

**BEFORE THE WASHINGTON**

**UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

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DOCKETS UE-170033 & UG-170034 (*Consolidated*)

TESTIMONY IN RESPONSE TO PROPOSED SETTLEMENT

OF

BARBARA R. ALEXANDER (BRA-26T)

ON BEHALF OF

WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL,

PUBLIC COUNSEL UNIT

**SEPTEMBER 22, 2017**

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OF BARBARA R. ALEXANDER (BRA-26T)

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1 **I. INTRODUCTION / SUMMARY**

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

3 A: My name is Barbara R. Alexander. I am the sole member of Barbara Alexander  
4 Consulting, LLC. The address is 83 Wedgewood Drive, Winthrop, ME 04364.

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

6 A: I am testifying on behalf of the Public Counsel Unit of the Washington Attorney  
7 General's Office (Public Counsel).

8 **Q: Have you previously filed testimony in this proceeding?**

9 A: Yes. I filed Response Testimony on behalf of the Public Counsel on June 30, 2017.<sup>1</sup>

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

11 A: I am responding to the provision in the Multiparty Settlement Agreement and Stipulation  
12 ("Settlement") filed on September 15, 2017, that changes Puget Sound Energy's (PSE)  
13 call center performance standard. The Settlement proposes changing the Commission  
14 imposed call-answering standard to require PSE from answering 75 percent of calls  
15 within 30 seconds to 80 percent of the calls within 60 seconds – twice as long to answer  
16 only five percent more calls. Specifically, the Settlement includes: "PSE shall revise  
17 Service Quality Index (SQI) No. 5 to establish an annual benchmark of 80 percent of  
18 calls answered within 60 seconds. The calculation will not include Integrated Voice  
19 Response System (IVR) transactions."<sup>2</sup>

20 **Q: Please summarize your recommendation regarding changing PSE's call answering**  
21 **standard.**

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<sup>1</sup> See Exhibits BRA-1T through BRA-25.

<sup>2</sup> Multiparty Settlement Agreement and Stipulation ¶ 101.

1 A: I recommend that the Commission not allow the proposed provision in the Settlement  
2 that provides PSE twice as long as currently authorized to answer only five percent more  
3 calls. No party has submitted any evidence in this proceeding justifying why SQI No. 5  
4 needs changing.

5 My testimony summarizes the alternative reforms that I recommend the  
6 Commission adopt with regard to PSE's call center performance standard, all of which I  
7 recommended in my Response Testimony. These alternatives are the same as those  
8 presented in my Response Testimony. In addition, I identify issues and recommendations  
9 reflected in my Response Testimony that the Settlement ignores and I urge the  
10 Commission to address these contested issues in its final order in this proceeding.

11 **II. THE COMMISSION SHOULD NOT ALLOW THE WEAKENED CALL**  
12 **CENTER PERFORMANCE STANDARD PROPOSED IN THE SETTLEMENT**

13 **Q: Did PSE address this proposal to change the call center standard in its presentation**  
14 **of the Settlement or in its testimony submitted in support of the Settlement?**

15 A: No. The materials submitted by PSE on Friday, September 15, 2017, along with the  
16 Settlement terms did not include a detailed discussion of the rationale or need for the  
17 proposed change in the call answering performance standard.

18 **Q: Did Commission Staff address this proposal to change the call center standard in its**  
19 **discussion of and testimony submitted in support of the Settlement?**

20 A: Yes. The Testimony submitted by Mr. Thomas Schooley and Ms. Melissa Chessman on  
21 September 18, 2017, on behalf of Staff identifies the provision that would result in a

1 change in PSE's call answering performance standard.<sup>3</sup> However, except for the  
2 parenthetical phrase that acknowledges that the 80 percent call standard will be met over  
3 a "longer period," Staff's testimony in support of the Settlement does not discuss or  
4 analyze the implications of the change in the standard on actual call center performance  
5 or customer experience.

6 Additionally, Staff's Testimony identifies eliminating PSE's proposal to include  
7 the IVR calls in the calculation of the call answering performance standard as a "positive  
8 outcome."<sup>4</sup> To be clear, this "positive outcome" does not reflect the current standard or  
9 the proposed change in the standard endorsed by the Settlement, but rather the rejection  
10 of a different proposal PSE proposed in its direct testimony that would have further  
11 weakened the current call answering standard. Therefore, Staff has not provided any  
12 evidentiary basis for the need to change the current standard or the basis for rejecting the  
13 additional standards I recommend in my Response Testimony.

14 **Q: Why should the Commission not allow the proposed change to PSE's call answering**  
15 **standard?**

16 A: There are a number of reasons why the Commission should not allow this proposed  
17 change in the call answering performance standard:

- 18 a) The Commission should not endorse a weaker standard that will result in a  
19 deterioration of performance, particularly in light of PSE's recent failure to meet  
20 the required standard in 2014 and 2015.

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<sup>3</sup> Testimony of Thomas E. Schooley and Melissa C. Cheesman, Exh. TES-4T at 17.

