

1 Montana Public Service Commission
2 Docket No. 2022.07.078
3 Electric and Natural Gas General Rate Review
4
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6

7 PRE-FILED DIRECT TESTIMONY
8 OF BOBBI L. SCHROEPPLEL
9 ON BEHALF OF NORTHWESTERN ENERGY
10

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20 Witness Information

21 **Q. Please provide your name, employer, and title.**

22 **A.** My name is Bobbi L. Schroepfel. I am the Vice President – Customer
23 Care, Communications and Human Resources at NorthWestern Energy
24 (“NorthWestern” or “Company”).
25

1 **Q. Please provide a description of your relevant employment**
2 **experience and other professional qualifications.**

3 **A.** I joined NorthWestern in May of 1998 and have progressed through a
4 number of roles including market research, support services (fleet,
5 warehouse and safety) and strategy. I became the Vice President in
6 charge of Customer Care in 2002 and assumed responsibility for
7 Corporate Communications and Human Resources in 2005 and 2009,
8 respectively.

9
10 Prior to joining NorthWestern, I worked for an electric cooperative where I
11 held positions in electric and security dispatch, electric use consulting, and
12 marketing and market research.

13
14 I am active in regional and national industry associations including serving
15 as the past board chair for MEA Energy Association. I hold Bachelor of
16 Arts degrees in Statistics and Sociology and a Masters of Business
17 Administration.

18

19 **Purpose of Testimony**

20 **Q. What is the purpose of your testimony in this docket?**

21 **A.** At the core of NorthWestern's vision, mission, and values is people. As
22 the Vice President of Customer Care, Communications, and Human
23 Resources, I am able to play a key role in guiding a cohesive approach to

1 NorthWestern’s engagement with people both inside and outside of the
2 Company. In this testimony, I primarily address the role of Customer Care
3 in the delivery of safe, reliable, and affordable energy services for our
4 customers and communities. I explain Customer Care initiatives,
5 programs, and projects designed to make doing business with
6 NorthWestern easy. I also discuss the role of Customer Care in
7 NorthWestern’s support and involvement in the communities we serve.
8 Finally, I introduce a few minor changes to tariffs that govern
9 NorthWestern’s business processes with customers, and updates
10 reflecting today’s business practices.

11

12

Customer Care

13

Q. Please provide an overview of NorthWestern’s Customer Care function.

14

15

A. Customer Care is a critical part of ensuring NorthWestern is focused on being a customer-focused and community-minded organization.

16

17

Customer Care is typically the frontline for NorthWestern’s customers and the communities we serve. Customer Care plays a key role in our ongoing quest to deliver a high quality customer experience.

18

19

20

The Customer Care team works directly with our customers through the Company’s two contact centers and our division and district offices in Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, and Missoula.

21

22

23

1 Customer Care also provides economic development support for our
2 communities. Our network of community relations professionals work at
3 the local level to identify and support programs and projects that enhance
4 the communities we serve, communities where approximately 1,250
5 Montana employees work and live.

6
7 NorthWestern's energy efficiency programs, such as the E+ Home Energy
8 Check energy audit program and the Efficiency Plus (E+) programs for
9 business customers, and Demand Side Management are Customer Care
10 functions. Other Customer Care functions include billing and meter
11 reading, key account management, and payment processing and support.

12

13 **Q. Why is Customer Care an essential function of NorthWestern?**

14 **A.** Customer Care serves as a primary interaction link between
15 NorthWestern, our customers, and the communities we serve. Our goal is
16 to interact with customers through the channel they prefer, whether it be in
17 person, via telephone, social media, the website, email, or new channels
18 we anticipate adding in the future. It is through these channels of
19 communication that NorthWestern receives and sends information about
20 our operations in areas such as power outages, rates, planned community
21 growth, and infrastructure and technology investments.

