

MISSOURI GAS ENERGY
A division of Southern Union Company

FILE COPY

Office of Public Counsel - Missouri
DATA INFORMATION REQUEST RESPONSE

Case Number: GR-2004-0209

Data Request No 5025

Requested From: Michael Noack

Date Requested: 1/21/2004

Information Requested:

At page 5 of his direct testimony witness Oglesby states "MGE has achieved and generally maintained high quality customer service performance levels." Please answer the following:

- A. Upon what standard does witness Oglesby base his claim?
B. Please provide any an all information witness Oglesby relied upon in making this statement.

Requested By: Douglas Micheel

Information Provided:

Mr. Oglesby has responded to your request as follows:

A. In light of MGE's cost-effectiveness (as shown on pages 7-8 of his direct testimony) and the pressure associated with MGE's continuing inability to actually achieve its authorized rate of return (as shown on Schedule G-4 of Mr. Noack's direct testimony), Mr. Oglesby believes that by meeting the merger commitments related to abandoned call rate and average speed of answer, maintaining estimated meter reads at a very low level, and maintaining Commission complaints/inquiries at generally moderate levels (all as shown on pages 2-3 of the direct testimony of Mr. Ricketts), demonstrate that MGE meets the standard of high quality customer service.

B. Mr. Oglesby's belief that MGE has achieved and generally maintained high quality customer service performance levels is based on his overall experience in the business, his knowledge of MGE's overall operations as well as on the information referred to in sub-part A.

The information provided in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to promptly notify the requesting party if, during the pendency of Case No. GR-2004-0209 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

Date Response Received: _____

Signed By: 
Director, Pricing and Regulatory Affairs

Date: 2/4/04

FEB 06 2004

Schedule KKB-1

MISSOURI GAS ENERGY
A division of Southern Union Company

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Office of Public Counsel - Missouri
DATA INFORMATION REQUEST RESPONSE

Case Number: GR-2004-0209

Data Request No 5028

Requested From: Michael Noack

Date Requested: 1/21/2004

Information Requested:

At page 2, lines 20-22 witness Ricketts states "MGE has consistently been able to maintain relatively stable ACR and ASA levels that are better than the merger commitments for these measures, 8.5% and 75 seconds respectively." To which merger commitments is witness Ricketts referring.

Requested By: Douglas Micheel

Information Provided:

Customer service performance measures were initially adopted by the Commission in Case No. GM-2000-43 and subsequently re-adopted in Case Nos. GM-2000-500, GM-2000-502, GM-2000-503 and GM-2003-0238.

The information provided in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to promptly notify the requesting party if, during the pendency of Case No. GR-2004-0209 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

Date Response Received: _____

Signed By: 
Director, Pricing and Regulatory Affairs

Date: 2/4/04

FEB 06 2004

Schedule KKB-2

FILE COPY

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 21st
day of October, 1999.

In the Matter of the Application of)
Southern Union Company for Authority)
to Acquire and Merge with Pennsylvania)
Enterprises, Inc., and, in Connection) Case No. GM-2000-43
Therewith, Certain Other Related)
Transactions)

ORDER APPROVING STIPULATION AND AGREEMENT

On July 21, 1999, Southern Union Company (Southern Union) filed an Application asking that the Commission grant it the authority to acquire and merge with Pennsylvania Enterprises, Inc. Southern Union requested that the Commission approve its application no later than November 1. In order to comply with Southern Union's request for expedited consideration, the Commission issued an order on August 2 that directed the Staff of the Public Service Commission (Staff) to file its recommendation regarding Southern Union's application no later than October 1. That order also provided that the Office of the Public Counsel (Public Counsel) might also file its recommendation on that date.

On October 1, Southern Union filed a Motion to Extend Time for Filing of Recommendations. That motion indicated that Southern Union, Staff and Public Counsel were engaged in discussions that it hoped would lead to a stipulated resolution of the application, thus eliminating the need for a Staff Recommendation. Southern Union asked that the deadline

OCT 21 1999

Schedule KKB-3

Page 1 of 19

for the Staff Recommendation be extended to October 8, in the event that a stipulated resolution was not filed by October 6. On October 6, Southern Union, Staff and Public Counsel filed a Unanimous Stipulation and Agreement (Agreement).

The Agreement purports to resolve all outstanding issues in this case. The parties indicate that the Agreement imposes certain modifications and conditions on the merger and that subject to those modifications and conditions, the merger is not detrimental to the public interest. The parties requested that the Commission approve the merger by October 15, or as soon thereafter as possible.

At the request of the Commission, Staff filed a Memorandum explaining its rationale for entering into the Stipulation and Agreement on October 15. Southern Union filed a response to Staff's explanatory memorandum on October 18. Public Counsel represented that it does not intend to file a response to Staff's memorandum.

In the Stipulation and Agreement, contingent upon the Commission accepting the Stipulation and Agreement, the parties waived their rights to present testimony, to cross-examine witnesses, to present oral argument or briefs, to have the transcript read by the Commission and to judicial review. The Commission has the legal authority to accept a stipulation and agreement as offered by the parties as a resolution of issues raised in this case, pursuant to Section 536.060, RSMo Supp. 1998.

The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer

Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has requested a hearing in this case, the Commission may grant the relief requested based on the Stipulation and Agreement.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed on October 6, 1999 by Southern Union Company, the Staff of the Public Service Commission and the Office of the Public Counsel, is hereby approved as a resolution of all issues in these cases (See Attachment 1).
2. That Southern Union Company is authorized to acquire and merge with Pennsylvania Enterprises, Inc., subject to the terms and conditions contained within the Stipulation and Agreement approved in this order.
3. That this order shall become effective on November 1, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
and Drainer, CC., concur
Schemenauer, C., absent

Woodruff, Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED
OCT 6 1999
Missouri Public
Service Commission

In the Matter of the Application of)
Southern Union Company for Authority to)
Acquire and Merge with Pennsylvania)
Enterprises Inc., and, in Connection)
therewith, Certain Other Related)
Transactions.)

Case No. GM-2000-43

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the Staff of the Missouri Public Service Commission ("Staff"), Southern Union Company ("Southern Union" or "Company") and the Office of the Public Counsel ("OPC") and, as a result of discussions among the parties to Case No. GM-2000-43, hereby submit to the Missouri Public Service Commission ("Commission") for its consideration and approval the following Stipulation and Agreement, in connection with the Application of Southern Union Company for authority to acquire and merge with Pennsylvania Enterprises Inc., and other related transactions.

1. APPROVAL OF THE MERGER

The parties to this Stipulation and Agreement respectfully request that the Commission issue an Order approving the merger by October 15, 1999, or as soon as possible thereafter on the basis that, subject to the conditions and modifications set forth herein, the merger is not detrimental to the public interest and that this Stipulation and Agreement resolves all outstanding issues in this docket.¹

2. CUSTOMER SERVICE

In order to assist in making determinations regarding the level of service being provided

¹ Southern Union has requested expeditious Commission approval, to which the Staff and OPC do not object, in order to permit the transaction to close by late October or, at the latest, early November, 1999. Southern Union has been informed by its financial advisors that this timing will allow the greatest financing flexibility, including rates, terms and conditions. If October 15, 1999, is not reasonably achievable, Southern Union respectfully requests that the Commission approve this Stipulation and Agreement as soon thereafter as possible.

to the customer, Southern Union, Staff and OPC have established a series of performance measures to measure some components of customer service for Southern Union's Missouri Gas Energy ("MGE") customers. The measures are similar in nature to the measurements agreed to in Case No. EM-97-515, Western Resources, Inc. and Kansas City Power & Light Company. This is being done to ensure that this merger will have no adverse effect on the level of customer service to post-merger MGE customers. This Agreement also contains reporting requirements to enable the Staff and OPC to monitor various other components of customer service following the closing of the merger.

