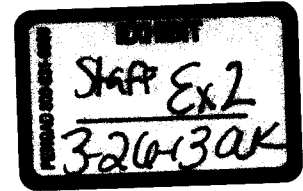


Staff EX 2
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FILED
April 17, 2013
Data Center
Missouri Public
Service Commission

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



Marcia Eason,)
)
Complainant,)
v.)
)
Missouri-American Water Company,)
)
Respondent.)

File No. WC-2013-0010

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through its undersigned counsel, and files its *Staff Recommendation* with the Missouri Public Service Commission ("Commission"), respectfully stating as follows:

1. On July 6, 2012, Marcia Eason ("Complainant") filed a Formal Complaint against Missouri-American Water Company (the "Company" or "MAWC").
2. On August 8, 2012, MAWC filed its *Answer and Affirmative Defenses*.
3. On August 13, 2012, the Commission issued an *Order Directing Staff Status Update* ("Order"), directing Staff to file a pleading no later than August 22, 2012, stating when Staff anticipates filing its recommendation.
4. On August 24, 2012, Staff filed *Staff's Status Report*, indicating that Staff would file its recommendation or status report on or before October 5, 2012.
5. The *Staff Recommendation* was prepared by Jerry Scheible, P.E., Utility Regulatory Engineer, and Lisa Kremer, Manager of the Engineering and Management Services Unit, is attached hereto and incorporated by reference herein as Appendix A to

Staff Exhibit No. 2
Date 3-26-13 Reporter AK
File No. WC-2013-0010

Ms. Eason's service line and interior plumbing, prior to being eligible to any further relief.

9. Staff also investigated the Company's call escalation procedures and notes that the Company's behavior showed opportunities for improvement, the Company has taken action to make those improvements and recommends such a review continue.

WHEREFORE, Staff respectfully submits this *Staff Recommendation* to the Commission for consideration and any other relief it deems just.

Respectfully submitted,

/s/ TANYA K. ALM

Tanya K. Alm	Mo. Bar No 62721
Rachel M. Lewis	Mo. Bar No 56073

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all counsel of record this 5th day of October, 2012.

/s/ TANYA K. ALM

MEMORANDUM

Case No. WC-2013-0010
Marcia Eason, Complainant v. Missouri-American Water
Company, Respondent

TO: Missouri Public Service Commission Official Case File

FROM: Jerry Scheible, P.E., Utility Regulatory Engineer, Water & Sewer Unit
Lisa A. Kremer, Manager, Engineering & Management Services Unit

/s/ Jerry Scheible October 5, 2012
Water & Sewer Unit

/s/ Lisa A. Kremer October 5, 2012
Engineering & Management Services Unit

/s/ Tanya K. Alm October 5, 2012
Staff Counsel's Office

SUBJECT: Staff Report of Investigation

DATE: October 5, 2012

BACKGROUND

Informal Complaint:

Ms. Marcia Eason ("Ms. Eason" or "Complainant") filed an Informal Complaint (EFIS No. C201202817) against Missouri-American Water Company ("MAWC" or "Company") with the Public Service Commission ("Commission") on May 1, 2012.¹ Ms. Eason resides at 12059 Krenning Lane, St. Louis, Missouri, which is located in St. Louis County.

The Informal Complaint indicated that the quarterly bill Ms. Eason received in February showed a usage of 86,000 gallons, which she questioned as an exceptionally high usage. The corresponding charge for that usage was \$328.51. Ms. Eason felt the amount must be in error; and therefore on April 6, made a partial payment of \$100 as that amount is closer to what she is normally billed. MAWC consequently notified Ms. Eason on April 20, that the account was past due and disconnection would occur on May 7, if payment was not received. This Informal Complaint was investigated by Commission Staff members Beverly Faulkner, Consumer Services Specialist, and Mary Schierman-Duncan, Consumer Services Coordinator of the Consumer Services Unit (CSU Staff). During the course of their investigation, CSU Staff

¹ All following dates refer to 2012 unless otherwise noted.

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had been put on the account had expired but would be renewed, thus stopping any further disconnection action.

CSU Staff closed the Informal Complaint at that point due to the pending filing of a Formal Complaint.

