

Exhibit No. 40

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Issue: Customer Experience
Witness: Jon Harrison
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Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2021-0312
Date Testimony Prepared: December 2021

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

Rebuttal Testimony

of

Jon Harrison

on behalf of

The Empire District Electric Company

December 2021



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FOR THE REBUTTAL TESTIMONY OF JON HARRISON
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2021-0312

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REBUTTAL TESTIMONY OF JON HARRISON
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2021-0312

1 **I. INTRODUCTION**

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

3 A. My name is Jon Harrison, and my business address is 602 S. Joplin Ave., Joplin,
4 Missouri, 64802.

5 **Q. Are you the same Jon Harrison who provided Direct Testimony on this matter on
6 behalf of The Empire District Electric Company (“Empire” or the “Company”)?**

7 A. Yes.

8 **Q. What is the purpose of your Rebuttal Testimony in this proceeding before the
9 Missouri Public Service Commission (“Commission”)?**

10 A. The purpose of my rebuttal testimony is to respond to the direct testimonies of Office of
11 the Public Counsel (“OPC”) witness Dr. Geoff Marke and Commission Staff (“Staff”)
12 witness Contessa King. My rebuttal testimony is specifically in response to Dr. Marke’s
13 testimony regarding COVID-19 relief, JD Power customer satisfaction scores, call
14 center metrics, low-income and community support, and late fees, and in response to
15 Ms. King’s testimony regarding usage variations on customer bills.

16 **II. OPC DIRECT TESTIMONY – CUSTOMER CARE**

17 **A. COVID RELIEF**

18 **Q. Do you agree with the assertion made by Dr. Marke on page 12 of his Direct
19 Testimony that “there was very little effort made, by money or otherwise, to
20 support its Missouri customers”?**

1 A. No. Dr. Marke’s opinion on the level of effort put forth by the Company to support our
2 customers during the COVID-19 pandemic is off base.

3 **Q. In addition to the relief provided by Liberty Utilities of \$500,000 to support its**
4 **customers, did Empire provide any additional relief to its utility customers during**
5 **the COVID-19 pandemic?**

6 A. Yes. The Company displayed its concern for the impact that COVID has had, and
7 continues to have, on our customers in multiple ways:

- 8 1) In May of 2020 Empire donated funds to the local Community Action Agencies.
9 The donated funds were allocated by the number of customers in the Company’s
10 electric service territory.

COVID Agency Donations	Amount
United Way - Joplin	\$20,000
United Way - Springfield	\$20,000
St. Vincent’s De Paul	\$2,000
Watered Gardens	\$9,000
Children's Haven	\$9,000
Ozarks Food Harvest	\$4,000
Salvation Army	<u>\$14,559</u>
Total	\$78,559

11 2) Company customer service representatives (“CSRs”) were also authorized to
12 provide arrearage relief up to \$250 per Empire customer - both residential and
13 commercial. Total additional relief provided to Empire’s Missouri electric
14 customers was \$13,391.21.

1 3) Empire developed and offered 12-month payment agreements. These agreements
2 were offered to customers in default of any existing agreement and also included
3 commercial accounts.

4 4) Communication outreach included on-bill messaging, newspaper, videos, flyers,
5 and links on the website for rental and other agency assistance. For a listing of
6 these communications refer to **Rebuttal Schedule JH-1**.

7 5) Empire met with the Office of Public Counsel on a bi-weekly basis between April
8 2020 through March of 2021, to listen to and address OPC's concerns about the
9 impact that COVID-19 had on our customers. Despite all of our efforts,
10 unfortunately, OPC was still not satisfied.

