Exhibit No. 119

Exhibit No.:	
Issue:	*Quality of Service*
Witness:	*Lisa A. Kremer*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
Case No.:	*ER-2016-0156*
Date Testimony Prepared:	*August 15, 2016*

MISSOURI PUBLIC SERVICE COMMISSION

CONSUMER AND MANAGEMENT ANALYSIS UNIT

COMMISSION STAFF DIVISION

FILED
SEP 28 2016
Missouri Public
Service Commission

REBUTTAL TESTIMONY

OF

LISA A. KREMER

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. ER-2016-0156

Jefferson City, Missouri
August 2016

** **Denotes Highly Confidential Information** **

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REBUTTAL TESTIMONY

OF

LISA A. KREMER

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. ER-2016-0156

Q. Please state your name and business address.

A. Lisa A. Kremer, P.O. Box 360, Jefferson City, Missouri 65102.

Q. By whom are you employed and in what capacity?

A. I am the Manager of the Consumer and Management Analysis Unit ("Unit") of the Missouri Public Service Commission ("Commission" or "PSC").

Q. Describe your educational and professional background.

A. I graduated from Lincoln University in Jefferson City, Missouri with a Bachelor of Science Degree in Public Administration, and with a Master's Degree in Business Administration. I have successfully passed the Certified Internal Auditor ("CIA") examination and am a CIA.

I have been employed for approximately 29 years by the Commission as a Utility Management Analyst I, II and III and also as the Manager of the Consumer and Management Analysis Unit, my current position. I assumed my current position in the year 2000. Prior to working for the Commission, I was employed by Lincoln University for approximately two and one-half years as an institutional researcher.

Specifically since my employment with the PSC, I have participated in the analysis of or had oversight responsibilities for reviews of numerous customer service processes and/or conducted comprehensive customer service reviews at all the large regulated

electric, natural gas and water utilities including: Associated Natural Gas Company, Union Electric Company d/b/a AmerenUE Electric and Gas Companies, Empire District Electric Company, Missouri Gas Energy, Atmos Energy Corporation, Kansas City Power & Light Company ("KCPL"), KCP&L Greater Missouri Operations Company ("GMO" or "Company") and the predecessor company Aquila, Inc., Laclede Gas Company and Missouri American Water Company. I have filed service quality testimony that included analysis of various service quality matters in a number of Commission proceedings involving Missouri regulated utilities. At the direction of the Commission starting in 2001, the Unit began reviewing the customer service practices of small water and sewer utilities when they request rate increases. The Unit has performed numerous reviews of this type since that time.

The Unit has also performed management audits of public utilities operating within the state of Missouri under the jurisdiction of the Commission. I have served as Project Manager or in support roles on a number of these projects during my years of employment at the Commission, as well as participated in other types of utility investigation and review projects. These reviews were conducted of electric, natural gas, telecommunications, water and sewer companies operating within the state of Missouri.

The attached Schedule LAK-r1 is a listing of those cases in which I have filed testimony before the Commission.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to respond to and provide supplemental information, observations and an additional perspective to the Commission regarding some of the statements made and material provided in the Direct Testimony of Company witness

Charles A. Caisley. Much of Mr. Caisley's testimony addresses only KCPL but Staff understands his testimony to be referring to both KCPL and GMO.

EXECUTIVE SUMMARY

Q. Please summarize your rebuttal testimony.

A. My testimony will address the topics of customer satisfaction and customer surveys raised in Mr. Caisley's Direct Testimony as well as provide additional information regarding the Better Business Bureau ("BBB") complaints he presents.

I will further provide a Staff perspective regarding GMO's categorization of customer complaints as ** _____ ** and ** _____ _____[1] **. My rebuttal testimony will address the important question of "who pays" for the customer initiatives described in Mr. Caisley's Direct Testimony and provide some context for customer service that Staff is aware of at other Missouri regulated utilities. Primarily, the purpose of my testimony is to not necessarily dispute what Mr. Caisley has said but to provide "the rest of the story" that was absent in his Direct Testimony.