Formal Complaint:

Ms. Eason subsequently filed this Formal Complaint on July 6. In the documents filed, the basis of the Formal Complaint was specific to the initial quarterly bill received in February for the usage of 86,000 gallons of water for the quarter. Complainant states that it does not seem possible for her and her son to use that volume of water in a residential property, specifically due to the fact that she works weekdays from 11:45 a.m. to 8:30 p.m. Further, Complainant states that a professional plumbing company was hired to perform an investigation, and the plumber found no indication that a water leak was occurring at the time.³ Finally, Ms. Eason stated that a major water leak occurred recently in her neighborhood, implying that it may be a contributing factor to the issue. Complainant requests specific relief, seeking Staff's review of MAWC's accounting records to determine the reason behind the high usage billed to her in February and that her bill issue be resolved.

A secondary point identified in the Formal Complaint includes the indication that Complainant was not allowed to speak with a supervisor when contacting MAWC's Customer Service Representatives. This specific portion of Ms. Eason's complaint was investigated by Staff of the Missouri Public Service Commission's Engineering and Management Services Unit (EMSU, EMSU Staff or Staff). The result of EMSU Staff's investigation is included in a subsequent section in *Staff's Memorandum* entitled "Call Escalation Process at Missouri-American Water Company."

MAWC filed its *Answer and Affirmative Defense of Missouri-American Water Company* on August 8, in which the claims made in Ms. Eason's Formal Complaint were addressed. MAWC affirms that Complainant was billed for a usage of 86,250 gallons in February 2012. The Company states that it responded to Complainant's inquiries, tested the meter for accuracy, and replaced the meter with a new one. Further, MAWC states that during a later visit to Ms. Eason's property to investigate the new meter on July 17, movement indicative of a leak *was*, in fact, noted by the field service representative at that time.

STAFF'S INVESTIGATION

The Commission's Water and Sewer Unit Staff (Staff) contacted Complainant by phone on August 21. Ms. Eason reiterated the information submitted during the Informal Complaint investigation. Staff made arrangements to meet Complainant at her residence to discuss and

³Attached as an exhibit to Ms. Eason's Formal Complaint is a plumber's bill indicating no leak and dated June 5.

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toilet running excessively, and has had no work performed to any plumbing fixture to correct any problem that may contribute to higher-than-normal usage.

Staff has performed an analysis of the trend of Complainant's quarterly-billed usage from February 2010 to present. The average quarterly usage for the billing periods from February 2010 through May 2011 is 25,680 gallons, resulting in an average quarterly bill of \$111. A gradual increase in billed usage began around the quarterly bill issued in August 2011 and peaked with the highest quarterly billed usages in the quarters ending in February, May, and August of 2012. Respectively, the billed usages for those most-recent quarters are 86,000 gallons, 76,000 gallons, and 85,000 gallons with bills issued for \$329, \$297, and \$332. (Attachment A)

In the course of Staff's and MAWC's separate investigations for both Ms. Eason's informal and formal complaints, specific meter readings were taken in addition to normal quarterly billing readings by both Staff and MAWC in an effort to track usage. An average usage per day was calculated from all of the readings available, and then that data was plotted on a chart. The average usage per day follows a similar trend of increasing from an average of 289 gallons per day from February 2010 through May 2011, to a much higher average of 899 gallons per day during the months of February through July 2012. Although the last quarterly bill was issued in early August, therefore being the most-recent data available for plotting quarterly usage; three additional water meter readings have been recorded since that quarterly bill for calculation of average usage per day. Those readings and corresponding usage per day are as follows: August 29 at 443 gallons per day, September 4 at 125 gallons per day, and October 3 at 181 gallons per day. This indicates a substantial reduction in the volume of water passing through the meter in question, beginning around mid-July. (Attachment B)

Staff performed calculations to determine an estimate of the cost of the recent quarterly bills for usages that are higher than normal for Complainant. Staff calculates that during the time period beginning with the August 2011 bill continuing to the August 2012 bill, an approximate usage overage of 195,728 gallons could possibly be attributed to this matter. It should be noted that the exact period of time in question and any other factors such as changes in actual usage in the home are not verifiable, so the result can only be considered an estimate. The time period in question almost entirely falls within the Company tariff bearing an Effective Date of July 1, 2010, which specifies a Commodity Charge of \$3.1901 per 1,000 gallons of usage. Therefore, the estimated cost to the Complainant that could possibly be contributed to this matter is \$625.

