

**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  
Water & Sewer Unit

October 5, 2012

/s/ Lisa A. Kremer  
Engineering & Management Services Unit

October 5, 2012

/s/ Tanya K. Alm  
Staff Counsel's Office

October 5, 2012

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.<sup>1</sup> 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

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<sup>1</sup> All following dates refer to 2012 unless otherwise noted.

reviewed bills for recent and historical usages, and found that a trend of increasing usage appeared to have begun on or around May 2011, though it did not show on Ms. Eason's bills until the quarterly bill issued in August 2011. The quarterly bills prior to the upward trend were all within a range of \$105 to \$113 per quarter, with corresponding usages of 25,000 to 28,000 gallons per quarter.

In addition to Commission Staff's investigation, MAWC employees visited Ms. Eason's property on February 17 in response to Complainant's contacts, taking a meter reading and observing the meter for any movement of the sweep arm which could indicate a possible leak. No indication of a leak was noted by the Company. The meter was removed on March 22 for a test of accuracy, at Complainant's request. A new meter was placed in service at the address at that time.<sup>2</sup> The Company performed a test of the meter that was removed, and it was documented as being within the Commission's specifications for meter accuracy. On April 27, MAWC visited Ms. Eason's property again to check the newly-placed meter for indication of a possible leak. Again, no indication of a leak was witnessed by MAWC employees. Following each of the February and April visits, MAWC sent a letter to Ms. Eason advising what the current reading was, that no indication of a leak was witnessed, to notify the Company if any leaks have been recently repaired, and to contact the MAWC Customer Service Center to request any adjustment for a properly documented leak.

CSU Staff contacted MAWC on May 2 regarding the issue. MAWC responded to CSU Staff by indicating that MAWC employees had visited Ms. Eason's property, inspected the meter, and noted that no movement indicative of a leak was witnessed. MAWC further reported that the meter had been removed and tested at a later date, and proved to be within the Commission's accuracy specifications. MAWC stated on May 4 that based upon the Company's findings, Ms. Eason's bill was correct as rendered, and no adjustment was therefore necessary. However, MAWC went on to explain that despite these conclusions, Ms. Eason would be eligible to make deferred payments on the disputed amount. Since Ms. Eason's bill was now officially in dispute, the aforementioned disconnection scheduled for May 7 was put on hold by MAWC until May 31.

Complainant received another high bill in May in the amount of \$296.79 for usage of 84,524 gallons. CSU Staff advised Complainant to hire a plumber to investigate the possibility of a water leak. Complainant did so, and the investigation occurred on June 5. The plumber reported that no evidence of a leak was found during the visit.

Complainant then contacted CSU Staff on June 11, stating she would like to file a Formal Complaint on the matter. CSU Staff discussed the process and provided her with the material necessary to file a Formal Complaint. Ms. Eason contacted CSU Staff on June 20, stating that a disconnection notice was received, despite payments continuing to be made for the undisputed amounts to the Company. CSU Staff contacted MAWC and was told that the original hold that

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<sup>2</sup> On March 22, 2012, the meter at Ms. Eason's residence was replaced with a new meter according to MAWC service report and account records.

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.<sup>3</sup> 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

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

investigate the high water usage in question, and for EMSU Staff to accompany Staff to discuss Complainant's concerns regarding MAWC's Customer Service.

Staff performed a site visit at Complainant's address on August 29. Ms. Eason accompanied Staff as the water meter pit was opened and examined. The current reading was documented and the meter was observed for any movement of the leak indicator or sweep arm that would indicate any water passing through the meter; be it from usage or a leak. Very minimal movement of the leak indicator was noted during the approximate twenty minutes of observation. Staff concluded that the small amount of movement noted is not indicative of a leak of a magnitude sufficient to noticeably impact quarterly usage. The meter pit contained no standing water, which leads Staff to suspect that the connection to the meter is not leaking and no leak exists on the service line in the proximity of the meter pit.

