

**MISSOURI PUBLIC SERVICE COMMISSION**  
**STAFF INVESTIGATION REPORT**

**Spire Missouri, Inc.**

**Case No. GO-2020-0182**



**PREPARED BY**

**MISSOURI PUBLIC SERVICE COMMISSION**  
**CUSTOMER EXPERIENCE DEPARTMENT**

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**October 30, 2020**

**\*\* Denotes Confidential Information \*\***

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# STAFF INVESTIGATION REPORT

**Spire Missouri, Inc.**

**Case No. GO-2020-0182**

## EXECUTIVE SUMMARY

This report provides the results of the Missouri Public Service Commission Staff's (Staff) investigation into Spire Missouri, Inc.'s (Spire or Company) recordkeeping, business practices, business operations, and responsiveness to the Missouri Public Service Commission (Commission) and Staff. A series of formal complaints alleging numerous customer service and billing issues prompted Staff to bring these concerns to the attention of the Commission. On December 20, 2019, Staff filed a motion requesting that the Commission open an investigation into a number of Spire's business operations and practices. Staff then began an investigation in response to the Commission's Order in Case No. GO-2020-0182. Due to the COVID-19 pandemic, Staff's investigation was performed remotely. In its review, Staff analyzed Spire's call center operations, quality assurance and employee training practices, metering operations, and responsiveness to the Commission and Staff. Staff has determined that Spire's performance in several of the areas examined have the potential for improvement and Staff has provided herein specific recommendations for evaluation by Spire to improve a process or operation.

Staff's Recommendations to the Company resulting from Staff's investigation include the following specific recommendations:

### *STAFF RECOMMENDS COMPANY MANAGEMENT:*

Evaluate present methods of responding to Staff requests for information and determine alternative back-up measures when workload or other factors will delay responses.

Require additional training for all call center representatives in the importance and utilization of recording account notes when responding to customer calls.

Review the methods used to store and organize recorded customer calls to determine if improvements could be made to improve the ease of retrieval.

Evaluate if there are alternatives available to record the screens of third-party call center representatives as a part of Spire's standard quality assurance procedures.

Continue to develop additional methods and procedures to monitor the performance of third-party call center representatives.

Develop enhanced training methods to improve the performance of third-party call center representatives.

After discussion with Staff, improve the information provided to Staff regarding the staffing and quality performance of call center representatives at each location. This information should be submitted as a part of the monthly reporting to Staff ordered in Case No. GM-2013-0254.

Continue to evaluate the effective utilization of AMR alarms to identify metering problems and take actions to resolve the confusion over the necessary assignment of responsibility for the actions taken in response to the alarms.

Review the policies regarding the establishing of new service for a customer and develop guidelines relative to the determination and communication of prior balances that may be transferred to this account.

Continue to adhere to the procedures developed regarding Dispute Service Agreements to conduct a weekly review of these accounts and to place further extensions on collections when necessary.

### Implementation Reporting

It is important that Spire document and inform Staff regarding the specific actions the Company plans to take to address each of the recommendations in this report. It is also important that Staff be informed of Spire's progress towards implementation of these recommendations. To that end, Staff requests the Commission order Spire to provide Staff, within 30 days of the filing of this report, a formal implementation plan that addresses each recommendation within the report. Staff also requests the Commission order Spire to file such plan and bi-annual status reports regarding the progress towards completing each recommendation in the docket that opened this case. Such reporting should continue until such time as Staff can verify that the intent of the recommendation has been fulfilled. At that time, Staff will file a motion in the docket to discontinue reporting.

## **INTRODUCTION AND BACKGROUND**

Staff became aware of certain customer service issues at Spire after a series of formal complaints were filed against the Company. During its review of the facts surrounding these complaints, Staff found a number of similar issues that commonly occurred regarding Spire's responsiveness to Staff and within the context of the billing and customer service practices of Spire. Staff filed a motion with the Commission to open an investigation into these matters. An investigation was then initiated in Case No. GO-2020-0182 to determine the causes and possible solutions to the issues identified in Staff's motion. The investigation focused on the Company's responsiveness to Commission data requests (DRs) and inquiries, recordkeeping systems, business operations, and business practices.

### **Procedural History**

On December 20, 2019, Staff filed a motion with the Commission to open an investigation into Spire's recordkeeping, business practices, business operations, and responsiveness to the Commission. On December 30, 2019, the Commission issued an Order Opening An Investigation and ordered Staff to investigate this matter and file a progress report regarding its investigation no later than June 30, 2020. The Commission determined this to be a fact-finding investigation and not a contested case. A Progress Report was filed with the Commission on June 30, 2020, indicating Staff anticipated being prepared to file a report on October 30, 2020.

### **Investigation Methodology**

Discovery methods included the utilization of formal DRs and interviews with Spire management personnel. Staff submitted data requests to the Company on four different dates: 1/22/2020, 1/31/2020, 3/6/2020 and 6/29/2020. Staff additionally conducted remote interviews of Spire personnel regarding contact center operations and training, metering operations, and future resource utilization.

In addition to interviews with Spire personnel, Staff also held discussions with other Staff members in different departments at the Commission including the Safety Engineering Department and the Consumer Services Department. Staff also completed a review of both the formal and informal complaints against Spire filed in the Commission's Electronic Filing and Information System (EFIS) over the last five years.

Staff would normally observe Company representatives on site to observe the actual completion of job activities as well as field operations; however, the ongoing COVID-19 pandemic and its associated social distancing policies have necessitated a remote investigation in this case. Spire and Staff have met on a number of occasions via video teleconferencing to discuss DR responses and Company operations. The results of this investigation are based upon written responses and oral interviews and do not reflect any on-site verification of business practices or operating procedures.

