

Exhibit No. 3

Exhibit No.:
Issue: Customer Response Plan
Witness: Charles A. Caisley
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Evergy Metro, Inc. and Evergy
Missouri West, Inc.
Case Nos.: EU-2020-0350
Date Testimony Prepared: September 4, 2020

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EU-2020-0350

SURREBUTTAL TESTIMONY

OF

CHARLES A. CAISLEY

ON BEHALF OF

**EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO
AND EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST**

Kansas City, Missouri

September 2020

SURREBUTTAL TESTIMONY

OF

CHARLES A. CAISLEY

Case No. EU-2020-0350

1 **Q: Please state your name and business address.**

2 A: My name is Charles A. Caisley. My business address is 1200 Main, Kansas City, Missouri
3 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy Metro, Inc. I serve as Senior Vice President Marketing and
6 Public Affairs, as well as Chief Customer Officer for Evergy, Inc., Evergy Metro, Inc. d/b/a
7 Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Kansas Metro (“Evergy
8 Kansas Metro”); Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy
9 Missouri West”); and Evergy Kansas Central, Inc. d/b/a/ Evergy Kansas Central (“Evergy
10 Kansas Central”).

11 **Q: On whose behalf are you testifying?**

12 A: I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West
13 (collectively, “Evergy” or “Company”).

14 **Q: What are your responsibilities?**

15 I am the executive responsible for leading the Customer and Community Solutions division
16 at Evergy. That division is focused on everything that directly interacts with and serves
17 customers and communities within Evergy’s service territories. Within that division, I am
18 responsible for small-scale distributed and renewable generation projects, energy products
19 and services platforms, energy efficiency and demand response portfolio, community and

1 customer strategy and communications, marketing, economic development, governmental
2 affairs and public relations functions. Many of these areas are responsible for direct
3 interaction with Evergy customers and stakeholders. These areas of direct customer
4 interaction include: online/electronic transactions and portals, social media, community
5 affairs, business customers, customer complaints, city franchises and regulated and non-
6 regulated products and services. In addition, the Company's customer service operations,
7 including our call centers as well as our billing and metering operations our also part of the
8 Customer and Community Solutions division. I am also responsible for leading a cross-
9 functional team of individuals with responsibility for our overall customer experience and
10 strategy. This includes customer research and segmentation as well as customer data
11 analytics.

12 **Q: Please describe your education, experience and employment history.**

13 A: I graduated from the University of Illinois in Urbana-Champaign with a bachelor's degree
14 in political science. I earned a Juris Doctorate degree from St. Louis University School of
15 Law and a Master of Business Administration from Washington University in St. Louis. I
16 joined KCP&L (now Evergy Metro) in 2007 as Director of Government Affairs. Prior to
17 joining Evergy, I was employed by the Missouri Energy Development Association
18 ("MEDA"), the Missouri Industry Association for Missouri investor-owned utilities, as
19 President. Prior to that I was employed as the Chief of Staff to the Speaker of the Missouri
20 House. In both positions, I dealt extensively with Missouri utility law and energy policy.

1 **Q: Have you previously testified in a proceeding at the Missouri Public Service**
2 **Commission (“Commission” or “PSC”) or before any other utility regulatory agency?**

3 A: Yes, I have testified before both the PSC and State Corporation Commission for the State
4 of Kansas (“KCC”).

5 **Q: What is the purpose of your testimony?**

6 A: The purpose of my testimony is in response to rebuttal testimony of Office of Public
7 Counsel (“OPC”) witness Dr. Geoff Marke and National Housing Trust (“NHT”) witness
8 Roger Colton who both comment on the importance of customer programs to assist
9 customers during the Coronavirus (“COVID-19”) pandemic, and more specifically suggest
10 changes to existing customer programs and expansion of additional customer programs
11 during the COVID-19 pandemic. While I do not intend to respond to all the specific
12 suggestions made by each witness for the reasons described by Evergy witness Ives in his
13 surrebuttal testimony, I would like to describe Evergy’s COVID-19 Customer Response
14 Plan that we have developed and communicated to assist customers during this pandemic.

