

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. _____

Tariff filing of Green Mountain Power requesting an)
increase in its base rates starting January 1, 2019, to be)
fully offset by bill credits through September 30, 2019)

**PREFILED TESTIMONY OF
STEVE COSTELLO
ON BEHALF OF GREEN MOUNTAIN POWER**

April 13, 2018

Summary of Testimony

Mr. Costello describes Green Mountain Power's ("GMP") culture of customer obsession. He also details GMP's high ranking among mid-sized utilities in the East in J.D. Power and Associates' most recent customer satisfaction survey, GMP's 95.6% overall customer service satisfaction survey results, and how the GMP team strives and continues to exceed regulatory customer service targets. Mr. Costello also describes GMP's ongoing efforts to expand and increase self-service offerings and significant ongoing efforts to improve to GMP's customer care function.

Exhibit List

Exhibit GMP-SC-1	GMP Service Quality Monitoring and Reporting Plan (2014)
Exhibit GMP-SC-2	J.D. Power & Associates Survey Results Press Release (2017)
Exhibit GMP-SC-3	Annual Customer Satisfaction Survey Results (Research America) (2017)
Exhibit GMP-SC-4	Quarterly Transactional Report (Research America) (4 th Quarter 2017)
Exhibit GMP-SC-5	Vermont Service Quality Performance Index (2016)
Exhibit GMP-SC-6	Vermont Service Quality Performance Index (2017)
Exhibit GMP-SC-7	Monthly Call Answering Data (2014-2017)

**PREFILED TESTIMONY OF
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ON BEHALF OF GREEN MOUNTAIN POWER**

1 **Q1. What is your name and business affiliation?**

2 A1. My name is Steve Costello, and I am Vice President for Customer Service for Green
3 Mountain Power (“GMP”).

4
5 **Q2. Please describe your business experience and educational background.**

6 A2. I graduated with a bachelor’s degree in journalism from St. Michael’s College in
7 Winooski, Vermont. I was a newspaper editor and reporter for over a decade, starting as
8 a reporting intern at The Rutland Herald in 1985. I worked for a variety of Vermont and
9 national news organizations, including The Associated Press, Hartford Courant, Addison
10 Independent, and Rutland Herald/Times Argus. During much of that time, I also held
11 leadership positions in the Vermont Press Association (“VPA”), including president of
12 the VPA in the year prior to leaving journalism to begin work at Central Vermont Public
13 Service (“CVPS”) in June 1996.

14 I have worked in the electric industry since that time in a variety of roles, with
15 continually greater levels of responsibility, starting as a communications representative
16 with CVPS in 1996, and serving as director of public affairs at CVPS at the time of the
17 merger with GMP. Since that time, I have served as an officer of GMP, and since 2014, I
18 have been primarily responsible for customer service. I now also oversee the Meter
19 Department and Energy Innovation Center programs and staff in Rutland.

20

1 **Q3. Have you testified before the Vermont Public Utility Commission previously?**

2 A3. Yes. I provided testimony in GMP's 2017 rate filing (Case No. 17-3112-INV).

3

4 **Q4. What is the purpose of your testimony?**

5 A4. Customers are the focus of everything we do, and GMP is incredibly proud of its high
6 overall customer satisfaction rate, which was 95.6 percent in 2017. In last year's rate
7 proceeding (Case No. 17-3112-INV), I provided extensive testimony regarding GMP's
8 obsessive approach to customer satisfaction and our high performance in this area. In my
9 testimony today, I review the metrics and service quality goals that GMP uses to assess
10 its customer satisfaction performance and provide an update on how GMP has continued
11 to improve over the last year, with even better customer satisfaction rates than what we
12 had achieved last year. Finally, I explain what additional projects and efforts GMP is
13 currently undertaking to keep advancing our goal of constantly improving the customer
14 experience.

15

16 **Q5. You mentioned GMP's obsessive approach to customer satisfaction. Can you**
17 **briefly review GMP's customer service philosophy?**

18 A5. Yes. GMP has a culture of customer obsession, focused on putting the customer first.
19 This means we are always thinking of ways to improve the customer experience, from
20 delivering on energy transformation options to leveraging technology to give customers
21 options on how they interact with GMP, including text, web self-service, a mobile app,
22 social media, live customer service representatives ("CSRs"), or an automated phone
23 system. Our overall goal is to be able to communicate with customers in the manner they

1 want to communicate, and to continually exceed their expectations over the course of
2 those communications.