### **STAFF INVESTIGATION**

Staff has investigated Spire's responsiveness to Commission and Staff requests and inquiries, recordkeeping systems, business operations, and business practices. Staff also reviewed the procedures associated with a number of customer service functions, such as call center and meter reading operations. Spire has represented that many of the issues identified in recent complaints in these areas have since been corrected. Staff's investigation, as detailed below, found that the Company has developed and is implementing a number of new programs and initiatives in an attempt to correct some of the issues that have been identified through customer feedback and

complaints in recent years. Staff has identified several areas for further potential improvement later in this report.

### **Formal Complaints**

Staff reviewed previous investigations that it conducted, and the recommendations that Staff proposed, in a number of formal complaints filed against Spire over the period of years 2018 through 2020. The review of these were conducted as part of this investigation to determine if recurring issues were being experienced at Spire to indicate a potential deficiency in an operating practice at the Company. Upon review, Staff noticed the following themes:<sup>1</sup>

- Multiple allegations that Spire had inappropriately transferred old debt to newly established accounts;
- Multiple allegations that Spire was overbilling, or incorrectly billing, customers;
- Multiple allegations that Spire representatives were unable to produce and inform customers of their outstanding bill balance when customers would inquire;
- Instances of Spire disconnecting customers while their accounts were in formal dispute;
- And repeated delays in Spire responding to Staff's Data Requests (DRs) submitted in customer formal complaint cases.

### **Informal Complaints**

In addition to its review of formal complaints, Staff also reviewed recent and current data regarding the number and types of informal complaints, inquiries, and public comments entered into the Commission's EFIS system. Informal complaints are normally accepted and processed by the Commission's Consumer Services Department (CSD). An informal complaint may involve a number of customer service issues that require Staff to contact the utility for mediation or resolution. \*\*

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<sup>1</sup> See Case Nos. GC-2018-0096, GC-2018-0159, GC-2019-0331, GC-2020-0057 and GC-2020-0201.

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Staff has included an attachment to this report providing a summary of the informal complaints involving Spire that Staff reviewed for year 2020.<sup>2</sup>

### **Responsiveness to the Commission**

For informal complaints, Spire’s Community Services Department responds to informal requests for information from Staff. Staff found the Company frequently requests extensions to respond to information requests in informal complaint proceedings. Spire states that some responses are delayed due to questions that could pertain to an open case, in which case answers are reviewed by Spire’s management or legal team.<sup>3</sup> The CSD Staff expressed that Spire is generally as responsive as other utilities to requests for information in informal complaint situations.

For formal complaints, the Staff discovery process includes submission of formal DRs to the Company. Spire’s Legal Department is responsible for responding to DRs on formal complaint cases. For several formal complaints, the timeliness, completeness, and accuracy of DR responses was an ongoing concern. For example, Staff filed two motions to compel discovery in Case No. GC-2018-0159. Spire was unable to provide complete responses in some instances even after extensions were granted. The Company currently does not have any documented

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<sup>2</sup> See Attachment 1 Confidential.

<sup>3</sup> Spire response to Staff DR No. 0033.

procedures internally for ensuring that Staff information requests are responded to within the 20 day time frame.

Staff has observed a pattern of delayed and incomplete DR responses from the Company in formal complaint cases. In Case No. GC-2018-0159, Spire had an average DR response time of 54 days, well beyond the original 20 day due date. Spire filed for two extensions on the DR responses, stating that it “was in the midst of a number of hearings in a highly contested rate case” with “its legal and regulatory resources strained.”<sup>4</sup>

Some of the incomplete DR responses in formal complaint cases involved the Staff requesting all of the call recordings from the particular customer’s interaction with the Company on a specific issue. This interaction is normally the phone calls between Spire’s Customer Service Representative (CSR or representative) and the customer. Staff would be normally aware of the dates of customer calls from account notes retained and provided to Staff. However, in many instances, Staff was not provided with these recordings. In Case No. GC-2018-0159, Staff found that over 20 requested call recordings were missing from the DR response and had to initiate follow-up DRs. Staff again observed incomplete DR responses in Case No. GC-2020-0057, specifically with over 30 missing call recordings, including 16 directly related to the issues in the complaint.<sup>5</sup> While the Company provided some of the missing call recordings after submission of follow-up DRs, over a dozen calls remain missing from the June-August 2019 dispute period alone. (Case No. GC-2020-0057 was eventually settled between the Complainant and Spire.) Maintaining records of calls and being able to access them is very important when investigating complaints. Recorded calls are reviewed by Staff to verify the accuracy of alleged customer service and billing practices.

Spire has shown a pattern in general of having difficulty providing call recording files. Staff is unsure if the calls were not recorded, or they simply could not be found. While the Commission’s rules do not require the recording of customer calls, it is a standard business practice for internal quality assurance purposes as well as providing a resource for Company personnel and Staff during investigations. Call recording software provides both quality assurance and training resources, as well as protection for the Company and customer when allegations are made. Spire’s call recording issues may partially be related to software issues and general recordkeeping issues, as discussed below. Staff strongly encourages Spire to continue to work on ensuring that all customer calls are recorded and able to be easily accessed when needed.

Staff also submitted a series of data requests as to any policies or procedures Spire may have related to responding to inquiries, questions, correspondence or phone calls from technical Staff, and when such inquiries may be escalated to higher management or referred to the Legal Department. Spire responded that, while there are no specific policies, “[w]here feasible,

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<sup>4</sup> Spire response to Staff DR No. 0001, Page 4, Paragraph 2.

<sup>5</sup> See Attachment 2, Case No. GC-2020-0057 Missing Call Recordings.



