

Customer Service Performance

2001

Pennsylvania Natural Gas Distribution Companies

**Pennsylvania Public Utility Commission
Bureau of Consumer Services**

**2001 Report on
Customer Service Performance**

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Introduction

The Natural Gas Choice and Competition Act (Act) requires that the natural gas distribution companies (NGDCs) are to maintain, at a minimum, the levels of customer service for retail gas customers that were in existence prior to the Act's effective date. In response, the Public Utility Commission (PUC) took steps to ensure the continued provision of high-quality customer service through the implementation of regulations that require the NGDCs to report statistics on important components of customer service (52 Pa. Code §§ 62.31-62.37) including telephone access to the company, billing frequency, meter reading, timely response to customer disputes, the proper response to customer disputes and payment arrangement requests, compliance with customer service rules and regulations, and interacting with customers in a prompt, courteous and satisfactory manner. After the Commission has received and analyzed an adequate supply of data from the measurements required under these regulations, it will develop quality of service benchmarks and standards for the NGDCs. The establishment of benchmarks and standards will be the subject of a future proceeding at the Commission.

The PUC adopted the final rulemaking that established the reporting requirements on January 12, 2000. As per the regulation, NGDCs that serve more than 100,000 residential customers began reporting the required data to the Commission in August 2001 for the first six months of that year and followed up with a report on annual activity in February 2002. NGDCs that serve fewer than 100,000 residential accounts are not required to report statistics on the various measures that are required of the larger companies. These smaller NGDC must conduct a mail survey of customers who contact them and report the survey results to the Commission beginning in 2003.

The last section of the reporting requirements provides for the Commission to annually produce a summary report on the customer service performance of each NGDC using the statistics collected as a result of the reporting requirements. The PUC's Bureau of Consumer Services (BCS) has summarized the information supplied by the NGDCs into the charts and tables that appear on the following pages. The report includes data supplied by Columbia Gas of Pennsylvania, Dominion Peoples, Equitable Gas Company, National Fuel, PG Energy and UGI Gas. The report does not include statistics from two NGDCs that serve more than 100,000 residential customers in Pennsylvania: PECO Energy Company (PECO) and Philadelphia Gas Works (PGW). PECO statistics are combined for both electric and gas and are included in the customer service performance report for the electric distribution companies. As PECO is unable to report quality of service data separately for electric and gas customers, the BCS plans to continue

reporting PECO data in this manner. PGW data will not be included in the annual customer service performance report until 2004.¹

The reporting requirements at § 62.36 include a provision whereby the BCS is to report to the Commission various statistics associated with informal consumer complaints and payment arrangement requests that consumers file with the Commission. The BCS is to report a “justified consumer complaint rate”, a “justified payment arrangement request rate”, “the number of informally verified infractions of applicable statutes and regulations”, and an “infraction rate” for each NGDC with more than 100,000 residential accounts. These statistics are also important indicators of quality of service. The BCS has calculated and reported these statistics for a number of years in its annual report, *Utility Consumer Activities Report and Evaluation: Electric, Gas, Water and Telephone Utilities*. The BCS will report the 2001 data in this report to be released in fall 2002. The report will be posted to the Commission’s website: <http://puc.paonline.com>. It will offer detailed descriptions of each of these statistics as well as a comparison with statistics from the previous year.

¹ The Commission assumed regulatory responsibility over PGW on July 1, 2000 and did not require PGW to file a restructuring plan until July 1, 2002. As a result, the reporting requirements did not apply to PGW in 2001. The company will begin reporting statistics for 2003.

I. Company-Reported Performance Data

In accordance with the quality of service reporting requirements, the NGDCs reported statistics for 2001 regarding telephone access, billing, meter reading and disputes not responded to within 30 days. For each of the required measures, the NGDCs report data by month and include a 12-month average. With the exception of the telephone access statistics and the small commercial bill information, the required statistics are directly related to the regulation in 52 Pa. Code Chapter 56 Standards and Billing Practices for Residential Utility Service.

