

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**In The Matter Of The Joint Petition Of
Public Service Electric And Gas Company
And Exelon Corporation
For Approval Of A Change In Control Of
Public Service Electric And Gas Company,
And Related Authorizations**

**BPU DOCKET NO. EM05020106
OAL DOCKET NO. PUC-1874-05**

**REBUTTAL
TESTIMONY**

OF

CECIL R. HOUSE

on

**Customer Information/Billing System,
Customer Service Centers, and Low Income Programs**

JP-15

December 5, 2005

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**REBUTTAL TESTIMONY
OF
CECIL R. HOUSE**

7

I. INTRODUCTION AND QUALIFICATIONS

8 **Q. Please state your name and your current position.**

9 **A.** My name is Cecil R. House, and I am Vice President of Customer Operations of
10 Public Service Electric and Gas Company (“PSE&G”).
11

12 **Q. Please describe your professional background and community involvement.**

13 **A.** I was named Vice President of Customer Operations in March of 2005. In this role, I am
14 responsible for the revenue management and customer service functions at PSE&G.
15 Prior to my current position, I was Vice President of Supply Chain Management at PSEG
16 Services Corporation since 2003, when I began my employment with Public Service
17 Enterprise Group (“PSEG”).

18 Prior to joining PSEG, I was employed by Automatic Data Processing,
19 Incorporated (“ADP”) for seven years. During my tenure at ADP I held a variety of
20 positions including Vice President - Business Development, Vice President and Assistant
21 General Counsel, and Corporate - M&A Counsel.

22 Previous to my employment at ADP, I was a partner in the law firm of
23 McDermott, Will and Emery and an associate with the law firms of Debevoise &
24 Plimpton and Hunton & Williams, all of which are located in New York City.

1 I graduated with a Bachelor of Science degree in commerce, with concentrations
2 in finance and management information systems, from the University of Virginia's
3 McIntire School of Commerce in 1983. I also received a Master of Business
4 Administration degree from Columbia University in 2001 and my Juris Doctor degree
5 from Harvard University Law School in 1986. Following law school, I clerked at the
6 Supreme Court of Virginia. I am a member of the bar in the states of New York and
7 Virginia.

8 I am a public member of the New Jersey Economic Development Authority. I
9 also serve on the Board of Trustees of the Center for Advanced Purchasing Studies, the
10 Newark Boys Chorus School, the Community Movie Corporation, La Casa de Don
11 Pedro, Inc., and the New Jersey Minority Achievers Commission.

12

13 **Q. What is the purpose of your testimony?**

14 **A.** The purpose of my testimony is three-fold. First, I would like to rebut testimony by Ms.
15 Brockway on behalf of the Division of the Ratepayer Advocate ("RPA") regarding the
16 capabilities of our current Customer Information System. Secondly, I would like to
17 clarify data provided in response to interrogatory RAR-SQ-73 and used by Nancy
18 Brockway on behalf of the RPA in her testimony concerning our general inquiry service
19 level over the past three years. Lastly, I would like to comment on the testimony of
20 Roger Colton on behalf of the RPA on customer service centers and low income
21 programs.

1 current system. In addition, customer expectations are increasing and our current CIS
2 system is simply incapable of meeting these expectations. Based on the above, PSE&G
3 would have had to replace the current CIS with a new system within the near term future.

4

5 **Q. How does the conversion to CIMS address this issue?**

6 **A.** Exelon's CIMS is an Accenture developed and supported system utilized by 40% of the
7 largest North American utilities. Subject matter experts exist not only within the Exelon
8 organization but also throughout the utility industry. By virtue of Exelon's adoption of
9 the system for use by Commonwealth Edison ("ComEd") and the adoption of the system
10 by PECO Energy Company ("PECO") in 2006, there have been, and will be, lessons
11 learned that will make the implementation at PSE&G smoother and more cost effective
12 than if adopted by PSE&G on its own.

13

14 **Q. Are there additional benefits to be gained by the conversion to CIMS?**

15 **A.** Yes. From a customer perspective PSE&G currently provides limited self-service
16 through PSE&G's web site, which does not directly interface with CIS. Some of the
17 capabilities include the ability to allow customers to input meter readings, apply for
18 transfer of service, apply for worry free contracts, pay bills online, sign up for equal
19 payment plans, as well as others. This lack of interface is inefficient because it requires
20 manual back-office intervention. For example, when a customer enters information
21 through our web site for an application for service, this data has to be printed and then

1 manually entered into CIS. This manual process lends itself to quality control issues as
2 well as additional expense.