Spire Missouri tries to promote cost-efficiency, cooperation and convenience by communicating with Staff in a direct manner. However, where Staff questions pertain to a case, or a matter likely to be a case, before the Commission, the questions may be escalated to higher management or referred to the Legal Department.” Staff would note that responses to Staff communications that go through the Legal Department are not always made promptly. If Staff is not receiving such responses promptly, Staff management can and has reached out to Spire management. Generally, once Spire management is involved, communication avenues and response time are improved.

**Recordkeeping Systems**

Staff sought to investigate the recordkeeping practices of Spire after sometimes receiving incomplete, erroneous, and unclear responses to DRs in various formal complaints. Staff also was aware as part of its investigatory work in recent informal complaint cases that there were numerous instances where customers received inaccurate information from Company representatives. Some customers received inaccurate balance quotes and some customers had balances transferred to their accounts without any discussion. In several instances, Spire had difficulty providing Staff with complete and accurate account records in a timely fashion, particularly related to account contact logs and contact center call recordings. Staff’s review of Spire’s recordkeeping in this investigation focused on the software systems it uses to maintain digital customer billing records.

Spire representatives use two separate Customer Information System (CIS) software packages. The primary CIS software is Oracle’s Customer Care and Billing (CCB), running the full suite of tools and centralizing Spire’s recordkeeping system, which was implemented between 2013 and 2015. Spire representatives also use the Company’s MyAccount web portal as a front-end for the primary CIS software. MyAccount was implemented in 2017, and while primarily designed for customer usage, the Company also developed it for representatives to use in place of the CCB back-end software.

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<sup>6</sup> Spire response to Staff DR No. 0007, Meter to Cash Training Presentation.  
<sup>7</sup> Spire response to Staff DR No. 0037 Confidential.

Representatives are instructed to enter notes (known as account notes) into the customer's CIS records to document actions taken with respect to the nature of the customer's call. Account notes are critical to documenting customer interactions with Company representatives. The MyAccount software does not include the full features of CCB for representatives to document and notate their calls. In many circumstances, representatives can complete requests in MyAccount, but then need to go back into CCB to note on the account there why the actions were taken.

Staff cannot verify that notes are consistently recorded into CCB and complete information on the account is always updated or documented. There are numerous instances in both formal and informal complaints where relevant information was apparently not recorded into the account notes. The failure to maintain adequate notes leads to lack of documentation for what actually occurred on each contact the customer had with the Company.

Call recording software is used as a standard business practice to help ensure quality assurance at most call centers. Many companies find it useful to record both the audio recordings as well as the screens<sup>8</sup> of various types of information utilized by the representatives in handling the call. Maintaining copies of the screens the representative views in processing the customer's requests provides a history of what they viewed and entered information into. Spire uses multiple software packages to record representative's calls. Representatives use SAP Computer Desktop Technology (CDT) for their softphone, which routes calls to their computers and retains call recordings for two years. Spire implemented Verint Interactive Recording in 2017 to provide web-based call recording. Verint retains calls for 6 years, and can also record the screens of internal call center representatives located at Spire's St. Louis office. The Company also utilizes third-party contractors for the majority of its call center representative work force. The third-party contractors are located in New York and Texas. Spire is not able to record the screens of its third-party representatives due to security concerns.

Spire stated it previously experienced software issues in 2019 with the "concatenation" of recorded calls, in which the software was not recognizing the end of one call and the beginning of a new call, making retrieval of the call recordings difficult.<sup>9</sup> This or other software "bugs" may have contributed to the missing call recordings in formal DR responses. Spire stated that the concatenation software issues have since been resolved.<sup>10</sup> Callbacks are not recorded if the supervisor uses their cell phone to place the call rather than their office softphone. Some Company managers have asserted that customers are more likely to answer a cell number than the office number. However, this practice necessarily means less information is available for Staff to review in formal complaint situations.

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<sup>8</sup> "Recording screens" means that the actual information depicted on the representative's computer screens during the course of a customer contact is maintained and retrievable for later utility or Staff review.

<sup>9</sup> Spire response to Staff DR No. 0011.

<sup>10</sup> *Id.*

Spire has implemented multiple new recordkeeping systems in the last few years. According to Spire, Staff's recordkeeping concerns may be primarily related to implementation bugs regarding these systems and should improve over time. Spire's recordkeeping systems are an area that the Company should focus on for continual improvements.

### **Business Operations**

Prior investigations into consumer complaints against Spire revealed inconsistent operational performance on a range of procedures. Staff focused its analysis for this investigation on Spire's business operations, where the Company has stated it has several improvement initiatives in progress to improve operations, employee retention, and customer satisfaction. Staff's analysis in this proceeding, as detailed below, focused on Spire's call center operations, call center training practices, call center quality assurance procedures, resource utilization and metering operations. According to information provided by Spire, each of these operational areas are undergoing improvement initiatives.

### **Call Center Operations**

The call center representatives that service Spire's customers are located within three states, with the vast majority working for a third-party contractor, Alorica. Spire maintains a small call center at its St. Louis, MO, headquarters staffed by \*\* \_\_\_\_\_.<sup>11</sup> \_\_\_\_\_

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<sup>11</sup> Spire response to Staff DR No. 0006, Budgeted Staffing Level as of February 3, 2020.

<sup>12</sup> Spire response to Staff DR No. 0006, Current Staffing Levels as of February 3, 2020.