A. Telephone Access

The Reporting Requirements for Quality of Service Benchmarks and Standards include telephone access to a natural gas distribution company (NGDC) because customers must be able to readily contact their NGDC with questions, complaints, requests for service and to report service outages and other problems. This component of customer service may be next in importance to consumers after service reliability and safety.

In order to produce an accurate picture of telephone access, the NGDCs must report three separate measures of telephone access: percent of calls answered within 30 seconds, average busy-out rate and call abandonment rate. The three separate measures avert the possibility of masking telephone access problems by presenting only one or two parts of the total access picture. For example, an NGDC may report that it answers every call in 30 seconds or less. If only this statistic is available, one might conclude that the access to the NGDC is very good. However, if this company has only a few trunks into the company's call distribution system, once these trunks are filled, other callers receive a busy signal when they attempt to contact the company. Thus, a large percent of customers cannot get through to the company and telephone access is not very good at all. Therefore, it is important to look at both percent of calls answered within 30 seconds and busy-out rate to get a clearer picture of the telephone access to the NGDC.

Further, the call abandonment rate indicates how many customers drop out of the queue of customers waiting to talk to an NGDC representative. A high call abandonment rate is most likely an indication that the length of the wait to speak to a company representative is too long. Statistics on call abandonment are generally inversely related to statistics measuring calls answered within 30 seconds. For the most part, the 2001 figures presented later in this report conform to the inverse relationship. The NGDCs answering a high percent of calls within 30 seconds had low call abandonment rates and those answering a lower percent of calls within 30 seconds had higher call abandonment rates.

Generally, attempted contacts to a call center initially have one of two results: they are either "received" by the company or they receive a busy signal and thus are not "received" by the company. Calls in the "busy-out rate" on page 5 represent those attempted calls that received a busy signal or message; they were not "received" by the company because the company lines or trunks were filled.

For the calls that are "received" by the company, the caller has several options. One option is to choose to speak to a company representative. When a caller chooses this option, the caller enters a queue to begin a waiting period until a company representative is available to take the call. Once a call enters the queue, it can take one of three routes: it will either be abandoned (the caller chooses not to wait and disconnects the call); it will be answered within 30 seconds; or it will be answered in a time period that is greater than 30 seconds. The percent of those calls answered within 30 seconds is reported to the Commission. The percent that are answered in more than 30 seconds is the inverse of this percent. Thus, if 80% were answered within 30 seconds, 20% were answered in more than 30 seconds.

This report presents the NGDC statistics on telephone access in the following table and charts:

- **Busy-out Rate.** This is the ratio of calls to the NGDC's call center(s) that received a busy signal divided by the number of calls that were "received" by the call center(s).
- **Call Abandonment Rate.** As noted earlier, abandoned calls are those that successfully enter the queue to wait to speak to a company representative. However, at some point, the caller ended the call prior to speaking to a company representative.
- **Percent of calls answered within 30 seconds.** These are customers who were able to get into the company's call center queue and waited to speak with a representative of the NGDC.

1. Busy-Out Rate*

Company	2001
Columbia	1%**
NFG	9%
PGEnergy	17%***
Equitable	18%****
Dominion Peoples#	Statistic Not Available
UGI#	Statistic Not Available

* 12-month average

** Columbia's actual overall statistics are not available. BCS calculated this statistic based on data from Columbia's individual call centers.

*** PG Energy's data is for July through December only.

**** Equitable's data is for the second six months of 2001 only and for the company's call center only, not for its emergency call number.

