


Memorandum

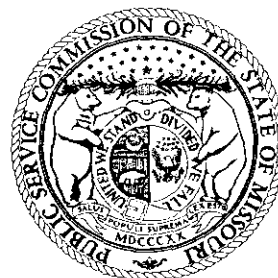
TO: All Parties of Interest

CC: Chairman Jeff Davis
Commissioner Connie Murray
Commissioner Steve Gaw
Commissioner Lin Appling

FROM: Commissioner Robert M. Clayton 

REG: Case No. GR-2006-0387

DATE: October 27, 2006



On October 19, 2006, at my request, the Commission issued an Order Directing filing relating to customer service performance. I made the request because of allegations of inadequate customer service performance in the Local Public Hearings as well as allegations made in pre-filed testimony by Staff. In addition, the attached survey of J. D. Power and Associates regarding customer service performance was received on or about September 27, 2006. Further, I have received contacts outside of the rate case on issues tangential to the issues in this matter.

Because some of this information was communicated to me independently of the rate case and without notice to other parties, and because I believe the information to be relevant and material to the issues involved in the rate case, the survey compilation is being submitted to allow for responses from the parties. I have also attached a redacted constituent letter reflecting on-going discussions with an individual complainant. While the actual complaint does not relate specifically to the pending rate case, customer service in general is at issue in the rate case.

If a party believes that additional disclosure or clarification of these contacts is necessary, an appropriate filing will be made promptly.

cc: Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel

Attachments (2)



Press Release

J.D. Power and Associates Reports: Satisfaction With Local Gas Utilities Declines as Residential Customers Report Significant Increases in Monthly Bills

CenterPoint Energy-Minnesota, CPS Energy, Southern California Gas and UGI Utilities Lead Regional Customer Satisfaction Rankings

WESTLAKE VILLAGE, Calif.: 27 September 2006—Overall customer satisfaction with the 56 largest natural gas utilities declines sharply behind a reported 23 percent increase in residential monthly bill amounts compared to 2005, according to the J.D. Power and Associates 2006 Gas Utility Residential Customer Satisfaction StudySM released today.

The customer satisfaction index falls 38 points to 638 on a 1,000-point scale. Overall customer satisfaction is based on performance in six factors: billing and payment; communications; company image; customer service; field service; and price and value. Utilities are ranked in four geographical regions.

The study finds that the national average reported monthly gas utility bill has increased to \$115, marking the first time in the study's five-year history that reported bill amounts have exceeded \$100.

"We know from industry data that consumption of natural gas has remained stable among residential customers, but natural gas prices and recent rate changes have increased gas utility monthly bill amounts, frequently with large fluctuations that frustrate customers," said Alan Destribats, executive director of the utility practice at J.D. Power and Associates. "Utilities that educate customers on energy-savings programs, such as conservation and rebates, score higher on overall customer satisfaction. It is extremely important for utilities to keep an informative dialogue with customers."

For the first time, the study includes a component that measures the effectiveness of gas utility communications with residential customers. The performance of utilities on this component shows that the more frequently a utility communicates with its customers, the more satisfied customers are overall.

East Region

UGI Utilities ranks highest in overall customer satisfaction in the East region for a fourth consecutive year. UGI is followed in the regional rankings by New Jersey Natural Gas. Also performing well in the region are South Jersey Gas; Con Edison; PECO; Columbia Gas of Pennsylvania; Elizabethtown Gas; Public Service Electric & Gas; Washington Gas Light and Dominion Peoples.

Midwest Region

CenterPoint Energy-Minnesota ranks highest in the Midwest region for a second time. CenterPoint is followed in the rankings by MidAmerican. Also performing well in the region are Louisville Gas & Electric; Wisconsin Public Service; Citizens Gas & Coke; Consumers Energy; We Energies; Kansas Gas Service; Duke Energy; Northern Indiana Public Service and Vectren.

South Region

CPS Energy ranks highest in the South region for a second consecutive year, followed by PSNC Energy. Also performing well in the region are Texas Gas Service; Piedmont Natural Gas; Alagasco; South Carolina Electric & Gas; Virginia Natural Gas and Oklahoma Natural Gas.

West Region

Southern California Gas ranks highest in the West region for a third consecutive year, and receives the highest index score in the study. Southern California Gas is followed in the regional rankings by Northwest Natural.