After the merger of Laclede Gas and Missouri Gas Energy (Case No. GM-2013-0254) was completed in September of 2013, the Company indicated to Staff it was evaluating the use of a third-party contractor for performing its call center operations. Laclede Gas ultimately determined that it would be more cost effective to utilize an outside contractor. During participation in the subsequent Missouri Gas Energy (MGE) rate case, Case No. GR-2014-0007, Laclede Gas informed Staff it intended to close the MGE call center completely and utilize an outside contractor for the call center functions of the west side of the state. While the Laclede Gas call center was to remain, staffing was to be reduced and supplemented by some of the same contractor's human resources for Laclede Gas' east side of Missouri operations.

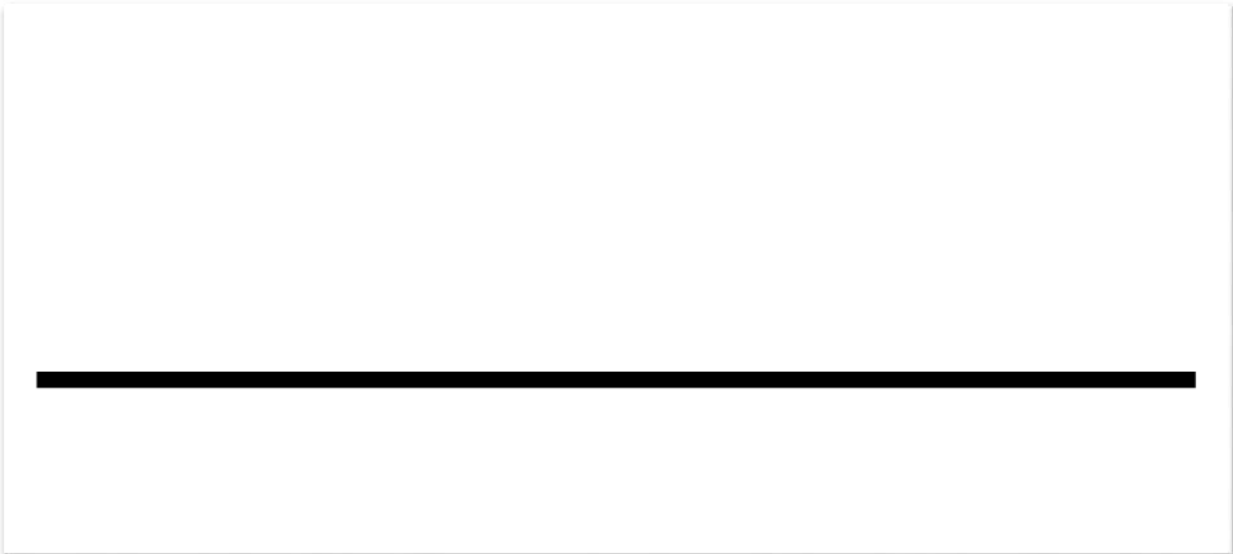
Staff has had concerns at various times over the ensuing years regarding the effectiveness of Spire's third-party call centers. At one time, contractor personnel were located at two different cities in Texas and one in New York. A number of factors associated with the utilization of outside contractors can present specific challenges to the call center function. These include the difficulties of providing adequate oversight and training when the contractor is geographically distant, higher turnover at contractor locations, and less employee loyalty to the Company. Any and all of these factors can influence the effectiveness of the call center representatives.

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<sup>13</sup> Spire Monthly Statistical Reports 2015-2020, Ordered Reporting from Case No. GM-2013-0254 Confidential.

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### Call Center Training

Staff became concerned with the adequacy of Spire’s training practices after becoming aware of numerous mistakes made by Spire representatives in their interactions with customers. Complainants cited billing errors, balance transfer issues, inaccurate balance quotes, and a general inability to obtain resolutions to their complaints. The average contracted Spire representative at the call centers has less than two years of experience, as discussed previously, and is therefore likely to make more mistakes than experienced representatives.

Spire currently takes different approaches to the training of external Alorica representatives and the Company’s internal representatives. Alorica is responsible for hiring and supervising its own call center staff and typically hires in new batches of 10-20 per training class.<sup>15</sup> Spire relies on third-party trainers for the majority of training of Alorica hires, but also has internal trainers that can travel to remote call center locations for ongoing training or training of new hires. The internal trainers are also responsible for supervising the training process implemented by their Alorica counterparts.

Spire trains its representatives to use MyAccount as the primary CIS software, while CCB serves as a backup for requests that cannot be processed in the MyAccount portal. Each software provides specific functions in accessing and processing information on the customer’s account. MyAccount was designed with ease of use for customers in mind, which also makes it easy to learn for representative use. However, notes regarding the specific actions taken on the account need to be recorded through CCB to ensure there is documentation available for future questions on what occurred. So while MyAccount can offer a relatively easy and quick method to address a service request or question, it does not allow for the best method to record detailed notes on the customer’s request and actions taken. Proper use of the available software tools by representatives to document customer interactions is critical to the accuracy and completeness of Spire’s recordkeeping.

Representatives are trained to document customer contacts in the CCB software. Consumer complaints are logged into SharePoint software and regularly tracked by management.

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<sup>14</sup> Email 04/15/2020, Follow-up Response to Call Center Operations Interview.

<sup>15</sup> Interview Response 4/8/2020, Call Center Operations Interview, Call Center Staffing.

Supervisors use this data, along with quality assurance (QA) scores, to develop learning opportunities for their representatives. Regular meetings are also conducted with representatives to discuss trends and the customer impact of complaint issues. Spire’s training processes are complicated by its reliance on third-party call center resources located far from its service territory.