Southern Union will ensure that the merger will have no adverse effect on MGE's efforts to provide high quality service to its customers. Southern Union, through its MGE operating division, agrees to the customer service performance measures as summarized below:

a.) Customer Service Performance Measures

- Average Abandoned Call Rate (ACR) is not to exceed 7.5% on an annual basis plus a 100 basis point variance (a maximum allowable level of 8.5%) for the calendar year beginning January 1, 2000.
- Average Speed of Answer (ASA) is not to exceed 65 seconds plus a 25 percent variance of 16 seconds annually (a maximum allowable level of 81 seconds) for the calendar year of January 1, 2000 through December 31, 2000. Thereafter, the measurement will be 65 seconds plus a 15 percent variance of 10 seconds annually (a maximum allowable level of 75 seconds).²

² MGE has plans to implement an automated work order system and other automation improvements in its customer service operations during the year 2000. In recognition of this plan, an additional twenty five percent was added to the ASA measurement to allow for possible variances attributable to this implementation during the first twelve month period.

The base measurements of 7.5% and 65 seconds represent MGE's average actual performance during the July 1997 through June 1999 twenty-four month period.

Future changes made to the annual average abandoned call rate and/or annual average speed of answer measurements established, if any, will have to be based on valid studies/analysis to determine whether such changes will result in providing efficient and economic performance.

b.) Company Response to Customer Service Measures

The Company shall provide the Staff and OPC quarterly reports (within 45 days of quarter-end) on the Customer Service Measures. Statistics for the measures shall be tracked and displayed monthly, reported to Staff and OPC on a calendar year quarterly basis and assessed for compliance annually. Within ninety (90) days after the end of the calendar year, the Company shall submit a draft report to the Staff and OPC which shall include actual performance measures for the year, explanation of any deviation above the measures, actions to be undertaken to eliminate the deviations above the measures and estimates of the cost of such actions. The Staff and OPC shall provide a response to the Company's draft report within thirty (30) days. The Company shall file a final report with the Commission 150 days after the end of the calendar year.

If the Customer Service Measures exceed the 24-month averages for the measures identified, MGE will initiate the following responses:

- Should the actual Service Measures exceed, for any calendar year, the 24-month averages identified, MGE shall provide the Staff and OPC a written explanation of why MGE believes these figures have increased.
- Should the actual Service Measures for any calendar year period exceed the maximum allowable levels, the Company shall also provide an estimate of the cost, if any, to improve

the applicable measure to the 24-month average Service Measure level. The Company shall expense or invest the appropriate amount in the next year to improve the Measure to the 24-month average Service Measure level. These expenditures may be in whatever form necessary. The Company will credit to customers a like amount (annual revenue requirement) during the subsequent year for the year in which the indicator was exceeded. The credit may be booked to a deferred liability account, if the Company, Staff, and OPC agree, until a sufficient amount is accumulated to warrant a credit to customers. The impact of emergencies, catastrophes, natural disasters, extreme adverse weather, extreme natural gas prices, sabotage, work stoppage or other unforeseen events beyond the Company's control shall be taken into account, in which case no credit or expenditure may be required.

c.) Customer Complaints/Inquiries to Staff

For purposes of this section, customer complaints/inquiries include contacts the Staff receives from MGE's customers, but are not necessarily the result of MGE's violation of its tariffs or Commission rules.

FISCAL YEAR	TOTAL COMPLAINTS / INQUIRIES	NO. OF CUSTOMERS (CALENDAR YR)	NO. OF CUSTOMER CONTACTS PER 1,000 CUSTOMERS
1998	1,095	480,077	2.28
1999	678	482,000	1.40
24 Month Average			1.84

Significant increases in the annual average number of complaints/inquiries of 1.84 per one thousand (1,000) customers will be explained by the Company and/or may prompt an investigation by the Staff and/or OPC. The impact of events beyond the Company's control will be taken into account in the Company's explanation and in any investigation by the Staff and/or

OPC. The Staff shall provide Company and OPC quarterly reports (within 45 days of quarter-end) showing monthly information regarding the number and category of customer complaints/inquiries received by the Commission's Consumer Services Department.

d.) Customer Service Operating Procedures

Southern Union agrees that the present practices of MGE in the following areas will be continued, or improved upon to ensure that customers do not experience a decline in service levels:

- Company will adhere to Commission rules and MGE's approved tariffs.
- Company will, consistent with Commission rules, attempt to collect at customer premise prior to service discontinuance. If payment is not made to collector, payment can be made at the Company's available public business offices, pay stations or through auto-pay.
- Company will restore service five (5) days a week, subject to exceptions for holidays, consistent with Commission rules, and will at all times make a reasonable effort to restore service on the day requested once the reason for the discontinuance is remedied and the request for service is made. In no event shall service be restored later than the next business day following the date requested by the customer.
- Company will use bill test procedures to ensure bill accuracy.
- Company will take appropriate steps to maintain the operation of its automated meter reading system.
- Company will notify Staff and OPC of substantive changes in customer service procedures in call center operations and staffing, customer billing, meter reading, customer remittance, credit and collections, and connection and disconnection.
- Company will identify (1) personnel responsible for handling Commission complaints and ensure they have proper authority, (2) after hours contact personnel, and (3) management

employee(s) accountable for ensuring MGE employees are trained in and maintain a working knowledge of Missouri customer service rules and regulations. Company will notify Staff and OPC of any changes in these personnel within three (3) business days of the changes.

- Company will continue the following programs: LIHEAP participation, the "Neighbors Helping Neighbors" Program, the "Flexible Due Date Plan", and the availability of "Customer Advisors".
- Company will identify the process and level of authority for discontinuance of service to a registered customer.
- Company will provide the Staff and OPC quarterly reports (within 45 days of quarter-end) containing customer service organization charts, customer service staffing, number of estimated bills (including consecutive estimates), list of customer pay station locations, and actual Missouri jurisdictional bad debt write-off by customer class, including the dollar amount written off, number of accounts written off and revenue by customer class.

The customer service measures are subject to renegotiations by the parties in the event of natural gas restructuring.

3. MERGER PREMIUM

The amount of any asserted merger premium (i.e., the amount of the total purchase price above net book value, including transaction costs), paid by Southern Union for PNT or incurred as a result of the acquisition shall be treated below the line for ratemaking purposes in Missouri and not recovered in rates. Southern Union shall not seek either direct or indirect rate recovery or recognition of the merger premium, including transaction costs, through any purported merger savings adjustment (or similar adjustment) in any future ratemaking proceeding in Missouri.

