

Exhibit No. 240P

MoPSC Staff – Exhibit 240P
Scott J. Glasgow
Rebuttal Testimony
File Nos. ER-2022-0129 & ER-2022-0130

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Issue(s): Advance Easy Pay
Witness: Rebuttal Testimony
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Case Nos.: ER-2022-0129 and
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Date Testimony Prepared: July 13, 2022

MISSOURI PUBLIC SERVICE COMMISSION
FINANCIAL AND BUSINESS ANALYSIS DIVISION
CUSTOMER EXPERIENCE DEPARTMENT

REBUTTAL TESTIMONY

OF

SCOTT J. GLASGOW

Evergy Metro, Inc. d/b/a Evergy Missouri Metro
Case No. ER-2022-0129

Evergy Missouri West, Inc. d/b/a Evergy Missouri West
Case No. ER-2022-0130

Jefferson City, Missouri
July 13, 2022

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **SCOTT J. GLASGOW**

4 **Evergy Metro, Inc. d/b/a Evergy Missouri Metro**
5 **Case No. ER-2022-0129**

6 **Evergy Missouri West, Inc. d/b/a Evergy Missouri West**
7 **Case No. ER-2022-0130**

8 Q. Please state your name and business address.

9 A. My name is Scott J. Glasgow, 200 Madison Street, Jefferson City, MO 65101.

10 Q. Are you the same Scott Glasgow who filed Direct Testimony in
11 Case No. ER-2022-0129 and ER-2022-0130?

12 A. Yes.

13 Q. What is the purpose of your Rebuttal Testimony?

14 A. I respond to the Direct Testimony of Kimberly H. Winslow concerning Evergy's
15 request for a pre-pay pilot program.

16 Q. What is Evergy's proposal for a new pre-pay pilot program?

17 A. Evergy is proposing a pre-pay pilot called Advanced Easy Pay ("AEP")
18 available to residential electric customers¹ that have an Advanced Meter Infrastructure ("AMI")
19 meter. AEP is a payment plan in which residential customers pay for electric usage in advance.
20 Evergy states AEP will enhance a customer's awareness and understanding of "real time"
21 energy use and cost, offering payment options, increasing satisfaction, reducing usage and cost,
22 and providing pay-off assistance. Ms. Winslow also states that this pilot will allow participants

¹ Excluding net metering.

1 to monitor electricity usage and purchase power on an “as-needed” basis so a customer can
2 manage their budget more dynamically.²

3 Q. Does Staff have concerns with the AEP pre-pay pilot?

4 A. Yes. Staff has several concerns with the pre-paid program including:

- 5 • The need for a pre-paid program
- 6 • Who the targeted participants would be
- 7 • Diminished protections including disconnections during extreme weather
- 8 • Added confusion concerning the customer experience

9 Q. Please explain why Staff believes there is not a need for a pre-paid program.

10 A. There is nothing stopping a customer from prepaying their bill currently and, if
11 a customer has an AMI meter, they can see hourly interval usage through midnight of the day
12 prior. Therefore, a customer can track their usage, if they want to, without the fear of
13 being disconnected.

14 In addition, there is nothing stopping Evergy from offering monitoring tools, more
15 payment options, and additional notifications without a customer pre-paying for service. As
16 stated before, if a customer has an AMI meter, they can see hourly usage from the day before.

17 Q. Did Evergy state why it believe customers want a pre-pay option?

18 A. Ms. Winslow’s Direct Testimony cites a study performed by ESource in 2015³
19 determining that over 40 percent of customers surveyed indicated that they were very likely or
20 somewhat likely to participate in the prepaid program.

21 Q. Did Staff review this ESource study and what was Staff’s findings?

² Case No. ER-2022-0129, Direct Testimony Kimberly H. Winslow, page 24.

³ ESource Innovative Residential Rate Design and Pricing 2015: Customer Preferences and Acceptance; 2015 Quantitative Research Results from an E Source Multi-Client Market Research Study.

1 A. Staff did review the study and it revealed many things. Staff would like to point
2 out a couple of observations. First, Ms. Winslow stated,

3 *“A study performed by ESource in 2015 determined that over 40 percent*
4 *of customers surveyed indicated that they were very likely or somewhat*
5 *likely to participate in a prepay program.”*
6

7 However, the figure cited in the study is lower:

8 ** [REDACTED]
9 [REDACTED]
10 [REDACTED]⁴

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]⁵

24 [REDACTED]

25 [REDACTED]