11 **B. JD POWER CUSTOMER SATISFACTION**

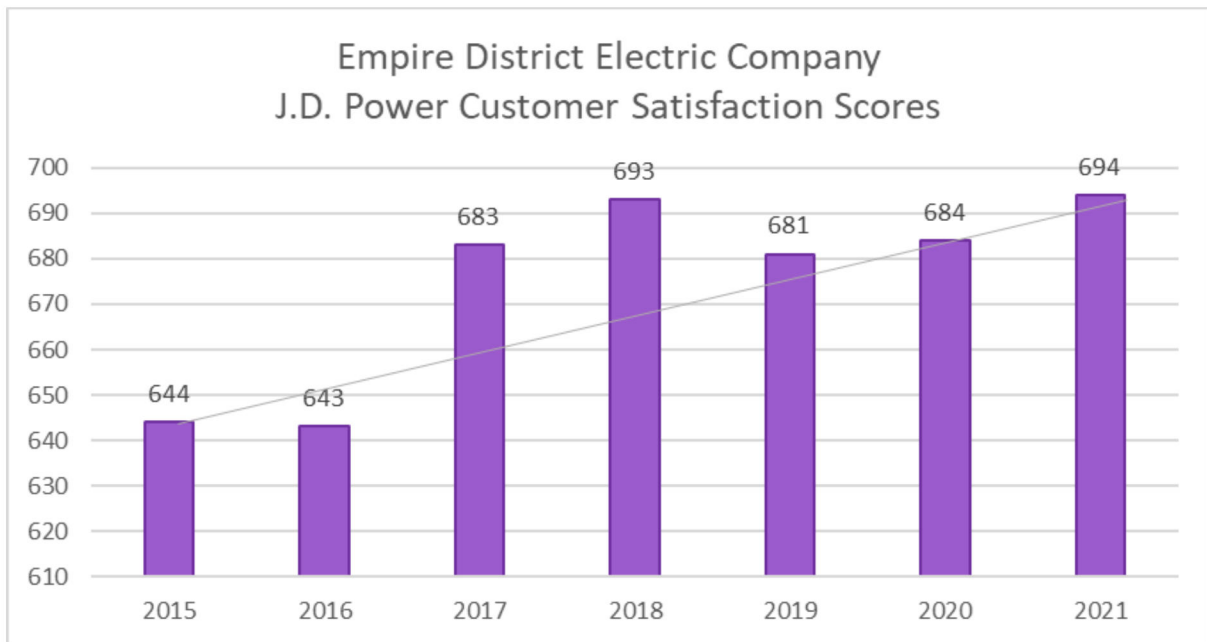
12 **Q. Do you agree with Dr. Marke that JD Power scores are a relevant source to be**
13 **relied on to interpret the voice of the customer?**

14 A. Somewhat. Like most surveys they provide useful insight when taken in context. JD
15 Power scores utilize a sample of customer perceptions of quality and reliability,
16 customer service, communications, price, billing, and payment.

17 **Q. Has Empire's performance as measured by JD Power improved over time?**

18 A. Yes. OPC witness Marke's testimony relies on dated information and a single point in
19 time. I believe a more meaningful way to view the J.D. Power score is to consider the
20 trend of those scores over time to determine whether they are improving or
21 deteriorating, rather than picking a specific performance date and/or referencing what
22 would now be an outdated trend. For example, OPC referenced the 2018 score of 693
23 noting it dropped to 684 at the end of 2020 (pp.18-20). However, the J.D. Power trend

1 is actually positive through Q4 2021, increasing 10 points from our final score for 2020
2 and 51 points since 2016, as illustrated below:



3

4 **Q. To what do you attribute this improved trend?**


5 A. While the Company cannot specifically cite to one item that is driving the improved
6 trend, the Company has implemented many initiatives which could be driving the
7 improvement.

8 **Q. Has Empire implemented initiatives to improve billing timeliness and accuracy
9 that could be reflected in the improved scores?**

10 A. Yes. The Billing team took several steps to improve billing quality including:

- 11 1) adding equipment and meter staff to offset turnover and COVID-related
12 absenteeism prior to deploying AMI billing;
- 13 2) implemented meter reading productivity goals to build read cushions before billing
14 cut-offs to avoid estimations of usage outside the allowed range of 26-35 days;
- 15 3) implemented process changes leveraging AMI reads to replace estimations when
16 AMI data was available, but not used for billing purposes; and,

1 4) gradually converted territory sectors to AMI billing – which is now 100% complete.
2 As the following data shows, the Company has substantially reduced or eliminated
3 estimations as well as bills that are under 26 days or over 35 days of usage.