Southern Union reserves the right to seek Missouri rate recovery of internal payroll costs necessary to obtain Missouri regulatory approval of this transaction, to the extent that it can be

shown that merger savings achieved and allocated to MGE as a result of this transaction are equal to or in excess of such costs. Other parties to this proceeding reserve the right to oppose rate recovery of such costs, regardless of any asserted merger savings.

In addition, Southern Union shall not seek to recover in Missouri the amount of any asserted merger premium in this transaction as being a "stranded cost" regardless of the terms of any legislation permitting the recovery of stranded costs from Missouri ratepayers.

4. MGE'S CONSTRUCTION BUDGET

Southern Union agrees that the proposed acquisition will have no effect on its budget to complete MGE's service line and main replacement program and will continue to comply with the replacement schedules approved by the Commission in Case No. GO-99-302, and Case No. GO-91-277.

5. JOINT AND COMMON COSTS ALLOCATED TO MGE

Total joint and common costs allocated to Missouri will not increase as a result of the proposed transaction. Southern Union agrees to make available to the Staff and OPC, at reasonable times and places, all books and records and employees and officers of Southern Union and any affiliate, division or subsidiary of Southern Union as provided under applicable law and Commission rules. Southern Union agrees that, in any MGE-initiated rate proceeding, it has the burden of proving the reasonableness of any allocated or assigned cost to Missouri Gas Energy from any Southern Union affiliate, division or subsidiary, including all corporate overhead allocations.

6. STATE JURISDICTIONAL ISSUES

a. Southern Union will retain all documentation relative to the analysis of the PNT acquisition. This documentation will include a list of: a) all Southern Union personnel, consultants, legal, financial and accounting advisors involved in the acquisition; b) the time (in

hours) spent by those individuals on work related to the proposed acquisition; c) other expenses, costs or expenditures incurred or recognized by Southern Union that are related to the proposed acquisition; d) business entity (corporate, subsidiary, division) where the costs were booked, including account number, account description and amount; e) description of the nature of the costs incurred.

b. Southern Union will maintain its books and records so that all acquisition and merger costs (including this transaction and future Southern Union merger and acquisition transactions) are segregated and recorded separately.

c. During MGE's next general rate proceeding, Southern Union agrees to work with the Staff and OPC to identify all acquisition-related costs recorded in Southern Union's books and records in the appropriate test year. This condition does not restrict Southern Union's right to seek rate recovery of merger and acquisition costs related to future transactions. Other parties to this proceeding reserve the right to oppose recovery of merger and acquisition costs related to future transactions.

d. Southern Union agrees to create and maintain records listing the names of Southern Union employees (excluding current PNT employees), number of hours worked, type of work performed and travel and other expenses incurred for all work related to PNT after the closing of the transaction through the end of the test year, updated test year or true-up test year in MGE's next rate case.

e. Southern Union will submit to the Commission's accounting department and OPC verified journal entries reflecting the recording of the proposed acquisition in Southern Union's books and records within forty-five (45) days of closing.

7. FINANCIAL ISSUES/COST OF CAPITAL

Southern Union will not seek an increase in Cost of Capital for MGE as a result of this transaction. Any increases in the Cost of Capital Southern Union seeks for MGE will be supported by documented proof: that the increases are a result of factors not associated with this transaction; that the increases are not a result of changes in business, market, economic, or other conditions for MGE caused by this transaction; or that the increases are not a result of changes in the risk profile of MGE caused by this transaction. Southern Union will ensure that the rates for MGE ratepayers will not increase as a result of this transaction.

8. ACA ISSUES

Southern Union agrees that any Stipulation and Agreement to which Southern Union is a signatory, with regard to any MGE Actual Cost Adjustment case approved by the Commission which occurs prior to the merger closing of Southern Union and Pennsylvania Enterprises, will be adhered to by Southern Union Company.

9. ALLOCATIONS AGREEMENTS

Southern Union agrees that within six (6) months of the close of the merger, it shall meet with the Staff and OPC to discuss the impact of the PNT acquisition on the Company's structure and organization, including Southern Union's progress toward incorporating PNT's operations into its Administrative and General ("A&G") expense allocation methodology. In its A&G expense allocation methodology, the Company should specifically identify how its total company corporate overheads are to be allocated between the Company's regulated and nonregulated functions of its regulated divisions, as well as its nonregulated subsidiaries. The Company agrees that the types and the availability of raw data necessary to perform allocations of corporate overhead costs shall be discussed at the meeting to occur within six (6) months of the close of the acquisition. This raw data to be discussed should include, but not be limited to,

regulated and nonregulated information concerning customer numbers and billing information, revenue data, asset information (gross and net plant, etc.), management work time allocations, employee numbers and other payroll data, and the Missouri jurisdictional rate of return on investment ("ROR") and return on equity ("ROE"). The allocation procedures to be discussed may include, but need not be limited to, the use of cost allocation manuals, time sheets, time studies, and/or other means of tracking and allocating costs. The allocation procedures agreed upon should provide a means to identify and substantiate the portions of each individual corporate employee's time and associated payroll costs to be allocated to Southern Union's regulated divisions.

10. THE STAFF'S RIGHTS

The Staff shall have the right to file suggestions or prepared testimony in support of this Stipulation and Agreement, and the other parties shall have the right to file responsive suggestions or prepared testimony.

If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission within five (5) days of receipt of the Staff's memorandum, a responsive memorandum which shall also be served on all parties. All memoranda submitted by the parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties, and shall not become a part of the record of this proceeding, or bind or prejudice the party submitting such memorandum in any future proceeding, or in this proceeding, whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories of this

Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

The Staff also shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case.

11. NO ACQUIESCENCE

Except as expressly provided otherwise in paragraphs 2, 3, 5, 6(c) and 7 herein, none of the signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any question of Commission authority, accounting authority order principle, cost of capital methodology, capital structure, ratemaking principle, valuation methodology, cost of service methodology or determination, depreciation principle or method, rate design methodology, cost allocation, cost recovery, or prudence, that may underlie this Stipulation and Agreement, or for which provision is made in this Stipulation and Agreement.

12. NEGOTIATED SETTLEMENT

This Stipulation and Agreement represents a negotiated settlement. Except as specified herein, the signatories to this Stipulation and agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation and Agreement: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation and Agreement in the instant

proceeding; or in any way condition its approval of the same, except as stated herein; or should the proposed merger not be consummated.

13. PROVISIONS ARE INTERDEPENDENT

The provisions of this Stipulation and Agreement have resulted from negotiations among the signatories and are interdependent. In the event that the Commission does not approve and adopt the terms of this Stipulation and Agreement in total, it shall be void and no party hereto shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof.

14. WAIVER OF RIGHTS TO CROSS EXAMINATION, ETC.

In the event the Commission accepts the specific terms of this Stipulation and Agreement, the signatories waive their respective rights to cross-examine witnesses; their respective rights to present oral argument and written briefs pursuant to Section 536.080.1, RSMo 1994³; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2; and their respective rights to judicial review pursuant to Section 386.510. This waiver applies only to a Commission Report and Order respecting this Stipulation and Agreement issued in this proceeding, and does not apply to any matters raised in any subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation and Agreement.