Staff and Ms. Eason then walked the yard and perimeter of the property; that being a small, level residential lot enclosed in the back by a fence. There is not an irrigation system on the property and there is no evidence of watering via a lawn sprinkler. No wet, muddy or excessively "green" areas were observed that would indicate an underground service line leak resulting in the water surfacing.

Staff noted a small area of disturbed soil adjacent to the foundation in the rear of the home. When Staff asked what the cause of this was, Ms. Eason stated that approximately two years earlier, a water leak occurred in the piping under the home to the extent that water came up through the kitchen floor. Ms. Eason had to hire a contractor to tear up the floor of her home, repair the pipes, and then remodel the kitchen. The disturbed soil was a remnant of the work performed. Staff inquired as to if there is a basement or crawl space under the home by which the piping could be inspected. Ms. Eason stated that there is not open access to the piping; and, therefore, the only access to the piping is through the floor. Staff presented that it could be possible that the pipes under the home are leaking again, which Ms. Eason denied as a possibility because no water is surfacing in her home and when the leak occurred last time, water also surfaced in the yard; neither of which is occurring at this time.

Staff then prepared to enter Complainant's home for a visual inspection of water-using appliances, but Ms. Eason stated that the dogs kept in her home may be an issue and further indicated that she needed to end the visit so that she could prepare for her work day. Staff then asked for a description of the water-using appliances in the home. Ms. Eason stated that there is a single bathroom with shower, kitchen appliances, and laundry facilities; all on the main floor of the single-level home. Staff also noted a single outside faucet with a hose attached.

During the course of the site visit, Ms. Eason mentioned that her adult son resides at the address intermittently for varying lengths of time, and was a resident during the quarter for which the bill in question was issued. She also mentioned that her son was currently working in the landscaping business. Ms. Eason expressed that her son's presence in the home would not have impacted her water usage to the extent of the increase of the bill in question. Multiple times during the visit, Ms. Eason affirmed that she has not witnessed any evidence of a leak or of a

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.

### **STAFF'S CONCLUSIONS REGARDING CUSTOMER'S WATER USAGE**

Matters such as these are difficult to determine, but ultimately Staff determined that some extraordinary circumstance(s) contributed to the high usages questioned by Complainant. Although it is possible that actual usage could account for the increase from normal usage, possibly in the form of the repeated filling of a tank truck or trailer for landscaping business application; however, the much more likely scenario is a water leak in the piping on the Complainant's side of the meter. This is also difficult to provide any specific evidence for, given that of the multiple site visits by Staff and MAWC personnel during which time the meter was observed for movement, only once was movement noted. Staff found no indication of a leak on the property when Staff performed its on-site investigation. Further, MAWC personnel performed its own investigation, both outside and inside of the residence, on May 1 during which no indication of a leak was found.

The accuracy of the meter has been verified in that the February bill for 86,000 gallons was registered on a meter that was removed and tested for accuracy in March and August, and found to be within the Commission's accuracy specifications. (Staff witnessed and confirmed the test in August.) Subsequent bills for usages of 76,000 gallons and 85,000 gallons were registered on a brand-new meter that was placed at the premises, upon removal of the previous meter, in March. The possibility of both the readings being inaccurate, yet so similar, on two separate meters is miniscule.

Staff concludes that the major leak in Ms. Eason's neighborhood that she mentions in her Formal Complaint is unrelated to the issues covered in this Memorandum.

Therefore, it is reasonable to assume the volumes of water in question did, indeed, pass through Complainant's meter. Further, given that the usage at the residence dramatically decreased around mid-July to present, indicates that a leak may have been repaired or some intermittent voluminous usage due to specific fixtures being used has been halted at the Complainant's residence.

