

**Ameren Illinois Company's
Response to Illinois Office of Attorney General Data Requests
Docket No. 14-0317
Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing (2014)
Data Request Response Date: 9/16/2014**

AG 13.05

Ref: Ameren Exhibit 22.0, lines 67-70, AG Attach 7.11 CP (Advertising Messages). Mr. Kennedy states, "The vendor expenses in question were incurred to create messages that seek to educate and inform customers on "safety measures" that will make the electrical grid more reliable and ways in which consumers will be able to "conserve energy", engage in "off-peak usage," and make "use of energy efficient appliances, equipment, or services." Please respond to the following:

- a) Provide a complete copy and/or script (or pinpoint citation into AG 7.11, Attach CP) for each advertisement that is disallowed in Mr. Brosch's adjustment that Mr. Kennedy believes provides "safety messages" and explain where that messaging appears in each ad.
- b) For each advertisement included in your response to part (a), provide a detailed breakdown of all 2013 ad development, placement and other expenses.
- c) Provide a complete copy and/or script (or pinpoint citation into AG 7.11, Attach CP) for each advertisement that is disallowed in Mr. Brosch's adjustment that Mr. Kennedy believes provides specific "conserve energy" messaging and explain where that messaging appears in each ad.
- d) For each advertisement included in your response to part (c), provide a detailed breakdown of all 2013 ad development, placement and other expenses.
- e) Provide a complete copy and/or script (or pinpoint citation into AG 7.11, Attach CP) for each advertisement that is disallowed in Mr. Brosch's adjustment that Mr. Kennedy believes provides specific "off-peak usage" messaging and explain where that messaging appears in each ad.
- f) For each advertisement included in your response to part (e), provide a detailed breakdown of all 2013 ad development, placement and other expenses.
- g) Provide a complete copy and/or script (or pinpoint citation into AG 7.11, Attach CP) for each advertisement that is disallowed in Mr. Brosch's adjustment that Mr. Kennedy believes provides specific "use of energy efficient appliances, equipment, or services" messaging and explain where that messaging appears in each ad.
- h) For each advertisement included in your response to part (g), provide a detailed breakdown of all 2013 ad development, placement and other expenses.
- i) Using the cost breakdown in your response to parts (b), (d), (f) and (g), provide a reconciliation of such amounts to the total of Mr. Brosch's \$274,468 disallowance adjustment in AG Exhibit 3.1, page 4, explaining and quantifying each difference that is not explained in the quoted portion of Mr. Kennedy's Surrebuttal.

RESPONSE

Prepared By: Thomas B. Kennedy, III
Title: Director, Communications and Public Relations
Phone Number: (309) 677-5489

- a) Mr. Brosch recommends a disallowance of \$274,468 for expenses charged to AIC's electric operations and the Focus Forward – Manage Energy Use project. My surrebuttal testimony indicates that \$150,000 was incurred for media buys to place and run television, radio, and digital advertisements. The script for the television/digital video advertisement was included in response to Data Request AG 7.11 Attach (P), page 4 of 85. The script for the radio advertisement was included in response to Data Request AG 7.11 (P), page 9 of 85. Page 11 of 85 shows the detailed list of channel, media and month of media buys. An additional \$96,000 was incurred for fees and expenses related to development of the actual advertisements. A breakdown of the \$96,000 in fees and expenses is included in response to Data Request AG 7.11 Attach (CP), page 13 of 85. The scripts indicate that AIC is "investing in a smarter, more reliable grid... to detect and reduce outages." As noted in my surrebuttal, one objective in producing and airing the 30-second commercial was to educate and inform customers about upgrades and technology that will provide customers with safer and more reliable service. Interested parties will then seek secondary resources (website, customer service center, brochure, etc.) to obtain the specific information that they want on the particular infrastructure improvements and technologies that will make the grid more reliable, both state-wide and in their cities and neighborhoods.
- b) Please see AIC's response to subpart a).
- c) Please see AIC's response to subpart a). The advertisement also refers to "options to help manage your energy use." As noted in my surrebuttal, one objective in producing and airing the 30-second commercial was to educate and inform customers about upgrades and technology that will provide customers with ways to control (and limit) their energy usage. Interested parties will then seek secondary resources (website, customer service center, brochure, etc.) to obtain the specific information that they want on the particular infrastructure improvements and technologies that will give the ability better control their energy usage.
- d) Please see AIC's response to subpart a).
- e) Please see AIC's response to subparts a) and c).
- f) Please see AIC's response to subpart a).
- g) Please see AIC's response to subparts a) and c).
- h) Please see AIC's response to subpart a).
- i) Please see my surrebuttal testimony, Ameren Exhibit 22, lines 82-90, and AG 7.11 Attach (CP), pages 21-26 & 49-50.