15 **Q: In addition to your job responsibilities and experience, do you have other relevant**
16 **industry affiliations to your testimony?**

17 A: I am active in numerous industry collaboratives and associations such as the Edison
18 Electric Institute (“EEI”). Specific to the content of this testimony, I am the current co-
19 chair of EEI’s Customer Solutions Executive Advisory Committee and, most recently,
20 served as a co-chair of the EEI industry task force related to COVID-19 and customer
21 programs and response.

1 **Q: With this industry involvement, how would you describe Evergy's customer**
2 **responsiveness to COVID-19 and its impact on customers?**

3 A: I am confident in telling the Commission that Evergy has been an industry leader in our
4 response to customers' needs during the COVID-19 pandemic. As I will elaborate later,
5 we were one of the first U.S. utilities to announce a voluntary moratorium on disconnection
6 of service for non-payment. That moratorium included waving all charges, fees and
7 deposits typically associated with non-payment or late payment of bills. We have continued
8 to lead in development of alternative payment arrangement plans, including being one of
9 only a handful of investor-owned utilities in the United States that offered payment
10 programs offering bill credits for customers who made payment arrangements during the
11 pandemic. These actions in combination with our aggressive customer communication and
12 outreach, has reduced residential arrearages below pre-COVID-19 levels by the end of
13 August. In his surrebuttal testimony, Evergy witness Ives provides a view of our trend of
14 arrearages this year.

15 I do concur with Mr. Ives' conclusion that while this current trend is positive,
16 Evergy and our customers continue to face significant uncertainty as to the longer-term
17 customer and economic impact of COVID-19. Similarly, as Mr. Ives testifies, Evergy faces
18 an unknown, and as yet indeterminable risk, of collection due to the substantial number of
19 customers that are early in their 12-month payment arrangement plans. Should conditions
20 worsen for those customers and were they to default on their payment arrangements their
21 arrearage balances would again fold into our arrearage reporting and progress towards the
22 potential of becoming uncollectable balances subject to write-off. While we have been
23 very successful in giving customers multiple options to get on payment arrangements,

1 collecting millions of dollars sooner than would likely have occurred without those
2 programs and helped customers maintain electric service during this challenging time, the
3 length to completely pay off those receivables has continued to climb and is an increased
4 risk significantly above what we would consider normal levels.

5 **Q: Please describe what factors led Evergy to consider additional customer assistance**
6 **programs in response to the COVID-19 pandemic.**

7 A: As this Commission is well aware, the current COVID-19 pandemic is confronting the
8 world and the United States with a variety of fundamental and even unprecedented health,
9 economic and social challenges. The mandatory quarantine that was put into effect in parts
10 of Evergy's service territory caused lost hours, layoffs and salary reductions for certain
11 residential customers, making it difficult for many to pay utility bills. Certain business
12 customers lost sales and in many cases the ability to operate and generate revenue. The
13 most significant driving factor for growth in the number of customers in arrears was the
14 implementation of the disconnect moratorium on March 13th and the extension of the
15 moratorium through the middle of July. During that time, the number of customers in
16 arrears and the associated arrears balance grew steadily.

17 **Q: What steps did Evergy take in response to this growth in customer arrears?**

18 A: Evergy took immediate steps on a variety of fronts to mitigate the impacts of the COVID-
19 19 pandemic. For example, we aggressively and proactively communicated with
20 customers, elected officials and community stakeholders during this time. This has
21 included ongoing weekly meetings with state regulatory staffs and stakeholders as
22 described by OPC witness Dr. Marke. We were one of the first U.S. utilities to announce
23 a voluntary moratorium on disconnection of service to residential and small business

1 customers for non-payment as well as waive late payment fees. We targeted and expedited
2 the hiring and training of two classes of customer service representative to assist the
3 expected growth in customer contact center activity. We targeted and expedited AMI
4 automatic disconnect/reconnect meter swaps for customers with past due balances in
5 Evergy Metro and Evergy Missouri West. As the Commission is aware, we have not yet
6 sought authority to utilize the AMI meters to disconnect customers. The benefit of these
7 swaps at this time was that in the event we followed our traditional disconnect policy for
8 customers we can now utilize the AMI meters for reconnection without rolling a truck
9 which expedites customer reconnection after payment as we do not need to schedule a truck
10 roll to reconnect. It also helps to mitigate the cost associated with reconnecting customers.
11 It is win-win. Customers who make pay arrangements are reconnected much quicker,
12 especially given the volume of disconnections and payment arrangements we anticipated
13 coming out of the moratorium. And, it also reduces the cost of reconnecting customers.