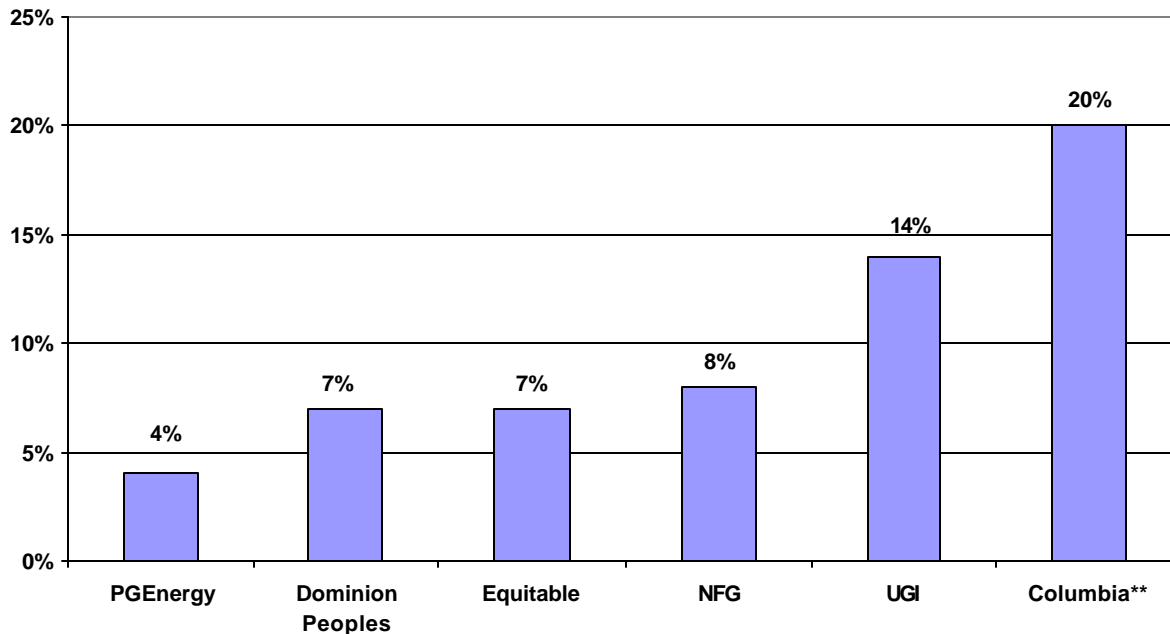
The Commission granted these companies a temporary waiver of the section that requires reporting this statistic.

The Commission's Regulations require that the NGDCs report to the Commission the average busy-out rate for each call center, business office, or both. 52 Pa. Code § 62.32 defines busy-out rate as the number of calls to a call center that receive a busy signal divided by the total number of calls that are received at a call center. For example, an NGDC with a 10 percent average busy-out rate means that 10 percent of the customers who attempted to call the company received a busy signal (and thus did not gain access) while 90% of the customer calls were received by the company. If the NGDC has more than one call center, it is to supply the busy-out rates for each center as well as a combined statistic for the NGDC as a whole. The chart above presents the combined busy-out rate for each major NGDC during 2001.

Two of the NGDCs were not able to capture the busy-out rate for their call centers in 2001. Dominion Peoples and UGI did not have the capability of reporting this statistic. These companies requested a waiver of § 62.33(1)(ii) until they are able to supply this data. The 2002 report should include this statistic for both these companies. Equitable and PG Energy also were not able to report this information for the first six months of 2001 and were granted waivers for reporting purposes. Beginning in July, these two companies produced the busy-out rate for their call centers. However, this statistic is not available for calls to Equitable's emergency number.

In 2001, Columbia was not able to produce an overall statistic that included all its call centers. As a result, the statistic in the chart above and the other telephone access statistics are calculated based on the information that was available from the individual call centers. Columbia will be able to supply more accurate data for 2002.