22

1 **Q. What are the most important aspects of NorthWestern’s operations for**
2 **customers?**

3 **A.** Customers want reliable energy services, at a fair price, delivered by a
4 customer-focused company they trust. Customers also value being
5 served by an energy company who conducts business in a responsible
6 manner, and is a company they perceive as being a sincere advocate for
7 their current and future energy needs. Customers want to be confident
8 these services will be available during extreme temperatures and in all
9 weather conditions. Customers are also increasingly interested in being
10 able to receive proactive communications, including alerts about outages
11 and their individual energy usage.

12
13 Our most satisfied customers typically do not have a reason to contact us
14 and they are receiving the information they value in the channel of their
15 choice. When customers do contact us, they expect timely and
16 responsive service, useful information, and courteous and knowledgeable
17 employees.

18
19 **Q. What actions does NorthWestern take to understand customer**
20 **expectations?**

21 **A.** NorthWestern is constantly engaging, through a variety of channels, to
22 ensure we understand what is important to customers. We ask customers
23 what they want and listen to what they have to say. We use feedback

1 from our Customer Care employees and field crews who interact directly
2 with customers. We are increasingly using advanced technology and data
3 analytics to analyze customer interactions to identify trends and process
4 improvements. We conduct customer surveys in the spring and fall,
5 participate in the national J.D. Power Electric and Natural Gas Utility
6 Residential Customer Satisfaction Studies (“J.D. Power Studies”), utilize
7 customer and stakeholder focus groups, and monitor social media
8 channels and more.

9

10 Our spring and fall customer survey program provides an ongoing look at
11 the evolution of the customer experience and customer perceptions of
12 Company operations and reputation. It also provides insights designed to
13 help identify opportunities to evolve strategies.

14

15 **Q. How does NorthWestern use this information to meet customer**
16 **expectations?**

17 **A.** We support areas where the customer experience is strong while working
18 to address areas where we can improve. For example, NorthWestern’s
19 customer walk-in offices and the suite of services they provide were
20 implemented because customers told us they want the opportunity to pay
21 their bills and do other business in person, even in this digital age.
22 Reopening walk-in offices, closed at the beginning of the pandemic, as
23 soon as safely possible was a priority to meet customer expectations.

1 In another example, NorthWestern’s website received lower customer
2 satisfaction scores in annual surveys and Customer Care personnel
3 reported that it was increasingly difficult to navigate and use.
4 NorthWestern used this feedback to develop a new website, which
5 NorthWestern successfully launched in August 2021. Since the launch of
6 the new website, page views and average session duration are up almost
7 20%, while the rate at which users visit the website without engaging in
8 any interaction is down approximately 70%. In summary, more people are
9 coming to our website, they are staying longer, and they are doing more
10 while there.

11
12 **Q. How has the COVID-19 pandemic impacted NorthWestern’s**
13 **customers?**

14 **A.** The early months of the pandemic in 2020 caused economic hardship and
15 uncertainty for customers impacted by the restrictions put in place to slow
16 the spread of the virus. Some customers experienced difficulty paying
17 their energy bills for the first time. Many customers started to rely on their
18 residential energy service for their careers and education as many
19 transitioned to work-from-home and remote-learning for their children.
20 Some customers, more than two years later, continue to work and/or
21 attend school from their homes at least part of the time and are dependent
22 on the reliability of their residential energy service to enable this to
23 happen.

1 **Q. What has NorthWestern done to support customers through the**
2 **pandemic?**

3 **A.** NorthWestern responded quickly to customer needs during this
4 unprecedented event. We activated our incident response structure in
5 early March 2020 to ensure that we had a healthy workforce capable of
6 providing safe, reliable service to our customers 24 hours a day. This
7 response included establishing “pods” of employees whereby employees
8 were placed in small work groups that were kept socially distanced from
9 other work groups. The goal was to reduce the overall workforce impact
10 by restricting the interaction among employees not within a given pod.
11 When Montana started to implement restrictions in March 2020 to slow the
12 spread of the COVID-19 virus, NorthWestern voluntarily suspended most
13 disconnections for households and small businesses, prior to the
14 Governor’s mandate being issued, to assist customers facing hardship.
15 We also made additional modifications to business practices such as
16 moving planned residential outages, to conduct system maintenance or
17 upgrades, to evenings and weekends, when possible, to better
18 accommodate those working and/or schooling from home.
19
20 We conducted personal outreach to customers with past-due accounts,
21 making more than 30,000 proactive calls offering support. In addition, we
22 created and sent special postcards with information about assistance
23 programs and payment arrangements, which included extending

1 repayment timelines. One of the goals of our outreach efforts was to work
2 with customers to help them avoid accruing an unmanageable account
3 balance.