Finally, Ms. Eason contacted Staff on September 28 to report that a bill was recently received for sewer service from the Metropolitan Sewer District (MSD). MSD calculates customer's sewer bills for the entire calendar year based upon the customer's billed water usage for the quarter ending in February. Given that Ms. Eason's water bill issued in February is in dispute for a much higher than normal usage, the corresponding sewer bill is also increased from what is normally billed. Ms. Eason requested assistance with MSD, pending the result of this Formal Complaint.

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the source of a significant leak in the past. Also, the Service Line Repair Program is in effect in St. Louis County; and therefore, if a service line leak is confirmed, then the repair could potentially occur at no additional cost to Ms. Eason if she contacts the St. Louis County Public Works Department.

However, Staff concludes that Complainant needs to assume some responsibility in the issue. Therefore, going forward, should uncharacteristically high bills be issued to Complainant, Complainant's first recourse would be for Complainant to provide documentation to MAWC stating that a leak or other contributing problem has been repaired or rectified. This documentation may include an invoice or letter from a plumber or leak detection service Complainant retained to again investigate Complainant's service line and interior plumbing, as described in the above paragraph. Absent such documentation, it will be difficult to determine that MAWC has violated its tariff and it will have already acted in "good faith" to resolve this issue involved in this Formal Complaint.

STAFF'S RECOMMENDATIONS REGARDING CUSTOMER'S WATER USAGE

Staff recommends that MAWC present a written compromise proposal to Complainant that would include the above-mentioned adjustment, refund and/or payment plan for the bills issued from August 2011 through August 2012. Any adjustment or refund should allow MAWC to recoup the actual cost ("power and production") of providing the estimated 195,728 gallons that Staff has presented as possibly being contributable to the issues covered in this Memorandum.

If any adjustment to billed usage is ultimately proposed, then MAWC should present documentation of such to MSD in an effort to allow adjustment to Complainant's corresponding sewer bill.

Complainant should continue making payments to MAWC for any undisputed billed amounts; and, providing payment continues, MAWC should continue service to Complainant without threat of disconnection of service, until such time as this matter is resolved.

Should uncharacteristically high bills be issued to Complainant in the future, Complainant should be responsible for presenting documentation providing that a leak or other contributing problem occurred and has been repaired or rectified and that she has retained the services of a plumber or leak detection service be retained to again investigate Complainant's service line and interior plumbing, specifically the plumbing under the floor in the home which reportedly was the source of a significant leak in the past. If a leak on the service line has occurred, Ms. Eason may also participate in the Service Line Repair Program in effect in St. Louis County.

CALL ESCALATION PROCESS AT MISSOURI-AMERICAN WATER COMPANY CALL CENTER

The primary purpose of the Ms. Eason's (also referred to as "the customer") Formal Complaint was to report a high bill at the customer's residence of 12059 Krenning Lane, St. Louis, Missouri

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indicated its purpose for recording 5% of its calls is to evaluate, train and coach its CSRs in both its Alton, Illinois and Pensacola, Florida call center locations.⁴

The EMSU Staff reviewed Ms. Eason's account's notes that the Company provided and that are maintained in the Company's customer information system. According to notes made on Ms. Eason's account on March 1, 2012, a MAWC supervisor did attempt to contact Ms. Eason after she requested such contact, but the call was not answered by the Customer. On March 8, 2012, notes made on Ms. Eason's account indicate that a member of the Company's Account Resolution Team (ART) telephoned Ms. Eason to discuss her high bill. The customer indicated in this conversation that she did not have any leaks at her residence and she had not made any repairs. On April 26, 2012, the customer requested the CSR allow her to speak to a supervisor and a supervisor was not available. Notes indicate that she was transferred to "Customer Service" within MAWC. Based upon a review of the Company's call escalation procedures, EMSU Staff understands the term "Customer Service" to refer to the Company's next tier within the Company's call escalation process to a Customer Service Specialist. On May 1, 2012, the Company notes indicate that Ms. Eason telephoned MAWC to dispute a high bill. Notes state the customer's call was again transferred to "c/s" or "Customer Service."

