

Exhibit No.: _____
Issue: Customer Service
Witness: Carlton A. Ricketts
Sponsoring Party: Missouri Gas Energy
Case No.: GR-2006-_____
Date Testimony Prepared: May 1, 2006

MISSOURI PUBLIC SERVICE COMMISSION

MISSOURI GAS ENERGY

DIRECT TESTIMONY OF
CARLTON A. RICKETTS

Jefferson City, Missouri

May 2006

DIRECT TESTIMONY
OF CARLTON A. RICKETTS

May 2006

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Carl Ricketts. My business address is 3420 Broadway, Kansas City,
3 Missouri, 64111.

4
5 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

6 A. I am Vice President of Business Services for Missouri Gas Energy (“MGE” or
7 “Company”), a division of Southern Union Company.

8
9 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND EXPERIENCE.**

10 A. I am a graduate of Emporia State University where I earned a Bachelor of Science
11 degree with a major in accounting and a Master in Business Administration with a
12 major in management. I joined MGE in May 2002, as Vice President Business
13 Services. My responsibilities include, among other areas, the customer service
14 operations.

15
16 Prior to joining MGE, I was employed by Western Resources for approximately
17 twenty years. At Western Resources, I held numerous positions in the customer
18 service arena including Area Manager, Division Manager and Regional Director.
19 These positions included responsibility for both gas and electric service, and I

oversaw field operations, office administration, customer contact operations and community relations. Before leaving Western Resources, I also held positions of Vice President Labor Relations, Vice President Corporate Development, Vice President Strategic Planning and Vice President Investor Relations.

Executive Summary

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I will discuss results of the Company's efforts to provide high quality customer service. In particular, I will provide a brief history of measurements supporting MGE's commitment to service quality and explain some of the steps MGE has taken to enhance customer service quality.

Historical Measures Indicative of Customer Service Quality

Q. HAVE YOU PREPARED A BRIEF HISTORY OF MEASUREMENTS SUPPORTING MGE'S COMMITMENT TO SERVICE QUALITY?

A. Yes. Providing a high quality of service to our customers is a high priority for MGE. The following statistics for abandoned call rate (“ACR”, which measures the percentage of calls abandoned before being handled in the Company’s contact center) and average speed of answer (“ASA”, which measures the speed, on average, with which the Company’s contact center answers calls) summarize our

1 results during the last eight calendar years:

2		<u>ACR (%)</u>	<u>ASA (seconds)</u>
3	CY98	8.35	62
4	CY99	5.88	64
5	CY00	6.08	64
6	CY01	9.69	125
7	CY02	4.48	58
8	CY03	8.52	130
9	CY04	14.32	153
10	CY05	8.06	71

11
12 In calendar years '01, '03, and '04; performance measures were negatively
13 affected by the unusually high number of customer contacts resulting from a
14 combination of cold weather and high gas prices. Absent those major hurdles,
15 MGE has consistently been able to maintain relatively stable ACR and ASA
16 levels that are better than the merger commitments for these measures, 8.5% and
17 75 seconds respectively.

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19 **Q. HOW HAS THE VOLUME OF CALLS IMPACTED CUSTOMER**
20 **SERVICE?**

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22 A. The larger the number of calls, the more challenging the operations. Higher call
23 volumes place more demands on our employees and make it imperative that our
24 technology is operating as intended. As indicated by the data below, the number
25 of calls handled by our contact center continues to grow on an annual basis.

26		<u>Number of Calls</u>
27	CY 02	1,065,530
28	CY 03	1,235,668
29	CY 04	1,359,070
30	CY 05	1,411,600
31		

1 **Q. HAS MGE IMPLEMENTED PROCESS IMPROVEMENTS AND**
2 **TECHNOLOGY TO ENHANCE CUSTOMER SERVICE QUALITY?**

3 A. Yes. We continually seek ways to serve our customers more effectively and
4 efficiently. Examples of process improvements or technology deployment that
5 have been implemented include the following:

6

7 • Performance standards were implemented in the contact center in 2002. The
8 standards clearly convey expectations regarding successful performance of
9 personnel in the contact center and have boosted the overall performance. We
10 developed the standards with input from our labor union and the results are
11 proving to be very beneficial.

12

13 • Enhancements to MGE’s website enable customers to pay their gas bills and
14 retrieve information from their accounts electronically. The website represents
15 another option for our busy customers and we have seen a sharp increase in the
16 number of web-related transactions.

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	<u>Number of Total Visitors</u>
18 FY 03	179,130
19 FY 04	332,645
20 FY 05	531,216
21 CY 05*	642,769

22 *MGE’s fiscal year-end changed from June 30 to December 31 in 2005.

23

24 • In March 2004, we upgraded our Interactive Voice Response (“IVR”) system to
25 allow for voice recognition, in addition to giving customers an opportunity to
26 make telephonic payments by credit card or check. This enhancement is an

1 excellent “self-help tool,” providing options for those customers choosing not to
2 speak with a consultant.

3

4 • In April 2004, we implemented a technology called Virtual Hold. During periods
5 of high call volumes, customers are provided an option to receive a call back (at a
6 number of their choice) or remain in the queue. Positive comments have been
7 received from customers, and we believe “churn” (i.e., customers repeatedly
8 making calls when they are impatient because of not making contact sooner) has
9 been greatly reduced.

10

11 • During the fourth quarter of 2005; we established a new customer advocacy
12 position. The position of Manager, Customer Solutions was created to effectively
13 handle Missouri Public Service Commission complaints, customer complaints,
14 and assist certain non-profit customers with their accounts. The position was
15 filled with a long-term, experienced employee; and we have received numerous
16 favorable comments from customers regarding this improvement.

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1 **Q. DO YOU HAVE ANY OTHER STATISTICAL INFORMATION**
2 **DEMONSTRATING MGE'S COMMITMENT TO HIGH QUALITY**
3 **CUSTOMER SERVICE?**

4 A. Yes. The number of complaint/inquiry contacts made by MGE customers with
5 the Commission's consumer services department has been trending favorably
6 over the past several years—although calendar year 2001 reflects a higher number
7 of contacts resulting from the combination of cold weather and high gas prices in
8 the winter of 2000-2001—as shown in the following chart:

<u>YEAR</u>	<u>NUMBER OF COMPLAINTS/ INQUIRIES</u>	<u>COMPLAINTS/ INQUIRIES PER 1000 CUSTOMERS</u>
CY00	448	0.90
CY01	840	1.68
CY02	389	0.77
CY03	403	0.80
CY04	401	0.79
CY05	418	0.82

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21 **Q. DOES THIS CONCLUDE YOUR DIRECT PRE-FILED TESTIMONY?**

22 A. Yes, at this time.