3 With the implementation of CIMS, PSE&G will be able to provide our customers
4 with additional and enhanced self-service capabilities by eliminating much of the manual
5 intervention required by our current CIS. CIMS, as implemented by ComEd, and
6 proposed to be implemented at PSE&G, is a highly integrated system that provides more
7 robust self-service offerings through the web. Customers will have a friendlier web
8 interface with broader and timelier access to their account information. Through CIMS,
9 customers will the have ability to view a wide range of account information such as
10 energy usage, billing and payment history as well as complete bill images. CIMS
11 eliminates the manual back office intervention associated with web-based requests using
12 CIS. The web application is directly linked to CIMS, allowing real-time processing of
13 customer requests. From the customer's perspective, this translates into a more
14 immediate response for electric and gas service and prompt access to information
15 regarding their accounts -- a substantial customer benefit.

16 CIMS is a customer and premise-based system allowing for improved customer
17 service. Core customer specific information is retained with the customer as he/she
18 moves between premises. The current CIS is a premise-based system; therefore, core
19 customer information does not move or transfer with the customer to a new account at a
20 separate premise. The transferability of core customer data eliminates repetition for the
21 customer and the service representative, improving not only the speed of the transaction,
22 but also the integrity of customer information. This system benefit was acknowledged by

1 Mr. Michael F. Rafferty on behalf of the New Jersey Board of Public Utilities (“BPU”) in
2 his direct testimony: “PSE&G’s customer system is premise-based, which ...has
3 shortcomings with regard to customer request handling time; for example, if a customer
4 [is] setting up a new account, the CSR must re-enter that customer’s information, which
5 often extends the length of the call.” (p. 14)

6

7 **Q. In addition to benefits for customer service, what added value will CIMS provide?**

8 **A.** Our CIS is a transaction driven legacy system. All transactions are accessed by codes
9 and most transactions have multiple screens where customer account information resides.
10 Only one transaction is available at a time and customer information requests require
11 associates to view a number of transaction screens, which can extend response time to
12 inquiries. CIS is a more difficult system for employees to navigate. For example, if
13 customers call concerning bills, our representatives may need to review as many as five
14 different screens and still will not have an exact replica of all the information provided to
15 a customer on the bill. With CIMS, the representative has the ability to view multiple
16 screens simultaneously to answer inquiries and view an exact replica of the customer’s
17 bill on a single screen.

18 CIMS provides these features through an efficient windows-based system with
19 drop down menus. As I previously noted, it allows an associate to have multiple screens
20 open, which shortens the length of time to respond to customer requests. Training is
21 conducted in an on-line environment and is expected to have shorter completion time
22 than now required with our current legacy system. CIMS is less stressful for customers

1 and associates because it provides common information quickly. In comparison, as
2 provided in the response to request RAR-LI-62, the PSE&G staff training and operation
3 manuals for CIS are voluminous, resulting in an extended period of training time.

4 Presently, PSE&G operates two billing systems within CIS, a regular billing
5 structure for residential and small industrial and commercial (“I&C”) customers, and a
6 complex billing system for large I&C customers. The two systems require separate
7 technical and business support, and modifications are duplicated when regulatory
8 issues/requirements arise such as Universal Service Fund, Green Power, and Basic
9 Generation Service. Operating two systems also increases normal maintenance and
10 operating costs and requires dual disaster recovery systems. CIMS will eliminate these
11 redundancies and inefficiencies.

12

13 **Q. Are there any other benefits to the CIMS transition?**

14 **A.** Yes, in the area of work management. PSE&G's current work management processes are
15 mainly paper-based reports, which require several levels of manual back-office activity.
16 For example, bookkeepers must review billing exceptions from computer generated green
17 bar paper; the accounts are accessed and then assessed for correction. This frequently
18 extends the time necessary to provide a customer with an accurate and timely bill. The
19 workflow management process inherent in CIMS contributes to improved customer
20 service through online tracking and correction of not only billing exceptions, but also
21 back-office work for other customer support processes. The tracking system provides the
22 ability to monitor and control the correction process resulting in enhanced quality. This

1 tracking mechanism can also easily reassign work from one associate to another. This is
2 a clear benefit of the CIMS system over our existing system.

3 As outlined by Ms. Reidy, PSE&G looks forward to working with the BPU Staff
4 prior to the implementation of the customer system changes.

5

6 **III. CLARIFICATION REGARDING CALL HANDLING DATA RESPONSE**

7

8 **Q. Please explain your clarification.**

9 **A.** On page 20 of Ms. Brockway's November 14, 2005 testimony, she relies on data
10 contained in the response to discovery request RAR-SQ-73 (Exhibits NB-SQ-2 and NB-
11 SQ-3) to illustrate that PSE&G answers a higher percentage of non-emergency calls
12 handled within 30 seconds when compared with the performance of ComEd and PECO.
13 Upon review of this testimony, we discovered that inaccurate data was provided in the
14 initial response. A correction has been provided and designated RAR-SQ-73 (Revised).

15 When this data is corrected, we find that the relationship between Exelon's
16 performance and PSE&G's performance contradicts Ms. Brockway's conclusion. For
17 three consecutive years (2002-2004), PSE&G answered 68.2%, 45.3%, and 52.8% of its
18 calls within 30 seconds. During the same consecutive years, PECO answered 80%, 78.%
19 and 77.0% within 30 seconds and ComEd answered 78.8%, 73.5% and 73.3% within 30
20 seconds. The corrected data illustrates that the service level performance of the Exelon
21 call centers has been superior compared to PSE&G's general inquiry non-emergency call
22 answer rate during this time period.