The study results are based on customer responses from 12,369 telephone interviews conducted between April and June 2006 among residential customers of the 56 largest gas utilities across the continental United States.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is an ISO 9001-registered global marketing information services firm operating in key business sectors including market research, forecasting, consulting, training and customer satisfaction. The firm's quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

About The McGraw-Hill Companies

Founded in 1888, The McGraw-Hill Companies is a leading global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor's, McGraw-Hill Education, BusinessWeek and J.D. Power and Associates. The Corporation has more than 290 offices in 38 countries. Sales in 2005 were \$6.0 billion. Additional information is available at <http://www.mcgraw-hill.com>.

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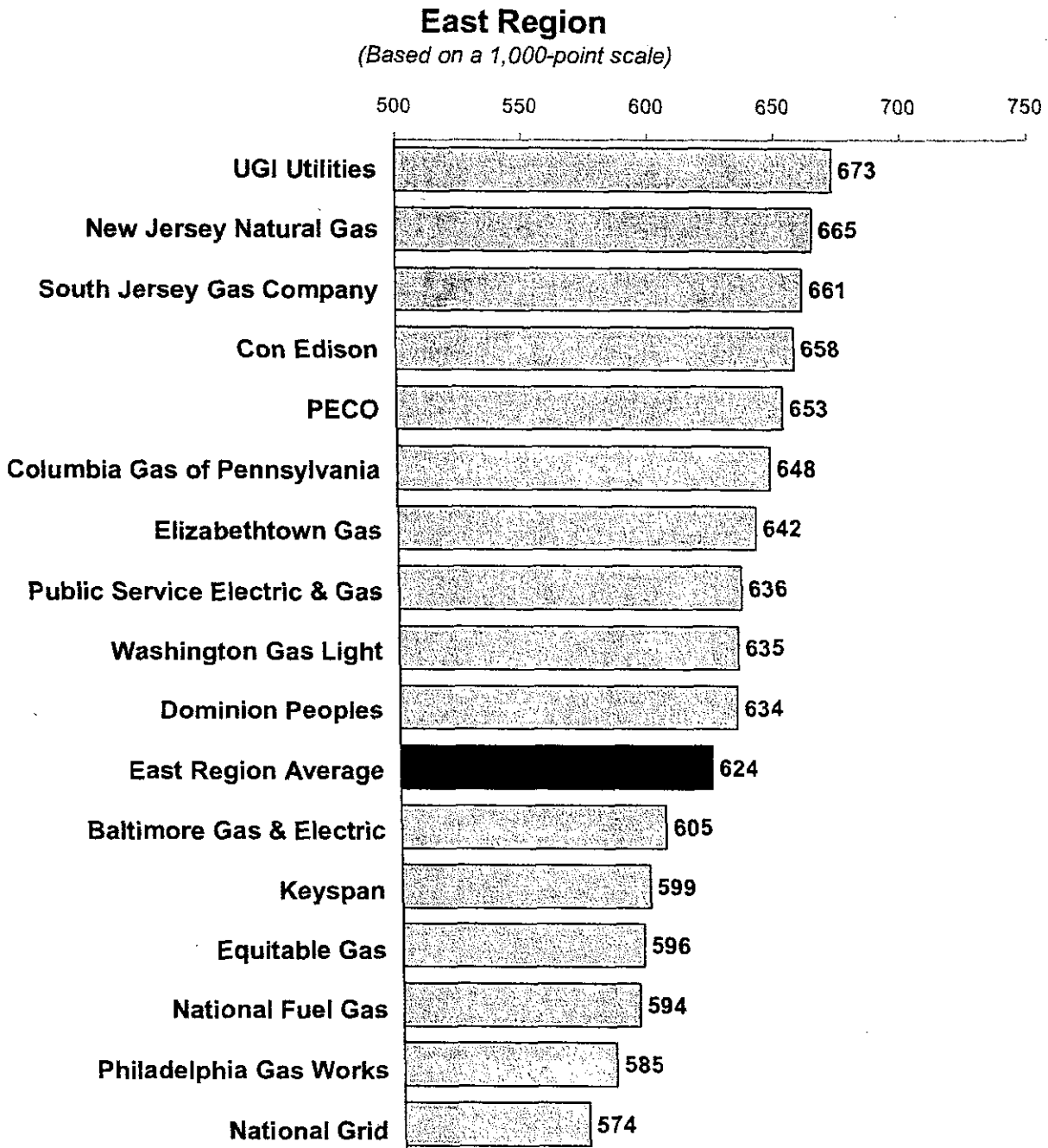
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NOTE: Four charts follow

