EXH. AW-5T DOCKETS UE-190529/UG-190530 UE-190274/UG-190275 2019 PSE GENERAL RATE CASE WITNESS: ANDREW WAPPLER

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

In the Matter of the Petition of

PUGET SOUND ENERGY

For an Order Authorizing Deferral Accounting and Ratemaking Treatment for Short-life IT/Technology Investment Docket UE-190529 Docket UG-190530(Consolidated)

Docket UE-190274 Docket UG-190275 (*Consolidated*)

PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF

ANDREW WAPPLER

ON BEHALF OF PUGET SOUND ENERGY

PUGET SOUND ENERGY

PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF ANDREW WAPPLER

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PUGET SOUND ENERGY

PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF ANDREW WAPPLER

I. **INTRODUCTION**

- Q. Are you the same Andrew Wappler who submitted prefiled direct testimony on June 20, 2019, on behalf of Puget Sound Energy ("PSE" or the "Company") in this proceeding?
- Yes. A.
- What is the purpose of your rebuttal testimony? Q.
- The purpose of my rebuttal testimony is to address the information and A. recommendations presented in the response testimony of Susan M. Baldwin, Exh. SMB-1CT, on behalf of Public Counsel and Shawn M. Collins, Exh. SMC-1T, on behalf of The Energy Project. Specifically, I will address several of Public Counsel's proposals regarding reporting, certain of PSE's service quality indices ("SQI"), creation of new working groups as well as address assertions related to the digital fluency of PSE customers and that certain of PSE's surveys are biased. I will also address proposals by The Energy Project to develop a Disconnection Reduction Plan, report on disconnection trends, increase community action partnership ("CAP") agency administrative fees for implementing PSE's low income program and require a "last visit" before disconnection for nonpayment.

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II. PSE SUPPORTS PUBLIC COUNSEL'S RECOMMENDATION TO REPORT ON THE IMPACT OF GET TO ZERO ON EFFORTS TO PREVENT DISCONNECTION FOR NON-PAYMENT

- Q. What reporting recommendations does Public Counsel make related the impact of Get to Zero ("GTZ") on disconnections for non-payment?
- A. Public Counsel, through its witness Ms. Baldwin, recommends that, in addition to continuing to report on disconnections for non-payment, PSE should also report on efforts to prevent disconnection such as participation in financial assistance programs, field collections and deferred payment arrangements and that this reporting should be conducted separately for digital and non-digital enrollments.¹

Q. Does PSE agree with this recommendation?

A. Yes. If the Commission would find the information helpful, PSE is supportive of reporting participation in financial assistance programs, field collection, and deferred payment arrangements, for both digital and non-digital enrollments. We believe this data would enable increased utilization of the presently under-utilized low-income energy assistance funding.

¹ Baldwin, Exh. SMB-1CT at 5:9-13.

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III. PSE REJECTS ALL OTHER PUBLIC COUNSEL RECOMMENDATIONS SPONSORED BY MS. BALDWIN

- Q. What other recommendations does Ms. Baldwin make on behalf of Public Counsel?
- A. In addition to those that are addressed in the Prefiled Rebuttal Testimony of
 Joshua J. Jacobs, Exh. JJJ-11T, PSE rejects all other recommendations made by
 Ms. Baldwin on behalf of Public Counsel, including:
 - recommending that the Commission consider modifying PSE's SQI
 metrics at some future time to measure service quality as customers
 increasingly use digital channels to transact with PSE;²
 - suggesting that it may be appropriate to design a new SQI metric that specifically assesses the quality of interactive voice response ("IVR") transactions;³
 - establishing a GTZ working group to determine how to best ensure that the IVR is customer-friendly;⁴
 - ensuring that GTZ benefits all customers, regardless of income, home
 ownership, and demographics;⁵

² *Id.* at 5:1-3.

³ *Id.* at 5:4-6.

⁴ *Id.* at 5:6-8.

⁵ *Id.* at 6:1-2.