Call Center Quality Assurance

Spire takes slightly different approaches to quality assurance for its internal and external representatives. All Spire internal representatives currently have five call recordings reviewed per month by supervisors. This is an increase from the prior requirement of three per month. Third-party representatives have five additional calls per month reviewed by an Alorica manager. Spire does not track performance by call center location, but reviews performance at the individual level for each representative. Spire uses different accountability processes for internal vs third-party representatives. Internal representatives meet monthly with their supervisor to discuss QA scores, while third-party representatives meet with their Alorica supervisor weekly to review recent QA scores and develop action plans to improve performance.<sup>16</sup>

Spire has recently changed its quality assurance and employee development policies. Following an internal review, Spire implemented a new program in October 2019 to focus on employee soft skills and to empower employees to make decisions. Spire representatives are now to focus on eight core competencies: active listening, communication, issue diagnosis, next issue avoidance, accuracy, knowledge & efficiency, advocacy, and ownership. Spire has eliminated its previous focus on “pre-scripting” communications with customers and stated it now encourages employees to use individual judgment to foster genuine interactions between customers and representatives. The results of this new focus will be evaluated by Spire for its effect upon the customer experience. Staff will also conduct periodic meetings with Spire to discuss the results of its actions taken to improve customer service.

Spire records audio from all representative calls, but only records computer screens for calls handled by internal representatives.<sup>17</sup> This is a technical limitation resulting from security concerns associated with Spire personnel remotely accessing Alorica’s internal network. The recording of customer calls is discussed in more detail earlier in the Recordkeeping section of this report.

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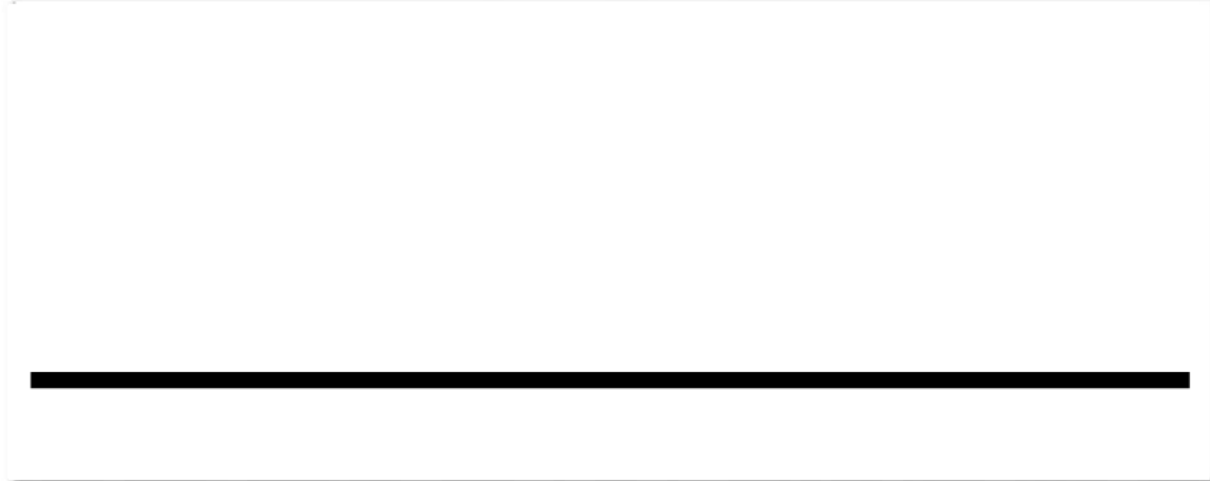
<sup>16</sup> April 8, 2020, Spire Interview via Skype, information provided by Adriane Yates.

<sup>17</sup> Spire response to Staff DR No. 0011.

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<sup>18</sup> Spire response to Staff DR No. 0039. Confidential.

<sup>19</sup> Spire response to Staff DR No. 0042. Confidential.





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Metering Operations

Staff investigated Spire’s metering operations, with a focus on the Company’s implementation of its Automated Meter Reading (AMR) system and associated billing processes. Staff observed missed opportunities to correct metering issues during recent complaint investigations. Metering operations are important to the customer experience as it forms the basis for the entire billing process.

Spire’s predecessor companies took different approaches to metering technology. In the Missouri West division (formerly MGE), the Company uses Encoder Receiver Transmitter (ERT) meters, which are read on a monthly basis by a technician driving by the customer premises and remotely reading the meters with a short-range antenna from the street. At the end of the work day, the system looks for “skips” or other issues such as battery malfunctions. Spire personnel will attempt a service order follow-up, on-site meter read or whatever is needed to address the issue. The meter readings are then downloaded into Spire’s CCB software to begin the billing process.

In Spire’s Missouri East division, (formerly Laclede Gas) the Company uses Automated Meter Reading (AMR) meters, which include wireless infrastructure providing automated daily meter readings with additional alarm capabilities. Spire’s AMRs in its Missouri East division have the capability to send alarm flags when sensors on the meter are triggered due to various conditions. The meters include sensors that can detect meter issues such as battery levels, module tampering, and meter operation. The sensors will note an alarm for these occurrences.<sup>24</sup>

These alarms are designed to direct attention to the specific issue for analysis and possible maintenance activity scheduling. Spire stated it sends reports of meter alarms to the contractor, Landis & Gyr, who runs reports to verify which alarms need investigating. Landis & Gyr coordinates with Spire for access to its inside meters. Spire Missouri East has \*\* \_\_\_\_\_ \*\* of customer meters located inside the customer residence, so this scheduling of access requires a high degree of coordination with the metering contractor.<sup>25</sup> The Company sends a letter to the customer

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<sup>24</sup> Spire response to Staff DR No. 0027.  
<sup>25</sup> Spire Monthly Statistical Report, April 2020 Report, Confidential.

advising them to schedule an appointment to allow a technician to gain access to the meter. Situations involving a potential gas leak will send technicians directly to the location without advance notice, which has sometime caused confusion to a customer.