1 I note that PSE&G's focus for customer call performance has been first call
2 resolution, rather than speed of answer. Our customers have consistently indicated that
3 they are more interested in having their issues resolved in one call, rather than measuring
4 how quickly the call is answered.

5

6 **IV. CUSTOMER SERVICE CENTERS AND LOW INCOME PROGRAMS**

7

8 **Q. Can you please comment on Mr. Colton's testimony?**

9 **A.** Mr. Colton made some accurate observations regarding PSE&G's service territory and
10 correctly identified some of the challenges we face serving our low-income customers.
11 The profound poverty levels in some of our cities, such as Camden and Newark, highlight
12 the importance of PSE&G's role in focusing outreach and education efforts to our low-
13 income customers to make them aware of available energy assistance programs. PSE&G
14 and Exelon have been very proactive in supporting low-income initiatives in their service
15 territories. Mr. William Colón of the Latino Institute testified at the November 28, 2005
16 Public Hearing in Newark, New Jersey. In reviewing the transcript, I noted that Mr.
17 Colón stated that he independently contacted Jose Rodriguez, the CEO of Aspira in
18 Chicago and also Congressman Luis Guterrez. Both vouched for Exelon's support of,
19 and partnership with, low-income, community-based initiatives, such as the Latino
20 Institute. As such, he felt that the merger should be supported.

21 Mr. Colton (p. 10) has expressed concern that there will be a dilution of resources
22 for low-income customers in the event PSE&G Customer Service Centers are not

1 available. His concern is wholly misplaced, as the Exelon-PSEG transaction by itself
2 cannot have any effect on the provision of services available at Customer Service
3 Centers. Under the New Jersey Administrative Code, specifically N.J.A.C. 14:3-5.1, a
4 utility is required to seek BPU approval to close, or relocate a Customer Service Center
5 (see Response to Local 601-II-50). PSE&G has no present intention to close any
6 Customer Service Center.

7

8 **Q. Would you like to comment on Mr. Colton's testimony regarding the Elizabeth**
9 **Customer Center?**
10

11 **A.** Yes. Mr. Colton (pp. 49-50) recommends that the BPU impose monthly sanctions after
12 January 1, 2007 if the Elizabeth Customer Service Center is not fully functioning.
13 PSE&G, pursuant to the BPU's Order in BPU Docket No. EE03020120, is currently in
14 the process of locating a new facility.

15 PSE&G has and continues to work diligently with the BPU Staff and other
16 constituents, including Elizabeth city officials and local agencies, to find a suitable
17 permanent location. In fact, a temporary customer service center has been maintained
18 where customer service representatives are available to address any customer concerns.
19 PSE&G provides regular updates to the BPU Staff regarding the relocation of the
20 customer service center, and the BPU Staff has accompanied us in reviewing potential
21 properties. Some of the customer safety and comfort requirements for the new location,
22 including first floor access, parking and ADA compliance, have made the search longer
23 than desired. However we are confident a new location will be found by early 2006.

1 Moreover, this issue is completely unrelated to the merger proceeding. Therefore, Mr.
2 Colton's penalty recommendation should not be considered.

3

4 **Q. Is Mr. Colton's testimony regarding NJ SHARES accurate?**

5 **A.** Yes, for the most part. It was PSE&G that in 1998 provided \$1 million in seed money to
6 launch NJ SHARES, New Jersey's only statewide fuel fund. Our support includes
7 administrative costs, fundraising expertise, grant dollars and board membership. NJ
8 SHARES compliments the low-income programs offered by the state by providing
9 assistance to those customers who are *not* served by LIHEAP or the Universal Service
10 Fund.

11

12 **Q. What has been PSE&G's history in reaching out to the low-income community?**

13

14 **A.** PSE&G's core Payment Assistance Outreach team, as discussed in the response to
15 discovery request RAR-LI-76, educates our customers and employees on the low-income
16 programs available. Bill inserts, bill messages, and newsletters are sent to all our
17 residential customers at strategic times during the year to alert them to the options available
18 to manage their energy needs. Payment Assistance Outreach conducts annual conferences,
19 bringing local governmental and community-based organizations together to learn from
20 PSE&G and other subject matter experts on the assistance available, including the Low
21 Income Home Energy Assistance Program, the Universal Service Fund, New Jersey
22 Lifeline, Earned Income Tax Credit, NJ SHARES, and Comfort Partners to name some.

1 PSE&G invites the Ratepayer Advocate and the BPU's Division of Customer Assistance
2 Department to participate and provide relevant and timely information. This year PSE&G
3 hosted five conferences, which attracted over 500 of PSE&G's community partners.

4

5 **Q. Does that conclude your testimony?**

6 **A.** Yes it does.