While Company call documentation may not always accurately portray the content of conversations between it and its customers, there is evidence that, at least in some instances, Ms. Eason's requests to escalate her calls appear to be appropriately responded to by the Company. Because the Company does not record all calls and EMSU Staff could not listen to the actual content of Ms. Eason's calls, it cannot be completely certain as to what Ms. Eason was instructed or how her calls were handled by the Company. In an on-site visit with Ms. Eason by EMSU Staff, the customer reiterated her inability to contact a Company Customer Service supervisor.

EMSU Staff has reviewed the call escalation procedures of MAWC in the context of Ms. Eason's Formal Complaint as well as in two other recent informal customer complaints. Opportunities for improvement have been identified by the EMSU Staff and the Company in the context of these reviews. Since EMSU Staff's investigations were conducted, the Company has revised its "Customer Complaint Escalation Process" procedure. The Company's call escalation process was first examined by EMSU Staff in the context of the Company's last rate case, Commission Case No. WR-2011-0337.

The first revision of the escalation process was dated July 9, 2012 (Attachment C), and the second revision was completed on August 20, 2012 (Attachment D). EMSU Staff has noted improvements from the Company's prior call escalation procedures in a number of areas but particularly in increased internal control by the implementation of a "Call Back Request" form which is handed directly by the CSRs to a supervisor or a supervisor on duty.

The revised procedures also include the tools or steps CSRs should follow in order to properly handle and transfer escalated calls. In addition, the revised procedures include increased

⁴ Company Data Request Response 0181, Case No. WR-2011-0337

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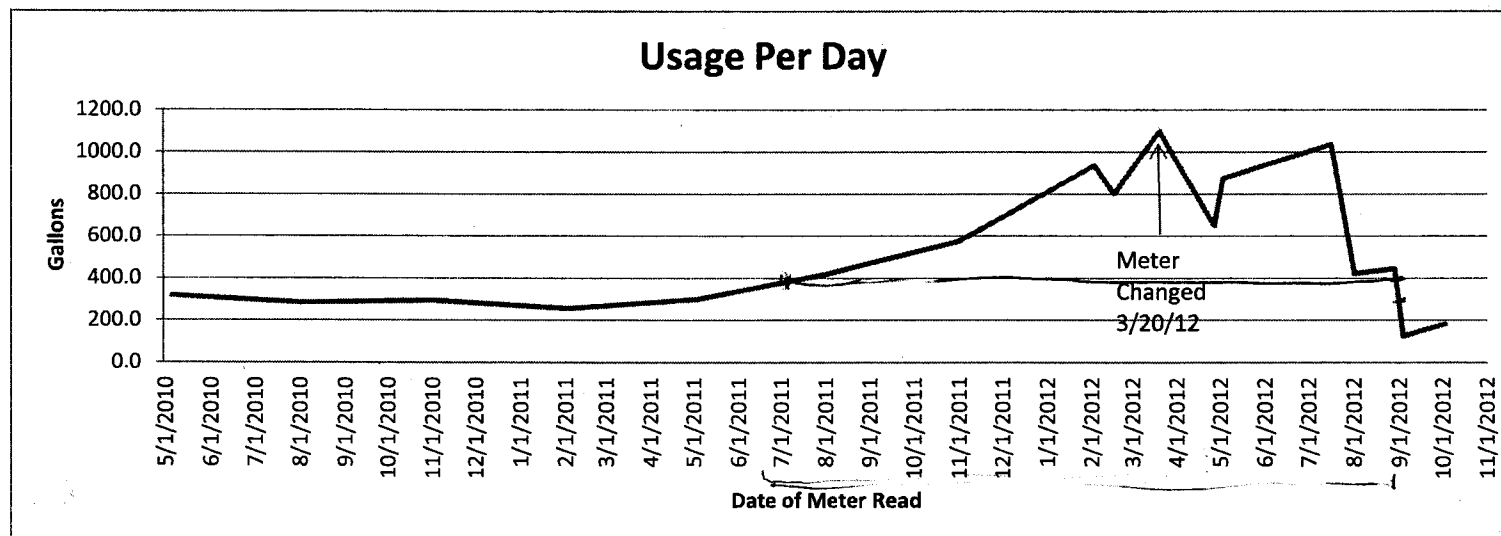
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calls are appropriately escalated. The *Non-Unanimous Stipulation and Agreement* in Case No. WR-2011-0337, included a vehicle for the Company and EMSU Staff to meet periodically to address a variety of service quality matters. EMSU Staff will continue to review the Company's implementation and monitoring of its call escalation procedures in future meetings, including inquiring into the Company's internal review and quality assessment to ensure customer calls are appropriately escalated within the Company. The EMSU Staff also has a current inquiry into the Company to determine the types of call categorization it tracks to identify customer indication that calls have not been appropriately escalated within the Company.