Landis & Gyr completes a detailed monthly report to Spire providing information on the operation of network module alarms including numbers of battery alarms, module operation alarms and module tamper alarms. These alarms will normally generate an investigation and then a report by Landis & Gyr detailing the work it performed to respond to meter alarms. This report is then discussed in a monthly meeting to discuss performance and future maintenance planning.

Meter alarms are designed to indicate a potential issue that should prompt further attention. However, alarms are sometimes caused inadvertently by employee or contractor work being performed. Staff is aware of situations, as in a recent informal complaint, where customer contact was not made by Spire and confusion over the service being restored after a leak investigation left the customer without gas. The Company states it is actively working to refine its processes and procedures in coordination with its contractor work force scheduling to improve its response to meter alarms.

Spire's meters are anticipated to experience more issues as they continue to age and reach the end of their operational lifecycle. This creates a large volume of alarm flags that require follow-up by the Company or its contractor. \*\* \_\_\_\_\_

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<sup>26</sup> Spire Monthly Statistical Reports 2015-2020, Ordered Reporting from Case No. GM-2013-0254, Confidential.

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Spire is also planning a company-wide transition to next generation fully digital AMI metering with network infrastructure to support automatic hourly meter readings. The Company cites safety improvements as the primary driver towards upgrading to this next generation AMI metering. Spire personnel state the initiative is currently a pilot program in its other states to gather data and learn best practices. Spire hopes to incorporate this knowledge in its transition to more advanced metering in Missouri. The latest generation of meters collect vastly more data than Spire's current metering infrastructure. The data will present both an opportunity and a challenge for the Company to gain better operational insight into its gas distribution system.

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Spire's different approaches to metering in its two Missouri divisions each create their own challenges. While AMRs provide better insight into the Company's distribution system, the volume of data produced by such systems requires organized and clear assignment of responsibilities and monitoring of actions and results. For Spire to realize the full value of automated metering, it will need to better integrate its metering, recordkeeping, and billing systems as it goes forward. This should also include an evaluation of its present system of response to alarms and the scheduling of customer access.

### **Business Practices**

Within this investigation, Staff also reviewed several other business practices that are of potential concern.

There are a number of circumstances in which Spire may transfer an unpaid balance from another account or address to a customer's new or present account. This may occur if that customer has an unpaid previous balance from another address, if they have benefitted from the service or if they

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<sup>27</sup> Interview Response 5/14/2020, Metering Operations Interview, General Metering Overview.

are listed as being financially responsible for the account. Balance transfers occur when Spire's CIS software automatically transfers balances when it finds an association between two accounts.<sup>28</sup>

As part of its review of previous formal complaints, Staff observed an instance in a recent formal complaint of repeated erroneous transfers of the same balance back and forth in the same customer account. The balance would be taken off the customer's account after speaking with a representative and then show up on the next bill. Both the customer and the Spire CSR found it difficult to discern what the customer's balance at a point in time actually was.

Balance transfers can be confusing to the customer, especially when they are not made aware that these will appear on the bill. The Company has stated it will establish service for a customer and the customer will be informed of any unpaid debt connected to their prior addresses. If the customer accepts this and makes a payment, service is initiated and the transfer of debt appears on the next bill. If they do not accept it, Spire will take additional investigation and identification efforts but in most cases, will still start service. Any prior balances will be transferred to the account later. It appears from a review of past complaints that there are instances where the Company representative will not inform the customer that the balance will be transferred. This leads to confusion on the customer's part when they were not informed in advance of where these balances originated from. In some instances, the customer is not informed of the balance or the amount. As a result, many customers are able to establish service without paying deposits or establishing payment arrangements for prior balances.

All representatives should follow the Company policy of informing the customer upfront of the balance and its origin, even if there will need to be a credit investigation to confirm the customer's eventual obligation to pay it. A consistent approach to this would assist in ensuring the customer gets accurate information.

Staff also observed instances of customers being disconnected or threatened to be disconnected during ongoing billing disputes of a formal or informal nature that have been filed with the Commission. Spire states it implemented new dispute procedures in September 2019 because of recent complaints. Under these procedures, when a customer disputes a charge in the context of a complaint filed with the Commission, the account balances are placed in a Dispute Service Agreement for up to six months.<sup>29</sup> These agreements suspend collection activity on the account, and Spire stated that the length of the suspension periods was recently extended by Spire from 30 days to 6 months in order to prevent accounts from going to collections during disputes. Accounts with pending disputes are also now manually reviewed on a weekly basis, and Dispute Service Agreements can be extended until the dispute is resolved. Staff encourages Spire to

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<sup>28</sup> Spire response to Staff DR No. 0019.

<sup>29</sup> Spire response to Staff DR No. 0004.

continue to use the Dispute Service Agreements and to check that these conditions are being adhered to.

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\_\_\_\_\_ \*\* Spire’s representatives also take customer suggestions by phone or email, documenting the feedback.

Spire also participates in and utilizes external surveys performed by third-party companies to compare itself to other utility companies.

Seasonal Rate Proration

In reviewing informal complaint **C201901000**, Staff<sup>34</sup> noted certain customer bill proration issues. As part of its investigation in this case, Staff submitted DR No. 0051 requesting the following billing information regarding Spire Missouri East’s and Spire Missouri West’s billing practices:

- Billing practices for seasonal billing and bill proration for rates taking effect within billing cycles.
- Changes made to the billing practices in the last two years, if so, describe those changes in detail.