Ultimately, under MAWC's tariff, any leak on the customer's service line or internal plumbing is the customer's responsibility to investigate and repair. MAWC, therefore, is not obligated to respond with any specific action. Staff concludes that MAWC responded appropriately to Complainant's requests for assistance. Staff does not expect that any excess usage was incurred intentionally and the resulting increase in billed amounts will be financially burdensome for Complainant. Therefore, a one-time courtesy adjustment credit or a partial refund and a payment plan for any remaining balance for the portion of bills issued from August 2011 through August 2012 that are beyond what is deemed as above "normal" would be reasonable as a "good-faith" gesture by MAWC in an effort to resolve the issue.

Should Complainant's usage continue to be excessive in the future, Staff recommends that 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. 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

that was provided by MAWC. A secondary point identified in the customer's Formal Complaint included the indication that the customer was not allowed to "speak with escalation parties (no supervisor)". This specific portion of Ms. Eason's Formal Complaint was investigated by Staff of the Missouri Public Service Commission's Engineering and Management Services Unit.

While utility call centers should appropriately train their Customer Service Representatives (CSRs) to be able to respond to customer inquiries and complaints, including those involving bill calculations, requests for service initiations and terminations, requests for payment arrangements, and many other inquiries, there are times when a customer may not be satisfied with or accept the answer of trained utility CSRs. In Staff's opinion, after CSRs have fully attempted to respond to a customer's inquiry or complaint, it is appropriate for customer calls to be escalated to utility supervisory personnel or other specialists to provide customers additional consideration to their inquiries or complaints. To the EMSU Staff's knowledge, all large Missouri regulated utilities provide call escalation opportunities within their organizations.

To investigate the call escalation portion of the customer's complaint, the EMSU Staff performed the following activities:

- Requested all actual account notes including specific "screen shots" for anytime Ms. Eason called into the Company's call center January 1, 2012, through July 13, 2012.
- Requested a copy of all service orders at her address (12059 Krenning Lane – St. Louis) for the same time period.
- Requested a specific listing of all calls that Ms. Eason may have made to the call center including designation of when the customer spoke to a supervisor or up-line call center personnel from the period January 1, 2012, through July 13, 2012.
- Requested a listing of all recorded calls between Ms. Eason and the Company between January 1, 2012, through July 13, 2012.
- Requested a copy of all correspondence mailed or sent to Ms. Eason by the Company.
- Made a site visit to Ms. Eason's home on August 29, 2012, and discussed her experience with the Company's call center.
- Participated in a conference call with the Manager of the Company's Call Center on August 29, 2012.
- Reviewed the Company's revised 'Call Escalation Procedures' dated July 9, 2012 and August 20, 2012 (Attached as Attachment C and Attachment D).

The notes on Ms. Eason's account for the period of January 1, 2012, through July 13, 2012, document seven (7) calls where the customer spoke to a Company CSR. The dates of those calls include February 16, 17, 29, March 8, April 26, May 1, and June 20, 2012. The Company indicates it did not have recordings of any of the calls between the call center and the customer, Ms. Eason. While some Missouri regulated utilities record all customer calls and retain them for a period of time, MAWC records approximately 5% of its customer calls. The Company has

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.<sup>4</sup>

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

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<sup>4</sup> Company Data Request Response 0181, Case No. WR-2011-0337

coaching for CSRs when customers' request to speak to a supervisor. Such improvements include a reminder to the CSRs to check back with customers every 30 seconds while customers are waiting for calls to be successfully transferred, at no time telling a customer that a supervisor is unavailable prior to attempting to locate a supervisor, and the implementation of a four-hour 'call back' period by a supervisor rather than an uncommitted time period for the customer to receive a supervisory call or within a 24-hour period. This later change is included in the most recent August 20, 2012, "Customer Complaint Escalation Process" revision. The revised procedures include additional coaching for CSRs in obtaining customer permission to assist the customer with reassurance that if the CSR is unable to assist the customer, the call will be escalated.