4
5 In addition, NorthWestern's shareholders provided \$400,000 in crisis relief
6 assistance for the communities we serve. Small businesses were
7 severely impacted by restrictions, and part of that relief included
8 immediate grants for energy bill credits for small business customers to
9 enable them to free up their limited resources for other needs.

10 NorthWestern's shareholders also matched employee donations to
11 organizations providing emergency assistance for members of our
12 communities who experienced difficulty paying their residential energy
13 bills.

14

15 **Q. Since NorthWestern's last electric rate review filed with the Montana**
16 **Public Service Commission in 2018, has NorthWestern taken steps to**
17 **continue to improve the customer experience?**

18 **A.** Every action we take is designed to make the experience of doing
19 business with NorthWestern better for our customers. Some specific
20 examples of actions taken include the creation of two new customer facing
21 positions: a Customer Care Advocate and a dedicated Digital Content
22 Specialist. The Customer Care Advocate, among other duties, researches
23 and responds to each inquiry received via one of our state regulatory

1 agencies and conducts reviews to determine opportunities for process
2 changes, improvements, and additional services or solutions.
3 NorthWestern created the Digital Content Specialist position to provide a
4 full-time resource dedicated to improving the experience of customers who
5 prefer to interact with us in social channels.

6
7 NorthWestern also began installing approximately 590,000 new electric
8 meters and natural gas modules in Montana, part of the Montana Meter
9 Upgrade Project (“Meter Project”), which will enable two-way meter
10 communication between NorthWestern and meters on customer homes
11 and businesses. Advanced metering infrastructure data provides the
12 foundation for the additional functionality customers’ desire, such as the
13 ability to deliver customers even greater energy usage insights (e.g.,
14 interval, seasonal, and weather overlay usage graphs), future bill
15 forecasting, high usage notifications, custom home energy reports, and
16 more. NorthWestern provides more details on its Meter Project in the Pre-
17 filed Direct Testimony of Jonathan R. Shafer.

18
19 Other actions taken, as mentioned earlier, include NorthWestern’s
20 external website, which was reconstructed and launched in the summer of
21 2021. NorthWestern implemented the Genesys digital communication
22 software in our contact centers, setting the stage to expand customer

1 communication channels and leverage data to optimize our workforce and
2 the customer experience.

3

4 **Q. Please explain the benefits of these projects.**

5 **A.** The Meter Project will support improvements in service reliability and the
6 overall customer experience. The ability of the system to provide real-time
7 outage notification to NorthWestern will allow our crews to return service
8 to electric customers faster and, with the addition of supporting
9 technology, customers will be able to sign-up for proactive outage alerts
10 and information about outage restoration. According to customer
11 research, proactive outage communication, including alerts to keep
12 customers updated about the status of an outage, is among the most
13 valued services they wish to receive from their energy provider. The
14 project will also set the stage for future service-enhancing offerings such
15 as alerts about energy usage, thereby allowing customers to monitor their
16 usage, if they so desire, on a daily basis. This will allow customers to
17 make usage adjustments to conserve energy prior to receiving an
18 unexpectedly high bill.

19

20 As previously mentioned, NorthWestern's new website was developed
21 using customer input and delivers a greatly improved online experience.
22 By incorporating more intuitive navigation and advanced search features,
23 customers can access the information they are seeking easily.

1 NorthWestern can also use the website to deliver important messages,
2 such as warnings about high levels of scam activity. The new website is
3 responsive in that it automatically adjusts depending upon the type of
4 device being used to access the website, which greatly improves the
5 overall customer experience. Currently, about 50% of our website visitors
6 view our site on a mobile device, with that number continuing to grow.
7 The new website includes updated analytics, which allows us to identify
8 how customers are using the website, develop ways to improve site
9 navigation, and enhance content to offer the best experience for our
10 customers.