3 Our philosophy of customer obsession requires constant focus and attention on
4 our performance and identifying ways we can improve. Though we routinely exceed
5 state service quality standards, we constantly strive to achieve even better service quality,
6 and to do so, we track our performance and communicate about it with employees
7 constantly. Through that effort, we have maintained our focus on customers over the past
8 several years and continue to yield extremely high satisfaction levels.

9
10 **Q6. You mentioned the various ways GMP communicates with its customers. Can you**
11 **expand on this briefly?**

12 A6. Sure. GMP employs numerous platforms to communicate with customers to give them
13 opportunities to connect with us in the way they like best. In addition to our integrated
14 voice response phone system, which allows customers to transact much of their business
15 with us using the IVR or by speaking with a customer care representative, we also offer a
16 variety of other options. We have walk-in service at our Colchester headquarters and our
17 Rutland operations headquarters, along with dozens of retail locations that customers may
18 visit to make payments. We also offer self-service functions on multiple platforms,
19 including text, our app, and the GMP website, and we routinely communicate with
20 customers, including individually, through email and social media, including Facebook
21 and Twitter. In advance of storm events we use text alerts, social media, press releases,
22 and updates to our website to ensure customers are well informed before a storm hits.
23 During major storm events, we also make outbound calls and employ door-to-door

1 outreach in many cases. In short, we constantly look for new ways to reach our
2 customers and facilitate improved communications.

3
4 **Q7. What measures or metrics do you use to measure customers' satisfaction with**
5 **GMP?**

6 A7. We use a variety of measurements, from how our customers rank us on national utility
7 surveys, to our performance under our state reporting plan, to quarterly and annual
8 satisfaction surveys that we hire a service provider to conduct.

9 First, J.D. Power and Associates conducts an annual survey of mid-sized utilities
10 across the country based on customer information, and GMP has been included among
11 mid-sized utilities in the East since 2013. (Prior to 2012, GMP was not large enough to
12 be included in the survey.) In 2017, GMP scored second highest in the East for utilities
13 of its size.

14 In addition, we regularly report on our performance under the 2014 Service
15 Quality & Reliability Performance, Monitoring & Reporting Plan ("SQRP"). The
16 standards set forth in the SQRP were developed in conjunction with the Department of
17 Public Service ("Department") and approved by the Public Utilities Commission ("PUC"
18 or "Commission") to establish and track performance standards for GMP.

19 We also set internal goals and standards that are higher than those included in the
20 SQRP and conduct quarterly and annual customer surveys to evaluate GMP's overall
21 performance and satisfaction. These surveys are conducted through Research America,
22 formerly known as Metrix Matrix, which is an independent survey service provider.

1 These are invaluable tools to help us find patterns or problems, tweak training when
 2 necessary, and address any concerns raised by customers.

3

4 **Q8. You mentioned the SQRP above. Can you please describe this plan in more detail?**

5 A8. The SQRP, which is included as **Exhibit GMP-SC-1**, incorporates service quality
 6 baselines, which are minimum standards for key service measures linked to customer
 7 satisfaction. The GMP standards cover a wide variety of important performance areas,
 8 from call answering and meter reading to billing, reliability, safety, on-time performance,
 9 and as noted above, customer satisfaction. Under each category of performance area,
 10 specific performance measurement metrics are identified, including:

- 11 i. Call answer performance measures, which include:
 - 12 a. call answering service level (percentage answered within 20 seconds);
 - 13 b. abandon rate during normal business hours (percentage of calls abandoned
 - 14 after being transferred from the Interactive Voice Response (“IVR”) to the
 - 15 Automated Call Distribution (“ACD”) system during normal business hours);
 - 16 and
 - 17 c. outage calls not answered.
- 18 ii. Billing performance measures (percentage of bills not rendered in 7 days of
- 19 scheduled billing cycle, bills found inaccurate, payment posting complaints);
- 20 iii. Meter reading performance measures (percentage of actual meters not read per
- 21 month);
- 22 iv. Work completion performance measures (percentage of customer-requested work
- 23 not completed on/before requested date, average days after missed delivery date);

- 1 v. Customer satisfaction measures (transactional customer satisfaction, overall
2 customer satisfaction, rate of complaints to Department);
- 3 vi. Worker safety performance measures (lost time incident rate, lost time severity
4 rate); and
- 5 vii. Reliability performance measures (system average interruption frequency
6 (“SAIFI”) – a measure of the average number of times that the average customer
7 experienced an outage, and customer average interruption duration (“CAIDI”) - a
8 measure of the average length of time, in hours, that was required to restore
9 service to customers who experienced an outage.