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- directing PSE to coordinate with consumer stakeholder groups to ensure all customers adopt and benefit from self-help digital channels;⁶
- having PSE demonstrate that surveys submitted to the Commission and conducted by or on behalf of PSE are based on representative samples in terms of demographics and digital fluency;⁷
- recommending that the Commission revise the standard for PSE's SQI 10 from 92 to 100 percent;⁸
- requiring the Company to provide an annual call-reason dashboard to
 Commission Staff and Public Counsel;⁹
- recommending the Commission evaluate PSE customer IVR experience;¹⁰
- recommending the Commission monitor PSE's implementation of GTZ;¹¹
- requiring the Company to educate its customer base and facilitate a transition to digital platforms;¹²
- requiring the Company to facilitate a transition to digital platforms with agencies and institutions that serve the less digitally fluent, economically vulnerable and those with disabilities; ¹³ and

⁶ *Id.* at 5:15-17.

⁷ *Id.* at 6:3-8.

⁸ Id. at 38:2-7

⁹ *Id.* at 15:6-9.

¹⁰ *Id.* at 15:17-20.

¹¹ *Id.* at 26:11-12.

¹² *Id.* at 26:13-16.

¹³ *Id*.

- requiring PSE to fully involve GTZ advisory committees to mitigate risk;¹⁴
- recommending the GTZ working group consider a call-abandonment rate
 SQI,¹⁵
- requiring the Company to report an average call-answering speed, ¹⁶
- recommending the Commission explore whether the use of web-based customer satisfaction surveys under-represents customers lacking digital fluency,¹⁷
- recommending the Commission expand customer service metrics to include measures related to customer bill payment assistance,¹⁸ and
- recommending the Commission direct the Company to provide copies of all telephone scripts and training materials and to provide annual updates if these materials are changed or updated.¹⁹
- Q. Why does PSE reject Public Counsel's recommendation to update PSE's SQIs to reflect higher digital usage in the future?
- A. As noted by Public Counsel, the Company, like most service providers in both the private and government sectors, is responding to customer demand for the option of digital interactions as a normal course of everyday life in 2020. The decline in

¹⁴ *Id.* at 26:17.

¹⁵ *Id.* at 37:11-13.

¹⁶ *Id.* at 37:13-14.

¹⁷ *Id.* at 43:1-9.

¹⁸ *Id.* at 45:3-4.

¹⁹ *Id.* at 45:4-8.

live telephone call volumes and greater usage of the Company's digital service options, including web, mobile and IVR, are clear evidence customers find these tools satisfying. Public Counsel has failed to provide any specific basis, evidence or data supporting this recommendation. The recommendation would be burdensome to the Company and would require Customer-funded resources to be developed and implemented speculatively.

- Q. Why does PSE reject Public Counsel's recommendation to design a new SQI metric that assesses the quality of IVR transactions?
- A. Public Counsel noted the marked gains in IVR utilization.²⁰ This data indicates customers are increasingly choosing this mode and find it satisfying. We believe a new SQI should only be implemented when there are indications of a lag or service deficiency, circumstances for which Public Counsel fails to provide any specific data or evidence.
- Q. Why does PSE reject Public Counsel's recommendation to create a GTZ work group?
- A. The issues Public Counsel suggests be addressed by this new group, such as digital fluency, English proficiency and outreach, fall better fall under the purview of the existing Low-Income Advisory Group, whose role could be expanded to encompass these issues in relation to their impact on disadvantaged

²⁰ *Id.* at 8:9-9:3.

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21 22 customers. A new and separate effort would not be a wise use of customer and Company resources.

- Q. Why do you reject Public Counsel's recommendation to ensure that GTZ benefits all customers, regardless of income, home ownership and demographics?
- Public Counsel's recommendation fails to understand that the automation and A. self-service improvements enabled by GTZ benefit all customers, whether they are digital-first or prefer to utilize traditional telephone interaction with a customer service representative. With the deployment of GTZ-related technologies, customer service representatives now have greater access to more accurate, timely and complete information when providing voice service to callers in a wide-range of common interactions, including billing and payment, payment arrangements, service stop, start or transfer, outage information and more. Public Counsel makes an illogical and unfounded assertion that the digital foundation implemented by the Company impacts only online, web and mobile service platforms when it also provides customer service benefits to live agent telephone services. Mr. Jacobs discusses this further in his rebuttal testimony, Exh. JJJ-11T.
- Q. Why does PSE reject Public Counsel's recommendation for PSE to coordinate with consumer stakeholder groups to ensure all customers adopt and benefit from self-help digital channels?
- As noted above, Public Counsel makes an artificial and unsupported separation A. between digital self-service and overall customer service experience. The

technologies that enable automation have also enabled the improvement of traditional telephone interaction. Moreover, as discussed by Mr. Jacobs, Public Counsel's use of the percentage of PSE customers who have actively used an online account in the past as a proxy for those with digital access today is flawed.