Q. What does Mr. Caisley say about customer satisfaction and KCPL and GMO's customer surveys in his Direct Testimony?

A. Mr. Caisley's Direct Testimony at page 6, line 6, provides information concerning GMO's customer service strategy which includes customer surveys such as the "scientific surveys" conducted by Wilson Perkins Allen ("WPA"). Mr. Caisley indicates WPA's research is used by GMO to understand "customer perceptions of KCP&L at an aggregate level as well as to identify subgroups of customers where KCP&L is not

[1] Caisley Direct, Case No. ER-2016-0156, Highly Confidential Schedule CAC-1 page 10.

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performing as well as [GMO] would like."[2] Mr. Caisley's testimony further addresses GMO's use of JD Power and Associates as well as other companies to determine customer satisfaction with GMO and KCPL.

Q. Do other Missouri regulated utility companies participate in customer surveys and measure customer satisfaction?

A. Yes. It is Staff's understanding that many if not all of the large Missouri regulated utility companies engage in a variety of surveys used to determine, measure and monitor customer satisfaction. Utilities also use focus groups to gain an understanding of customer perceptions of any number of company processes.

Q. Mr. Caisley's Direct Testimony addresses KCPL's fallen rank relative to its peer utilities in the last couple of years[3] regarding JD Power surveys. He further indicates that KCPL scored below the median, tenth (10th) place out of sixteen (16) large Midwestern utilities, but that KCPL has seen improvement in its ranking during the last two quarters. Do you have any observations or comments regarding Mr. Caisley's Direct Testimony concerning KCPL's downward movement in the JD Power rankings?

A. Yes. Other than the use of established and accepted performance metrics, the placement of KCPL and GMO in the continuum of JD Power utility survey results does not necessarily measure the actual service a Missouri regulated customer is receiving from his/her utility and Staff does not place particular emphasis on KCPL or GMO's ranking in JD Power surveys. The rise or fall of KCPL and GMO's JD Power survey position may have little to do with individual company performance but instead may hinge upon customer perceptions of

[2] Caisley Direct, Case No. ER-2016-0156, p. 6, ls. 8-11.
[3] Caisley Direct, Case No. ER-2016-0156, p. 13, l. 18.

other utilities by which KCPL and GMO are being compared including other Missouri regulated utilities.

JD Power survey rankings that are continually low or in a declining state may prompt some Staff inquiry, but Staff is much more focused on and concerned with utilities' actual objective service quality performance as measured against itself over time as demonstrated in a number of objective performance metrics (call center, reliability, meter reading accuracy, billing accuracy, complaints etc.). Further, Staff has greater concern and interest in ensuring that the regulated utilities are in compliance with Commission rules and their own tariffs approved by the Commission. Additionally, customer complaint data, public comments and customer testimony at local public hearings serves to demonstrate and may better reveal the company's service quality performance than a JD Power survey. Company "outreach" efforts also provide valuable indications of service to customers.

Surveys that Staff finds of greater value, beyond JD Power, are those surveys developed to measure an individual Missouri-regulated utility's performance against itself over time. Such surveys may provide a unique, specific and targeted utility benchmark by which individual utility performance can be repeatedly, consistently and objectively measured. An example would be a company's individual measurement of its own call center performance including the customer experience with its call center, ability by the center to respond in a timely manner to customer questions, etc.

Q. Is Staff concerned about GMO's provision of service to Missouri customers based upon its JD Power position decline?

A. Not at this time.

Q. Is Staff concerned about any of the survey information presented by Mr. Caisley in his Direct Testimony including the surveys themselves?

