunately, due to concerns the Company experienced with
2 the vendor's performance, the vendor is no longer being used as of the end of June,
3 2024. As an alternative, the Company is utilizing its ability to call share and utilize
4 agents from other Liberty regions to assist with the call volume. Additionally, the
5 Company brought in quality agents to help CSRs decrease "not ready time." Liberty
6 has also posted six new permanent day-time customer service positions. Additionally,
7 the temporary positions mentioned previously became permanent positions in
8 September 2024.

9 **Q. As of September 2024, has the Company seen improvements to its call center**
10 **metrics following the CIS conversion?**

11 A. While the call metrics are still not at pre-conversion level, we have started to see the
12 metrics slowly trending back toward the appropriate levels. With such a large system
13 conversion, the Company expected there to be changes in the call metrics and for there
14 to be a learning curve for both Liberty customers and its employees to get used to the
15 new system. With that being said, the Company will continue to take the necessary
16 steps to get its call metrics back to an acceptable level.

17 **III. LOW-INCOME CUSTOMERS**

18 **Q. How does Liberty assist and support its low-income customers?**

19 A. Liberty CSRs are trained to connect our customers to assistance agencies in their area.
20 Liberty also offers a Low-Income Pilot Program to customers that provides a credit for
21 the monthly customer charge. The Company also offers various payment agreements
22 to help customers experiencing financial trouble or higher than expected bills. One
23 option is the Average Payment Plan tariff, which calculates the customers' expected
24 annual service charge amount and divides it into equal payments to help avoid the highs

1 and lows of the year. Liberty publicizes these options on our website to ensure
2 interested customers can learn about these options. For further discussion of the low-
3 income programs offered by the Company, please refer to the direct testimony of
4 Nathaniel W. Hackney.

5 **Q. Is the Company proposing to change the name of its Average Payment Plan tariff?**

6 A. Yes, the Company is proposing to update the name of its Average Payment Plan to
7 Budget Billing Plan.

8 **Q. Please explain the reasoning for the change.**

9 A. The reason for the change is to be consistent across the Liberty organization and to
10 match terminology used in the customer information system.

11 **Q. Has this change been reflected in the proposed tariff sheets included in the rate**
12 **case filing?**

13 A. Yes, the Company has made the proposed change and I have included a copy of the
14 revised tariff sheet with my direct testimony in **Direct Schedule CK-5.**

15 **Q. Please provide an update regarding the commitments made by Liberty in the**
16 **stipulation from Case No. ER-2021-0312 related to the promotion of State**
17 **Assistance for Housing Relief (“SAFHR”).**

18 A. Liberty updated its bills to add a message to comply with the stipulation. The message
19 is still displayed on billing statements but has recently been updated to reflect changes
20 in the program. The original message read: *Visit our website for more information*
21 *about available assistance programs and to view helpful information about your bill.*
22 *Go to libertyenergyandwater.com, choose your community, and then select the*
23 *Customer Service tab to access information related to Understanding your Bill and*
24 *Financial Help. Visit <https://mohousingresources.com/safhr> to learn more about*

1 *SAFHR programs. The message was finalized and in place in June 2022. The updated*
2 *information reads: If you're a Missouri homeowner struggling to make your mortgage*
3 *payment due to the COVID-19 pandemic, you may qualify for assistance from Missouri*
4 *SAFHR. For more information, visit www.safhrforhomeowners.com.*

5 Liberty also has links to assistance agencies on our website under the Financial
6 Help tab and an updated Frequently Asked Questions (FAQ) document on the
7 Understanding My Bill portion of our website.

8 **Q. Has Liberty established an employee position devoted to low-income programs**
9 **in the Central Region?**

10 A. Yes, a long-term employee with extensive experience in low-income and other
11 customer programs assumed the new position of Manager of Customer Assistance
12 Programs on September 25, 2022. Their responsibilities include performing a low-
13 income study, strengthening Liberty's relationship with the Community Action
14 Agencies in Liberty's service area, the Critical Medical Needs Program and overseeing
15 Liberty's low-income customer programs. Additionally, Company witness Mr.
16 Hackney provides direct testimony on this matter regarding low-income customer
17 offerings and the results of the low-income study.

18 **Q. Please explain how Liberty connects its customers to community action agencies.**

19 A. CSRs are trained to provide assistance information to customers that indicate they are
20 having difficulty paying their bills or if the CSR believes it may benefit the customer.
21 The Company also provides information on our website and our collections team will
22 communicate with the agencies on behalf of customers in some situations. The
23 Company has historically provided inserts along with shut-off notices during winter

1 and summer months that contain the agency name, phone number and address so
2 customers have that information at their fingertips to help them seek assistance.

3 **IV. STIPULATIONS**

4 **Q. Is the Company proposing any revisions to any of the currently approved**
5 **stipulations that were ordered by the Commission in Case No. EM-2016-0213?**

6 A. Yes.

7 **Q. Which stipulation is the Company proposing revisions to?**

8 A. In Order 2016-09-07, Attachment A, Page 7, Item 22, the Stipulation states “Empire
9 will commit to having a link on their front homepage signaling clearly for ratepayers
10 with a “Trouble Paying Your Bill” signage. Said link will contain information on the
11 Company’s delinquency policy, including fees, timelines, cut-off practices,
12 Community Action Agency other 3rd party contacts (e.g., Salvation Army, United
13 Way, etc...), LIHEAP, LIWAP, and additional Company specific programs (e.g.,
14 EASE, etc...). Said link will also contain contact information for prospective at-risk
15 ratepayers and information regarding paragraph 21 above.”

16 **Q. Is the Company proposing to refresh the name for this information on its website?**

17 A. Yes. The Company would like to propose the specific link language on the Company
18 homepage be refreshed from the label “Trouble Paying Your Bill” to “Financial Help”.
19 This change will help the Company administratively and will make the Company’s
20 website more consistent with the rest of the Liberty enterprise websites.

21 **Q. Does this conclude your direct testimony at this time?**

22 A. Yes.

VERIFICATION

I, Candice Kelly, under penalty of perjury, on this 6th day of November, 2024, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Candice Kelly