In response to the DR, Spire stated that prior to new rates taking effect on April 19, 2018, Spire Missouri East did not seasonally prorate for a change between seasonal rates. Spire Missouri West did not have seasonal rates, but the rates did differentiate between rates effective prior to October 1, 2014 and rates effective after October 1, 2014. Spire Missouri West’s rates were seasonally differentiated as an outcome of Spire Missouri West’s last rate case and became

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<sup>30</sup> Spire response to Staff DR No. 0036. Confidential.  
<sup>31</sup> Spire response to Staff DR No. 0036. Confidential.  
<sup>32</sup> Spire Branding Presentation, 06/03/2020. Confidential.  
<sup>33</sup> Staff response to Staff DR No. 0036. Confidential.  
<sup>34</sup> Staff from the Commission’s Tariff/Rate Design Department prepared this section of the report.

effective on April 19, 2018. In programming its billing system to bill new rates, Spire began prorating a customer's bill for seasonal rates if the bill included a period of time that covered part of both a summer and winter month.

Spire Missouri East's seasonal definition did not change as an outcome of the rate case and defines a winter month as the billing months of November through April and a summer month as the months of October through May.<sup>35</sup> However, prior to April 19, 2018, Spire Missouri East applied winter rates to usage billed in the billing months of November through April and applied summer rates to all other monthly bills. After April 19, 2018, if a customer's bill included a time period that covered a winter and summer month, the Company would prorate the bill based on the number of days applicable to summer and the number of days applicable to winter.

Based on the Company's response to Staff's DR, on July 22, 2019 the Company completed all seasonal billing changes so that the customer's bill is based on the billing month or the month in which the ending meter read occurred. Essentially, the billing changes that were completed on July 22, 2019 restore the Company's seasonal billing practice to the billing practices that were in effect prior to April 19, 2018. It is Staff's determination that the seasonal billing practice in place prior to April 19, 2018 is the correct interpretation of Spire Missouri East's and Spire Missouri West's definition of seasonal rates, so no further action is needed at this time.

### **CONCLUSIONS AND RECOMMENDATIONS**

Staff has noted improvement efforts already taken by the Company to address several of the frequently identified issues that Staff was tasked with reviewing. In particular, Spire has taken a number of actions to address issues related to call center resource utilization and quality. Staff is interested in monitoring the actions taken and the results associated with these actions.

Staff's investigation identified additional areas that carry the potential for improvement in a process or procedure. These areas will be delineated in the following section summarized by each investigation area with associated Staff recommendations. Staff recommends that Spire evaluate the recommendations and develop an Implementation Plan to address specific actions. Staff recommends that Spire report its efforts associated with the Staff recommendations in this report by submitting a biannual progress report in this docket.

### **Responsiveness to the Commission**

Spire has demonstrated difficulty in a number of instances in responding in a consistently timely and accurate manner to the DRs submitted by Staff when investigating formal customer complaints filed. Some of these requests have involved call center recordings of interaction with the customer. Extensions have been filed for a number of DR responses. Spire has indicated that its Legal

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<sup>35</sup> Spire Missouri West adopted the same seasonal definition as an outcome of the rate case.

Department is responsible for responding to DRs submitted in formal complaint cases and it is sometimes involved in a number of proceedings at the same time where its resources are strained. Staff also notes that Spire does not always respond promptly to Staff inquiries in filed non-complaint cases. However, once Spire management is involved, communication avenues and response times are normally improved. Alternative methods should be developed to deal with DR responses to allow the Company to meet deadlines.

***Staff Recommends Company Management:***

*Evaluate present methods of responding to Staff requests for information and determine alternative back-up measures when workload or other factors will delay responses.*

**Recordkeeping Systems**

Customer Service Representatives do not consistently record account notes within the CCB system when utilizing the MyAccount software. This leads to a lack of documentation regarding the customer's interactions with the Company. Customers have received inaccurate balance quotes or been offered payment arrangements that were not documented. This causes confusion for the customer and other Company representatives when they attempt to respond to questions.

***Staff Recommends Company Management:***

*Require additional training for all call center representatives in the importance and utilization of recording account notes in both the CCB and MyAccount systems when responding to customer calls.*

Spire has encountered difficulty in accessing the call recordings that document the customer and CSR interaction pertaining to a number of formal complaints. The Company is also unable to record the screens of third-party Customer Service Representatives in the processing of customer contacts. The review of screen recordings can provide an important part of the quality assurance process and assist in directing management to opportunities for additional training.

***Staff Recommends Company Management:***

*Review the methods used to store and organize recorded customer calls to determine if improvements could be made to improve the ease of retrieval.*

*Evaluate if there are alternatives available to record the screens of third-party call center representatives as a part of Spire's standard quality assurance procedures.*

## **Business Operations**

### **Call Center Operations**

The Company has encountered a number of difficulties with its level of customer service since its decision to outsource the majority of its Customer Service Representatives positions. Staff cannot direct whether a company uses outside third-party contractors for a function and expects the Company to conduct its management functions as if the functions were being performed by its own employees. This encompasses all of the responsibilities of monitoring costs, performance, and the reactions and opinions of its customers. As discussed in the earlier section, third-party contractor monitoring presents a number of challenges to any company but is an important responsibility to consider in the decision to use contractors for customer service purposes. Spire should take additional steps to increase its training, performance monitoring, and supervision of outsourced call center personnel.

#### ***Staff Recommends Company Management:***

*Continue to develop additional methods and procedures to monitor the performance of third-party call center representatives.*

#### ***Staff Recommends Company Management:***

*Develop enhanced training methods to improve the performance of third-party call center representatives.*

### **Call Center Resource Utilization**

Information provided to Staff in the monthly reporting from Spire required in Case No. GM-2013-0254 (The Laclede Gas – MGE merger application) does not provide clear information on third-party call center personnel staffing and performance at each of the locations utilized by the Company. \*\*

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\*\* Staff requests that additional specific information be provided within Spire’s monthly reporting on call center operations for the future reports. Staff believes that it would be helpful to hold a discussion with Spire regarding this information in advance of defining specific information to assist in the availability of information and ease of reporting.

