

Appendix B

(NP)

Service Quality Investigation Regarding Call Center and Customer Communication Matters

PSC Engineering and Management Services Department

**Case Nos.
SR-2010-0023, WR-2010-0025,
SR-2010-0026, and WR-2010-0027**

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PSC Engineering and Management Service Department

March 8, 2010

Case Nos.

**SR-2010-0023, WR-2010-0025,
SR-2010-0026, and WR-2010-0027**

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INTRODUCTION

Aqua Missouri, Inc., Aqua RU, Inc. d/b/a Aqua Missouri, Inc., and Aqua Development Company d/b/a Aqua Missouri, Inc. (collectively referred to hereinafter as “Aqua Missouri” or “the Company”) provides water and/or sewer service to customers located in the Central and Southwest portions of the State of Missouri.

On July 15, 2009, the Missouri Public Service Commission (“the Commission”) received a Rate Increase Request Letter, requesting an increase in the Company’s annual operating revenues pursuant to Commission Rule 4 CSR 240-3.050 (“Small Utility Rate Case Procedure”). These matters have been designated as Case Nos. SR-2010-0023, WR-2010-0025, SR-2010-0026 and WR-2010-0027. Pursuant to the Small Utility Rate Case Procedure, Local Public Hearings were

held on February 10, 2010¹, in Reeds Spring; February 11 in Shell Knob; February 16 in Republic; February 17 in Sedalia; February 18 in Warsaw; and February 22 in Jefferson City.

Staff's Service Quality Investigation Regarding Call Center and Customer Communication Matters ("Staff Service Quality Investigation") is dedicated to a supplementary discussion of Company call center performance and general customer communication practices and is submitted in direct response to testimony presented by Aqua Missouri customers at the above-listed Local Public Hearings.

UNSATISFACTORY LOCAL TELEPHONE AND CALL CENTER CONTACT

As mentioned above, local telephone and call center contact concerns were raised in the Aqua Missouri local public hearings in February 2010. Company telephone contact may occur at both the local level (answered by Aqua personnel working within Missouri) or by one of three Aqua America call centers. The Company encourages customers to contact Aqua Missouri by using the toll-free telephone number printed on customer bills. This toll-free telephone number connects customers to one of three call centers located in Kankakee, Illinois, Bryn Mawr, Pennsylvania or Cary, North Carolina. Missouri calls are primarily routed to Kankakee, Illinois. On occasion, a customer may be referred to the local Jefferson City office.

During the Company's 2008 rate cases (Case Nos. WR-2008-0267, SR-2008-0268, WR-2008-0266 and WR-2008-0268) the Staff requested, and the Commission ordered, the Company to begin providing quarterly call center reports that permit the Engineering and Management Services Department (EMSD) staff to monitor key performance metrics for call center performance. As a result, the Company provides the following information on a quarterly basis to the EMSD staff: approximate customer number, total calls, days the call center is open, average daily calls, abandon rate, calls answered in less than 90 seconds, average speed of answer, average handle time, calls per customer per year, average number of customer service representatives per day and total calls answered.

Abandoned call rate and average speed of answer are two important indicators that provide quantifiable and measurable criteria with which to determine how well a utility call center is serving its customers. "abandoned call rate" refers to the percentage of customers who terminate their call before such call can be handled by the Company. "average speed of answer" represents the average time the customer is on hold while in the call queue until the call is answered by a representative.

The EMSD staff also focuses on call volume and staffing as factors that can directly impact the abandoned call rate and average speed of answer. Monitoring these metrics, while valuable, cannot provide complete assurance that customers are receiving an adequate level of service because some aspects of service quality do not lend themselves to metrics. Examples include ensuring that customers are treated courteously, that customers are provided accurate information that complies with Commission rules and Company-approved tariffs and that requested follow-up is accurately and timely performed.

¹ Unless noted otherwise, all dates contained herein refer to calendar year 2010.

The EMSD staff has reviewed Commission-ordered reporting of call center metrics, the recordings of certain customer phone calls to the Company's call center, and documentation of interviews and call monitoring conducted at the Kankakee Call Center. As a result, the EMSD staff states that the Company is not in violation of any Commission rule or Company tariff related to call center performance or customer communications and that has not been raised with the Commission to date². Though not a violation of Commission rules or Company tariffs, the EMSD staff does have concerns based on the materials reviewed by staff about the qualitative performance of the Company's call center and plans additional follow-up steps with the Company.