15. ADHERENCE TO MISSOURI RULES

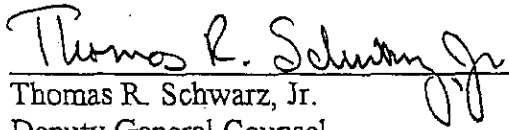
Southern Union agrees to continue to comply with all applicable and lawful Missouri Commission orders, rules, reporting requirements and other practices, and filed and approved tariffs.

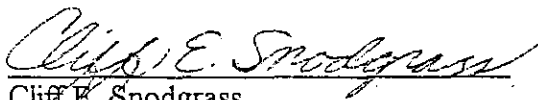
³ All statutory references are to Revised Statutes of Missouri 1994, unless otherwise noted.

WHEREFORE, the signatories and parties listed below respectfully request that the Commission issue an Order approving this Stipulation and Agreement and allowing Southern Union Company to acquire and merge with Pennsylvania Enterprises Inc., subject to the terms and conditions contained within this Stipulation and Agreement.

Respectfully submitted,


DANA K. JOYCE
General Counsel


Thomas R. Schwarz, Jr.
Deputy General Counsel
Missouri Bar No. 29645


Cliff E. Snodgrass
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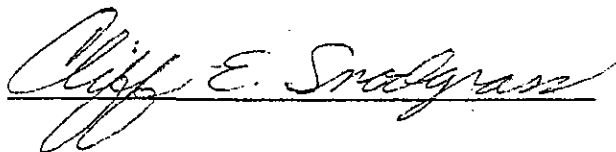

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Attorney for the Office of the Public
Counsel

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the service list below on this 6th day of October, 1999.


Cliff E. Smalgrass

Service List for

Case No. GM-2000-43

Revised: October 6, 1999

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STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson
City,

Missouri, this 21st day of October, 1999.



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
October 21, 1999**

CASE NO: GM-2000-43

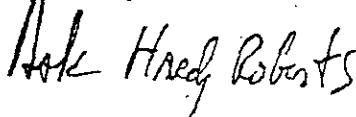
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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copy:

Call Center Evaluation

Missouri Gas Energy

October 6, 1997



CALL CENTER EVALUATION: MISSOURI GAS ENERGY

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Call Center Evaluation Summary

Kansas City Call Center

INTRODUCTION

The Southern Union Company provides gas delivery services to retail customers in parts of several states, through the activities of Southern Union Gas (SUG) and Missouri Gas Energy (MGE). The company has determined that customer service improvement is a key success factor for the future as the gas industry becomes more competitive. One element of the management of delivery of gas is customer service and customer contact activities such as operation of customer call centers.

As part of the customer service improvement activities throughout the company, an initiative has begun to measure performance in various customer service activities, and compare performance against benchmarks from other providers, as well as the past performance of the operating companies themselves. This report is designed to provide a summary of the performance of the call center operated by MGE, with the idea of providing a baseline of current performance, against which future performance can be compared.

This draft summary is structured into the following sections for review:

- Goals of the Evaluation
- Approach
- Findings
- Recommendations
- Appendices

GOALS OF THE EVALUATION

The purpose of the analysis is to provide a baseline for MGE to use for a benchmark of performance in customer service telephone answering. This will be used to track performance and set targets for future performance.

The goals of MGE include the following items:

- Customer Satisfaction
- Prompt call answering with few abandons
- Courteous and efficient CSRs
- One-call response to customer requests (minimizing referrals to the field or callbacks by the phone centers)

The evaluation of the call center at MGE was structured to provide senior management with insight into CSR behaviors that are encouraged and meant to promote customer satisfaction, provide call length statistics from a random sample of calls over a week's time, identify types

of calls from this same monitoring sample, quantify customer call outcomes (problem resolution) and identify training and development implications regarding policy consistency, behaviors, systems and environmental issues.

In addition, this evaluation was structured to provide senior management with recommended performance measures and targets that will promote customer focused behavior and have a clear line of sight to the corporation's strategic objectives and corporate goals.

APPROACH

The approach to this evaluation involved several data gathering and analysis steps. It began with establishment of the appropriate measures of performance to use in tracking success. This was followed with a review of the criteria for how individual calls should be answered, and development of an evaluation sheet for ranking the performance in answering calls.

The evaluation attempted to monitor a typical week and a substantial percentage of the full time representatives across the chosen time period. Calls were monitored by listening to two calls in a row by individual CSRs during randomly chosen time periods during the week of July 14, 1997. The representatives were only identified by the channel indices on the tape, not by name.

The evaluation sheet (see appendix A) captured the length and type of call, the behaviors observed during the call, resolution outcome, policy issues, perceived customer satisfaction with the encounter, expectation of additional calls on this subject and customer/CSR anecdotes.

Performance in such categories as average speed of answer was monitored through the standard reports available in the call center, and then compared against benchmarks of performance by other call center operations, primarily those operated by other gas or electric utilities.

FINDINGS

As requested, TB&A has quantified the findings into categories that were being measured as performance standards within the call center for MGE. The findings are broken down into the categories of average length of all calls monitored, call type, length of call per type, behaviors exhibited, call outcome (resolution), customer satisfaction as perceived by evaluator, policy adherence and issues, and customer anecdotes.

General Findings From the Evaluation

The following represents a summary of the sample size, average call length (in minutes) and breakdown of call types in the sample:

Dates Monitored 7/14 -18		MGE
Number of calls		125
Avg. length of call (minutes)		4.26
<i>Type of Calls</i>		<i>%</i>
Turn On		16%
Turn Off		8%
Amount of Bill		21%
Reconnect/Extension/Shut Off Notice		30%
Auto Pay		15%
Other		10%

The analysis also identified the time per call type. Some of the call types were mixed with others, e.g. amount of bill/reconnect, shut off notice/payment arrangements, etc. Based on these data, for future gating strategy, consideration should be given to the differences in expected call length for different call types. The following is a breakdown of the average time per call category (in minutes):

Category	MGE
Turn On	5.1
Turn Off	4.4
Amount of Bill	2.8
Reconnect	9.8
Shut Off Notice/Payment Arrangements	5.3
Extensions	4.4
Auto Pay	5.9

Customer Satisfaction

Customer satisfaction measurement is typically done by contacting customers directly to discuss with them their level of satisfaction with respect to their interactions with the company. This can be done through telephone surveys, focus groups, mailed questionnaires, or a variety of other means. For this brief analysis, we have not directly contacted customers, but rather attempted to assess the level of satisfaction produced by the interactions in the calls listened to during the evaluation.

TB&A's analysis was driven by the evaluator's observation of the interaction between the customer and the CSR and the perceived outcome of the transaction in the customer's mind. Further, the evaluation captured examples of the following results: the customer was left with a negative image of the company, policy disagreements, inaccurate information provided to the customer, calls that had excessive conversation, language comprehension problems, system problems while on the phone with the customer, and commission complaints threatened. In addition, data regarding previous calls on the same issue were quantified to highlight for management how many repeat calls are generated.