14 **Q: Please describe the goals for Evergy offering additional COVID-19 Customer Relief**
15 **Programs.**

16 **A:** As described in Evergy's Application for Approval of COVID-19 customer programs
17 (Case No. EO-2020-0383), Evergy hopes to achieve the following goals:

- 18 i. Reducing the number of customers in arrears and the magnitude of
19 customer arrearages;
- 20 ii. Accelerating the ability to interact with customers to establish
21 payment plans;
- 22 iii. Reducing the number of phone calls made by customers to the
23 contact center and associated wait times;
- 24 iv. Reducing the number of customer disconnections for non-payment,
25 associated truck rolls and other collection activity costs;
- 26 v. Reducing ultimate consumer write-offs and bad debt expense; and
27 vi. Maintaining essential electric service to as many customers as
28 possible which assists in maintaining continuity of revenue streams

1 that supports the continued provision of safe and reliable electric
2 service.

3 **Q: Please describe the actions Evergy has taken to provide relief to customers during the**
4 **COVID-19 pandemic, including new COVID-19 Customer Relief Programs.**

5 A: In May, Evergy informed the Commission in Case Number EO-2020-0383 of its intent to
6 offer additional customer relief programs starting June 1 in addition to extending to mid-
7 July its existing moratorium on disconnection of service to residential and small business
8 customers for non-payment. Evergy is also waiving late and security deposits fees thru
9 December 31, 2020 and continues to evaluate the impacts of COVID-19 and considerations
10 for extending these practices beyond 2020. Evergy is also not currently reporting
11 nonpayment, late payments, or other debt or any other debt to credit bureaus and reporting
12 agencies.

13 For Larger C&I customers – upon request and discussion with the customer, on a
14 case-by case review of the circumstances, Evergy will offer payment flexibility through
15 extended payment plans to resolve arrearages by January 1, 2021; the extended payment
16 plan would be documented by written agreement between the customer and the Company.

17 For Small C&I customers, any agreement on an extended payment plan of up to
18 twelve months would be documented in the billing system based upon agreement between
19 the customer and Evergy’s customer contact center. Finally, Evergy offered several new
20 customer relief programs for residential customers.

1 **Q: Please describe the new residential COVID-19 Customer Relief Programs in more**
2 **detail.**

3 A: For residential customers, Evergy offered up a Pay Your Balance 1-Month Bill Credit, a
4 4-Month Payment Plan Bill Credit, a 12-Month Flexible Payment Plan, and a
5 **** [REDACTED] ****

6 The Pay Your Balance plan included credits as incentives to help customers get
7 current more quickly. The “one-month plan” was a percentage for customers who pay off
8 their balance due in one month to return to current status and would receive a bill credit in
9 the month after the balance has been paid off equal to 10% of the balance paid, up to \$100.

10 In addition, the “four-month plan” available to customers with balances due that
11 include at least \$250, provides an upfront credit of \$25 when the customer makes a 25%
12 installment in the first month of the agreement. If the customer complies with the
13 agreement by paying the remaining three installments plus the charges for service provided
14 in each of the subsequent three months, the customer will receive a credit in the month
15 after the customer completes the agreement of 50% of the final installment amount, up to
16 \$75 (equating to a total credit potential of \$100 for this program). Rather than the credits
17 being based on financial hardship, we offered these plans and credits to all residential
18 accounts that met the arrears criteria for the program.

19 Evergy also continues to offer the 12-month plan without an incentive credit but
20 has a lower monthly payment requirement for customers looking for that option. The plan
21 allows customers to reconnect with a payment of 1/12th of their balance with the remainder
22 spread over twelve months to assist them with staying on top of their balances. Evergy
23 allowed the customer to reset if a previous payment arrangement had been broken and

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1 allowed customers that had been disconnected previously to get on this payment plan.
2 Contrary to the assertion of OPC witness Dr. Marke¹ The Company intends to offer the 12-
3 month plan to assist customers in response to COVID-19 through at least the end of 2020
4 (and longer for residential customers pursuant to the terms of the cold weather rule).