														MOPSC Case No. ER-2019-0374 - Monthly Compliance Report November 2021 Data																					
Billing Metrics- The Empire District Electric Company - Missouri Service Territories																																			
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	YTD																						
Monthly Estimates	1st. Quarter			2nd. Quarter			3rd. Quarter			4th. Quarter																									
MO	6,404	16,328	(1)	2,804	1,304	172	107	91	70	58	38	32		27,408																					
Billing Days under 26 over 35																																			
> 35 Days	341	82		11	1	0	0	0	0	0	0	0		435																					
< 26	0	0		24	0	1	0	0	0	0	0	0		25																					
Meter Reader Staffing- Liberty/Contractors																																			
Approved Liberty Staff*	12	12		12	12		9	8	7	6	5																								
Active Liberty Staff*	13	14		10	9	8	8	8	6	5	3																								
Approved Contractor Meter Reader Staff*	22	26		20	16	9	6	3	2	2	-																								
Active Contractor Meter Reader Staff*	11	15		18	13	8	6	3	2	2	-																								
Total Approved Liberty Staff and Contractor Meter Reader Staff	34	38		38	32	28	18	15	11	9	8	5																							
Total Active Liberty Staff and Contractor Meter Reader Staff	24	29		28	25	21	16	14	11	8	7	3																							
3 or More Consecutive Estimations **																																			
MO	509	561		381	158	36	9	2	2	1	2	4		1,665																					

Note (1): In compliance with 20 CSR 4240-13.020 the Company may render a billed based on estimated usage when extreme weather conditions, emergencies, labor agreements, or work stoppages prevent actual meter readings, this occurred for 13,601 of the total estimated meter reads in February 2021 due to Storm Uri.

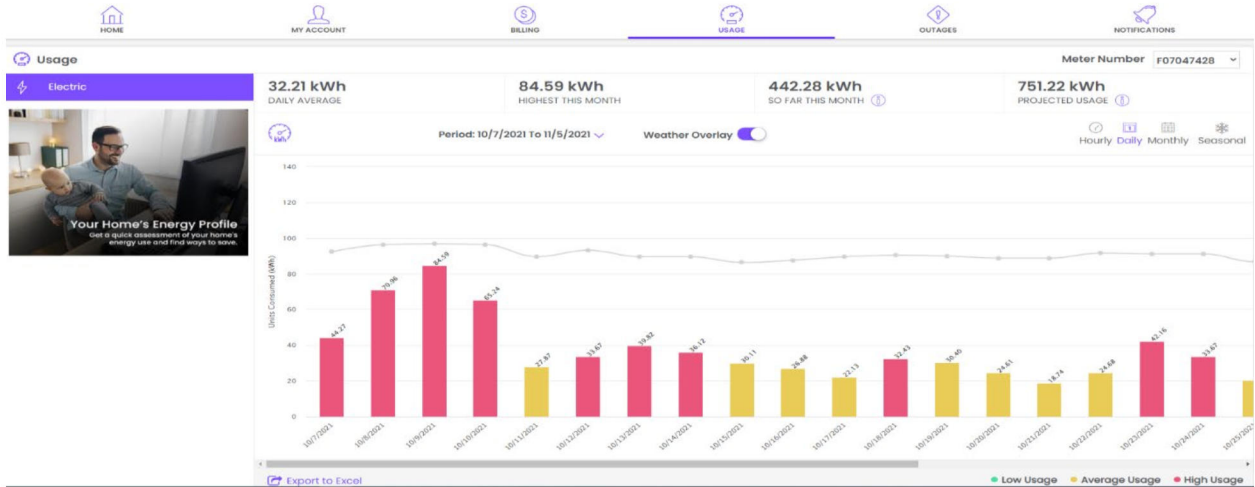
4
5 The data reflects 32 estimates for the month of November 2021 and zero bills with
6 usage under 26 days or over 35 days which minimizes bill fluctuation. Notably, these
7 results were achieved with only 3 field meter readers compared to 28 in March.

8 **Q. Has Empire implemented initiatives to improve customer communication, which**
9 **in turn could be reflected in the improved J.D. Power scores?**

10 A. Yes, based upon peer analysis and J.D. Power survey feedback, Empire has made
11 significant strides improving the quality and frequency of its most important customer
12 communications such as (a) usage, (b) outage, and (c) payment alerts. This is
13 highlighted in the development and recent launch of the improved My Account
14 customer portal. Outlined below are a few of the features of the My Account portal and
15 their associated benefits:

1

Figure 2:

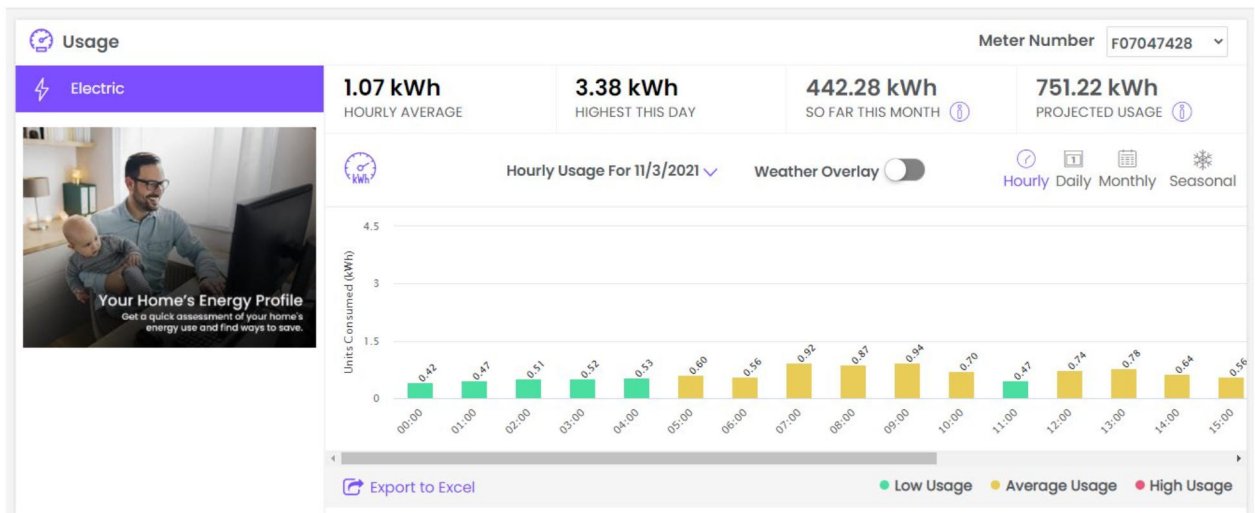


2

3 Figure 3 below provides an overview of the hourly usage view. Another option
4 available to Customers is that they can export their usage to a spreadsheet if they
5 choose.

6

Figure 3:



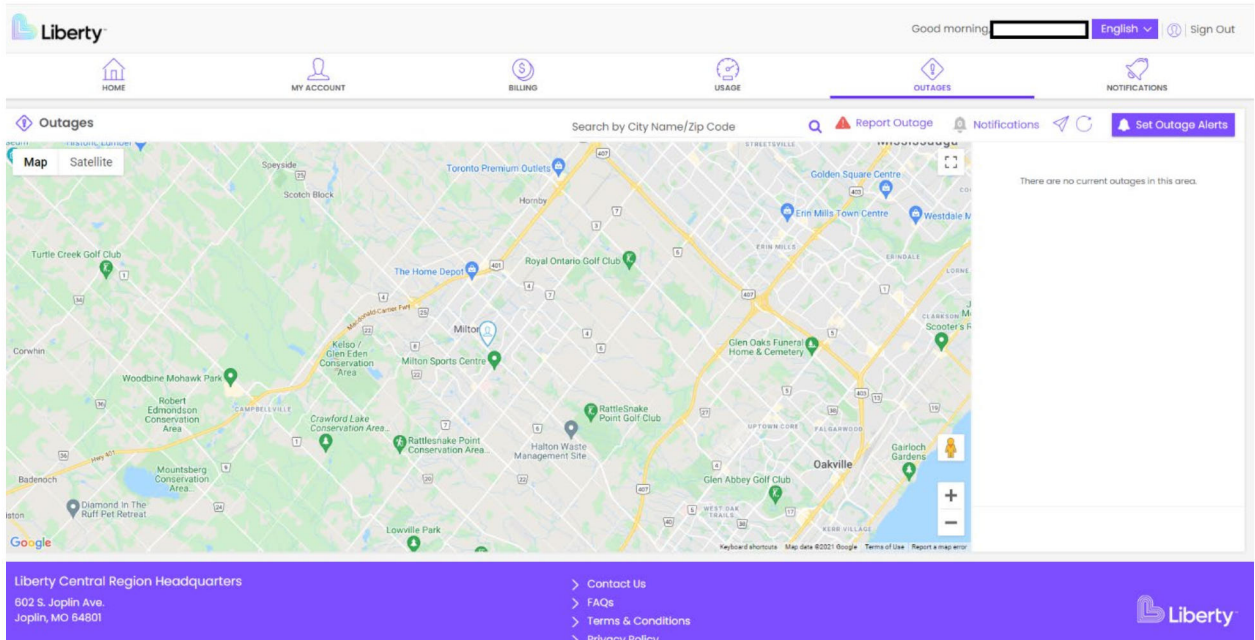
7

8 **Outage Alerts**

9 The new My Account also enables customers to stay informed when an outage occurs
10 through an improved outage map (see Diagram 4 below) which includes estimated
11 restoration time and allows customers to sign up for email or text alerts. When

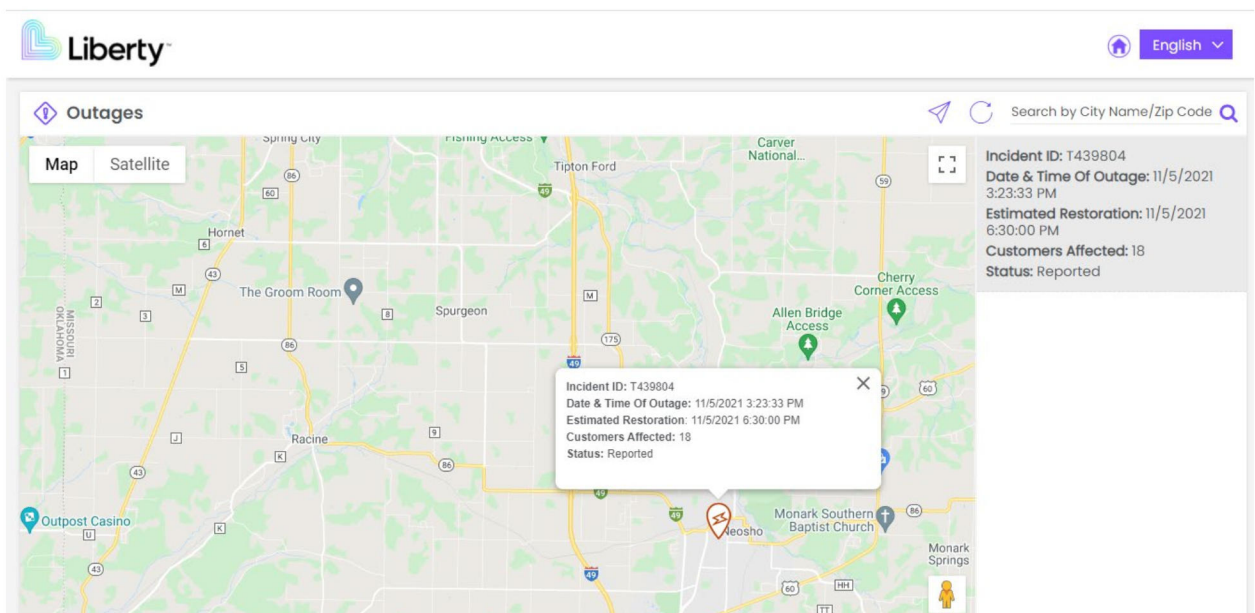
1 customers are logged in to My Account, they'll see outages impacting their address. In
2 addition, they can quickly report an outage and sign up for outage alerts.

3 **Figure 4:**



4 **Figure 5** provides an example of the public-facing outage map with an outage and
5 estimated restoration time displayed:
6