10

11 **Q9. How has GMP performed under each of the measurement tools you mentioned**
12 **above?**

13 A9. I’ll address each of the measurement tools mentioned in turn.

14 *J.D. Power Satisfaction Survey*

15 In recent years, GMP has ranked first or second among mid-sized utilities in the
16 East and has steadily increased its J.D. score every year since the merger with CVPS. In
17 2012, prior to the merger, CVPS’s J.D. Power satisfaction score was 602. GMP’s score
18 has grown ever since, from 619 in 2013, to 626 in 2014, 656 in 2015, 681 in 2016, and
19 707 in July 2017, the most recent survey date. This is an increase of 17.44 percent
20 between 2012 and 2017. *See 2017 J.D. Power Survey Results Press Release, Exhibit*
21 **GMP-SC-2.** We are very proud of this significant acknowledgement of our customers’
22 highly positive and improving view of the service our team provides every day.

1 Research America Quarterly and Annual Surveys

2 As I mentioned above, we have set internal goals that are higher than the state
3 standards, and which we measure our performance against on a quarterly and annual
4 basis. In these surveys, we routinely meet our stretch goals of 92 percent satisfaction. In
5 2017, our quarterly survey showed transaction satisfaction ranging from 92 to 94 each
6 quarter, with an average of 93 percent. As a point of comparison, the state standard is
7 82.5 percent. Moreover, our 2017 overall satisfaction was measured at 95.6% as can be
8 seen in **Exhibit GMP-SC-3**, the annual survey results, and that measure can also be
9 found in **Exhibit GMP-SC-6**, where it is recorded as Measure 5b. Our latest quarterly
10 survey results are also included in **Exhibit GMP-SC-4**.

11 SQRP

12 Thanks to our focus on customer needs and process improvement, GMP has met
13 every SQRP standard without exception on a quarterly basis since the start of 2015. In
14 many cases, we continue to exceed, or beat, the SQRP standards by significant margins.
15 Details of our performance for calendar years 2016 and 2017 are contained in the
16 attached **Exhibit GMP-SC-5** and **Exhibit GMP-SC-6**.

17
18 **Q10. How often does GMP evaluate its performance using these measurement tools?**

19 A10. The J.D. Power and Associates survey is conducted on an annual basis, and the Research
20 America surveys are conducted quarterly with an annual survey of our performance over
21 the year. The SQRP results and Research America data are reported quarterly to the
22 Department and the Commission, except reliability and worker safety performance
23 measures, which are reported annually (with predicted results reported quarterly).

1 Though the SQRP standards are generally measured monthly or quarterly, we seek to
2 meet our higher internal customer care standards not only monthly or quarterly, but
3 weekly, daily, and even hourly. These standards are measured and reviewed every
4 Monday at a companywide conference call at 7 a.m. The SQRP measurements, and our
5 higher internal goals, are also e-mailed to every employee weekly. The call and email
6 highlight the importance of focusing on our customers and reinforce our central belief
7 that the customer is at the heart of all we do. Similarly, the Research America results are
8 reviewed quarterly upon receipt and shared throughout the company. Through constant
9 measurement and discussion and dissemination of the results, our team is able to continue
10 to drive progress and incredible outcomes for customers.

11 Because of their critically important nature, there is a near-constant focus on the
12 most direct customer care SQRP measures that affect customers' ability to contact us,
13 including the percentage of calls answered within 20 seconds and abandoned calls during
14 normal business hours. CSRs receive the previous week's statistics relating to CSR
15 phone performance each week, along with data highlighting individual performance
16 within the team. In addition, supervisory staff manage breaks, off-phone work, and CSR
17 and overflow team schedules in real-time to ensure high standards of service are achieved
18 during expected and even unexpected peak-volume periods.

19
20 **Q11. You mention that GMP's internal goals are higher than the state standards. Can**
21 **you explain this further?**

22 A11. GMP is committed to exceeding customer and regulator expectations and maintaining a
23 performance level that is well above industry standards, which is why our internal