The Company's call escalation procedures also include the possibility of four (4) potential escalation points. The second level of escalation moves the customer call to a Company Customer Service Specialist (CSS). The Company and EMSU Staff met on August 7, 2012, to discuss a variety of service quality topics including the possibility that the title of Company personnel in this escalation step may be a factor in some customers forming the opinion that their call has not actually been 'escalated.'

EMSU Staff and Company met again on October 3, 2012, and the Company's call escalation process was further addressed. At this meeting, Staff and Company also discussed the Company's responsibility to advise customers of their right to file an informal complaint with the Missouri Public Service Commission, if the utility and customer fail to resolve a matter in dispute. Such responsibility is a requirement of Commission rule 4 CSR 240-13.070(3). Company call escalation procedures include such PSC referral, but EMSU Staff had concerns in the other two informal complaints referenced earlier that such referral by the Company had not been provided. These topics will continue to be explored between EMSU Staff the Company.

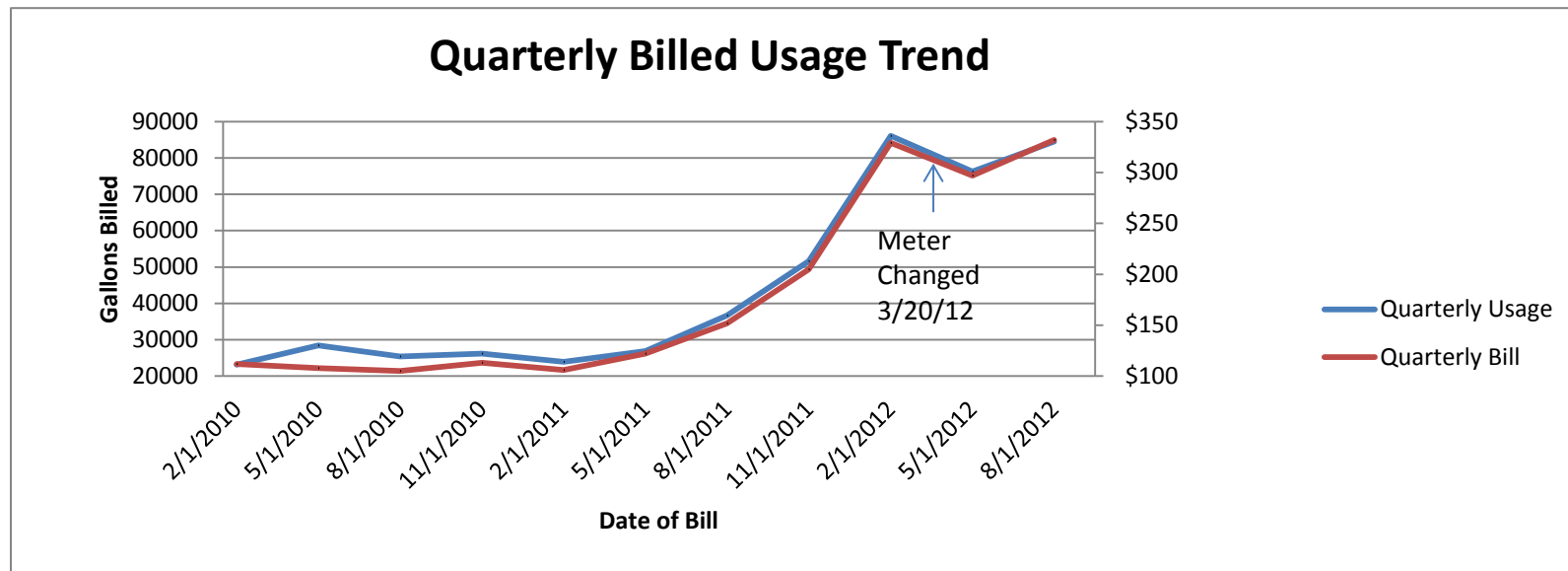
The EMSU Staff was also responsible for reviewing 631 public comments from Case No. WR-2011-0337. Such public comments identified twenty-nine (29) instances in which customers indicated they requested to speak to a supervisor when they were not satisfied with information provided by a CSR and were denied. In addition, of the public comments it reviewed, EMSU Staff identified forty-six (46) instances in which customers indicated a response was promised by a CSR that a supervisor would respond to their concern and they received no subsequent contact from a Company supervisor.