A. Yes. Mr. Caisley's Direct Testimony addresses the WPA surveys used by the KCPL and GMO "to understand customer perceptions of KCPL at an aggregate level as well as to identify subgroups of customers where KCPL is not performing as well as we would like."[4] He noted in his Direct Testimony that WPA is a "nationally known research firm that conducts consumer research for a number of energy companies, businesses and political candidates."[5]

Staff reviewed a number of the WPA quarterly telephone customer surveys that were provided for a ten (10) year period in response to the Office of the Public Counsel's ("OPC") Data Request No. 2064. Staff was struck by what appears to be ** _____ [6] ** survey questions interspersed with questions regarding regulated utility operations. In most recent surveys, there were only two questions inquiring as to what ** _____ ** the customer most aligned himself/herself with as well as whether he/she considered himself/herself ** _____ . ** In a less recent time, the questions went much farther, asking which specific ** _____ _____. ** To my memory, Staff has not observed these types of questions asked by other Missouri regulated utilities of their Missouri customers.

Staff inquired of the Company in Data Request 426[7] how this information helps KCPL and GMO ** _____

[4] Caisley Direct, Case No. ER-2016-0156, p. 6, ls. 8-11.
[5] *Id.* at 6, ls. 7-8.
[6] OPC Highly Confidential Data Request 2064.
[7] Staff Data Request No. 0426 was submitted as based upon the Company's Highly Confidential response to OPC's Data Request No. 2064.

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_____ . ** Staff further inquired whether such information was **_____ _____ . ** Highly Confidential Data Request No. 0426 and GMO's response are provided in Schedule LAK-r2.

GMO's response did not indicate ** _____ _____ ** but did indicate that it is not provided to anyone outside of KCPL. The response to Staff Data Request 426 further indicated that WPA Research ** ____ _____ _____ **

GMO indicated that all customer surveys are included in customer rates and paid for by its Missouri regulated utility customers.[8] Staff may pursue further inquiry with GMO and KCPL regarding the purpose and appropriateness of such ** _____ ** questions being posed to and paid for by regulated utility customers.

Q. What did Mr. Caisley's Direct Testimony say regarding complaints received by the BBB?

A. Mr. Caisley said that previously the Company did not respond to its customer complaints received by the BBB but instead referred those complaints to the Commission. However, over the past 18 months, the Company has reviewed and resolved all BBB complaints and now has "the top rating given by the BBB."[9]

Q. Can you provide any additional information on the BBB complaints?

A. Yes. Staff discovered KCPL's lack of response to the BBB complaints during the course of its investigation in KCPL's relationship with Allconnect, Inc., addressed in

[8] Company response to Staff Data Request No. 0252, Case No. ER-2016-0156.
[9] Caisley Direct, Case No. ER-2016-0156, p. 10, ls. 19-20.

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File Nos. EO-2014-0189 and EC-2015-0309 and brought that information to KCPL's attention. At that time and because KCPL had failed to address the BBB complaints, KCPL had an "F" rating by the BBB (Schedule LAK-r3). KCPL's rating is currently an "A+" but it is important to understand exactly what that means.

The A+ rating means that KCPL has "responded" to the complaints and is not indicative of anything more or less. Seventy-five (75) complaints were closed with the BBB in the last three years with 25 of those 75 complaints being closed in the last 12 months according to the BBB website. The information on the BBB web-site indicates that in 9 of those 75 complaints "the complainant verified the issue was resolved to their satisfaction." The BBB web-site went on to say that 66 of those 75 complaints (or 88%) were complaints where the Business (KCPL) "addressed the issues within the complaint, but the consumer did not accept the response, or BBB has not heard back from the consumer as to their satisfaction" (Schedule LAK-r4). Staff had additional conversation with Dustin Johnson of the BBB on August 10, 2016 to verify Staff's understanding regarding how the BBB ratings are established.

As noted in his Direct Testimony, with regard to the BBB complaints that went unanswered by KCPL, Mr. Caisley stated that during that period the Company referred those issues to the Commission. A check with the Commission's Consumer Services Unit's ("CSU") Manager, Ms. Gay Fred, indicates CSU has no recollection of KCPL and/or GMO referring any BBB customer complaints to it.