- Q. Why does PSE reject Public Counsel's recommendation that PSE demonstrate surveys submitted to the Commission and conducted by or on behalf of PSE are based on representative samples in terms of demographics and digital fluency?
- A. The survey providers used by the Company are well-regarded, nationally-recognized experts in their fields, whose reputations and businesses are based on their ability to provide accurate, inclusive data. They are well aware of, and utilize, the best practices currently available in measuring customer satisfaction and experience. To fail to do so would put their firms' credibility and future viability at risk. Moreover, these surveys are only one of many vehicles used to obtain PSE customer experience data and feedback, with many other tools, including the existing SQI metrics, Low-Income Advisory group, Commission customer complaint mechanisms and general rate case public comment hearings, being among them.
- Q. Why does PSE reject Public Counsel's recommendation to revise SQI 10?
- A. The Service Appointments Kept benchmark (SQI 10) was set to 92 percent as part of the Second Supplemental Stipulation in the order merging Puget Sound Power & Light Company and Washington Natural Gas Company in 1997, in order to

prevent the degradation of customer service following the merger. PSE considers the target of 92 percent to be a minimum threshold, and as shown by past performance, has exceeded this threshold by achieving measurements for SQI 10 of 100 percent in the last five years. Therefore, PSE sees no reason to change the minimum threshold at this time. Additionally, the \$50 service guarantee still remains in place for any individual customers that experience missed appointments.

Q. Why does PSE reject Public Counsel's recommendation that PSE provide an annual call-reason dashboard?

- A. The existing customer complaint mechanism provides a means for tracking whether any particular area of customer service merits increased Company or Commission focus. Public Counsel has failed to provide any specific basis, evidence or data supporting this recommendation, which would be burdensome to the Company and would require customer-funded resources to be developed and implemented.
- Q. Why does PSE reject Public Counsel's recommendation that the Commission evaluate the PSE IVR experience?
- A. Public Counsel offered no evidence or documentation of customer concerns with the IVR, and, in fact, cited statistics highlighting the increasing customer adoption of PSE's IVR in its testimony.²¹ Any further evaluation without meaningful

²¹ *Id.* at 8:9-9:3.

evidence of the merits or potential benefits of such a process to the customer would be purely speculative and unduly burden the Company and its customers.

- Q. Why does PSE reject Public Counsel's recommendation that the Commission monitor PSE's implementation of GTZ?
- A. The existing general rate case proceedings, Service SQI metrics, and annual reporting and customer complaint mechanisms, all provide adequate means of oversight of the customer experience. Public Counsel has failed to support this recommendation, which would also be burdensome to develop and implement.
- Q. Why does PSE reject Public Counsel's recommendation that PSE be required to educate its customer base and facilitate a transition to digital platforms?
- A. Because the transition to digital platforms is already occurring. As explained by Mr. Jacobs in his rebuttal testimony, most PSE customers are utilizing PSE's digital channels.²² The transition to digital platforms has been happening for years and the efforts by the Company are in response to well-established, well-known and widespread consumer and customer trends toward adoption of digital technologies. Further, as noted previously, traditional customer service channels, such as the telephone, remain in place for those who prefer and have benefitted from the deployment of a more robust and modern technology platform.

²² Jacobs, Exh. JJJ-11T at 6:16-10:12.

- Q. Ms. Baldwin states that PSE has closed its customer service centers.²³ Why did PSE recently close its local walk-in offices?
- A. The recent decision to close the seven local walk-in offices was made based on the declining usage of these facilities by PSE customers. More than 100 third-party walk-in payment facilities, including major grocery and retail outlets, such as Walmart and Fred Meyer stores, remain available to customers across PSE's service area.
- Q. Why does PSE reject Public Counsel's recommendation that the Commission require a transition plan to digital platforms for agencies and institutions that serve the less digitally fluent, economically vulnerable and those with disabilities?
- A. Public Counsel's recommendation is not timely. The Company's EnergyHelp digital portal was deployed in 2019 following several years of planning and development in conjunction with area community action agencies and the Commission. In addition, as cited previously, traditional telephone service remains for those customers who prefer it or find it easier to access.
- Q. Why does PSE reject Public Counsel's recommendation that PSE fully involve advisory committees to mitigate GTZ risk?
- A. Public Counsel's recommendation is overly broad and ignores the many existing means for customer, community and Commission oversight and input. For further

²³ Baldwin, Exh. SMB-1CT at 8:5-6.