### **CONCLUSION REGARDING MAWC'S CALL ESCALATION PROCESS**

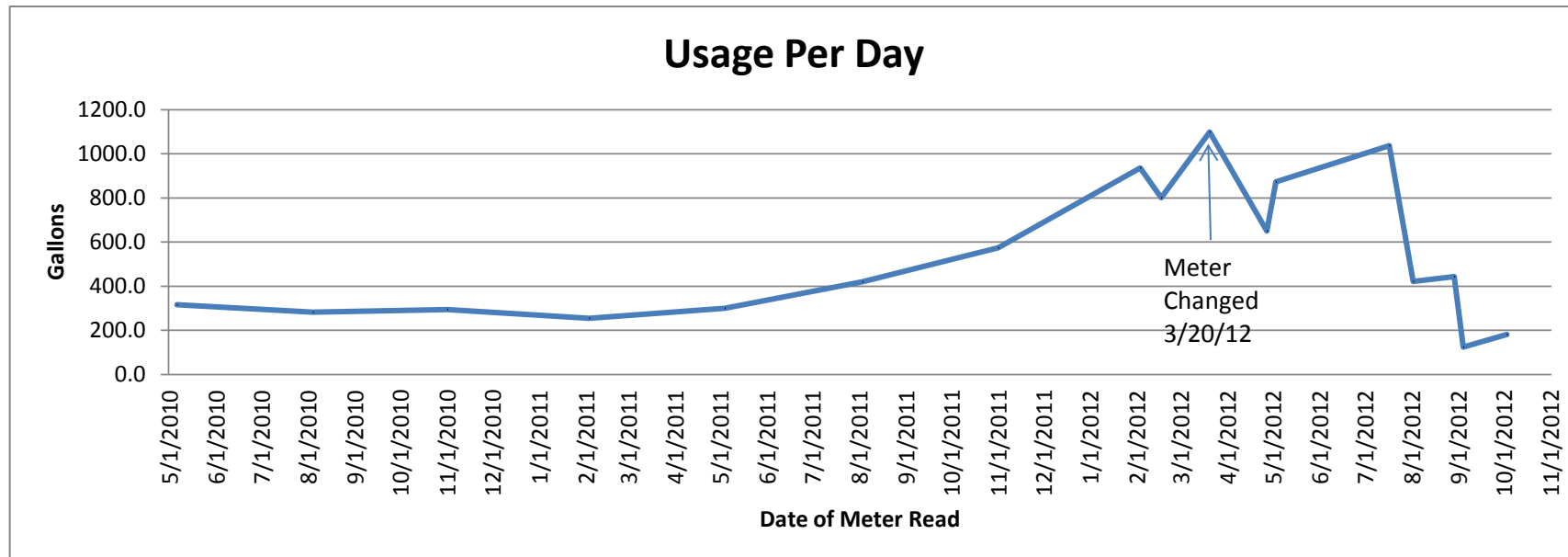
A documented procedure or process is only effective if it is implemented, and should be subsequently evaluated to determine that it is working appropriately and the objectives of the procedure or process are achieved. EMSU Staff supports the efforts of the Company in taking action to identify improvements within its call escalation process and to revise its internal procedures to address them. EMSU Staff also recommends that the Company management continue to review its call center internal control procedures to ensure that Missouri customers'

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.