Q. Does Staff have any other observations about GMO customer complaints and/or the manner in which GMO classifies such complaints?

A. Yes. Staff has been aware for some time that GMO classifies customer complaints as either ** _____ ** or ** _____ . ** In Highly Confidential Schedule CAC-1, page 10, Mr. Caisley appears to indicate that only the smallest fraction of all the customer complaints GMO receives are ** _____ ** with the overwhelming remainder being ** _____ . ** Staff asked KCPL how it determines such classification and it provided this response to Staff Data Request No. 0306:

** _____
_____
_____
_____
_____
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_____
_____

_____
_____
_____
_____
_____
_____
_____ **[10]

Mr. Caisley's Highly Confidential Schedule CAC-1, page 10 of his Direct Testimony, provides the Company's definition of a ** _____ ** complaint:

** _____
_____
_____
_____ **

[10] Company response to Staff Data Request No. 0306, Case No. ER-2016-0156.

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In other words, according CAC-1 page 10, KCPL has designated a very large percentage of customer complaints as ** _____ **. At the time of this writing, Staff has additional discovery posed to KCPL to aid Staff in conducting additional sample analysis regarding the customer information Mr. Caisley provides. Regardless of KCPL's internal rating system, it is likely the customers consider his/her issues ** _____. ** Further, public comments received by the Missouri Public Service Commission and customer inquiries responded to by the Consumer Services Unit of the PSC also provide sources of customer service information, experiences and perceptions.

In addition, customer opinions matter, even if they are not expressed. For every customer who complains there may be 26 customers with the same concern or dissatisfaction but they will not voice their concern.[11] This fact is important to acknowledge even as Mr. Caisley indicates that complaints have been declining.[12]

Staff has been informally inquiring of other Missouri utilities whether or not they categorize their customer complaints in such a manner as KCPL and GMO and Staff is not aware of any other utility taking such an approach.

Q. Does Staff have any final comment regarding KCPL and GMO customer complaints?

A. Yes. Regarding customer complaints, Staff encourages KCPL and GMO to review, analyze and mine the complaints with the goal of seeking opportunities to provide cost-effective customer service.

Q. Does this conclude your testimony?

A. Yes it does.

[11] Book: "A Complaint Is A Gift," Authors Janelle Barlow and Claus Miller, Copyright 2008, p. 100.
[12] Caisley Direct, Case No. ER-2016-0156, High Confidential Schedule CAC-1, p. 10.

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BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement A General Rate Increase for Electric Service	))))	Case No. ER-2016-0156

AFFIDAVIT OF LISA A. KREMER

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

COMES NOW LISA A. KREMER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Rebuttal Testimony and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Lisa A Kremer
LISA A. KREMER

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 August, 2016.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070