5 ** [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED] **

15 These COVID-19 Customer Relief Programs described here are in addition to other
16 customer programs and assistance that Evergy regularly communicates with customers,
17 such as MEEIA energy efficiency programs, Low Income Weatherization Assistance
18 Program (“LIWAP”), state Low-income Home Energy Assistance Program (“LIHEAP”), as
19 well as provide general guidance on how and where to seek additional financial assistance.

¹ Marke Rebuttal Testimony at 18, ll. 8-9.

1 **Q: In your discussion of your job responsibilities you mention that you have**
2 **responsibility for customer research and segmentation as well as customer data**
3 **analytics. How did you utilize these areas in Evergy’s customer response plan?**

4 A: Evergy created a robust customer communication plan² using data analytics to inform and
5 optimize our plan by identifying customers who were the most at-risk and design COVID-
6 19 relief programs. We scored customers on economic risk profile and propensity for
7 disconnection, allowing us to tailor customer programs and contact strategy. We also
8 prioritized customers to receive proactive service representative calls allowing for nearly
9 20,000 human calls in 13 days with a daily success rate of 20-25 percent. Data analytics
10 also helped improve prioritizing, targeting, channel selection and timing of customer
11 communications. We used predictive modeling to create an aggressive and proactive omni-
12 channel customer contact campaign using email, mail, live phone calls, online and social
13 platforms in synchronization. Finally, accurate call volume forecasting using data analytics
14 allowed for service quality levels to be maintained throughout the pandemic up to this
15 point.

16 **Q: Has Evergy’s customer response plan reduced risk and provided tangible benefits to**
17 **customers?**

18 A: Without a doubt. There are numerous benefits and risk mitigation outcomes but a few
19 highlights across Evergy I would share:

- 20 ▪ nearly 9,000 customers have enrolled in pay arrangements for which they
21 received an incentive credit,
- 22 ▪ over 68,000 customers have been enrolled in pay arrangements allowing
23 them to avoid disconnection,

² See, *Evergy Missouri Metro and Evergy Missouri West Comments*, Exhibit 3, filed July 15, 2020; Docket No. AW-2020-0356.

- 1 ▪ achieved more than \$47.1 million in pay arrangements overall, nearly \$23
2 million more than pre-COVID-19 levels, and
- 3 ▪ despite time on billing related calls increasing on average from 6 to 9
4 minutes, customer service levels have been maintained.

5 While we are pleased with the results to date of our customer response plan, we know
6 Eversource and our customers still face many challenges ahead with COVID-19 and we are
7 committed to continue our industry-leading efforts in customer response.

8 **Q: Is Eversource providing any other additional support to help customers in communities
9 it serves recover from the economic impact of COVID-19?**

10 A: Yes. On May 19, 2020, Eversource announced that it had pledged \$2.2 million in contributions
11 to help agencies, communities and customers to respond to and recover from the COVID-
12 19 pandemic, bringing its 2020 planned community giving to more than \$8 million.

13 As part of this funding amount, Eversource announced Eversource Emergency Grants to
14 help non-profit agencies on the front lines that have remained open and are delivering
15 essential services to its communities. Eligible agencies align with Eversource’s focus areas of
16 community vitality and environmental leadership, have continued to provide most if not
17 all of their services and have had their costs increase and revenues reduced due to the
18 pandemic. Eversource has pledged \$400,000 and already has awarded grants to multiple
19 agencies.

20 Also as part of this funding, Eversource’s Hometown Economic Recovery Program
21 focuses on efforts in Eversource communities that will help build back our local economies.
22 Areas of eligibility include small business and entrepreneurial efforts, business attraction
23 and retention, and workforce training and development. Eversource will award grants to
24 nonprofit agencies totaling \$800,000.