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Data Request Revised Response Date: 9/17/2014**

AG 13.06R

Ref: Ameren Exhibit 22.0, lines 91-98; AG 7.11 CP (Qualitative Customer Analysis). Mr. Kennedy states, "The qualitative customer analysis submitted as AG 7.11 Attach (CP) showed that our customers want to know more about how AIC is investing in its systems for the future and what improvements will be financed with future rate increases. They want the information in a high-level digestible form with direction to get additional information (when desired). They want to know the specific upgrades that will happen in their city, sub-division, or block. And they want to know how much the upgrades would cost." Please respond to the following:

- a) Provide specific reference to each page of AG 7.11 Attach CP that contains the referenced "qualitative customer analysis".
- b) Provide a complete copy of all reports, surveys, workpapers, correspondence and other documents associated with the "qualitative analysis" that is referenced by Mr. Kennedy.
- c) Does Mr. Kennedy or AIC believe that customers want to know about how AIC is investing in its systems even if the cost of such advertising causes customers to pay higher rates (assuming the AG adjustment is not accepted)?
- d) If your response to part c) is affirmative, please state whether any survey or analysis questions or other parts of the referenced qualitative analysis explain how the recovery of advertising costs impacts customers' rates.
- e) Provide complete copies of all survey questions, scripts and other information that was relied upon to develop the qualitative assessment referenced by Mr. Kennedy.

REVISED RESPONSE

**Prepared By: Thomas B. Kennedy, III
Title: Director, Communications and Public Relations
Phone Number: (309) 677-5489**

Note that the above data request quotes testimony that refers to AG 7.11 Attach (CP). The reference should have been to AG 7.12 Attach (CP).

- a) The report itself (AG 7.12 Attach (CP)) is the qualitative Customer analysis.
- b) The final Ameren Qualitative Focus Group was provided as AG 7.12 Attach (CP). Please also see AG 13.06 Attach, which is a "Draft Discussion Guide" prepared by the vendor. Any other backup documentation used to prepare AG 7.12 Attach (CP) is not in AIC's possession.
- c) It would be speculative to testify on the knowledge or beliefs of individual customers within the AIC service territory and how they interpret the relationship between their desires for information and the cost of delivering the information. We assume, however, that customers are aware that

there are costs associated with transmitting such messages, and that those costs are generally included in delivery rates.

- d) Because the purpose of the research was not to solicit customer opinions about advertising costs and rates, no questions were asked to obtain this information.
- e) See response to subpart b).

Ameren Qualitative Focus Groups
Draft Discussion Guide v. 1

Note: This guide will be used for discussion purposes and the sequence of questions and length of time spent on each area may vary based on group responses and the flow of conversation.

- I. Welcome & Overview** – (This time will be used to establish ground rules and the process for the focus group, e.g. one person at a time talking, the recording, the one way mirror, etc...).
- II. Introductions**
- III. Value: Determining Differential Between Rates/Value/Cost**
 - a. How do you define “value”?
 - b. How do you define “cost”?
 - c. What is the relationship between “value” and “cost”?
 - d. How do you define “value” from your electric and/or gas utility? Why do you say that?
 - e. Are value and cost the same thing in your opinion? Why or why not?
 - i. How do you determine what is a “good” value from your utility?
 1. How do you evaluate what is a reasonable rate to pay for your electricity and natural gas? Why?
 2. What beyond price is important?
 3. Are some of these factors more important than others?
 - ii. How does your definition of value with your utility vary from other products or categories?
 1. Do you compare the cost of your electric or gas bill to other utilities or services (such as cable, mobile phone, internet plans) Why?
 2. Do you have the same level of expectation for other products or services? Why?/Why not?
 - a. What is similar?
 - b. What is different?
 - iii. How does Ameren measure up against your definition of value?
 1. What are Ameren’s strengths?
 2. What are Ameren’s weaknesses?
 3. How are you measuring Ameren against other companies or services?
 - iv. How can Ameren give you more/better value?
 - f. How much control do you feel you have over your personal energy bill? Why?
 - i. If Ameren provided options to manage your energy bill, how would you feel?
 - ii. How much control do you expect to have over your energy bill? Why?
 - iii. How much does the concept of saving energy matter to you? How about saving money? Rebates?

- g. Are you interested in learning what your utility company is doing to keep rates reasonable? Why?
- i. Would knowing this make you feel better about Ameren?
 - ii. What would be the best method to communicate that information to you?
 - iii. What types of things should Ameren be investing in to improve your service?
 - iv. Is it important for your utility to tell you what they are doing now to meet future energy needs? Why?

IV. Message Testing Section: Value

- a. I am going to show you some things that Ameren might say to you. I am going to read it to you and I ask that you read along. As you are reading, circle anything that you like, put a question mark (?) by anything that is confusing and put an X through anything you don't like. *(We will go quickly through each creative articulation)*
- i. Overall did this make you think differently about the value that Ameren provides to you? Why? / Why not?
 - ii. What were the things that you circled? Why? /Why not?
 1. Did others circle it? Why? / Why not?
 2. What else was circled? Why?/Why not?
 - iii. Was there anything that was difficult to understand?
 1. Did others circle it?
 2. For those that didn't what did you think about this?
 3. What else was circled?
 - iv. Was there anything that you didn't like? Why?
 1. Did anyone else? Why? / Why not?
 - v. Please look back at all 4 of these statements. I would like you to rank them 1 – 4 with #1 given to the statement that is most compelling.
 1. Quickly go around room and record their order.

