

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of	)	
Southern Union Company for Authority to	)	
Acquire and Merge with Pennsylvania	)	Case No. GM-2000-43 and Case Nos.
Enterprises, Inc., and, in Connection	)	GM-2000-500, GM-2000-502,
therewith, Certain Other Related	)	GM-2000-503 & GM-2003-0238
Transactions.	)	

**STAFF REPORT IN RESPONSE TO REPORT FROM  
MISSOURI GAS ENERGY IN CONNECTION WITH  
CUSTOMER SERVICE MEASURES**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through Counsel, and for its Response to the required annual Report from Missouri Gas Energy (MGE) in connection with its performance on certain customer service measures, states the following:

1. On October 6, 1999, the Parties filed a Unanimous Stipulation and Agreement (Stipulation or Agreement) in this case regarding a merger between Southern Union Company (SUC) and Pennsylvania Enterprises, Inc., wherein SUC emerged as the surviving corporate entity.
2. The Commission approved the Stipulation on October 21, 1999, subject to the conditions contained in the Stipulation.
3. MGE is an operating division of SUC. The Stipulation (at p. 2) provided, in part, that SUC would “ensure that the merger will have no adverse effect on MGE’s efforts to provide high quality service to its customers.”
4. Pursuant to the pledged effort to continue quality customer service, SUC, through its MGE operating division, agreed to meet certain performance levels and to provide Staff with information (statistics) on these customer service performance measures as outlined in the

Stipulation. (The furnishing of these informational statistics was also incorporated in Orders of the Commission issued in Case Nos. GM-2000-500, GM-2000-502, GM-2000-503, and most recently, GM-2003-0238.) These performance measures are the “*Abandoned Call Rate*” and the “*Average Speed of Answer*.” The Abandoned Call Rate is the rate at which customers hang up before speaking with an MGE representative. SUC agreed that the Abandoned Call Rate (ACR) would not exceed a maximum allowable level of 8.5% as of January 1, 2000, and continuing thereafter.

5. The agreement on Average Speed of Answer (ASA) was that it would not exceed 81 seconds for the calendar year 2000, and beginning on January 1, 2001, and thereafter, the measurement for ASA would change to a maximum of 75 seconds for an MGE representative to answer a phone call.

6. In early February, 2010, the Company mailed a draft report to Staff and Office of Public Counsel, summarizing its Service Quality performance for calendar year 2009. Staff has reviewed MGE’s draft report and Staff’s Report is included below.

7. On March 1, 2010, two members of the Commission Staff, Debbie Bernsen and Ben Wisnewski, met with MGE’s management representative, Ron Crow, at the Company’s offices to discuss the Company’s 2009 performance.

8. The total number of incoming calls to the MGE Call Center decreased from 1,472,056 calls in 2008 to 1,367,323 calls in 2009.

9. The information provided by the Company in its Draft Report shows an average Abandoned Call Rate (ACR) of 5.59% for 2009. The Stipulation specified the maximum allowable level for the annual ACR indicator is 8.5%.

10. The company's highest ACR level for 2009 was recorded in February with an ACR of 15.15%. While the average annual figure is within the Stipulation's prescribed objective, MGE did not meet its objectives in the month of February of 2009.

11. The Average Speed of Answer of calls to MGE for the year 2009 was 62 seconds. The ASA has decreased slightly from 2008, when it was 69 seconds. The rate of answer of 62 seconds is within the prescribed annual objective of 75 seconds for this service quality indicator. While the annual average is acceptable, the Company's average performance of 81 seconds (January), 142 seconds (February), 88 seconds (March), 84 seconds (April), and 92 seconds for October 2009 did not meet this objective.

12. MGE's customer services staffing level has fluctuated throughout the year. Staffing levels were consistent over the first six months of the year at 108 employees. The Company was able to increase staffing to 113 in September and maintain those levels. Total staffing, which includes management, call center, billing and account services personnel has ranged from a low of 107 employees in July and August 2009 to 114 employees in December of 2009.

13. The Company also tracked and reported the Average Response Time to Commission Forwarded Complaints. MGE attempts to respond to the Commission Staff regarding complaints within two business days. The Company reported a response rate of 85.50% for the year 2009, which is a decline in its performance of 87.93% in 2008. While there is no specific stipulated benchmark for response to Commission complaints, the Staff encourages the Company to set an internal objective of 90%.

14. The Staff encourages the Company to continue its efforts to examine various alternatives to improve Call Center performance, to monitor and evaluate the results of its actions, and to implement cost-effective alternatives that improve customer service.

**WHEREFORE**, Staff submits Staff's Response to Report from Missouri Gas Energy in Connection with Customer Service Measures, along with Staff's recommendation that the Company continuously monitor and evaluate its customer service efforts.

Respectfully submitted,

**/s/ Lera L. Shemwell**  
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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 4th day of March, 2010.

/s/ Lera L. Shemwell