The listing of categories as outlined is a series of possible negative outcomes, which is helpful in attempting to find areas where there may be problems. At the same time, the results show some very positive outcomes. The following is a breakdown of this data:

Customer Satisfaction	MGE
Satisfied w/ Outcome	79%
Satisfied w/ Treatment	86%
Previous Calls	20%
Negative Image Left	10%
Policy Disagreement	8%
Inaccurate Information	1%
Excessive Conversation	5%
Language Comprehension	2%
System Problems	1%
Commission Complaint	0%

Promptness of Call Answering and Abandonment Rates

During the course of the past year, the ability to answer calls promptly and avoid abandonments by the customers has been a problem for the MGE call center. Much of this was due to the high volume of calls received in the most recent winter, and the extended length of many of those calls. During the period of the evaluations, the abandonment rate was substantially better than it was over the past year.

	<u>Annual</u> <u>Performance -</u> <u>Average Speed</u> <u>of Answer</u>	<u>Evaluation</u> <u>Period</u> <u>Performance</u> <u>Average Speed</u> <u>of Answer</u>	<u>Annual</u> <u>Performance -</u> <u>Abandoned Call</u> <u>Rate</u>	<u>Evaluation</u> <u>Period</u> <u>Performance -</u> <u>Abandoned Call</u> <u>Rate</u>
MGE	189 Seconds	66 Seconds	15.5%	7.3%
Industry Average	60 Seconds	—	7.5%	—
Industry Top Quartile	28 Seconds	—	4%	—

Courtesy and Efficiency of CSRs - Behaviors Exhibited

The sources for the list of behaviors looked for in the analysis were the various monitoring forms supplied by the center. It is important to note that the analysis identifies the frequency of the behaviors, however, obviously not all the behaviors are appropriate for each type of call. The exceptions to this statement would be in the behaviors of greeting, thank you at end of the call and using customer name. In this regard the presumption was that these were

appropriate in all instances. In addition a courtesy area was consistently lacking in the handling of customers; when a customer was put on hold for extended periods, sometimes for more than 7 minutes, there was no checking back with them. This was a frequent observation.

Comments that describe the essence of the behaviors listed can be found on the evaluation sheet (Appendix A). The following is a breakdown of the behaviors observed:

Behavior	MGE
Pleasant Greeting	94%
Determine Problem	44%
Provide Facts	45%
Elicit Concerns	11%
Empathize	16%
Repeat Data	35%
Ask for Solutions	2%
Offer Choices	24%
Test Solutions	0%
Give Helpful Data	25%
Use Customer Name	30%
Alert When Going On Hold	34%
Thank You @ End of Call	29%

One-Call Response - Call Outcomes

The analysis in this area was looking mainly to identify how successful the CSR was in resolving the customer issue over the phone. In some cases this resolution resulted in the appropriate CSS order being initiated and fieldwork scheduled. The observation in these cases was that the issue was resolved and passed on to the appropriate entity. The issues that went unresolved were categorized as supervisor referrals and callbacks required. The following is a breakdown of the findings in this area:

Category	MGE
First Call Resolution	66%
CSS Order Initiated	24%
Field Work Required	15%
Call Back Required	6%
Checked w/ Supv.	3%
Passed on to Supv.	2%

Policy Issues

In previous sections the analysis has indicated that there were policy issues. Specifically this section of the findings identifies where there were perceived inconsistencies with regard to carrying out or communicating policy to the customers. The evaluation team met with supervisors to identify general policies in critical or high activity areas. The discussions

covered such areas as billing, deposits, services for customers, customer information requirements, controls, and disconnects. The analysis tried to recognize the difference between state and local municipalities' rules and tariffs, but there may be some statements in this section that are a result of not completely understanding the nuances of different regulatory rules.

The issues have been grouped into categories and have been identified as a case of inconsistent interpretation or instances where numerous customers disagreed with the policy or felt it unfair.

Billing

- Customer payments made at payment agencies on due dates suffer late charges and do not prevent disconnection.
- Billing for re-read of meter when original read was in error.
- Call back required by customer after payment made in field to collector or collection agency to set up payment arrangements.
- Inconsistent interpretation or use of the following items or requirements; waiver sheets for access, appointments (a.m./p.m. or Saturdays).

Services

- Pilot lighting fee for senior citizens.

Deposits

- Inconsistent use of transferring deposit option.
- Billing versus non-billing of deposit is inconsistently applied with no apparent criteria

Customer Information

- Customer appliance records were rarely updated on any of the calls monitored.
- Social security #s to verify customer's authenticity were not consistently applied by the CSRs.

Controls

- AutoPay option for customers was well received by MGE customers. However, the CSRs will accept a check with a name and address different from the one on the account being settled. There was never any questioning by the CSR when this was the case.

Disconnects

- CSRs approached stopping disconnects in the field inconsistently. In the majority of the cases, customers were told that there was no way to stop a disconnect no matter what the situation. However, in a few instances some CSRs offered to page the collector and try to avoid their coming to the location.

Benchmarking and Best Practices Comments

This section was developed through various sources; TB&A expertise and experience with call center operations, TB&A's Annual Customer Service Best Practices Survey of Utilities, and the Benchmarking Consortium Study by the International Benchmarking Clearinghouse.

The categories chosen are meant to give the best practices and other information a structure.

Service Standards - Both efficiency and customer service level need to be tracked over time. A variety of objective measures are available, along with a series of more subjective measures. The objective measures can typically be tracked through the telephone equipment or the accounting systems. Customer satisfaction is measured through periodic assessments with customers. Standard evaluations should include both soft (interpersonal) and technical (new products and systems) skills and competencies.

Strategy - The Call Center must be seen as an integral part in achieving the Corporate mission. The Call Center must be intimately involved and part of the corporate communication system, internal and external. Call Center hiring and training practices should promote customer-focused employees who are valuable to the corporation as a whole.

Technology - state of the art VRU, voice recognition, information storage capability and retrieval (imaging systems), advanced staffing software, user friendly and multi-screen system capability and attention to ergonomics including; work stations, windows, long head set cords for ease of movement, supervisor accessibility, equipment designed to eliminate repetitive injuries, team friendly cubicles, TV monitors in break rooms (training and company information videos playing, not network television shows), and work stations that are capable of being individually personalized.

Hiring and Employee Development - first and foremost career paths must be visible from the Call Center. The center should be seen as a door to development and advancement. This has been accomplished and has brought success to the companies that practice this along with greater customer and employee satisfaction. The following are some best practice techniques used in this area:

- Recognizing during hiring that one of the goals of the position is to create a pool of talented, well-trained individuals who can move on to other areas of customer service and smoothly pick up the responsibilities in the other job classifications.
- Reinforcing in training and evaluations behaviors that promote teamwork and customer satisfaction; greetings, empathy, data access, follow up, logging customer information on line, thanking customers, team and self monitoring, and commitment.
- Hiring techniques consider both the soft and technical skills with emphasis on the interpersonal side, technical skills for the most part can be developed. Assessment centers, simulation exercises, phone screening by employee teams, role playing in real life customer situations and interviews are some of the processes used to make hiring decisions. Some sample traits and competencies to

consider are: friendly, listening skills, persuasive, probing, problem solving, team player, courteous, empathy, high energy, innate interest in business and ability to learn technical requirements.