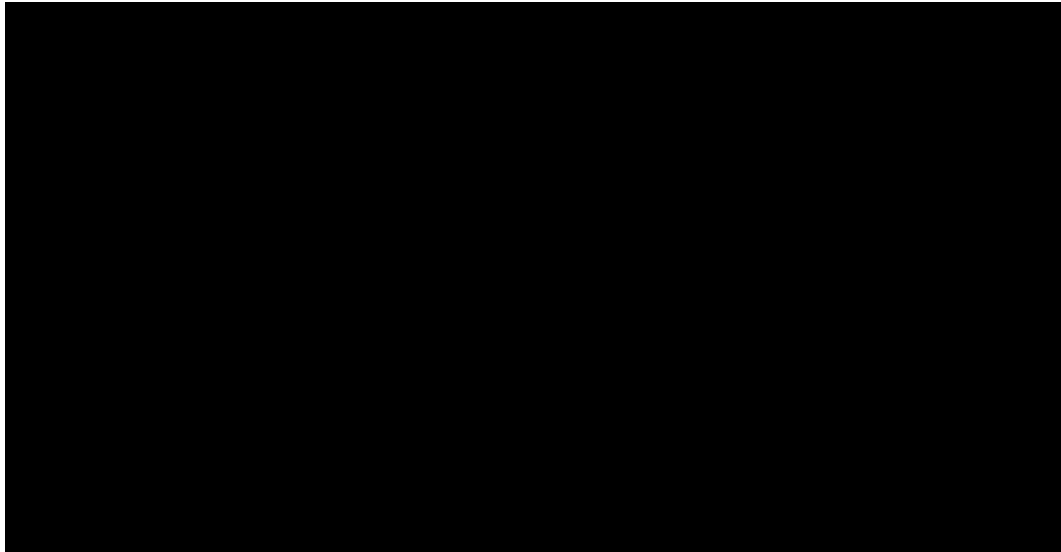
26 [REDACTED]

27 [REDACTED]

⁴ ESource Innovative Residential Rate Design and Pricing 2015: Customer Preferences and Acceptance; 2015 Quantitative Research Results from an E Source Multi-Client Market Research Study, page 16.

⁵ ESource Innovative Residential Rate Design and Pricing 2015: Customer Preferences and Acceptance; 2015 Quantitative Research Results from an E Source Multi-Client Market Research Study, page 55

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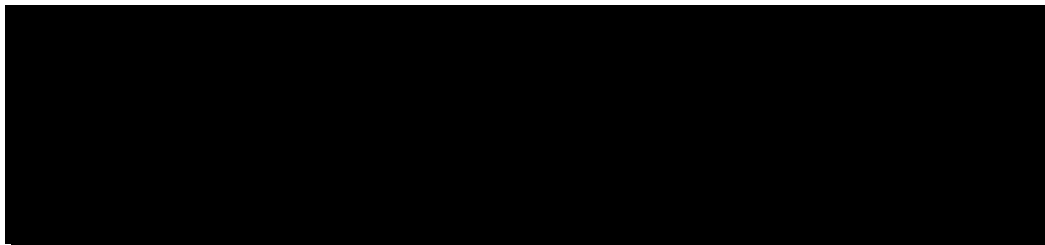


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Q. Everygy states the pilot is designed to be offered equitably to all residential customers and is not targeting low-income customers or customers in arrears. Does Staff have concerns with which customers will be most inclined to join?

7

8

9

A. Yes. Staff believes that customers that are required to pay a deposit or customers that have arrears will be attracted to this type of payment offering. If a customer has the ability to pay their bill in full at the end of the month, they are likely to do so. It's the low-income

10

11

⁶ ESource Innovative Residential Rate Design and Pricing 2015: Customer Preferences and Acceptance; 2015 Quantitative Research Results from an E Source Multi-Client Market Research Study, page 56.

1 consumers that can't afford a deposit or can't afford to pay off arrears that will be attracted to
2 this payment plan.

3 In The National Consumer Law Center's "Rethinking prepaid Utility Service Customer
4 at Risk" it states,

5 *"Experience in the United Kingdom and the United States demonstrates that*
6 *prepaid metering and billing is targeted toward and concentrated among low-*
7 *or moderate income consumers, particularly those who are facing unaffordable*
8 *security deposit requirements or disconnection for nonpayment under*
9 *traditional service."*⁷

10 Q. Evergy attempted a pre-pay program in Kansas, can you briefly describe that
11 pilot and what customers the pilot attracted?

12 A. In 2014, Evergy was approved to start a prepaid program, which ended in 2016.
13 The number of customers that participated was small, topping out at ** [REDACTED]
14 [REDACTED].** Evergy stated that one of the reasons for the low number of participants was Evergy's
15 elimination of deposit requirements for most of its customers during the same period the pilot
16 was launched. Evergy claimed that the lack of deposit requirements and the ability to change
17 rates removed any concern of "forcing" any customer to prepay as an only choice. Evergy also
18 stated that the percentage of participants in the pilot with arrearages was 82.7%.⁸

19 So, even though Evergy states the pilot is designed to be offered equitably to all
20 residential customers and is not targeting low-income or customers in arrears, their own pilot
21 showed that the pre-pay option attracts customers that are required to pay a deposit and those
22 with arrears regardless. Additionally, if a customer participates in AEP, they will be charged an

⁷ The National Consumer Law Center's "Rethinking prepaid Utility Service Customer at Risk", page 2.