EMSD STAFF ACTIONS TO DATE REGARDING CUSTOMER COMMENTS OF UNSATISFACTORY TELEPHONE RESPONSES

Throughout Staff's investigation of the Company's current rate cases, the EMSD staff has requested and listened to approximately 40 recorded phone calls of Missouri customer calls to the Company's call center. The EMSD staff is aware of several other regulated utilities in Missouri that record call center calls and the EMSD staff has historically asked to receive such recordings during various investigations. While the EMSD staff found the majority of the Aqua Missouri calls contained in the provided sample were handled in a manner that in the EMSD staff's opinion was acceptable, the EMSD staff would categorize several calls as being handled by Company personnel in what it would consider to be an unacceptable and unprofessional manner. The EMSD staff can make these calls available to the Commission upon its request.

In addition to listening to recorded phone calls, the EMSD staff travelled to the Company's Kankakee, Illinois Call Center to conduct a three-day on-site investigation of the call center facility. The EMSD staff's work focused on investigating company processes and procedures as they relate to Missouri customers, including call center training, new hire selection and training, call monitoring, management practices and interviews with call center personnel and supervisors. In addition, while on-site, the EMSD staff interviewed senior Company management personnel and conveyed the EMSD staff's initial findings regarding the on site investigation directly to the Company personnel. Upon returning from the Kankakee Call Center, the EMSD staff used the findings of the on-site call center investigation to initiate multiple new data requests that yielded additional information regarding Company customer service and billing practices and procedures. Finally, all of this information was used to make additional recommendations to the Company concerning improving aspects of its call center performance, efficiency and effectiveness.

The EMSD staff also requested and received the Company's "Aqua Customer Operations Call Evaluation Form" which is used to evaluate individual representative performance in handling specific customer calls. This form, which is attached as Attachment A (HC) and is incorporated by reference herein, is utilized by the Company to measure representative responsiveness in ** _____ ** areas including ** _____ **. If these ** _____ ** areas are performed successfully, it is the EMSD staff's opinion that customers have been extended appropriate levels of service by individual call center

² Formal Complaint Case No. SC-2010-0150 et al. notwithstanding.

representatives. EMSD staff would note that representatives handling a number of calls reviewed by Staff did not successfully meet the criteria presented on the Company's "Aqua Customer Operations Call Evaluation Form".

Customers may prefer to call local employees rather than a centralized call center for any number of reasons and local employees should provide an acceptable level of call quality if they are answering utility customer calls. Calls made to individual Company employees are not monitored or recorded.

CUSTOMER COMMUNICATION

Customer communication matters were also addressed at some of the local public hearings, as well as in the Commission's March 3, 2010 Agenda Session. Customers testified at the Shell Knob Local Public Hearing that their calls to the call center had not been returned as they had expected. A customer testified that her call was disconnected before speaking with the call center representative and when she placed her call the second time, that she was on hold for twenty minutes before she discontinued the call. Another customer testified that he had contacted the Company several times and had finally hung up in frustration. One customer testified that a year was required to correct a billing problem and described it as a "nightmare". Customers also testified that information, i.e., address, meter readings, new customer information, provided to the Company had not been acted upon by the Company. Customers also testified that they are not provided a warning when their water service is expected to be interrupted.

Specifically identified were voluntary requests from Aqua Missouri to boil water after main breaks or other events. Customers during the local public hearing in Sedalia, Missouri indicated that when driving into their subdivision, a hand-written sign was placed at the entrance that only indicated there was a "boil order" for the subdivision. The hand-written sign was confusing, lacking descriptive information such as the duration of the boil order, the fact that the boil order was voluntary and had not been issued by Department of Natural Resources (DNR), and also disturbing to customers in that they thought a directive as critical as the need or recommendation to boil water should be addressed in a more explicit and professional manner. Further, the only way the customers knew the boil order was lifted was when the hand-written signs were removed from the subdivision. The customers indicated there was no additional sign or notice indicating the water was safe to drink. Customers' suggested alternatives included individual door-hangers placed on the doors of customer residences and e-mailing or telephoning customers with directions including that the boil order was a recommendation by the Company and not a boil ordered mandated by the DNR.

Company representatives explained that such Company requests to boil water that are not mandated by the DNR are recommended by the utility as an additional safety precaution. The Company further indicated that it did not have sufficient staff to implement the use of door hangers nor did it have the resources to e-mail or call all customers when it was recommending that water be boiled. The Company did say it would explore posting information regarding boil recommendations to its website and would evaluate revising the wording on such future signs to

clarify when appropriate that boiling the water was recommended by Aqua Missouri and not required.