The resultant training curriculum should be roughly 55% classroom, 35% on the job, and 10% lecture done by in house trainers with subject matter experts from all major departments as part of the training. Particular emphasis should be placed on dealing with anger, critical thinking, customer focus-giving permission to go beyond normal expectations and to exceed them, teambuilding, and stress and time management. The technical aspect of the training can be reinforced through study aids, computer based training and system queues.

Operations - flat organizations with multiple teams are recognized as the most effective structure for Call Centers. Teams should consist of different skilled CSRs and at different levels of development and career. The teams and their leaders should be in proximity to one another and have access to supervisors. The teams should be a major player in the development of monitoring techniques, evaluations and training recommendations and development.

RECOMMENDATIONS

For each of the major areas of evaluation, we have provided a summary of the findings above, and in this section, we provide a summary of the key recommendations for action. In each of the four major areas, we have highlighted both actions to take and suggested targets for performance levels which could be achieved in the next year. Note that these performance levels can be achieved on a long-term, steady basis across a 12-month span, not immediately. In other words, for the annual average, we would not expect the suggested targets to be achieved, but by the end of the 12 months, the call center should be consistently performing at the target levels.

For other areas beyond the primary four, we have provided some additional recommended actions, although without measures and targets. These recommendations are designed to assist in achieving the performance in the four key areas.

Customer Satisfaction

Actions: Customer satisfaction research should be performed on a regular basis. This should be done through direct contact with customers, using a combination of telephone, mail, and focus group approaches. An initial survey should be done as soon as practically possible. The survey should cover the performance of the telephone call center, but to get the most "bang for the buck", it should really be a bit broader, to cover other elements of customer interaction with MGE. The incremental cost to cover more than just phone answering performance will be far overshadowed by the additional benefit achieved.

Use of a direct customer research effort will enable the company to create a baseline and then set targets for true customer satisfaction, now and for the future. The initial effort should be followed up on a quarterly and annual basis for the future.

Based on the call monitoring done in this study, the performance by the CSRs resulted in "good" customer satisfaction levels, although not outstanding. Several areas of improvement are possible, some through training and improvement of CSRs, and some through service and policy changes for the company as a whole.

Targets: Reasonable targets for performance are; 85-90% satisfied with the outcome of the calls, and 95% satisfied with how they were treated. Each of these will require some significant effort on the part of the CSRs and the company. In particular, for the "satisfaction with outcome" category, it will be very difficult to achieve the 90% figure until the company creates a capability for making and meeting appointments for field visits within a two-hour window. The 85% target is appropriate for the telephone center in the absence of a corporate decision for the appointments.

Promptness of Call Answering and Abandonment Rates

While this has been a problem area for the past year, a few (conceptually) simple steps can make significant improvements possible. The key to prompt call answering with few abandoned calls is a call forecasting and staff scheduling method to assure that the appropriate number of CSRs are available at each hour of operation for the number of calls which come in during that hour.

Actions: MGE should purchase a call forecasting and staff scheduling software package which will enable the company to accurately forecast call volumes, as well as staffing requirements. This purchasing effort is already underway, so the critical issue now is appropriate implementation. The second step is then to schedule staff, including significant use of part-time staff, to precisely meet the peak call demand with the appropriate number of CSRs to answer the calls during each hour.

Targets: Aggressive, yet achievable targets of performance for the MGE phone center are a 5% abandonment rate, with a 45 second average speed of answer. These both represent better than average performance for utilities, but not yet "top-quartile" performance. For the next year, a decision can be made regarding whether to strive for higher levels of performance.

Courtesy and Efficiency of CSRs

There are many elements to this issue for customer service. Because each call is different, there are a number of different issues to address.

Actions: Key areas to address for the next year are the following: use of the customer's name during the call, thanking the customer at the end of the call, and consistently pleasant greetings. One additional area in need of significant improvement is in alerting customers

when they are to be put on hold, and checking back with them when the hold time becomes extended. Employees need to have refresher training in these areas, and supervisory call monitoring should be focused on these areas.

Targets: For the next year, reasonable targets of performance should be 95% pleasant greetings, 50% use of the customer's name during the call, 75% thanking the customer at the end of the call, and 75% alerting the customers when they are put on hold. These targets represent average performance in customer service operations, but will require a significant change from current performance levels.

One technology note is that some companies use a "best greeting" approach, in which each CSR creates a recording of herself at her best, and that recording is played for each customer, thus creating a situation of 100% pleasant greetings. Because the CSR hears the greeting at the same time as the customer, it tends to give a "lift" to the CSR, even when she may not be feeling fully up to being extremely cheerful.

One-Call Response

The one-call response is the most difficult area to create a target for, because of the variety of different call types, and the fact that relatively few companies have an effective mechanism for tracking performance, so adequate benchmarks are minimal. Issues impacting the ability of a CSR to answer the call completely the first time include the ease of use of the CSS and the training and experience level of the CSRs.

Actions: Create a more complete policy manual which answers the most frequently asked customer questions, and institute training for employees in the correct policies. A listing of appropriate policy questions to address is provided in the section immediately below. The "manual" must be easily accessible in real-time for responding to customer inquiries, which probably means it will need to be accessible through the CSS, or Robo Help.

Targets: Based upon current performance levels, along with performance at other utilities, a target of 85% first call resolution can reasonably be called a "stretch target".

Policy

The current combination of Robo Help and desk reference manuals isn't effective in providing a real-time reference capability to the majority of representatives. Most don't use the Robo Help, and desk reference material is not kept up to date. This leaves the CSRs in the difficult position of attempting to remember all policies for the company, or not being able to be precise in responding to customer inquiries or requests.

Actions: Develop an effective policy reference resource for CSRs, either on the current Robo Help or in an easily-used desk manual, and provide appropriate training in such areas as deposits, waivers for access, CSR decision level authority and criteria, customer appointments, CSR customer record update requirements, social security # requirements, etc.

In addition consideration should be given to strengthening the communication system between the field and the call center in an effort to establish consistent policy and procedure interpretation. An effort in Southern Union Gas called Texas Uniformity shows promise for improvement. Provided it works well, the program should be expanded to include MGE.

Finally a policy should be established with regard to senior officer access and that information should be provided to all CSRs. Efforts have begun in this arena for the Southern Union Gas company, and this needs to be completed, and expanded to MGE.

Standards

The key is in using a small number with the employees and management to focus efforts on the most important items. Conversations with different CSRs and supervisors indicated that there isn't a consistent view regarding which small number of performance indicators are most important.

Actions: A standardized group of performance measures should be used. These measures should include both production and quality standards with equal weight given to each area. Production standards for individuals should include such items as average call length, and occupancy rate (which is made up from man time, ready time, and unavailable time). These standards can be tracked through the ACD and CSS equipment, and will generally translate at the aggregate level to such targets as average speed of answer and abandonment rate.

Quality standards are primarily the items noted above under courtesy and efficiency of CSRs, and include customer satisfaction, greetings, empathy, alerting customers prior to going on hold, follow up, logging appropriate customer information and feedback and finally thanking the customer at the end of the call. These items can be tracked through call monitoring by supervisors and CSRs, and ultimately will influence the level of customer satisfaction with the service by the company.