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examination of the financial issues relevant to this recommendation, please see the Mr. Jacobs' rebuttal testimony, Exh. JJJ-11T.

- Why does PSE reject Public Counsel's recommendation that a GTZ advisory Q. group consider a call-abandonment rate SQI?
- Public Counsel's recommendation is not supported by data or evidence related to A. call-abandonment rates and any correlation they may or may not have with customer satisfaction. Moreover, the Company already measures the timeliness of call answering in SQI 5. Beyond that, PSE has little to no control over the infinite possibilities as to why a customer might choose to abandon a call, which could, for example, include a customer not having their account information at hand or a customer deciding to choose mobile or web self-service instead of a voice call.
- Q. Why does PSE reject Public Counsel's recommendation the Company be required to report an average call answering speed?
- The proposal is redundant to the existing SQI 5 and is not supported by data or A. evidence related to how an additional metric would increase customer satisfaction. It is important to note that all metrics require time, money and resources to implement.

- Q. Why does PSE reject Public Counsel's recommendation that the Commission explore whether web-based customer satisfaction surveys under-represent customers lacking digital fluency?
- A. Public Counsel's recommendation ignores the existing SQI 5 and SQI 6 metrics, which provide data regarding the speed at which service is provided to customers using the telephone and their satisfaction with that experience. This recommendation is not supported by data or evidence and is overly burdensome to our customers and the Company.
- Q. Why does PSE reject Public Counsel's recommendation the Commission expand customer service metrics related to customer bill payment assistance?
- A. Public Counsel provides no evidence or data that would warrant expansion of the existing SQI framework. Further, matters related to customer bill assistance, payment plans and programs to aid disadvantaged customers are under the purview of the Low-Income Advisory Group.
- Q. Why does PSE reject Public Counsel's recommendation the Company provide copies of all telephone scripts and training materials and to provide annual updates if those materials are changed or updated?
- A. The effectiveness and helpfulness of the Company's customer service representatives is already measured by the existing SQI 6, in which it is worth noting that 94 percent of PSE customers reported a satisfactory customer

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experience, as cited by Public Counsel.²⁴ Public Counsel provided no evidence of what problem this additional and overly burdensome recommendation was intended to solve.

IV. PSE'S RESPONSE TO RECOMMENDATIONS BY THE ENERGY PROJECT

Q. Please summarize the recommendations from The Energy Project that you intend to address in your testimony.

Among others, The Energy Project provides the following recommendations:

- Direct PSE to develop a Disconnection Reduction Plan in consultation with its
 Low-Income Advisory Group and file the plan with the Commission by one
 year after the final order in this docket,²⁵
- Require PSE to file a detailed annual report largely related to service disconnections,²⁶
- Increase the funding for Community Action Partnership ("CAP")
 organizations to administer PSE's Home Energy Lifeline Program ("HELP")
 from 20 to 30 percent of program costs,²⁷ and
- Require PSE to continue the "last knock" practice of premise visits by appropriate personnel, such as customer service representatives, at the time of

²⁴ Baldwin, Exh. SMB-1CT at 39, Table 10.

²⁵ Collins, Exh. SMC-1T at 23:8-11.

²⁶ *Id.* at 22:9-23:7.

²⁷ *Id.* at 9:3-10.

remote disconnection until the proposed Disconnection Reduction Plan is filed and approved.²⁸

Q. Does PSE agree with any of the recommendations provided by The Energy Project?

A. Yes. PSE supports The Energy Project's goal of reducing or eliminating disconnection of service. PSE views disconnection of service as the last resort and to the extent we can eliminate the need to disconnect a customer for nonpayment, it is in the best interest of all parties. However, sometimes disconnections for nonpayment are necessary in order to minimize the cost burden or exposure to the Company and to ensure equity for all customers when PSE has been unable to collect for services provided to a customer. As a result, PSE supports the first two recommendations above, which include: (1) development of a Disconnection Reduction Plan in consultation with its Low-Income Advisory Group and to file the plan with the Commission by one year after the final order in this docket; and (2) filing an annual report with the information requested by The Energy Project in order to properly articulate and monitor the disconnection trends on a yearly basis.

²⁸ *Id.* at 23:13-17.

Q. Is The Energy Project's desire to have 30 percent of agency administration fees covered instead of the current value of 20 percent justified?