2. Call Abandonment Rate* 2001



* 12-month average

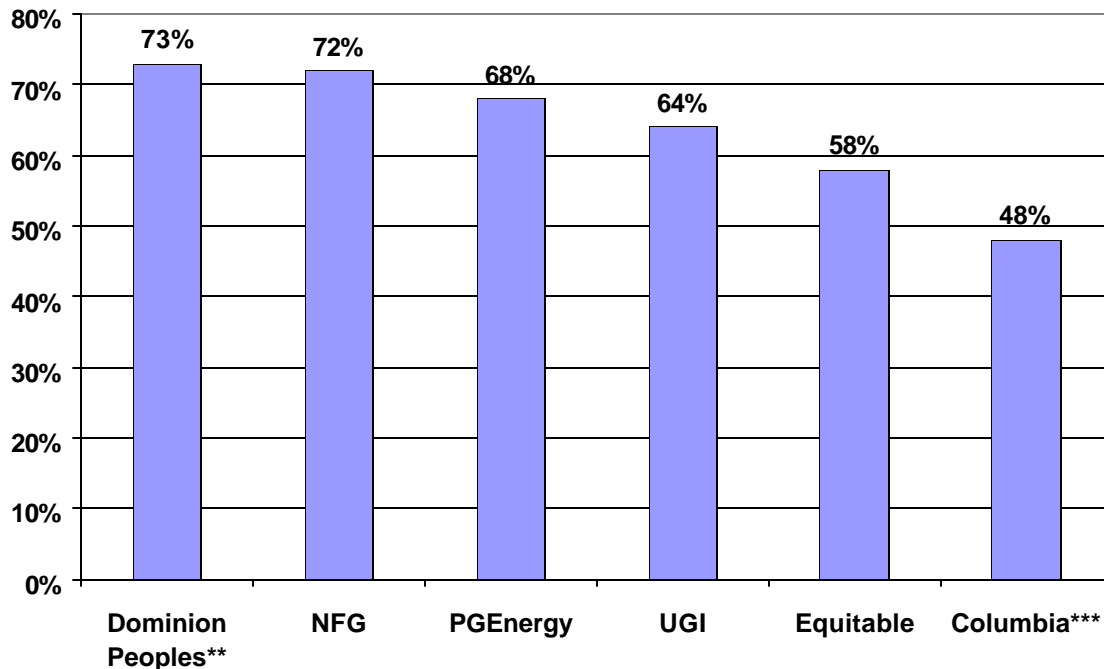
**Columbia's actual overall statistics are not available. The BCS calculated this statistic based on information from Columbia's individual call centers.

Consistent with Section 62.33(1)(iii) the NGDCs report to the Commission the average call abandonment rate for each call center, business office, or both. The call abandonment rate is the number of calls to an NGDC's call center that were abandoned divided by the total number of calls that the NGDC received at its call center or business office (52 Pa. Code § 62.32 Definitions). For example, an NGDC with a 10% call abandonment rate means that customers terminated 10% of the calls received prior to speaking to an NGDC representative. If the NGDC has more than one call center, it is to supply the call abandonment rates for each center as well as a combined statistic for the NGDC as a whole. The previous chart presents the combined call abandonment rate for each major NGDC during 2001.

Several of the NGDCs reported fairly wide variations in call abandonment rates from one month to another. The companies explained that high volumes of calls and decreases in employee resources were responsible for the variations. In addition, the

higher costs of gas and the colder than normal winter caused call volumes to increase during the first quarter of 2001.

3. Percent of Calls Answered within 30 Seconds* 2001



* 12-month average

** Dominion Peoples' January-June data for its contracted call center is reported as percent answered within 20 seconds.

***Columbia's actual overall statistics are not available. The BCS calculated this statistic base on data from Columbia's individual call centers.

Pursuant to Reporting Requirements for Quality of Service Benchmarks and Standards at § 62.33(b), each NGDC is to “take measures necessary and keep sufficient records” to report the percent of calls answered within 30 seconds or less at the company’s call center. The section specifies that “answered” means that an NGDC representative is ready to render assistance to the caller. An acknowledgement that the consumer is on the line does not constitute an answer. If an NGDC operates more than one call center (a center for handling billing disputes and a separate one for making payment arrangements, for example), the NGDC is to provide separate statistics for each call center and a statistic that combines performance for all the call centers. The chart above presents the combined percent of calls answered within 30 seconds for each of the major NGDCs in Pennsylvania during 2001.