V. Reliability

- a. What does it mean to be "reliable"? How do you define reliability?
- b. Does the definition for reliable vary for different products & categories? Why? / Why not?
 - i. What is the same?
 - ii. What is different?
- c. How do you define "reliability" for your electric utility?
 - i. What are the factors that go into defining reliability for your utility?
 1. What beyond lack of outages is important?
 - a. Is helping you prepare for an outage a part of this?
 - b. Is communications during an outage of part of this?
 2. Are some of these factors more important than others?
- d. How does Ameren measure up against your definition of reliable?
 - i. What are Ameren's strengths?
 - ii. What are Ameren's weaknesses?

- e. What types of things should Ameren be doing and investing in to improve your service?
 - i. Would you like to be informed about investments that Ameren is making to improve service and reliability?
 - ii. Would knowing that make you feel better about Ameren?
- f. ~~Thinking back to a time when your power may have gone out, what was the first thought you had?~~
- g. In thinking about outages, what is your expectation of what Ameren can and should do to prevent outages?
- h. Do you want Ameren to help you prepare for an outage? Why? / Why not?
 - i. What information are you looking for?
 - ii. What information would be helpful to have or to know in advance and in the moment of an outage?
 - iii. Does it matter to you that Ameren prepares extensively for an outage? Why? / Why not? ~~Factor: Don't understand this question~~

VI. Message Testing Section: Reliability

- a. I am going to show you some things that Ameren might say to you. I am going to read ~~them~~ to you and I ask that you read along. As you are reading, circle anything that you like, put a question mark (?) by anything that is confusing and put an X through anything you don't like. *(We will go quickly through each creative articulation)*
 - i. Overall did this make you think differently about Ameren's reliability? Why? / Why not?
 - ii. What were the things that you circled? Why?
 - 1. Did others circle it? Why? / Why not?
 - 2. What else was circled?
 - iii. Was there anything that was difficult to understand?
 - 1. Did others circle it?
 - 2. For those that didn't what did you think about this?
 - 3. What else was circled?
 - iv. Was there anything that you didn't like? Why?
 - 1. Did anyone else? Why? / Why not?
 - v. Please look back at all 4 of these statements. I would like you to rank them 1 - 4 with #1 given to the statement that ~~causes you~~ to think more positively about Ameren's reliability.
 - 1. Quickly go around room and record their order.

VII. Customer Service

- a. How do you define good customer service?
- b. What are the factors that go into it?
 - i. Do others agree / disagree?
 - ii. Why? / Why not?
 - iii. Is good customer service different than a positive customer experience?
 - 1. How is it the same or different?
- c. What kind of customer service would you expect from your utility company?

- i. Do you measure it against other companies, categories or services?
Who?
- ii. What is the number one thing you'd expect your electricity or gas utility to do (or offer) for you to feel they put you, the customer first?
- d. How does Ameren measure up to your definition of customer service?
 - i. What are its strengths?
 - ii. What are its weaknesses?
- e. How important is Ameren's website to your customer service experience?
 - ~~i. How often do you visit Ameren's website?~~
 - ~~ii. Why do you visit?~~
 - ii. How would you describe Ameren.com in terms of ease of use?
 - iii. ~~Do you use Ameren's website to pay your bill or manage your service like Budget Billing, Direct Pay and / or eBill? Why or why not?~~

VIII. Future Energy Needs

- a. How interested are you in energy needs or energy demands in the future?
- b. Does it matter that your electric utility is investing in infrastructure improvements to reduce outages, use energy smarter, and provide safe, reliable power down the road? Why or why not?
- c. What do you anticipate will be your future energy needs?
- d. What improvements do you recognize as necessary for the future?
 - i. Do others agree?
 - ii. Anything else?
 - iii. Which are the most important?

IX. Transparency

- a. Do you care about your utility company and the way it operates? Why? / Why not?
 - i. What are things that you care about?
- b. If this is true, how can a utility be more transparent in its approach to conducting business?
 - i. What are the best ways of communicating to you?
 - ii. How frequently should your utility company be communicating with you?

X. Wrap Up & Release

Please consider adding these questions:

1. Do you know who owns the poles and wires that deliver energy to your home?
(Trying to get an understanding of whether the average consumer knows that the utility owns these assets vs. a municipality). Consider re-wording.
2. Many service providers use Social media to connect with their customers. Are you likely to engage with Ameren on social media?
 - a. If not, why?
 - b. If so, why? (Need to get a feel for reasons that one would engage with us...storms, routine info...service request...expectations for the relationship, etc.).
3. How important is it to you that Ameren support local organizations and utilize resources to better the communities in its service territory?
 - a. Have you heard Ameren's involvement in local communities? Where? How?
 - b. How should Ameren demonstrate its support for local organizations and communities?
 - i. (Create Jobs, invest in infrastructure, contribute to non-profits, help lower-income customers, etc.)
4. Ameren is making significant upgrades to the grid...the complex system of poles and wires and technology that delivers energy to homes and businesses. How important is it to you to understand these changes and what they will mean to you? How do you want to receive this information?