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	READ DATE	READING (100 cu ft)	USAGE (100 cu ft)	DAYS IN CYCLE	AVERAGE USE/DAY (cu ft.)	AVERAGE USE/DAY (gal)
	2/5/2010	31.00				
	5/6/2010	69.00	38.00	90	42.2	315.8
	8/4/2010	103.00	34.00	90	37.8	282.6
	11/1/2010	138.00	35.00	89	39.3	294.2
	2/3/2011	170.00	32.00	94	34.0	254.6
	5/4/2011	206.00	36.00	90	40.0	299.2
	8/3/2011	257.00	51.00	91	56.0	419.2
	11/1/2011	326.00	69.00	90	76.7	573.5
	2/3/2012	441.00	115.00	92	125.0	935.0
	2/17/2012	456.00	15.00	14	107.1	801.4
Meter changed	3/20/2012	503.00	47.00	32	146.9	1098.6
	4/27/2012	33.00	33.00	38	86.8	649.6
	5/3/2012	40.00	7.00	6	116.7	872.7
	7/17/2012	144.00	104.00	75	138.7	1037.2
	8/2/2012	153.00	9.00	16	56.3	420.8
	8/29/2012	169.00	16.00	27	59.3	443.3
	9/4/2012	170.00	1.00	6	16.7	124.7
	10/3/2012	177.00	7.00	29	24.1	180.6



“The Water Cooler” Week of July 9, 2012

The CSR should complete a Call Back Request form and **hand it directly to their supervisor or the supervisor on duty**. The supervisor receiving the call back form will be required to **contact customer by the end of their shift, same day**.

If the customer refuses the call back, the CSR can then call supervisors from the Quick Reference Sheet.

The supervisor should return the call back form to the CSR when the call back has been completed so that the CSR knows the customer has been called. If the escalation was unnecessary, the CSR can be coached on de-escalation. Both the CSR and supervisor should document the customer's account thoroughly.

Below outlines the Escalation Process for your review.

Customer Complaint Escalation Process

1st Level: Customer Service Representative

Step	Customer Service Representative
1.	Ensure understanding of customer issue by actively listening to their complaint.
2.	Investigate account in ECIS Seek information needed in the system to help resolve customer complaints including but not limited to balance due, billing periods, miscellaneous charges, read types, service orders issued and worked, account usage history, etc.
3.	Use available tools Be sure to refer to the tools available to you in order to resolve the issue such as IDA, and the Call Handling Process Manual.
4.	Use appropriate probing questions It is important to fully understand and document the customer's concern in the U/C Comments. One of the best ways to gain this clarifying information is to ask probing questions regarding their issue (ex: high bill, leak, usage, pressure, water quality).
5.	Take Action Make the correct decision based upon the information that you have gathered and documented. Choices may include examples such as advising the customer to visit amwater.com to request a Leak Kit, sending a Leak Kit, issuing a service order, or soliciting the advice/assistance of the Help Queue.



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"The Water Cooler"
Week of August 20, 2012



Customer Complaint Escalation Process

Every CSR has experienced requests to speak with a supervisor. In most cases, the issue can be handled with the CSR if given the opportunity to resolve the issue. Before transferring the customer to a CSS (Customer Service Specialist) or Supervisor, it is your responsibility to attempt to de-escalate the issue.

Utilize the steps and sample scripting below to diffuse the situation.