As with call abandonment rates, the percent of calls answered within 30 seconds varies depending on call volume and the number of employees available to take calls.

For example, Equitable reported monthly statistics that ranged from 83% to 19% for this measure. Equitable explained that a temporary reduction in staff and a spike in call volume were responsible for this wide variance. PG Energy also reported that higher call volumes and a shortage of workers negatively impacted the monthly statistics. Similarly, Dominion Peoples explained that rate volatility combined with abnormally cold conditions in December 2000 produced a large volume of calls in January and February 2001. In addition, Dominion Peoples' contracted call center tracked and reported calls answered within 20 seconds rather than within 30 seconds at that time. As a result, in January and February 2001, Dominion Peoples reported lower percents of calls answered in 30 seconds. However, by December 2001, the company reported that 86% of calls were answered within 30 seconds.

B. Billing

Pursuant to 66 Pa.C.S. §1509 and the Standards and Billing Practices for Residential Utility Service (52 Pa. Code § 56.11), a utility is to render a bill once every billing period to all customers. The customer bill is often the only communication between the company and a customer thus underscoring the need to produce and send this very fundamental statement to customers at regular intervals. The failure of a customer to receive a bill each month frequently generates consumer complaints to the NGDC and sometimes to the Commission.

1. Number and Percent* of Residential Bills Not Rendered Once/Billing Period

	2001	
Company	Number	Percent
PG Energy	0	0%
Equitable	6	0%
UGI	14	.01%
Columbia	52	.01%
NFG	28	.02%
Dominion Peoples	938	.30%

* 12-month average

The Reporting Requirements for Quality of Service Benchmarks and Standards require the NGDCs to report the number and percent of residential bills that the NGDC

failed to render. The above table presents the average monthly percent of residential bills that each major NGDC failed to render once every billing period during 2001.

Dominion Peoples explains that the accounts that do not receive a bill during a particular month are typically the result of an adjustment to an account that is prompted by that month's meter reading. If the verified reading and/or rebilling process conclude near the next bill date, the company provides a two-month billing statement rather than sending two bills a few days apart.

2. Number and Percent* of Bills to Small Commercial Customers not Rendered Once/Billing Period

	2001	
Company	Number	Percent
PG Energy	0	0%
Equitable	2	0%
UGI	3	.01%
NFG	5	.06%
Columbia	40	.08%
Dominion Peoples	131	.69%

*12-month average

Moreover, the reporting requirements require the NGDCs to report the number and percent of small commercial bills that the NGDC failed to render in accordance with the this provision. For purposes of the reporting requirements, a small business customer is defined as a person, sole proprietorship, partnership, corporation, association or other business whose annual gas consumption does not exceed 300 Mcfs (52 Pa. Code Chapter § 62.32).

The above table presents the average monthly percent of bills to small commercial customers that each major NGDC failed to render once every billing period during 2001. As with residential bills, Dominion Peoples explains that the accounts that do not receive a bill during a particular month are typically the result of an adjustment to an account that is prompted by that month's meter reading. If the verified reading and/or rebilling process conclude near the next bill date, the company provides a two-month billing statement rather than sending two bills a few days apart.

C. Meter Reading

Regular meter reading is important to produce accurate bills for customers who expect to receive bills based on the amount of service they have used. The concern that regular meter reading may be one of the customer service areas where NGDCs might reduce service under natural gas competition was responsible for the following measures being included in the reporting requirements. The Commission's experience is that the lack of actual meter readings generates large numbers of complaints to companies, as well as to the Commission. The reporting requirements include three measures of meter reading performance that correspond with the meter reading requirements of the Chapter 56 regulations.

