

**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, GM-
therewith, Certain Other Related)	2000-503 & GM-2003-0238
Transactions.)	

**STAFF 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 a Report from Missouri Gas Energy (MGE) in connection with 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 provide Staff with information (statistics) on several customer service performance measures 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 were specifically identified as the “*Abandoned Call Rate*” and the “*Average Speed of Answer*.” 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. 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.

5. The Company mailed a draft report to Staff and Office of Public Counsel on or about February 13, 2009, summarizing its Service Quality performance for calendar year 2008. Staff has reviewed MGE’s draft report. On March 11, 2009, [t]wo members of the Commission Staff, Debbie Bernsen and Randy Cole, met with MGE’s management representative, Ron Crow, at the Company offices to discuss the Company’s 2008 performance. As has been the established pattern in this case, MGE is expected to respond to Staff’s Report with a filing submitted in early May.

6. The information provided by the Company in its draft report illustrates an average Abandoned Call Rate of 5.93% for 2008. The Stipulation specified the maximum allowable level for the annual ACR indicator is 8.5%. The Company’s ACR performance in 2007 was 6.98% and in 2008 improved to 5.93%. While the average annual figure is within the Stipulation’s prescribed objective, MGE did not meet its objectives in March, April and May of 2008, with performances of 11.62%, 10.50% and 10.99% respectively.

7. In April of 2007, the Company recorded an ACR of 11.94%. The Company’s highest level for 2008 was recorded in March with an ACR of 11.62%.

8. The average ASA for the year 2008 was 69 seconds. The ASA has increased slightly from 2007, when it was 67 seconds, however, the rate of answer of 69 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 92, 94, and 78 seconds respectively for the first three quarters of 2008 did not meet this objective. In March, April, and May 2008, individual monthly average ASAs of 127, 123 and 123 seconds, were the highest for the year.

9. The total number of incoming calls to the MGE Call Center increased from 1,410,185 calls in 2007 to 1,472,056 calls in 2008.

10. MGE's customer services staffing level has fluctuated throughout the year. Total staffing, which includes management, call center, billing and account services personnel has ranged from a low of 100 employees in June 2008 to 112 employees in July, August, September, and October of 2008. The Company intends to maintain the present staffing levels of a total of sixty-three full and part-time call center consultants and assess its need for additional staffing in the summer. This will allow them to complete recruitment and training in order to have trained employees available in the fall, when the volume of calls normally increases.

11. The Company also tracked and reported the Average Response Time to Commission Forwarded Complaints. MGE attempts to answer complaints within two business days. The Company reported a response rate of 87.93% for the year 2008, which is a decline in its performance of 90.95% in 2007. While there is no specific benchmark for response to Commission complaints, the Staff encourages the Company to set an internal objective of 90%.

12. 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.

Respectfully submitted,

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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 13th day of March, 2009.

/s/ Lera L. Shemwell