While alternatives may exist to improve the Company's method of communicating recommendations to boil water, the Company's past actions have not violated any specific Commission rule or the Company's tariffs.

EMSD STAFF PLANNED FUTURE ACTIONS

1. The EMSD staff plans to request a sample of recorded Missouri customer calls to listen to each month for at least twelve months and review with the Company those calls it believes are not demonstrative of acceptable customer service;
2. The EMSD staff will further explore communication methods with the Company with the goal of improving Company messages such as 'boil' recommendations;
3. The EMSD staff plans to perform monitoring of the Company's meter reading function in several of its service areas; and
4. The EMSD staff intends to continue to gather and address information regarding the Company's call center and customer service issues.

ATTACHMENT A

HAS BEEN DEEMED

HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

Aqua Development Company, d/b/a Aqua)
Missouri, Inc. Request for Increase in Annual) Case No. SR-2010-0023
Sewer System Operating Revenues MPSC)
Sewer Utility Small Company Rate Increase)
Procedures.

In the Matter of Aqua RU, Inc. d/b/a Aqua) Case No. WR-2010-0025
Missouri Request for Increase in Annual Water)
System Operating Revenues MPSC Water)
Utility Small Company Rate Increase.)

In the Matter of Aqua Missouri, Inc. (CU)) Case No. SR-2010-0026
Request for Increase in Annual Sewer System)
Operating Revenues MPSC Sewer Utility)
Small Company Rate Increase.)

In the Matter of Aqua Missouri, Inc (CU)) Case No. WR-2010-0027
Request for Increase in Annual Water System)
Operating Revenues MPSC Water Utility)
Small Company Rate Increase Procedures.)

AFFIDAVIT OF GARY R. BANGERT


STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Gary R. Bangert, of lawful age, on his oath states: that he has participated in the preparation of the foregoing *Service Quality Investigation Regarding Call Center and Customer Communication Matters*, that he has knowledge of the matters set forth in such report; and that such matters are true to the best of his knowledge and belief.


GARY R. BANGERT

Subscribed and sworn to before me this 8th day of March, 2010.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 08, 2012
Commission Number: 08412071


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

Aqua Development Company, d/b/a Aqua)
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Small Company Rate Increase.)

In the Matter of Aqua Missouri, Inc (CU)) Case No. WR-2010-0027
Request for Increase in Annual Water System)
Operating Revenues MPSC Water Utility)
Small Company Rate Increase Procedures.)

AFFIDAVIT OF LISA A. KREMER


STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Lisa A. Kremer, of lawful age, on her oath states: that she has participated in the preparation of the foregoing *Service Quality Investigation Regarding Call Center and Customer Communication Matters*, that she has knowledge of the matters set forth in such report; and that such matters are true to the best of her knowledge and belief.


LISA A. KREMER

Subscribed and sworn to before me this 8th day of March, 2010.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 08, 2012
Commission Number: 08412071


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
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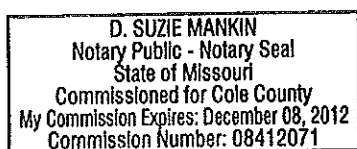
AFFIDAVIT OF J. KAY NIEMEIER


STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

J. Kay Niemeier, of lawful age, on her oath states: that she has participated in the preparation of the foregoing *Service Quality Investigation Regarding Call Center and Customer Communication Matters*, that she has knowledge of the matters set forth in such report; and that such matters are true to the best of her knowledge and belief.


J. KAY NIEMEIER

Subscribed and sworn to before me this 8th day of March, 2010.




Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

Aqua Development Company, d/b/a Aqua)
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Operating Revenues MPSC Water Utility)
Small Company Rate Increase Procedures.)

AFFIDAVIT OF BENJAMIN WISNEWSKI

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Benjamin Wisnewski, of lawful age, on his oath states: that he has participated in the preparation of the foregoing *Service Quality Investigation Regarding Call Center and Customer Communication Matters*, that he has knowledge of the matters set forth in such report; and that such matters are true to the best of his knowledge and belief.

Benjamin Wisnewski
BENJAMIN WISNEWSKI

Subscribed and sworn to before me this 8th day of March, 2010.

D. Suzie Mankin
Notary Public

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 08, 2012
Commission Number: 08412071