- A. No. This is a significant increase in the funding of administrative costs for the agencies administering the HELP program. The request for this significant increase is unjustified and arbitrary. Documentation and analysis of CAP administrative costs and efficiency opportunities are needed before increasing the funds that go towards administration of the low-income programs.
- Q. What do you propose?
- A. PSE's recommends an analysis of CAP administrative costs be made outside this rate case and through the contracting process.
- Q. Does PSE agree that it should continue "last knock" premise visits in connection with remote disconnection until a Disconnection Reduction Plan is filled and approved?
- A. No. PSE disagrees with establishing a blanket "last knock" requirement when disconnecting a customer for nonpayment. PSE understands that the ongoing rulemaking in Docket U-180525 will define the requirements for AMI disconnect/reconnect process, a view that is also shared by Public Counsel.²⁹

 Moreover, PSE believes that "door knocking" is not the only communication method to prevent disconnections and that a variety of communication channels (i.e., multiple mailed notices, outbound calling, text messaging, emails and billing

²⁹ Baldwin, Exh. SMB-1CT at 27:10-15.

inserts) already exist and are equally effective, safer and more convenient in providing customers with opportunities to avoid disconnection.

Q. What is your understanding of the current rulemaking process for remote disconnect/reconnect?

A. The AMI Rulemaking process is underway in Docket U-180525. This process should be the forum for determining guidelines for remote connect/disconnect procedures in Washington State. The current draft rules address timing for executing remote commands, what premises are eligible for remote disconnection versus those that will continue to receive a field visit and the notices required. Therefore, discussions on these items should occur within the AMI Rulemaking rather than this testimony.

Q. Why does PSE disconnect customers for non-payment?

A. PSE disconnects customers for non-payment per WAC 480-100-128. When a customer is delinquent on payments for regulated service and does not meet the requirements in the above referenced WAC for medical or agreed upon payment arrangements, PSE will disconnect after issuing the proper notices. Disconnection prevents outstanding charges from growing and utilizes any deposit being held to cover as much of the balance as possible. Under the "Prior Obligation" rule PSE must move this debt to a closed account, where some or all of the dollars may get written off as bad debt. Increased bad debt write offs impact all customers. Absent the ability to disconnect for nonpayment when customers are delinquent, PSE has

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no recourse to prevent balances from continuing to increase. This in turn does not help the customer as the ability to pay becomes more and more difficult for them.

Q. How does PSE disconnect customers today?

Because of PSE's legacy meter technology, the current process to disconnect A. customers requires a Customer Field Representative to physically visit the premise to disconnect service. While at the premise, if payment is not received the CFR will disconnect the meter. The process to do this is to pull the meter from the socket and install disconnect sleeves, and then return the meter to the socket. While most site visits are uneventful, some have resulted in safety concerns for the Customer Field Representatives, including encountering threatening customers or potentially dangerous access issues such as animals. With the extensive number of channels which customers can use to pay PSE today, the site visits are not as useful. Customers can pay on the Web, the Mobile App, IVR, with a telephone customer service representative or at more than 100 walk-in locations.

Q. How will the disconnect process change as a result of GTZ?

When PSE implements remote connect/disconnect for non-payment, the process I A. just outlined will change. Customers will continue to receive all required notices, as well as some additional courtesy reminders, informing them that they have a delinquent account and may be subject to disconnection. Each notice will include information about the various payment channels and options for getting energy bill assistance or making payment arrangements as needed. If the customer is

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eligible for an AMI remote disconnect, they will be informed that the power will be shut off without a physical visit from a Customer Field Representative. If the customer is not eligible for remote per WAC 480-100-128, then PSE will send a Customer Field Representative to the premise for disconnection. In the instances where PSE is sending a Customer Field Representative to disconnect/reconnect, the customer will be charged a fee of per the tariff. In the instances where a customer is remotely disconnected/reconnected, the customer will not be charged a fee given the automation under the current tariff.

- Q. Do you agree with The Energy Project's assertion that PSE is reducing 50 percent of disconnects through site visits?
- A. No. We believe greater deployment, awareness and utilization of self-service payment options, including payment arrangements and assistance via the EnergyHelp portal, are a more effective strategy for reducing disconnections than reliance on "last knock" field visits.

V. CONCLUSION

- Q. Does this conclude your prefiled rebuttal testimony?
- A. Yes, it does.