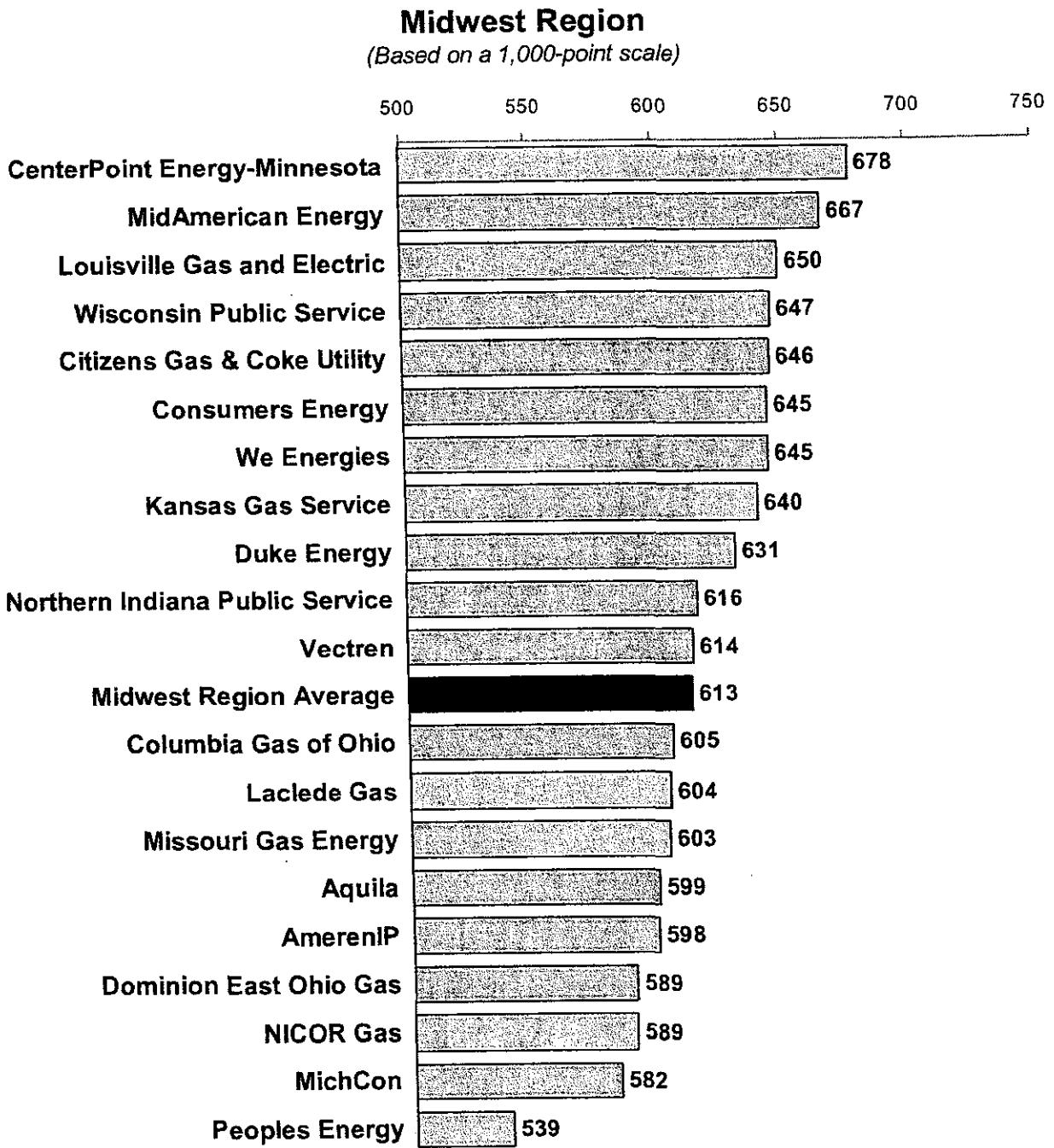
J.D. Power and Associates 2006 Gas Utility Residential Customer Satisfaction StudySM



Source: J.D. Power and Associates 2006 Gas Utility Residential Customer Satisfaction StudySM