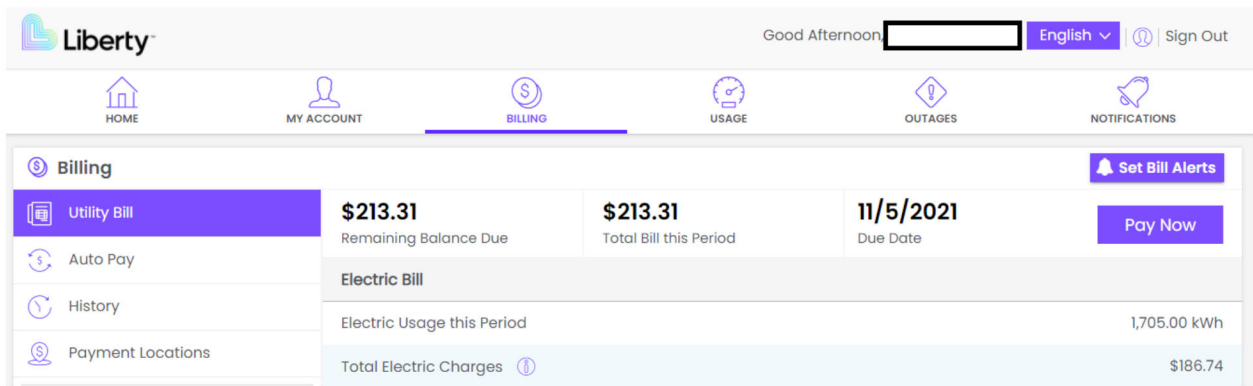
7 **Figure 5:**



1 **Payment Features**

2 The new My Account also allows customers to view and pay their bill from the device
3 of their choice, including their mobile phone through a new Liberty My Account
4 mobile app (see Diagram 6 below). Customers can sign up for billing alerts through
5 text or email. The alerts include bill generation, payment due reminders, and payment
6 success.

7 **Figure 6:**



8
9 Empire recognizes the importance of improving its content and channels of
10 communication through multiple initiatives including customer adoption in My
11 Account, improved on-bill messaging, and growth in digital and communications –
12 particularly text alerts and messaging. We believe the My Account improvements are
13 an important aspect of enhanced customer service.

14 **C. CALL CENTER METRICS**

15 **Q. Does Dr. Marke raise the issue of Empire’s call center metrics pre- and post-**
16 **acquisition?**

17 **A.** Yes, Dr. Marke but defers to the Missouri Public Service Commission Staff on whether
18 or not these call center metrics represent a statistically significant decline in Empire’s
19 quality of service.

1 **Q. Can you provide insights on Empire’s call center metrics pre and post Liberty**
2 **acquisition?**

3 A. Yes. Call center metrics can fluctuate depending on company activity and conditions
4 which help determine the type and complexity of the calls. The chart on p. 21 of Dr.
5 Marke’s Direct Testimony illustrates a lower abandoned rate and reductions in average
6 speed of answer. Both contribute to improved customer service through a reduction in
7 calls not answered and shorter wait times for callers to connect with their customer
8 service representative. Service levels have also improved. Even though talk time is
9 higher compared to previous years, the abandoned percentage, average speed of
10 answer, and service level have improved.

11 **D. LOW INCOME & COMMUNITY SUPPORT**

12 **Q. Do you agree with OPC’s recommendation to discontinue the Low-Income Pilot**
13 **program (LIPP)?**

14 A. No. OPC’s recommendation to discontinue the LIPP and replace it with a program akin
15 to Ameren’s Keeping Current and Keeping Cool could be disruptive. The Company
16 has concerns that implementing a new program similar to Ameren’s likely will create
17 additional administrative burdens and costs. For instance, Company personnel will
18 need to devote resources to analyze the program and develop necessary reporting to
19 properly track participants. However, the Company believes the proposed
20 enhancements as requested in my Direct Testimony regarding our LIPP and LIHEAP
21 administration will continue to demonstrate our corporate social responsibility to our
22 customers in Missouri and will be easy for our customers to follow and participate in.

23 **Q. Please describe Empire’s LIPP and its recommendations to increase participation**
24 **rates.**

1 A. Empire's current LIPP offers a monthly credit equivalent to the Customer Charge and
2 requires the qualifying customers remain on the Average payment Plan to help budget
3 seasonal expenses. The program is easy to administer, which helps to keep
4 administrative costs low, allowing more of the program to directly impact our
5 customers. Participation in the program requires Community Action Agency approval,
6 so only qualified customers are entitled to the benefit.

7 **Q. Have there been previous discussions with OPC in regard to the LIPP?**

8 A. Yes. OPC and the Company met on March 3, 2021 to discuss the merits of the program
9 and recommendations to drive increased enrollment. The Company recommended:

- 10 1) Customers must remain on active service - not be disconnected. However, the
11 requirement to remain current within 60 days of bill date is waived to provide the
12 credit for customers most in need;
- 13 2) The credit will be doubled during peak months (Dec-Feb; Jun-Aug) to provide
14 additional assistance during hot and cold weather seasons. The increased benefit
15 will also maintain enrollments, and;
- 16 3) A cap on the number of participating customers can be used to control program
17 cost.