D Suzie Mankin
Notary Public

CASE PROCEEDING PARTICIPATION

LISA A. KREMER

PARTICIPATION		TESTIMONY
COMPANY	CASE NO.	ISSUES
Kansas City Power & Light Company KCP&L – Greater Missouri Operations	EC-2015-0309	Surrebuttal - Quality of Service
Kansas City Power & Light Company KCP&L – Greater Missouri Operations	EC-2015-0309	Direct - Quality of Service
Kansas City Power & Light Company	ER-2014-0370	Surrebuttal – Quality of Service
Missouri-American Water Company	WC-2014-0138	Direct - Quality of Service
Missouri Gas Energy (MGE) a Division of Laclede Gas Company	GR-2014-0007	Surrebuttal – Quality of Service
KCP&L Greater Missouri Operations Company	ER-2010-0356	Rebuttal - Quality of Service
Kansas City Power & Light Company	ER-2010-0355	Rebuttal – Quality of Service
Kansas City Power & Light Company	ER-2009-0089	Surrebuttal - Quality of Service
Greater Missouri Operations Company GMO-MPs and GMO-L&P Electric	ER-2009-0090	Surrebuttal – Quality of Service
Laclede Gas Company	GT-2009-0026	Rebuttal – Quality of Service
Atmos Energy Company	GR-2006-0387	Direct – Quality of Service Report – Staff Response to Commission Order
Aquila, Inc.	GR-2004-0072	Direct - Quality of Service
Aquila, Inc.	ER-2004-0034 & HR-2004-0024	Direct - Quality of Service Rebuttal – Quality of Service
Laclede Gas Company	GR-2002-356	Rebuttal – Expense Decommissioning
Missouri Gas Energy	GR-2001-292	Rebuttal – Customer Service
UtiliCorp United Inc. / Empire District Electric Company	EM-2000-369	Rebuttal – Customer Service
Atmos Energy Company / Associated Natural Gas Company	GM-2000-312	Rebuttal – Customer Service
Raytown Water Company	WR-94-211	Rebuttal - Management Audit

SCHEDULE LAK-r2

HAS BEEN DEEMED

HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

Better Business Bureau®

BBB serving Greater Kansas City

BBB BUSINESS REVIEW

THIS BUSINESS IS NOT BBB ACCREDITED

Kansas City Power & Light

Phone: (816) 556-2200

Fax: (816) 654-1125
View Additional Phone Numbers
PO Box 418679, Kansas City, MO 64141
http://www.kcpl.com
View Additional Web Addresses

www.greatplainsenergy.com

F — On a scale of A+ to F
Reason for Rating
BBB Ratings System Overview

Additional Web Addresses
http://www.greatplainsenergy.com

BBB Business Reviews may not be reproduced for sales or promotional purposes.

BBB Accreditation

This business is not BBB accredited.

Businesses are under no obligation to seek BBB accreditation, and some businesses are not accredited because they have not sought BBB accreditation.

To be accredited by BBB, a business must apply for accreditation and BBB must determine that the business meets BBB accreditation standards, which include a commitment to make a good faith effort to resolve any consumer complaints. BBB Accredited Businesses must pay a fee for accreditation review/monitoring and for support of BBB services to the public.

Reason for Rating

BBB rating is based on 16 factors. Get the details about the factors considered.

Factors that *lowered* the rating for Kansas City Power & Light include:

- 74 complaints filed against business
- Failure to respond to 72 complaints filed against business
- Overall complaint history with BBB
- BBB does not have sufficient background information on this business

Customer Complaints Summary

74 complaints closed with BBB in last 3 years | 24 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	1
Billing/Collection Issues	38
Delivery Issues	2
Guarantee/Warranty Issues	0
Problems with Product/Service	33
Total Closed Complaints	74

Schedule LAK-r3

BBB Business Review

CONSUMER COMPLAINTS

THIS BUSINESS IS NOT BBB ACCREDITED.

Kansas City Power & Light

(816) 471-5275

Customer Complaints Summary

75 complaints closed with BBB in last 3 years | 25 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	4
Billing/Collection Issues	44
Delivery Issues	0
Guarantee/Warranty Issues	0
Problems with Product/Service	27
Total Closed Complaints	75

Definitions | BBB Complaint Process | File a Complaint against Kansas City Power & Light
See Trends in Complaints on Kansas City Power & Light | View Complaints Summary by Type Pie Chart on Kansas City Power & Light

Complaint Breakdown by Resolution

About Complaint Details

Complaint Resolution Log (75)

The complainant verified the issue was resolved to their satisfaction. (9 complaints)

4/5/2016	Billing/Collection Issues | Complaint Details Unavailable
8/18/2015	Problems with Product/Service | Complaint Details Unavailable