1 Finally, Evergy announced that it is committing up to \$1,000,000 to Dollar Aide,
2 Project Deserve and other programs that assist customers with energy payments. During
3 times of need, Dollar-Aide helps eligible individuals and families by assisting with their
4 utility bills to avoid loss of service. The program has helped thousands of families in the
5 Evergy community. To make all tax-deductible donations go farther, Evergy matches
6 every dollar with an additional 50-cent energy credit donation. Last year, Evergy
7 customers, employees and the company match raised more than \$140,000 for this specific
8 program to help our community. As of July 31, 2020, \$108,000 has been raised this year.
9 Evergy anticipates that the total funds raised in 2020 will exceed the amount raised in 2019.

10 **Q: Do you have any final comments to share regarding Evergy's customer response**
11 **plan?**

12 A: Yes. First, we are very grateful for the support of the Office of Public Counsel and
13 Missouri PSC Regulatory Staff , in particular OPC Witness Dr. Marke, for their support
14 and input regarding those programs. Without their support and engagement from the very
15 beginning, we would not have had as robust a portfolio of new options for customers or
16 been successful in getting through an expedited regulatory process. This was one of those
17 times when all stakeholders worked together efficiently for the benefit of Evergy's
18 Missouri customers.

19 In addition, I would like to address the efficacy of the new programs we offered
20 that gave customers credits for either paying off their arrearage in one month or over four
21 months. It has been asserted in rebuttal testimony that those new programs were largely
22 ineffective. This was based on the fact that a relatively small number of customers enrolled
23 in them. We disagree. Nearly 12% of the customers who entered into payment

1 arrangements used one of the bill credit-based plans. Those accounts in aggregate
2 accounted for millions of dollars in arrears, reduced the risk of breaking payment
3 arrangements and reduced the overall time to eliminate the arrearage and therefore the
4 associated risk. It also means that nearly 9,000 customers over ten weeks received bill
5 credits during a time of significant financial duress. Finally, the collective effort put into
6 our COVID-19 customer response plan gave us many valuable insights, including:

- 7 ▪ Despite new programs with customer bill credits, most customers still wait
8 for a disconnection notice, whether a proactive call, postcard, email or bill,
9 to commit to a payment arrangement;
- 10 ▪ Multiple payment options lead to longer call times and some customer
11 confusion, but with better targeting, call times can be mitigated, and
12 customers appreciate options and bill credits;
- 13 ▪ System automation is critical. Many aspects of the COVID-19 customer
14 response plan were very manual and demonstrated the need for complete
15 system automation in metering, billing systems, authenticated online portals
16 and marketing platforms. These are all improvements that are planned for
17 the 2021-2023 timeframe;
- 18 ▪ While digital communication (email and text messages) as well as mailed
19 postcards were a more cost-effective and efficient way to connect with and
20 motivate customers the use of live, proactive outbound calls reduced
21 customer concerns regarding fraud and resulted in a significant amount of
22 payment arrangements; and

1 ▪ Business intelligence and data analytics were valuable tools in navigating
2 through our customer pandemic response and is particularly important to
3 designing solid customer programs and marketing; this is an area in which
4 we need to continue to improve.

5 **Q: Does this conclude your testimony?**

6 **A: Yes, it does.**

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Missouri Metro and)
Evergy Missouri West, Inc. d/b/a Evergy) No. EU-2020-0350
Missouri West for an Accounting Authority)
Order Allowing the Companies to Record and)
Preserve Costs Related to COVID-19 Expenses)

AFFIDAVIT OF CHARLES A. CAISLEY

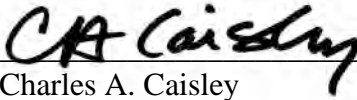
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Charles A. Caisley, being first duly sworn on his oath, states:

1. My name is Charles A. Caisley. I work in Kansas City, Missouri, and I am employed as Senior Vice President Marketing and Public Affairs, as well as Chief Customer Officer for Evergy, Inc., and Evergy Metro, Inc.

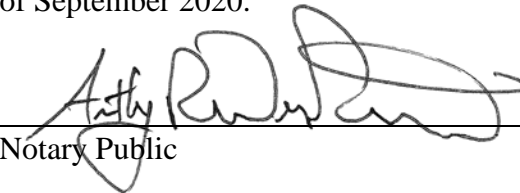
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of fourteen (14) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



Charles A. Caisley

Subscribed and sworn before me this 4th day of September 2020.



Notary Public

My commission expires: 4/26/2021