1. **Ask for permission.** Gain the customer's permission to assist the customer and reassure the customer that if you are not able to assist the issue will be escalated.

"May I review your account to determine if I am able to resolve the concern? If I am unable to assist you I will escalate the concern, I believe I can resolve your request."

2. **Resolve the issue.**

Resolve the issue by thoroughly researching the account to determine the best course of action.

Should escalation be necessary, the CSR should offer a Customer Service Specialist (CSS) if the Help Queue is open as they can resolve most customer issues. If the customer refuses the CSS and still wants a supervisor, accommodate the request. Please advise the customer when necessary that it may take a few minutes to locate an available supervisor. **Always be professional and courteous.**

At no time do we tell the customer a supervisor is not available prior to attempting to locate a CSS or supervisor.

The CSR should attempt to call their immediate supervisor. If he or she is not available, then contact a supervisor on duty.

If the CSR is unable to reach a supervisor or another supervisor on duty, the CSR should advise the customer "the supervisor is currently on another call and has requested to call the customer back." The CSR should then advise the customer that the supervisor will call them back as soon as possible.

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"The Water Cooler" Week of August 20, 2012

2nd Level: CSS – Customer Service Specialist

Step	CSS - Customer Service Specialist
1.	If a customer is not satisfied with the above steps, the next action would be to offer the service of a Customer Service Specialist to help resolve their issue.
2.	If the issue is resolved at the CSS level, the outcome is also documented in a utility contact on the customer's account.

To Next Level

3rd Level: Team Supervisor

Step	Team Supervisor
1.	<p>If a customer is not willing to speak with a CSS, the next step of escalation would be a supervisor. The supervisor may have the capability of resolving the customers' issue by following the same basic steps as outlined for the CSR. If the issue is resolved at the supervisor level, customer contact (phone or letter) must be made to ensure communication of results. The outcome is also documented by the supervisor in a utility contact on the customer's account.</p> <p>If the CSR is unable to reach their supervisor or buddy supervisor the CSR should advise the customer that the supervisor is currently on another call and has requested to call the customer back (within 4 hours). The CSR should complete a Call Back Request Form found in the center of the pod and hand it directly to their supervisor, buddy supervisor or supervisor on duty. The supervisor receiving the callback form will be required to contact the customer by the end of their shift, same day.</p>

To Next Level

4th Level: Group Supervisor / Manager

Step	Group Supervisor / Manager
1.	If the issue cannot be resolved or the required action cannot be completed by the supervisor, the situation can be escalated to a group supervisor or manager.

To Next Level

Final Level: Functional Area

Step	Functional Area
1.	<p>If a resolution cannot be achieved on a customer's account through assistance from a CSS, supervisor, group supervisor, or manager it is appropriate to escalate to the appropriate functional area within the CSC. For example: In the case of a required bill adjustment that would be the Billing Department, for an unresolved High Bill complaint that would be, the Account Resolution Team (ART).</p> <p>The ART team may issue a service order to gather more information by contacting the customer and/or issuing a service order to the premise. All determinations and findings made by the ART team will be communicated to the customer via letter or telephone. The customer will be advised that a Supervisor will be available for further discussion. The customer will also be advised of their right to contact their state Public Utility Commission.</p>

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Marcia Eason, Complainant vs. Missouri-
American Water Company, Respondent

)
) File No. WC-2013-0010

AFFIDAVIT OF LISA A. KREMER

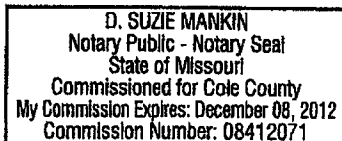
STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

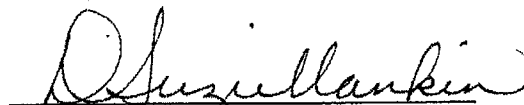
Lisa A. Kremer, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Staff Memorandum, to be presented in the above case; that the information in the Staff Memorandum was developed by her; that she has knowledge of the matters set forth in such Staff Memorandum; and that such matters are true and correct to the best of her knowledge and belief.



Lisa A. Kremer

Subscribed and sworn to before me this 5th day of October, 2012.





Notary Public