11
12 Genesys, mentioned above, is a consolidated digital communication
13 platform that supports proactive, predictive, and personalized customer
14 experiences including the real-time management of customer interactions
15 across multiple channels such as phone, email, social media, SMS text,
16 and chat. Additionally, the platform includes workforce management
17 functionality, which allows for a better match between customer needs and
18 workforce staffing. More near-term Genesys focus areas include
19 enhanced IVR authentication to improve the automated self-service
20 experience, more robust utilization of voice analytics, the launch of voice
21 of customer real-time satisfaction surveying, and opening up two
22 additional customer interaction channels – SMS text and chat.

23

1 The My Energy Account platform is being upgraded in 2022, which will
2 result in a significantly improved customer experience. The initial upgrade
3 will provide customers with all existing functionality and a responsive
4 design. Phase 2 enhancements will include upgrading our custom
5 Landlord, Real Estate, and Community Action Corner portals to
6 responsive design as well as adding two-factor sign-on authentication and
7 real-time payment processing and confirmation. The new platform will set
8 the stage for adding additional functionality which could include a
9 contractor portal, outage alerts, text and email integration, live chat and
10 chatbot, language translation and language bar, temperature overlay to
11 help customers better understand the relationship between usage and
12 weather, self-serve payment extensions, pre-pay account management,
13 and appointment scheduling.

14
15 **Q. Are there other programs NorthWestern supports to help**
16 **customers?**

17 **A.** Yes. We support activities that enhance the lives of our customers and
18 the communities we serve. For example, NorthWestern administers
19 customer funds collected through the Universal System Benefits Charge
20 (“USBC”), and we have developed an array of programs, using those
21 funds, to offer something for everyone. NorthWestern’s low-income
22 discount, funded with USBC revenue, is applied to accounts that qualify
23 for the federally funded Low Income Home Energy Assistance Program

1 (“LIHEAP”). The electric low-income bill discount is 25% from November
2 1 through April 30 and 15% from May 1 through October 31. The natural
3 gas low-income bill discount is 30% from November through April. While,
4 on average, 3-5% of our customers are enrolled in the low-income
5 discount program, we know there are many who qualify who are not
6 enrolled. To this end, we continually work to increase customer
7 awareness of and participation in the discount program. There is
8 information on our website, and we periodically include information in our
9 bill insert. Customer Care employees provide program information during
10 customer calls and for walk-in traffic. NorthWestern employees volunteer
11 to staff open houses with local Human Resource Development Council
12 agencies, hosted at NorthWestern division offices, where customers can
13 get information about energy assistance and weatherization programs, bill
14 pay options, and free home energy audits. These volunteers also help
15 customers confidentially complete the LIHEAP application, which can be a
16 confusing and cumbersome process.

17

18 Energy Share of Montana receives USBC funds, along with employee
19 donations, to assist customers with heating emergencies.

20 NorthWestern’s free home energy audits identify opportunities to reduce
21 residential customer energy use, promote weatherization programs, and
22 provide resources to help customers implement energy saving measures.

23

1 Utility imposter scams are a consistent and evolving threat. To illustrate
2 the magnitude of scam activity, NorthWestern received almost 500 scam
3 attempt reports from customers on September 20-21, 2021, and we know
4 that many customers do not report scam attempts. Fortunately, most
5 customers do not fall for the scam attempt, but the impact on the contact
6 center is meaningful – 500 additional calls in an eight-hour period takes up
7 the time of approximately 11 full-time Customer Service Representatives.
8 NorthWestern continues to provide education about scams, but scammers
9 are relentless. Through the organization Utilities United Against Scams,
10 we have joined with utilities across the country to combat this crime.
11 Working in cooperation with our customers who report scam activity to us,
12 we alert customers and other Montanans through the media, our social
13 media accounts, and our website. We also work closely with the Federal
14 Communications Commission to shut down phone numbers being used by
15 scammers.