Training and Development

In this area there are two categories of recommendations; hiring techniques and employee development recommendations. While there are some elements of all the items mentioned in the recommendations in place at MGE, there isn't a complete and comprehensive approach available.

Actions: Hiring practices should define the desired competencies and skills for CSRs and then develop an assessment center or dimensional and performance based interview approach to screen and hire CSRs. In addition to this, career paths that demonstrate how this position can be leveraged for advancement and movement throughout the company should be developed and supported.

The training and development curriculum for CSRs should be modified to include more computer based training for the technical skills and systems adeptness required. Interpersonal skill development courses should be sought in the areas of customer satisfaction

delivery, sales (being persuasive in working with customers with respect to policies, services, etc.), conflict management, stress management, time management, diffusion of anger modules, and team building.

Systems

There is no mechanism currently in place to automatically track customer calls and record the information in the CSS. In other words, a customer might call multiple times about the same issue, and unless the CSR happened to record the time, date, and information about the call, a CSR won't have that information available when the next call from that customer comes in.

Actions: The CSS should be modified to track information about customer calls as automatically as possible, recording time and date information, along with the user ID for the CSR who dealt with the call. In addition to providing very basic data, that will also both enable and encourage the CSRs to record information regarding the purpose of the calls.

Monitoring systems in the MGE call center should be improved to be at least as sophisticated as the Southern Union Gas system. This includes both the technology of the system (tape recording and playback equipment) as well as the management approach to actually doing the call monitoring.

The current phone and CSS system should be considered for "queuing enhancement" for the CSRs when Spanish speaking customers call. The Southern Union Gas center has some new custom call routing software, and the same should be installed for MGE.

Calculator software or default formulas on the CSR's PC's would enhance their capability for calculating customer payments and bills.

Organization

Current approaches to call center staffing and management encourage a team-based style, with supervisory staff acting in a coaching and leadership role more than in a control/disciplinary role. Some progress has been made in this arena for the call center, and there is a need to proliferate the effort.

Actions: Expand on the team concept to support some of the policy and training and development recommendations listed above.

Supervisory skill development in such areas as monitoring, performance management, team leadership and building and coaching would also enhance a flatter organization structure.

Customer Service

Customers have become ever more demanding in recent years. Some of this is due to improvements in service delivered by other service providers, so that customer expectations have increased. Another factor is that in most households, the adults all work during the day.

so having to be at a particular facility for any extended period to await a service person is a significant difficulty. A consistent issue with customers during this study was the lack of a standardized use of appointments for field visits to customer premises. Many calls resulted in customers who were unhappy about having to be at the premise all day waiting for the gas company representative to arrive.

Actions: To the extent that it is possible, we strongly recommend adopting at a minimum a window for appointments of 4 hours, and shortening that even further as capabilities permit. This isn't a call center issue particularly, but it is a significant one for company customer service performance.

Ongoing Reviews (quarterly updates/reviews of Call Center)

Actions: The supervisors and managers in the call center should continue to monitor calls on a regular basis in order to be able to provide counseling and training for CSRs. In addition, for the next year, a follow-up review to this study should be performed on a quarterly or 6-month basis in order to track progress toward company customer service goals, with a detailed annual update in 12 months.

APPENDIX A
Evaluation Sheet Summary

Evaluator: _____ Date: _____ Time _____

A "Avg. data from evaluation
dates(____/____/97)

--

Abandoned Rate
ACR
Calls

B Start: _____ End: _____ Elapsed:

--

Operator: _____

C Type of Call

Service Orders

• Turn-On

• Turn-Off

Billing

• Amount of bill

Telepay

• Auto Pay

• Change Account Name

Credit

• Shut-off notice

• Extensions

Returned Check

Reconnect

Payment Arrangements

Other

"I want gas service at ____"

"I want to discontinue gas service"

"What is the deposit charge for?"

"I want to start auto pay"

"Change name of account to ____"

"I received a shut off notice"

"I need more time to pay"

D Customer Acct: _____

E Did the CSR exhibit these behaviors
at appropriate times?

Pleasant Greeting

Determine Problem

Provide Facts/Clarify Understanding

Elicit Concerns/Understanding

Empathize

Repeat Data

Ask for Solutions

Offer Choices

Test Solutions

Give helpful data

Use customer name

Tell when going on pause/Hold

Thank you at end of call

"Cust Svc, this is ___, how may I help you?"

"When do you want it?"

"Our deposit policy is . . ."

"Is this a problem for you?"

"That must have been awful."

"I understand your problem."

"How can we help?"

"We can't do that , but we can .."

"Do you understand."

"You will get interest on deposit"

"Mr. ____"

"Just a minute. ...I am still working on problem."

F Call Resolution

Problem Solved on phone
Appropriate CSS order initiated
Field work planned
Appropriate Cust Call Back Req.

No resolution

- Passed on to Supv.
- Had to check w/ supv.

"Customer satisfied, no field appt"
"Final billing address for turn off"
"Appointment set"
"Please call us back if desired, after payment made."
"Customer not satisfied with outcome"

G Customer Reaction

Satisfied with outcome
Not satisfied with outcome
Satisfied with treatment
Not satisfied with treatment
Threat of commission complaint

"Thank you"; "appreciate your help"
"I don't like your answer"
"Thank you"
"I don't like your attitude"
"I'm going to call the PSC"

H Previous history

Previous call on subject
Expect another call

"This is the second time I've called"
"Call back with more info"

I Other (Describe)

Comments

Overall Image left w/Cust.
Consistency w/policy
Accuracy of Information/Update cust information(CCON/DMCU)
Unusual occurrences
Excessive conversation
Language problem
System problems
Other

J Complaints about company policy

- Someone present for turn on
- No appointments
- Deposit policy
- Need for SSN

L Notable Quotes:

Schedule KKB-4
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APPENDIX B

Anecdotes from the Calls

Anecdotes

This area of the data includes customer and CSR quotes. It also includes observations that did not seem to fit anywhere else in the report. As anecdotes, the content can in no way be considered statistically significant, rather the content in this appendix is meant to provide insight for consideration or further research in areas of interest. The data has been grouped into several areas; systems, customer comments, CSR comments and observations.

Systems

In the MGE call center the norm was a 30-second delay/pause until the CSR talked to the customer about the account or question or service they desired. The obvious implication is that the system was being reviewed for pertinent customer information. Delays up to 60 seconds were observed in some cases.

System down time and communication of the circumstances or situation was very often not done in a positive way by the CSR:

CSR: *"I just hate working with one screen on CSS... its down...flying with one computer...."*

CSR: *"Computer only takes certain dates."*

CSR: *"...just a second, my computer is having problems..."*

CSR: *"Computers have gone up and down all day.....I can't do anything right now"*

CSR could not investigate on system why customer was dropped from ABC plan

System was down both times customer called, a.m./p.m.

Customer

Cust: *"I've been on hold long enough to earn the money to pay the bill!"* CSR kept customer on hold for 4+ minutes without checking back.

Cust: *"Cust. name on account is not deceased...."*

CSR: *"....oh really!...." no further follow up apparent by CSR*

Cust: *"talked with CSR on Sat., CSR was rude...."*

Communication on bills for no read months should be more than the days the billing covers, there should be some message on the bill alerting the customer to this fact. There was a lot of misunderstanding on the customer's part about why such a large bill and possibly this step would avoid a call to the center.