#### ***Staff Recommends Company Management:***

*After discussion with Staff, improve the information provided to Staff regarding the staffing and quality performance of call center representatives at each location. This information should be submitted as a part of the monthly reporting to Staff ordered in Case No. GM-2013-0254.*



### Metering Operations

The Company or its contractors have not responded in an expedient manner to the multitude of alarms in its meter alarm system. In some cases, this may have caused customers to have received inaccurate bills. In other cases, the Company may have missed unauthorized usage at a residence.

Accurate and reliable metering is important to the billing process. An increase in metering issues can cause billing errors that result in negative customer experiences. Staff also observed instances in prior complaints where issues could have been resolved in a more timely manner if the Company had reacted more promptly to the metering data it collects. Spire's planned future upgrade to AMI systems will present an opportunity for Spire to improve the metering process. The Company has previously had difficulty dealing with the volume of data generated by the alarms, and differentiating real alarms warranting investigation from false alarms caused by technicians performing work on the meters.

Spire is developing a continuous improvement plan for data analytics to better identify issues that need to be investigated. The metering technology provides a large volume of data that can be helpful if managed and responded to. Spire should determine how to manage this data and assign actions to best respond in specific timeframes to individual alarm causes.

#### ***Staff Recommends Company Management:***

*Continue to evaluate the effective utilization of AMR alarms to identify metering problems and take actions to resolve the confusion over the necessary assignment of responsibility for the actions taken in response to the alarms.*

### Business Practices

#### Balance Transfers

Customers are able to establish service without always being made aware of prior balances that will transfer to their new account. There is inconsistency in the process as some accounts are reviewed prior to establishing service while others are not. In the cases where the accounts are not reviewed prior to establishing service, the Company will attempt to make arrangements to collect these balances later after the CIS system automatically transfers balances that have an association between accounts. Spire CSRs may find it difficult to determine whether to advise the customer of the existence of the balance or not. There needs to be a consistent approach for this issue as a guideline for all representatives to follow.

#### ***Staff Recommends Company Management:***

*Review the policies regarding the establishing of new service for a customer and develop guidelines relative to the determination and communication of prior balances that may be transferred to this account.*

### Dispute Service Agreements

Staff has observed instances of customers being disconnected or have been placed under threat of disconnection when the customer has a pending complaint with the Commission still unresolved. When a customer disputes a charge, the account balances are placed in a Dispute Service Agreement that will suspend any collection activity on the account. Spire indicated that in September 2019, it extended the time frame from 30 days to 6 months in order to ensure that accounts still in dispute would not go to collections.

#### ***Staff Recommends Company Management:***

*Continue to adhere to the procedures developed regarding Dispute Service Agreements to conduct a weekly review of these accounts and to place further extensions on collections when necessary.*

### **Final Actions and Implementation Reporting**

It is important that Spire document and inform Staff regarding the specific actions the Company plans to take to address each of the recommendations in this report. It is also important that Staff be informed of Spire's progress towards implementation of these recommendations. To that end, Staff requests the Commission order Spire to provide Staff, within 30 days of the filing of this report, a formal implementation plan that addresses each recommendation within the report. Staff also requests the Commission order Spire to file such plan and bi-annual status reports regarding the progress towards completing each recommendation in the docket that opened this case. Such reporting will continue until such time as Staff can verify that the intent of the recommendation has been fulfilled. At that time, Staff will file a motion in the docket to discontinue reporting.

**ATTACHMENT 1**

**HAS BEEN DEEMED**

**CONFIDENTIAL**

**IN ITS ENTIRETY**

**Case No. GO-2020-0182**  
**Missing Call Recording**

**Select A Document**

**HC** = Highly Confidential  
**C** = Confidential  
**P** = Public

**P** [Data Request: 0003.1](#)  
(Submission Summary)

**Missouri Public Service Commission**

**Data Request**

**Data Request No.** 0003.1  
**Company Name** Spire-Investor(Gas)  
**Case/Tracking No.** GC-2018-0159  
**Date Requested** 2/28/2018  
**Issue** Quality of Service - Customer Service  
**Requested From** Lew Keathley  
**Requested By** Casi Aslin  
**Brief Description** Call recordings

**Description** In Spire Missouri, Inc.'s Answer to Complaint and Motion to Dismiss filed on January 5, 2017 in this case, Spire attached the Company's report to the Staff in response to Complainant's informal complaint. In the Company's report there are **over twenty calls in which the notes state the customer called in but the calls were not provided to staff in DR 3.** Please provide corresponding calls for the following notes/comments dated: February 15, 2016 February 16, 2016 (3 calls) April 22, 2016 (2 calls) May 12, 2016 August 6, 2016 (2 calls) August 8, 2016 August 25, 2016 – Supervisor call September 14, 2016 September 17, 2016 November 8, 2016 November 9, 2016 (1 missing) November 16, 2016 November 29, 2016 February 2, 2017 (2 calls) February 13, 2017 (2 calls) October 26, 2017 DR requested by Scott Glasgow (Scott.Glasgow@psc.m.gov).

**Due Date** 3/20/2018

The attached information provided to Missouri Public Service Commission Staff 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 immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. GC-2018-0159 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the Spire-Investor(Gas) office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Spire-Investor(Gas) and its employees, contractors, agents or others employed by or acting in its behalf.

**Security** Public  
**Rationale** NA

**ATTACHMENT 3**

**HAS BEEN DEEMED**

**CONFIDENTIAL**

**IN ITS ENTIRETY**