6/30/2015	Problems with Product/Service | Complaint Details Unavailable
2/23/2015	Billing/Collection Issues | Complaint Details Unavailable
1/16/2015	Problems with Product/Service | Read Complaint Details
8/22/2014	Problems with Product/Service | Complaint Details Unavailable
8/12/2014	Problems with Product/Service
5/30/2014	Billing/Collection Issues
4/21/2014	Billing/Collection Issues

The Business addressed the issues within the complaint, but the consumer did not accept the response, OR BBB has not heard back from the consumer as to their satisfaction. (66 complaints)

View Complaints Summary by Resolution Pie Chart on Kansas City Power & Light

Industry Comparison | Chart

ELECTRIC CONTRACTORS

QUICK LINKS

- What is a BBB Business Review?
- BBB Reporting Policy
- About Enhanced Services
- File a Complaint against Kansas City Power & Light
- Accredited Business Directory

CUSTOMER REVIEWS

- Read Customer Reviews
- Submit a Customer Review
- See trends in Customer Reviews for Kansas City Power & Light

BBB Business Review

THIS BUSINESS IS NOT BBB ACCREDITED.

Kansas City Power & Light

Additional Locations

Phone: (816) 471-5275

Fax: (816) 654-1479

View Additional Phone Numbers

PO Box 418679, Kansas City, MO 64141

commission@kcpl.com

http://www.kcpl.com

View Additional Web Addresses

A+

On a scale of A+ to F

Reason for Rating

BBB Ratings System Overview

BBB Business Reviews may not be reproduced for sales or promotional purposes.

Description

Electric provider to residential and commercial customers in 47 counties within northwestern Missouri and eastern Kansas.

BBB Accreditation

This business is not BBB accredited.

Businesses are under no obligation to seek BBB accreditation, and some businesses are not accredited because they have not sought BBB accreditation.

To be accredited by BBB, a business must apply for accreditation and BBB must determine that the business meets BBB accreditation standards, which include a commitment to make a good faith effort to resolve any consumer complaints. BBB Accredited Businesses must pay a fee for accreditation review/monitoring and for support of BBB services to the public.

Reason for Rating

BBB rating is based on 13 factors. Get the details about the factors considered.

Factors that *raised* the rating for Kansas City Power & Light include:

- Length of time business has been operating
- Complaint volume filed with BBB for business of this size
- Response to 75 complaint(s) filed against business
- Resolution of complaint(s) filed against business

Customer Complaints Summary

Read complaint details

75 complaints closed with BBB in last 3 years | 25 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	4
Billing/Collection Issues	44
Delivery Issues	0
Guarantee/Warranty Issues	0
Problems with Product/Service	27
Total Closed Complaints	75

Read Complaints | Definitions | BBB Complaint Process | File a Complaint against Kansas City Power & Light

See Trends in Complaints on Kansas City Power & Light | View Complaints Summary by Resolution Pie Chart on Kansas City Power & Light

Customer Reviews Summary

Read customer reviews

2 Customer Reviews on Kansas City Power & Light

Customer Experience	Total Customer Reviews
Positive Experience	0
Neutral Experience	0
Negative Experience	2
Total Customer Reviews	2

Read Customer Reviews | Submit a Customer Review | See Trends in Customer Reviews on Kansas City Power & Light

Government Actions

BBB knows of no government actions involving the marketplace conduct of Kansas City Power & Light.

What government actions does BBB report on?

Advertising Review

BBB has nothing to report concerning Kansas City Power & Light's advertising at this time.

What is BBB Advertising Review?

Additional Information

BBB file opened: March 01, 1985
Business started: 11/01/1881 in MO

Business Management
Mr. Terry Bassham, President/CEO
Mr. Scott Heidtbrink, Executive Vice President and COO

Contact Information
Principal: Mr. Terry Bassham, President/CEO
Customer Contact: Complaint Handler

Business Category
ELECTRIC CONTRACTORS

Alternate Business Names
Great Plains Energy
KCP&L

QUICK LINKS

What is a BBB Business Review?
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