<sup>4</sup> Schooley and Cheesman, Exh. TES-4T at 17:15.

- 1           b) PSE met the current standard in 2016 and if this proposed weaker standard is  
2           adopted, PSE would be incented to allow its call center performance to  
3           deteriorate.
- 4           c) No party in this proceeding proposed or justified the SQI No. 5 performance  
5           standard of answering 80 percent of the calls within 60 seconds in their testimony.
- 6           d) Furthermore, the Commission should not accept any change in the call  
7           performance standard without a thorough analysis of how this weaker standard  
8           will impact customer experience at the call center. For example, the Commission  
9           should be able to review the impact of this weaker standard on the percentage of  
10          calls that would be allowed to be answered in seconds compared to the current 30  
11          second standard. To date, Public Counsel has been unable to obtain any historical  
12          performance data that reflects the impact of the proposed change in the standard.<sup>5</sup>
- 13          e) There is no evidence in this record that justifies any change to calculating SQI  
14          No. 5. Prior to settlement negotiations, PSE's only recommended change to  
15          performance standards was to weaken the metric by including its IVR calls in the  
16          calculation of the percentage of calls answered by live operators at the call center.  
17          No other party endorsed this change. Both Staff and Public Counsel rejected this  
18          proposal in our response testimonies based on our respective analysis of the  
19          adverse impact this change would have on call center performance. The

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<sup>5</sup> Public Counsel issued Data Request No. 481 to PSE on September 15, 2017, to seek the following information: "Please provide the monthly and annual average performance of Puget Sound Energy's call center that shows the percentage of calls answered within 60 seconds for January 2013 through the most current month in 2017. Please provide this information in an electronic spreadsheet." PSE responded that it would not comply with this requested information via an email Communication with Public Counsel later on September 15, 2017.

1 Settlement specifically rejects this change, an act Staff characterizes as a “positive  
2 outcome.”

3 f) The proposed standard currently before the Commission does not address the  
4 concerns I raised in my Response Testimony with respect to the volatility in  
5 PSE’s actual monthly performance.<sup>6</sup> This volatility means that many customers  
6 experience poor performance when attempting to reach PSE’s customer service  
7 representatives even if the annual average complies with the standard. In  
8 addition, I documented PSE’s high abandonment rate,<sup>7</sup> a performance issue that  
9 should be added to the current call answering performance standards.

10 **Q: Do you agree with Staff’s assertion that eliminating PSE’s proposal to further**  
11 **weaken the current call answering performance standard by including the IVR calls**  
12 **in the calculation of the performance results is a “positive outcome?”**

13 A: Yes. I do agree with that characterization. However, I do not agree that rejecting PSE’s  
14 proposal in this regard is a sufficient reason to accept the weaker call-answering  
15 performance standard included in the Settlement. No other party endorsed this change to  
16 weaken the current call answering performance standard. Both Staff and Public Counsel  
17 strongly opposed PSE’s proposal to change the methodology for calculating the call  
18 answering performance standard.

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<sup>6</sup> Response Testimony of Barbara Alexander, Exhibit No. BRA-IT at 14-17, Tables 4, 5, 6, and 7 presenting PSE’s historical call answering performance by month for 2013, 2014, 2015, and 2016.

<sup>7</sup> *Id.* at 18-19 and Figure 1, PSE Call Abandonment Rate.

1           **III. THE COMMISSION SHOULD ADOPT REFORMS THAT STRENGTHEN**  
2           **PSE'S CALL ANSWERING PERFORMANCE**

3           **Q: Did your Response Testimony analyze PSE's call abandonment rate?**

4           A: Yes. I documented the volatility of the call abandonment rate that is not currently the  
5           subject of any performance standard. Upon reviewing the number of calls where PSE  
6           customers hang up before reaching a customer service representative, I recommended an  
7           annual performance standard of a minimum of a five percent call abandonment rate, a  
8           standard that PSE met in 2016.<sup>8</sup> I justified my proposals based on a presentation of  
9           PSE's actual call performance data. Additionally, this metric has been adopted or  
10          routinely met in other jurisdictions.

11          **Q: Please summarize your testimony concerning the need for reforms to the current**  
12          **call center performance standard.**

13          A: My testimony documented the poor call-center performance allowed under the current  
14          annual standard when viewed on a monthly basis. As such, I proposed that the current  
15          standard be reformed to meet a performance standard of answering 80 percent of calls  
16          received within 30 seconds. Many other utilities across the country meet a standard at  
17          this level. I also suggest that a monthly or quarterly standard could help mitigate erratic  
18          month-to-month performance exhibited under the current annual standard. I discuss both  
19          alternatives in my Response Testimony.

20                   As a result of my testimony and presentation of actual performance data that no  
21          party, including PSE, has found to be inaccurate, I recommend that the Commission  
22          reject the Parties' proposed weaker standard in the Settlement and adopt the reforms I

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<sup>8</sup> *Id.* at 19:7.



