

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

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

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

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff), by and through Counsel, and for its Response to Missouri Gas Energy's (MGE) required Annual Customer Service Report, states Staff has reviewed MGE's Annual Report and Staff's Response is below:

1. MGE's annual reporting requirements began as a result of the October 6, 1999, Unanimous Stipulation and Agreement (Stipulation or Agreement), in Case No. GM-2000-43, which recommended Commission approval of a merger between Southern Union Company (SUG) and Pennsylvania Enterprises, Inc., wherein SUG emerged as the surviving corporate entity.

2. On October 21, 1999, the Commission approved the Stipulation, subject to the conditions contained therein, including customer service requirements.

3. MGE is an operating division of SUG. The Stipulation (at p. 2) provided, in part, that SUG would "ensure that the merger will have no adverse effect on MGE's efforts to provide high quality service to its customers."

4. Pursuant to this provision to continue quality customer service, SUG, through its MGE operating division, agreed to meet certain performance levels and, on

an annual basis, to provide Staff with information (statistics) on its performance. (The requirement to report annually was also incorporated in Orders of the Commission issued in Case Nos. GM-2000-500, GM-2000-502, GM-2000-503, GM-2003-0238 and, most recently, GM-2011-0412.)

5. These performance measures are the “*Abandoned Call Rate*” and the “*Average Speed of Answer*.” The Abandoned Call Rate (ACR) is the rate at which customers hang-up before speaking with an MGE representative. Average Speed of Answer (ASA) is the time it requires an MGE customer service representative to answer a phone call.

6. In mid-February, 2012, the Company mailed a draft report to Staff and the Office of Public Counsel, summarizing its Service Quality performance for calendar year 2011. As part of Staff’s review, on March 5, 2012, two Staff members, Debbie Bernsen and Tammy Vieth, met with MGE’s management representatives at the Company’s Kansas City offices.

7. The Report indicated that the total number of incoming calls to the MGE Call Center increased from 1,361,334 calls in 2010 to 1,473,901 calls in 2011.

8. The Stipulation specified the maximum allowable level for the annual ACR indicator is 8.5%. The information provided by the Company shows an average ACR of 5.14% for 2011. This is a decrease and, therefore, an improvement from the prior year’s ACR of 6.20%.

9. While its average annual ACR is an improvement, MGE did not meet its objectives in the months of February and March. The company’s highest ACR level for 2011 was recorded in February with an ACR of 10.79%.

10. The ASA of calls to MGE for the year 2011 was 71 seconds. The ASA has increased slightly from 2010, when it was 62 seconds. The rate of answer of 71 seconds is within the prescribed annual objective of 75 seconds for this service quality indicator.

11. Like its ACR, MGE's annual average ASA is acceptable, however the Company's performance in the winter months did not meet this objective. The average performance of 96 seconds (January), 122 seconds (February), 127 seconds (March), 136 seconds (April), and 94 seconds for May 2011 was not within the goal of 71 seconds.

12. MGE's customer services staffing level has fluctuated throughout the year. Staffing levels decreased slightly over the summer and increased to 109 employees in October with the use of seasonal employees. Total staffing, which includes management, call center, billing and account services personnel has ranged from a low of 101 employees in September to 109 employees in October of 2011.

13. The Company also tracked and reported its Average Response Time to the Commission's Consumer Services Department regarding consumer complaints. MGE attempts to respond to the Staff within two business days. The Company reported a response rate of 94.34% for the year 2011, which is an improvement in its performance of 92.61% in 2010. While there is no specific stipulated benchmark for response to Commission complaints, the Staff encourages the Company to set an internal objective of 90%.

14. In the Non-Unanimous Stipulation and Agreement (Stipulation) in Case No. GM-2011-0412, the Company agreed to continue reporting customer service

performance measures and to do so on a monthly basis and to implement customer service operating procedures designed to ensure customers do not experience a decline in service quality. The Company also agreed to file the annual report on customer service performance, which was originally required in Case No. GM-2000-43 with the revisions specified in Case No. GM-2011-0412.

**WHEREFORE**, Staff submits Staff's Response to Report from Missouri Gas Energy in Connection with Customer Service Measures, along with Staff's recommendation that the Company continuously monitor and evaluate its customer service efforts and comply with its commitments as stated in Case No. GM-2011-0412. Staff suggests the Commission's Order Approving Stipulation and Agreement in Case No. GM-2011-0412 is sufficient to continue to encourage MGE to meet the customer service measures discussed above.

Respectfully submitted,

**/s/ Lera L. Shemwell**  
Deputy General Counsel  
Missouri Bar No. 43792

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-7431 (Telephone)  
(573) 751-9285 (Fax)  
[lera.shemwell@psc.mo.gov](mailto:lera.shemwell@psc.mo.gov)

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 13th day of March, 2012.

**/s/ Lera L. Shemwell**