16

17

NorthWestern Employees

18 **Q. How do NorthWestern employees support customers and**
19 **communities?**

20 **A.** A skilled and engaged workforce is the backbone of NorthWestern. The
21 job of every employee is to serve the customer – either directly or
22 indirectly. Every employee is connected to our customers, from natural
23 gas and electric field employees working in frigid conditions to keep

1 service reliable to Customer Care employees handling customer
2 interactions 24 hours a day, 7 days a week.

3
4 Through our volunteer programs, employees can volunteer time with non-
5 profits during work and non-work hours. The program also allows
6 employees to earn financial grants, based upon hours volunteered, that go
7 to the non-profit. Each division participates annually in its local United
8 Way pledge drive, and employee donations receive a match, in 2022 of
9 75%, from NorthWestern.

10
11 NorthWestern employees are members of the Company's corporate-level
12 contribution committee, which evaluates larger donation requests. In
13 addition, each geographic division has a charitable contribution committee
14 that includes the Community Relations Manager and other employees
15 from the division. We believe local residents (i.e. employees) who know
16 the community are best equipped to make decisions about where to direct
17 NorthWestern's donations.

18

19 **Q. How has the pandemic affected NorthWestern's workforce?**

20 **A.** NorthWestern employees have reported more than 650 cases of COVID-
21 19 while consistently providing critical, reliable, and safe service for our
22 customers. Our workforce responded to the pandemic with flexibility. All
23 employees who could transition to working remotely did so. Essential,

1 non-remote employees such as line and generation crews worked in pods,
2 as previously discussed, to limit potential exposure to the virus among
3 entire divisions. To the extent reasonably possible, work schedules were
4 adjusted to eliminate or minimize physical interaction between employees.
5 Our employees continue to demonstrate adaptability and commitment. At
6 the onset of the pandemic, our industry banded together to develop and
7 share COVID-19 safety best practices and to prepare for a worst-case
8 scenario of up to 40% of the workforce being ill and in isolation at one
9 time. Fortunately, we have not seen a workforce impact as high as 40%
10 at one time due, in large part, to the aggressive planning and safety
11 measures we took early on in the pandemic.

12

13 **Q. Does NorthWestern face challenges in hiring and retaining well-**
14 **qualified, skilled employees for its Montana operations?**

15 **A.** NorthWestern has faced challenges hiring linemen in certain areas due to
16 the escalation of the cost of living, and wage pressure particularly arising
17 from the infrastructure rebuilding occurring in the western United States.
18 NorthWestern does experience challenges hiring for certain specialized
19 positions, such as technology professionals and skilled data and
20 information analysts. With more opportunities for remote work available
21 for some sectors, NorthWestern is competing for talent with a broader
22 scope of potential employers now and has experienced increasing
23 turnover and wage pressure, particularly in the last year. NorthWestern

1 continues to be a preferred employer in Montana; however, some
2 positions are taking longer to fill than they would have three years ago.
3 Our job announcements, however, do continue to attract qualified
4 applicants for the vast majority of positions.

5
6 Today our remote-work policy provides employees who are able to work
7 from home/remotely the flexibility to do so on a 50% basis. This is a
8 valuable, new recruiting and retention tool for NorthWestern.

9

10

Tariff Changes

11

Q. Is NorthWestern proposing any tariff rule changes related to

12

Customer Care in this docket?

13

A. Yes. NorthWestern is proposing changes to Rules 3, 4, 5 and 7. We are
14 proposing minor changes to reflect current business practices and
15 customer preferences. These changes include an update to the process
16 to establish service and modifying deposit refunds to allow for other
17 payment forms beyond a traditional check. Further explanation of the
18 changes is provided in the Pre-filed Direct Testimony of Glenda J. Gibson.

19

20

- 1 **Q.** Does this conclude your direct testimony?
- 2 **A.** Yes, it does.

VERIFICATION

This Pre-filed Direct Testimony of Bobbi L. Schroepel is true and accurate to the best of my knowledge, information, and belief.

/s/ Bobbi L. Schroepel
Bobbi L. Schroepel