

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION D/B/A/ AVISTA UTILITIES

Respondent.

DOCKETS UE-220053, UG-220054, and UE-210854 (Consolidated)

**CROSS EXAMINATION EXHIBIT OF KELLY E. MAGALSKY
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT KEM-__X

Avista's Response to Public Counsel's Data Request No. 355
on Customer Service Expense

September 14, 2022

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/07/2022
CASE NO.:	220053/54/210854	WITNESS:	Kelly Magalsky
REQUESTER:	Public Counsel	RESPONDER:	Matt Halloran
TYPE:	Data Request	DEPT:	Customer Facing Technology
REQUEST NO.:	PC – 355	TELEPHONE:	(509) 495-4170
		EMAIL:	matt.halloran@avistacorp.com

SUBJECT: Capital additions

REQUEST:

Refer to Rebuttal Testimony of Kelly E. Magalsky, Exh. KEM-3T at 14:3–8.

Please:

- a. Identify where in testimony and exhibits filed in this rate case the Company justified implementing a Customer Relationship Management system. Provide the amount of capital additions related to this system that the Company has included in each year 2021 to 2024 in this rate case, and the total cost of this system from inception to completion.
- b. Confirm that the CRM capital additions are included within CTS capital additions. If no, identify the program or project listed in Attachment A to Public Counsel Data Request No. 208.
- c. Explain what “a single 360-degree view of our customer” means or involves and how it justifies spending more than \$30 million in new IT systems between 2020 and 2024, as shown in the table provided in Public Counsel Data Request No. 234.

RESPONSE:

- a. The Company has been generally referring to the implementation of a Customer Relationship Management (CRM) system as synonymous with the implementation of ‘a 360-degree customer view.’ This work is being executed under the Customer Experience Platform (CXP) program. The testimony and exhibits filed within this rate case that include justification for implementing a Customer Relationship Management (CRM) via the CXP Program are as follows:
 - KEM-1T pages 10-28 with specific explanation related to the CXP program included on pages 21-28.
 - KEM-2 pages 10-18 includes the full text for the CXP business case narrative, which outlines the business problem, drivers, why the work is needed now, supplemental information and forecasted capital costs through 2026.
 - PC-DR-252, PC-DR-252 attachment A and PC-DR-252 Attachment B include additional capital expenditure information.

Summaries of capital additions related to the CXP program are included in the above referenced testimonies and exhibits for 2021-2024. The total costs of the CXP program from inception are included in PC-DR-252 attachment A and attachment B. Lastly, the CXP program related capital costs forecasted through 2026 are included on KEM-2 page 10, with further detail provided on pages 13-16.

- b. Implementation of the CRM system and associated costs are not included within the Customer Transactional Systems (CTS) capital additions. The CRM is being implemented under the Customer CXP identified in PC-DR-208 Attachment A, row 27.

- c. One of the primary benefits of a CRM system is the ability to bring more of the information that we have about our customers in disparate systems together to gain a clearer or “360-degree view” of the customer which will enable a more proactive and personalized customer experience. For example, an email sent from our corporate communications department should be able to be seen by a Customer Service Representative if that customer calls into our Call Center. That is one example of what the 360-degree view will provide. Ultimately, our goal is that more of the customer channels and interactions through those channels will be part of the CRM, thus enabling the ‘360-degree view.’ Another example is our recently launched chat functionality through the CRM software and a current project in process that will migrate our phone systems into the CRM as well. Building the 360-degree view is not a one-time project and will be a series of steps and projects to continue to bring more pieces of information together from previously disparate systems and locations.

The core justification for this work can be found in KEM-1T pages 10-28 and KEM-2 pages 10-18.