1 standards are so high. We also continue to raise the bar for ourselves regularly to ensure
2 we are continually improving as much as possible. For example, the primary SQRP
3 standards for call answering are to answer at least 75 percent of calls within 20 seconds
4 with an abandonment rate during normal business hours of 3 percent or less. In 2014 and
5 2015, our internal goals were to answer at least 77 percent within 20 seconds with an
6 abandoned rate of 2.7 percent or less. In 2016, our internal goals were to answer at least
7 80 percent within 20 seconds with an abandoned rate of 2.4 percent or less every month.
8 In 2017, our internal goals were increased to answering at least 82.5 percent within 20
9 seconds with an abandoned rate of 2 percent or less every month. Thus, not only are our
10 internal standards set to exceed the SQRP, but we have continually raised our
11 performance goals to ensure we remain vigilant and focused on improving customer
12 experiences despite already-stellar results. Since setting these goals, GMP continues to
13 perform at increasingly higher levels as demonstrated in the attached **Exhibit GMP-SC-**
14 **7**, which shows monthly call-answering data from January 2014 through December 2017.
15 As one can see, we continue to routinely answer the vast majority of calls within 20
16 seconds, with abandonment of 1.5 percent in 2017, which is twice as good as the state's
17 allowed Service Quality measure of 3 percent.

18
19 **Q12. What kind of efforts or projects is GMP undertaking to achieve these goals?**

20 A12. GMP has concentrated on using individual performance metrics with our CSRs to help
21 improve productivity and our overflow coverage by switching providers. At the same
22 time, GMP has leveraged technology and innovation to expand self-service options on
23 the web and via text and our app, giving customers new and improved ways to contact us.

1 In my testimony in the last rate filing, I noted that more than 24,000 customers were
2 signed up for text alerts. That number is now nearly 33,000 customers, and growing by
3 100 to 300 per week. We have also added new web-based self-service functions in the
4 past year, allowing customers to change billing addresses, set up payment arrangements,
5 and stop service at their convenience 24 hours a day. This is on top of a host of other
6 capabilities previously provided. Thousands of customers have taken advantage of these
7 new functions in just the past six months. In addition to expanding self-service options
8 on the web, app, and via text, we continue to encourage the use of eBilling, or paperless
9 billing, online accounts, and automated recurring payments, for ease of customers and to
10 cut back on costs. We currently have approximately 50,000 eBill accounts enrolled (up
11 from 44,700 at this time last year) and growing by about 100 per week. The total cost to
12 GMP of mailing a bill is approximately \$0.515 per bill per month, so there is a substantial
13 cost-saving impact from increasing paperless participation—about \$6.18 per year for
14 each eBill customer we don't have to send paper bills to, which currently amounts to over
15 \$300,000 a year. We also have 43,286 accounts set up with automatic recurring
16 payments, increasing by about 50 to 75 weekly, and 38,275 who have downloaded the
17 mobile app. That figure is increasing by about 250 to 300 per week.

18 GMP's investment in leveraging technology to better interact with our customers
19 and improve efficiency in communications and transactions has been and is critical to our
20 success with customer satisfaction and we continue to look for opportunities to expand on
21 these capabilities.

22

1 **Q13. Are there some specific projects in this rate filing that will help GMP maintain or**
2 **improve its customer service?**

3 A13. Yes. We continue to develop projects to meet customers where they are and provide
4 them the latest and simplest ways to get the information and account access they need,
5 and there are numerous projects in the IT Department's capital project plan that will help
6 continue to improve customer accessibility and satisfaction. Here are a few examples.

- 7 • Project 153507 will enhance GMP's website to give Commercial and Industrial
8 ("C&I") customers access to their accounts with the ability to create custom
9 reports to track their usage and costs. Without this project, C&I customers have
10 to call GMP staff to request they manually produce such a report and send it back,
11 which is time-consuming and inefficient. C&I customers have been asking for
12 this reporting capability for a number of years. With the completion of this
13 project and the data it will provide, these customers will be better able to track
14 and achieve efficiency objectives and forecast costs, which can in turn improve
15 their business and operations.
- 16 • Project 159583 will expand text and email alerts to customers from outage
17 reporting and status to also include bill reminders and usage alerts. This will
18 allow customers to choose to sign up for more alerts and the form that they wish
19 to receive it in (email or text), and also help customers be more empowered to
20 manage their costs and billing.
- 21 • Project 159600 will upgrade and enhance aspects of GMP's website to improve
22 the user interface and general functionality, including payment capabilities and
23 outage and safety information.

1 As these projects show, we are committed to facilitating communications with customers
2 by providing better options for communicating with us in a variety of formats (text,
3 email, phone, social media, or in person), and at the time most convenient for the
4 customer. These are just a few of the ways we are striving to respond to customers'
5 needs and to explore options to improve the overall GMP customer experience.

6

7 **Q14. Does this conclude your testimony?**

8 A14. Yes.