	BILL DATE	USAGE (100 cu ft)	USAGE (Gallons)	BILLED AMOUNT
	2/10/2010	31	23188	\$ 112
	5/11/2010	38	28424	\$ 108
	8/9/2010	34	25432	\$ 105
	11/4/2010	35	26180	\$ 113
	2/11/2011	32	23936	\$ 106
	5/9/2011	36	26928	\$ 122
	8/8/2011	49	36652	\$ 152
	11/4/2011	69	51612	\$ 205
	2/8/2012	115	86020	\$ 329
Meter changed 3/20	5/8/2012	102	76296	\$ 297
	8/2/2012	113	84524	\$ 332



	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
Meter changed	2/17/2012	456.00	15.00	14	107.1	801.4
	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





## 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 issue? If I am unable to assist you I will escalate the issue, 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 to a supervisor 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. (When your shift hours differ from your supervisor's, call the supervisor on duty.)

Always check back with the customer every 30 seconds.

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 (within 24 hours).



## "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

#### 1<sup>st</sup> Level: Customer Service Representative

Step	Customer Service Representative
1.	<b>Ensure understanding of customer issue by actively listening to their complaint.</b>
2.	<b>Investigate account in ECIS</b> 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.	<b>Use available tools</b> 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.	<b>Use appropriate probing questions</b> 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.	<b>Take Action</b> 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.

To Next Level



## “The Water Cooler” Week of July 9, 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



### 3<sup>rd</sup> Level: Team Supervisor

Step	Team Supervisor
1.	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.

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>

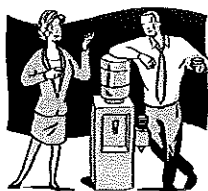
It is in this moment you have the power to be the  
 solution!

-Ileana Kane

Attachment C

HC

## “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.

## “The Water Cooler” Week of August 20, 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 Supervisor availability email communication for day.

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

#### 1<sup>st</sup> Level: Customer Service Representative

Step	Customer Service Representative
1.	<b>Ensure understanding of customer issue by actively listening to their complaint.</b>
2.	<b>Investigate account in ECIS</b> 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.	<b>Use available tools</b> 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.	<b>Use appropriate probing questions</b> 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.	<b>Take Action</b> 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.

To Next Level





**“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

**3<sup>rd</sup> 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>



AMERICAN WATER

**"The Water Cooler"**  
**Week of August 20, 2012**

**It is in this moment you have the power to be the  
solution!**

**-Ileana Kane**

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

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

File No. WC-2013-0010

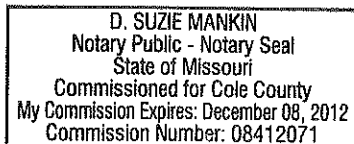
AFFIDAVIT OF LISA A. KREMER

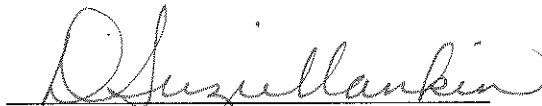
STATE OF MISSOURI     )  
                                  )  
COUNTY OF COLE     )     ss.

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 5<sup>th</sup> day of October, 2012.



  
\_\_\_\_\_  
Notary Public

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

**AFFIDAVIT OF JERRY SCHEIBLE, P.E.**

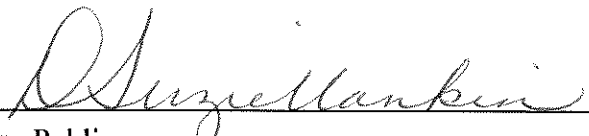
STATE OF MISSOURI     )  
                                  ) SS                    **CASE NO. WC-2013-0010**  
COUNTY OF COLE     )

**COMES NOW** Jerry Scheible, P.E., being of lawful age, and on his oath states the following:

(1) that he is a Utility Regulatory Engineer in the Missouri Public Service Commission's Water & Sewer Unit; (2) that he participated in the preparation of the foregoing Staff Memorandum; (3) that he has knowledge of the information presented in the foregoing Staff Memorandum; and (4) that the information presented in the foregoing Staff Memorandum is true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
Jerry Scheible, P.E.

Subscribed and sworn to before me this 5<sup>th</sup> day of October 2012.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 12-08-12