⁸ Motion to Convert Prepay Pilot Program into Permanent Program. Westar Energy, Inc. Report on PrePay Pilot Program, Docket No. 14-WSEE-148-TAR, November 15, 2016.

1 additional Program Service Charge of \$2.50 on top of the customer charge for regular
2 pay customers.⁹

3 Q. Does Staff have concerns with the diminished customer protections under AEP?

4 A. Yes. Staff has several concerns with diminished customer protections. To
5 implement this pilot, Evergy would like variances from over thirty Chapter 13 rules concerning
6 billing, notifications of discontinuance of service, rate changes, and billing disputes. Other
7 requested variances include several from the Cold Weather Rule in Chapter 13 including
8 notification and payment arrangements. Although Staff understands some of the rules'
9 requirements might add confusion to a pre-pay program, there are customer protections
10 embedded in these rules.

11 For example, Staff is aware that, during the recent heat wave and days with heat
12 warnings, Evergy disconnected customers even though there was a heat advisory and a heat
13 index forecast from 100 to 105 degrees. Of the two examples Staff was made aware of, because
14 the customers were on regular pay customers and not an AEP participant, a technician came out
15 and knocked on the door. One customer had money and was able to avoid being disconnected.
16 The other customer did not have money so they were disconnected. This example illustrates
17 how the Commission rules offer protection and allows the customers and the Company to avoid
18 disconnections that are not strictly necessary.. If the customers were on the AEP pilot, they both
19 may have been disconnected.

20 Evergy stated that there would be no disconnections during extreme weather
21 for AEP participants and when Staff asked Evergy to define extreme weather, they stated:
22

⁹ Case ER-2022-0129, Staff Data Request 0340.

1 *“Extreme weather periods are expected to be during Cold Weather Rule periods.*
2 *If there is an exception to that time period, based most likely on temperature,*
3 *Evergy would like the right to suspend Advance Easy Pay pilot disconnections*
4 *to maintain customer health, safety and overall satisfaction with the program.”¹⁰*

5 Evergy does not include the converse situation, but Staff believes that a heat index of
6 over 100 is also a situation in which health and safety is an issue. If a customer was
7 participating in the AEP, there would be no door knock and the customer would be
8 automatically disconnected.

9 Q. Does Staff have a concern with the possible added confusion the prepaid
10 program could cause for a customer that goes from prepaid to regular billing?

11 A. Yes. There are differing protocols between traditional billing and this pilot that
12 may add to a customer’s confusion including payments, customer service and different
13 protections to mention a few. Regarding payments, if a customer is an AEP participant, they
14 would have additional payment options including access to make cash payments at several
15 locations. If that customer switches back to regular pay, those same locations will no longer be
16 available. This will assuredly cause confusion and possible extra expense for a customer.
17 Concerning customer service, there is possibility that a customer will interact with a completely
18 different customer service support for AEP and that support would change under a regular pay
19 program. Also, an AEP participant would have a dedicated web tool and/or mobile app to see
20 real time payments and to manage their usage.¹¹ If that customer switches back to a regular
21 payment plan, the web tool and or mobile app a customer had become accustomed to will
22 change and which may cause confusion. Additionally, as mentioned prior in this testimony, the
23 protections that AEP participants have will be different from that of a regular bill pay customer.

¹⁰ Case ER-2022-0129, Staff Data Request 0334.

¹¹ Case ER-2022-0129, Staff Data Request 0289.

Rebuttal Testimony of
Scott J. Glasgow

1 Since Evergy has not provided examples of possible customer communications, Staff has
2 concerns on how all of these changes would be communicated to the customers.

3 Staff believes that Evergy can enhance a customer's awareness and understanding of
4 "real time" energy cost without AEP. Again, Evergy can offer additional payment options and
5 provide additional pay-off assistance without AEP. Staff would like to reiterate that electric
6 service is essential and therefor, billing, budget, and conservation programs must be carefully
7 examined as to avoid disconnection and deprivation of service as unintended outcomes..

8 Q. Does this conclude your Rebuttal Testimony?

9 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro's Request for Authority to) Case No. ER-2022-0129
Implement a General Rate Increase for Electric)
Service)

In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West's Request for) Case No. ER-2022-0130
Authority to Implement a General Rate)
Increase for Electric Service)

AFFIDAVIT OF SCOTT J. GLASGOW

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW SCOTT J. GLASGOW and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Scott J. Glasgow*; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.


SCOTT J. GLASGOW

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12th day of July, 2022.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public