1 have proposed to ensure a reasonable performance level for PSE's call center. The need  
2 to improve PSE's call answering performance is particularly important in light of PSE's  
3 efforts to shift interactions with its customers from the call center to more automated  
4 transactions with IVR, on the web, and through other social media platforms.

5 **Q: What did you recommend with respect to the timing of the implementation of your**  
6 **reforms to improve PSE's call answering performance?**

7 A: I recommended that PSE be required to phase in these new standards over a two-three  
8 year period, thus avoiding any significant increase in incremental costs in a single year. I  
9 note that PSE met the call abandonment rate I recommended in 2016 and met my  
10 proposed call-answering standard of answering 80 percent of the calls within 30 seconds  
11 during five months in 2016.<sup>9</sup> For those reasons, I do not believe that PSE needs twice the  
12 time currently permitted to answer 80 percent of customer calls. Moreover, customers  
13 receive no benefit from the proposed change.

14 **IV. THE COMMISSION SHOULD ADDRESS ISSUES RELATING TO PSE'S**  
15 **GET TO ZERO INITIATIVE AND THE IVR SCRIPT**

16 **Q: Does the Settlement address contested issues relating to PSE implementing the Get**  
17 **to Zero Initiative and the defects in PSE's IVR script that you identified in your**  
18 **Response Testimony?**

19 A: No. Specifically, I recommended that the Commission make clear to PSE that its Get to  
20 Zero initiative is not a substitute for the need to ensure timely and high quality person-to-  
21 person communication options for its customers. My concerns, as reflected in my  
22 Response Testimony, were not to question PSE's intent to develop alternative modes of

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<sup>9</sup> *Id.* at 17, Table 7, 2016 Call Answering Metrics.

1 interactions with its customers and provide the means to conduct routine transactions in a  
2 more automated matter. Rather, I sought to obtain from PSE an affirmative commitment  
3 to ensure a high level of performance in customers' interactions with live call-service  
4 agents – an option many customers prefer. Furthermore, I expressed a desire for the  
5 Company to ensure that its Get to Zero initiative does not thwart or create obstacles to  
6 customers who seek assistance from customer service representatives.

7 When accompanied by PSE's proposal to weaken its call center performance  
8 standard and the lack of any commitment to improve the services to customers who seek  
9 assistance from a live agent, it was reasonable to raise these concerns to the Commission.  
10 Specifically, I recommend that the Commission order the following in its resolution of  
11 this rate case (all of which are reflected in my Response Testimony):

- 12 a) PSE should be required to inform customers of their right to speak with a  
13 customer service representative during the initial stages of a phone call as  
14 customers are connected to the IVR menu. Specifically, the Company should  
15 notify customers after the initial greeting and presentation of menu options and  
16 again as part of the initial menu options when the customer selects the menu  
17 option for billing and payment transactions. As I documented in my Response  
18 Testimony, residential customers should be given the same option in this regard  
19 as business customers are provided at an early part of the IVR menu.<sup>10</sup>

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<sup>10</sup> Alexander, Exh. BRA-IT at 11, n.7.

1           b) PSE's IVR menu includes the option to enter into a payment plan, but only with  
2           two options.<sup>11</sup> I recommend that the IVR system affirmatively inform customers  
3           of their right to explore the potential for a different payment plan based on their  
4           exigent circumstances. PSE's presentation of only these two payment plan  
5           options makes it appear that the customer would not be able to discuss or  
6           negotiate a more individualized response to their inability to pay the current bill in  
7           full. The IVR script should affirmatively inform customers that additional  
8           payment plans might be available to eligible customers.

9           **V. THE COMMISSION SHOULD REQUIRED PSE TO IMPROVE ITS**  
10           **CUSTOMER COMMUNICATIONS AND ENHANCE AUTOMATED MEANS TO**  
11           **IDENTIFY CUSTOMERS ELIGIBLE FOR OUTAGE GUARANTEE**  
12           **PAYMENTS**

13           **Q: Does the Settlement address the contested issues you raised in your Response**  
14           **Testimony concerning PSE's implementation of its outage guarantee programs?**

15           A: No. After my review of the Company's customer education communications and the  
16           criteria for the identification of customers eligible for an outage guarantee, I  
17           recommended:

- 18           a) PSE should more conspicuously inform customers that they must affirmatively  
19           report their outage to PSE in order to be eligible for the outage guarantee. This  
20           obligation for customer reporting of the outage triggers the PSE's system to  
21           calculate the number of hours until the customer's outage is restored and, thus,  
22           qualify for the guarantee payment.
- 23           b) PSE should be required to explore more automated means to identify customer

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<sup>11</sup> *Id.* at 12:12-22.

1                   outages so that customers can qualify for the outage guarantee without the  
2                   necessity for the customer to report their own outage. In this case, requiring the  
3                   Company to explore reasonable options with estimated costs and benefits and  
4                   report their evaluation of this requirement to the parties for review would be  
5                   satisfactory in terms of my proposal.

6       **Q:    Does this conclude your testimony at this time?**

7       A:    Yes, it does.