CSR.

CSR: "As long as I have an account #, I can discuss account with you"

CSR: "Internal problem with Sat people who are on the phones...." off line comment to supervisor in field.

CSR chased down bad check location, offers to call bank to verify funds"

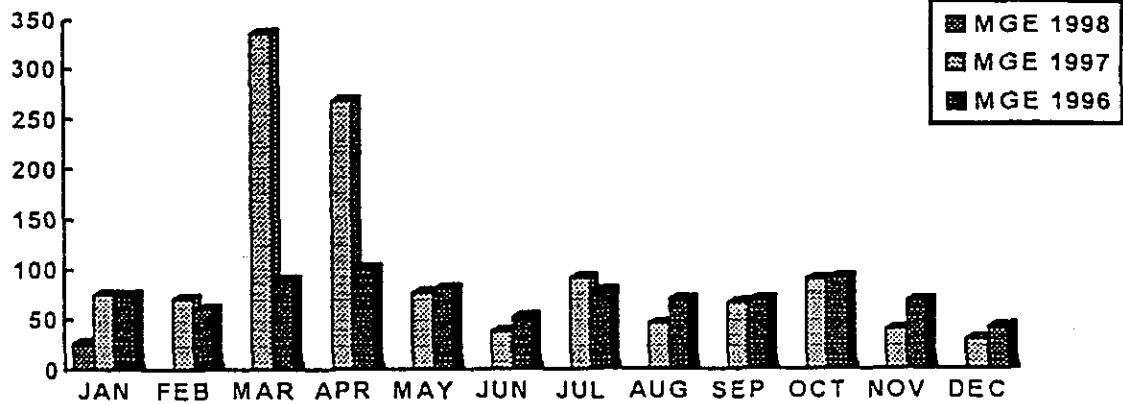
CSRs handle abusive language to varying degrees, training in this area is warranted

Offering new products and services is not consistently done by all CSRs (ABC payment plan, auto pay, etc.).

CSR offered ABC plan to customer.

CSR should have waived monthly energy/customer charge when there was no obvious usage, instead passed it on to supervisor.

COMMISSION INQUIRIES



	1998	1997	1996
January	26	75	75
February		71	60
March		336	89
April		268	101
May		77	81
June		37	52
July		91	78
August		45	70
September		66	69
October		90	91
November		39	69
December		29	41
TOTAL		1224	876

1997 Inquiries increased 40% over 1996

MGE Call Center Statistics

January 1996 through YTD January 1998

MONTH	TOTAL CALLS ANSWERED	CALLS ABAND	TOTAL OFFERED CALL CTR	TOTAL HANDLED BY AUTOMATION	TOTAL INCOMING CALLS	% ACR	AVG F.T.E.	CALLS PER F.T.E.	AVG SPEED ANSWER	AVG TALK TIME	AVG NOT READY TIME	MAXIMUM DELAY		AVG DELAY ABAND
												ANSWER	ABAND	
Jan-96	109,965	38,237	148,202	-	148,202	25.80%	28	3,911	117	195	67	-	-	-
Feb-96	112,792	37,272	150,064	-	150,064	24.80%	30	3,819	122	204	41	-	-	-
Mar-96	103,811	67,586	171,397	-	171,397	39.40%	26	4,008	197	217	47	-	-	-
Apr-96	90,131	76,046	166,177	-	166,177	45.80%	25	3,556	213	218	52	-	-	-
May-96	86,174	37,742	123,916	-	123,916	30.50%	24	3,630	157	215	39	-	-	-
Jun-96	73,180	29,626	102,806	-	102,806	28.80%	22	3,375	120	221	44	-	-	-
Jul-96	74,726	25,784	100,510	-	100,510	25.70%	35	2,143	176	236	39	2,160	1,550	107
Aug-96	69,091	26,607	95,698	-	95,698	27.80%	34	2,048	199	253	57	1,612	1,410	128
Sep-96	74,944	7,063	82,007	2,342	84,349	8.60%	44	1,714	80	242	47	1,138	958	98
Oct-96	78,109	11,760	89,869	8,994	98,863	13.10%	42	1,858	133	260	51	1,646	1,458	110
Nov-96	62,907	9,293	72,200	11,822	84,022	12.90%	39	1,597	130	259	47	1,318	1,224	122
Dec-96	77,384	6,149	83,533	15,727	99,260	7.40%	41	1,885	60	217	36	1,028	770	73
Jan-97	96,223	19,931	116,154	23,257	139,411	17.20%	45	2,133	180	241	31	1,066	1,058	122
Feb-97	82,915	33,615	116,530	21,145	137,675	28.80%	40	2,080	342	273	34	2,094	1,696	187
Mar-97	74,775	37,727	112,502	19,235	131,737	33.50%	39	1,933	406	275	38	1,966	1,912	200
Apr-97	71,556	26,780	98,336	11,960	110,296	27.20%	35	2,016	304	254	33	2,212	2,086	196
May-97	58,132	9,948	70,969	7,608	78,577	14.00%	29	1,992	124	235	26	1,818	1,506	141
Jun-97	52,471	12,235	64,706	6,608	71,314	18.90%	35	1,513	141	253	24	2,560	1,530	130
Jul-97	75,512	5,878	81,390	6,709	88,099	6.67%	42	1,798	45	262	29	1,152	1,000	87
Aug-97	70,000	3,076	73,076	6,191	79,267	3.88%	38	1,842	31	246	29	1,464	1,362	92
Sep-97	68,995	3,360	72,355	5,803	78,158	4.30%	39	1,769	38	251	32	1,300	1,160	106
Oct-97	81,933	12,172	94,105	6,097	100,202	12.15%	42	1,951	102	269	43	1,882	1,674	122
Nov-97	61,337	5,016	66,353	6,370	72,723	6.90%	41	1,496	60	265	50	1,084	880	96
Dec-97	70,308	5,096	75,404	7,307	82,711	6.16%	41	1,715	53	262	58	1,218	1,148	88
Jan-98	49,185	4,557	53,742	5,822	59,564	7.65%	41	1,200	56	248	50	1,606	1,416	86

*Total Answered through June 1996 included calls which left voice mail messages for call backs from Customer Service.

*January 1996-June 1996 statistics for Maximum Delay Answered, Maximum Delay abandoned and Average delay abandoned were not compiled.

*The Auto Attendant was operational on September 1, 1996.

*The Interactive Voice Response (IVR) unit was operational on October 15, 1996.

*Beginning July 1997, ACR% was calculated by including Total Handled By Automation, instead of Total Offered Call Center used in Fiscal Year 1997.

*Total Handled by Automation is determined by the number of calls that select the meter reading option, and those calls which are handled in their entirety by the IVR.

*Total Incoming Calls is the sum of Total Offered to Call Center and Total Handled by Automation.

*Total Offered Call Center in May 1997 was determined by Auto Attendant statistics on May 8th since ACD MAX stats did not print that day.

*Customer Controlled Routing (CCR), which allows greater flexibility in the routing of calls, became operational January 15, 1998.

*Statistics are year to date through January 20, 1998.

ATTACHMENT III