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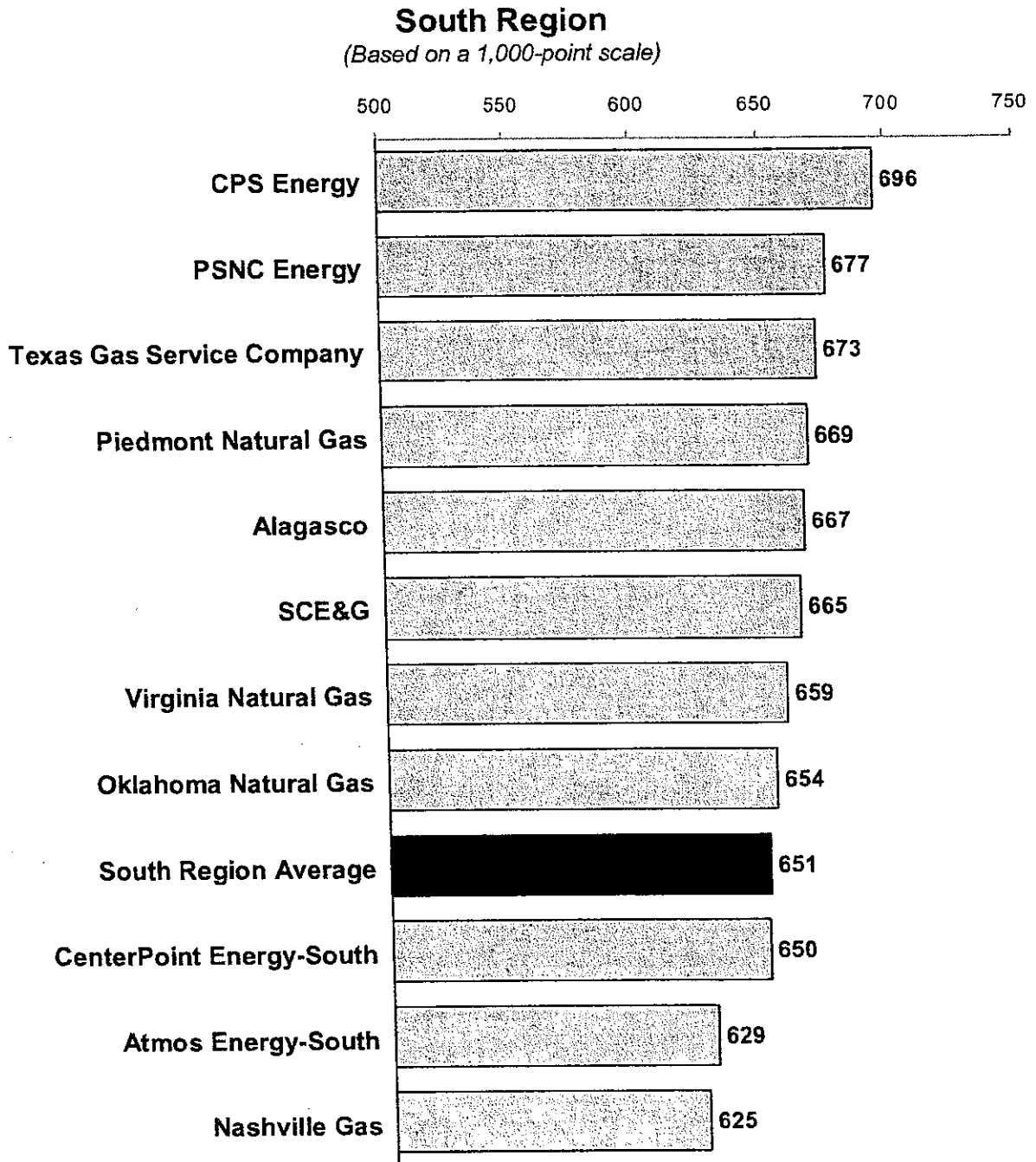
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J.D. Power and Associates 2006 Gas Utility Residential Customer Satisfaction StudySM