18 **Q. Dr. Marke indicates Empire customers leave LIPP. Do you have any insight on**
19 **why customers may leave LIPP?**

20 A. Historically, customers leave the program for three reasons: a) they move out of the
21 service territory or are deceased (50%); b) they move within the service territory but
22 do not re-enroll (30%); c) customers de-enroll or they fall into arrears which
23 disqualifies them from participation (20%). The new structure is designed to increase
24 the attractiveness of the program while making it easier to remain enrolled.

1 **Q. Dr. Marke recommends that Customer Service Representatives (“CSRs”) who**
2 **receive calls from customers struggling to pay bills ask for consent from that**
3 **customer to forward their contact information to the relevant Community Action**
4 **Agency (“CAA”). Should CSRs refer customers directly to the CAAs?**

5 A. Yes. In emergencies and special cases, referrals are done by Credit & Collections
6 Representatives who have relationships with the agencies. However, the Company has
7 been asked by OACAC in Springfield to avoid direct referrals due to their staffing
8 issues. Ultimately, customers are required to contact the agencies to make proper
9 applications for assistance.

10 **Q. Is the Company considering any changes to this process to make it even smoother**
11 **for their customers who are in need?**

12 A. Yes. The Company is designing a process such that if the customer requires immediate
13 attention, our CSR will contact Credit & Collections who will contact the CAA on the
14 customer’s behalf in an effort to have the customer immediately enrolled in the
15 program.

16 **E. LATE FEES**

17 **Q. What does Dr. Marke recommend concerning the Commission authorized late**
18 **payment fee?**

19 A. He recommends that Empire’s late fees be lowered to match the short-term debt
20 recommendations made by OPC witness David Murray, which is 0.25% annually.

21 **Q. Does Empire believe it is reasonable and appropriate to impose late fees when**
22 **customers do not pay for electric service on time?**

23 A. Yes. Contrary to Dr. Marke’s position, but comparable to other Missouri utilities,
24 Empire supports late fees that encourage timely payment. While late fees may have a

1 small impact on low income customers, late fee avoidance also prompts higher wage
2 earners to pay on time – which has an important impact on working capital and bad
3 debt expense.

4 **Q. Should the late fee be changed from 0.5% to 0.25%?**

5 A. The Company does not agree with the Dr. Marke’s recommendation to lower the fee
6 from 0.5% to 0.25%. Empire’s late fee charge is appropriate in comparison to other
7 utilities’ fees, including Ameren’s 1.5% fee.

8 **III. STAFF DIRECT TESTIMONY: BILLING PERIODS STAY WITHIN 26 TO**
9 **35 DAYS**

10 **Q. What Does Staff witness Contessa King indicate regarding Empire’s customer**
11 **service?**

12 A. Ms. King concludes that as of the date of this testimony, Empire has improved its
13 customer service performance and reduced the number of estimated monthly meter
14 reads. However, Staff identified issues with task (10) from the Commission’s Order in
15 Case No. ER-2019-0374 that requires Empire to evaluate meter reading practices to
16 ensure billing periods stay within the required 26 to 35 days per 20 CSR 4240-
17 13.015(C).

18 **Q. Has the Company taken steps to ensure a consistent usage period and remain**
19 **within the required 26-35 day billing window?**

20 A. Yes. Deployment of AMI billing and initiatives improving Billing Department and
21 meter reading management prior to AMI deployment have produced the required
22 results. As illustrated in the Billing Chart provided previously in this testimony, the
23 Company has gone five consecutive months without a bill outside the required range

24 **Q. Have there been other improvements in customer service and billing?**

1 A. Yes. As noted by Staff and illustrated in the Billing Chart provided previously in this
2 testimony, the number of monthly estimated bills has also declined significantly, with
3 unusual circumstances such as blocked meters, animals, or locked gates resulting in the
4 need to estimate a non-AMI meter read. Please refer to my direct testimony for further
5 explanation of enhanced Billing Department procedures deployed to improve billing
6 accuracy and timeliness.

7 **Q. Does this conclude your Rebuttal Testimony at this time?**

8 A. Yes.

VERIFICATION

I, Jon Harrison, under penalty of perjury, on this 20th day of December, 2021, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Jon Harrison