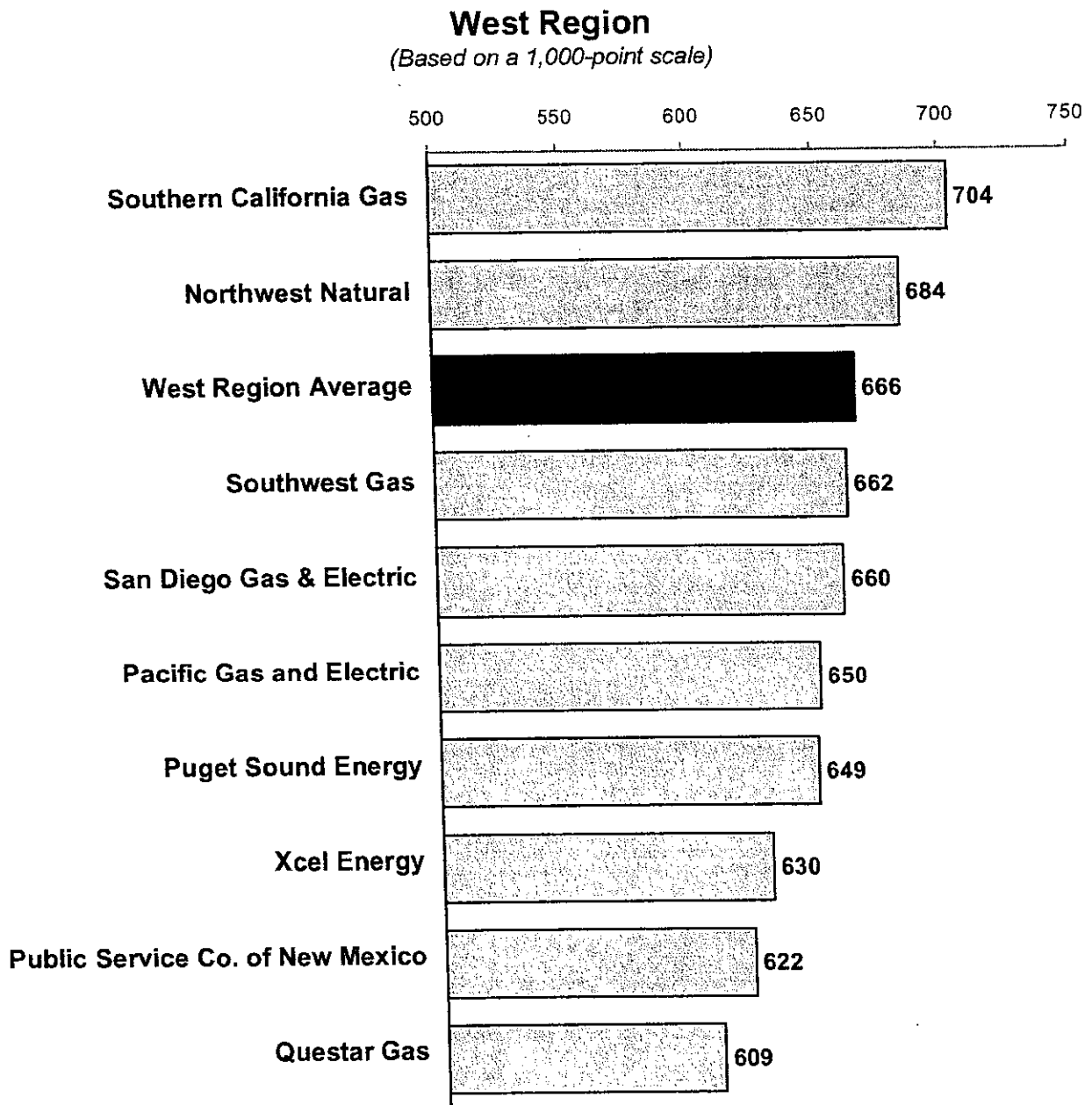


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Source: J.D. Power and Associates 2006 Gas Utility Residential Customer Satisfaction StudySM

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J.D. Power and Associates 2006 Gas Utility Residential Customer Satisfaction StudySM



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October 3, 2006

Greetings Bob,

I can't begin to thank you enough for all your effort in helping me, for that I am truly grateful.

Your mom was in the other day and I had to mention to her how much of a help you had been to me with trying to deal with Atmos.

Bob there is two things that were never dealt with and I feel they were the most important in all this mess. The first thing that wasn't mentioned in the notes from Atmos is when I called them and asked them to explain and confirm the \$00.00 "to pay" on the bill. I spoke to them and they confirmed that I was to pay nothing.

I jotted this down on the envelope to confirm what she had said. How is it that this never showed up on these notes? The folks here at the clinic even remember me coming in and telling them about this confirmation. This is not the only thing that was omitted from their "notes".

Bob, nowhere was it ever addressed why Atmos could never explain why on my bill the amount showing \$00.00 and nowhere was it ever mentioned to keep paying the budget billing during this time of "credit usage".

Also, nowhere in the notes does it ever say where when I asked about this \$00.00 amount where the lady said, " you should have known to keep paying the budget amount even though it was not stated on the bill." This is when I really was upset that this person pointed the finger of blame on me for what I feel is was an intentional neglect of proper wording on the part of Atmos. Looking on the bill it is obvious that they had no intention of telling me or others to continue paying the budget billing. This I feel is a deliberate attempt on their part to deceive customers.

I would really appreciate it if you could bring this up again to your contact person, Lisa Kramer. I would just like to get these two points dealt with.

Bob, I really don't want to bring this to the attention of the Atty. General's office for their intervention. I know you have done all you could but I feel that Atmos "snowed" you and really never answered my complaints. If Miss Kramer is unable to give me the answers I deserve as a consumer than I will have no other choice but to bring this error in the billing language to the attention of the Atty Gen..

Thanks Bob, I really appreciate your time and effort.

[REDACTED]
[REDACTED] Hannibal, Mo. 63401 [REDACTED]