1. Number and Percent of Residential Meters Not Read By Company or Customer in Six Months

Company	2001	
	Number	Percent
PG Energy	30	0%
Equitable	436	.18%
NFG	432	.26%
Columbia	1,721	.48%
UGI	1,705	.58%
Dominion Peoples**	2,901	.9%

* 12-month average

** Averages based on the 6-month averages (January-June and July-December)

Pursuant to Chapter 56, Section 12(4)(ii), an NGDC may estimate the bill of a residential ratepayer if NGDC personnel are unable to gain access to obtain an actual meter reading. However, at least every 6 months, the NGDC must obtain an actual meter reading or ratepayer supplied reading to verify that the estimated readings are accurate. The Reporting Requirements for Quality of Service Benchmarks and Standards require NGDCs to report the number and percent of residential meters for which they have failed to comply with this section of Chapter 56.

Dominion Peoples did not have monthly meter reading data available for the first half of 2001. The company was able to supply a six-month average for that time period. The 12-month average shown above was calculated based on the information that the

company had available. PG Energy reports that it is expanding its automated meter reading device installation program for hard to read meters. As a result, the company has experienced a reduction in the number of meters not in compliance with Chapter 56 regulations. UGI notes that approximately 65% of its meters are located inside its customers' homes. The company has put various programs into place to reduce the number of meters not read as required.

**2. Number and Percent* of Residential Meters Not Read
In Twelve Months**

Company	2001	
	Number	Percent
PG Energy	0	0%
NFG	211	.13%
UGI	602	.20%
Dominion Peoples**	824	.26%
Equitable	672	.29%
Columbia	1,035	.29%

* 12-month average

** Averages based on the 6-month averages (January-June and July-December)

Pursuant to Chapter 56.12 (4)(iii), a company may estimate the bill of a residential ratepayer if company personnel are unable to gain access to obtain an actual meter reading. However, at least once every 12 months, the company must obtain an actual meter reading to verify the accuracy of either the estimated or ratepayer supplied readings. The Reporting Requirements for Quality of Service Benchmarks and Standards require the NGDCs to report the number and percent of residential meters for which they fail to meet the requirements of this section.

Equitable reports that 25% of its residential customers have meters inside their premises. Meter readers are often unable to gain access to read the meters due to no one being home. The company offers scheduled appointments and customer reading cards to combat this problem.

**3. Number and Percent* of Residential Remote Meters Not Read
In Five Years**

Company	2001	
	Number	Percent
Columbia	0	0%
Dominion Peoples	0	0%
PG Energy	0	0%
Equitable	70	.42%
UGI	1,739	.59%
NFG	67	2.5%

* 12-month average

Pursuant to Chapter 56.12(5)(i), a utility may render a bill on the basis of readings from a remote reading device. However the utility must obtain an actual meter reading at least once every five years to verify the accuracy of the remote reading device. Under the quality of service reporting requirements, the NGDCs must report to the Commission the number and percent of residential remote meters for which it failed to obtain an actual meter reading under the timeframe described in Chapter 56.

PG Energy notes that as of 2001, it had no residential remote meters that have been in place for more than five years.

D. Response to Disputes

Number of Residential Disputes That Did Not Receive a Response within 30 Days

When a ratepayer advises a utility that he or she disputes any matter covered by Chapter 56 regulations, the utility must issue its report to the complaining party within 30 days of the initiation of the dispute. A complaint or dispute filed with a company is not necessarily a negative indicator of service quality. However, a company's failure to promptly respond to the customer's complaint is an indication of poor service. Further, to respond beyond the 30-day limit is an infraction of § 56.151(5) and the cause of complaints to the Commission.

Company	Number of Disputes Receiving No Response within 30 Days during 2001
PG Energy	0
Equitable	18
NFG	22
Dominion Peoples	133
Columbia	220
UGI	301

The Reporting Requirements for Quality of Service Benchmarks and Standards at § 62.33(4) require each NGDC to report to the Commission the actual number of disputes for which the company did not provide a response as required under the Chapter 56 regulations, in other words, not within 30 days.

UGI reports that unusually high gas costs and colder weather challenged UGI's customer services personnel during the first six month of the year with a significant increase in disputed bills. As a result, during the first half of the year, the company had higher numbers of disputes for which it did not issue a utility report within the required 30-day time frame. In the second half of the year, new processes and personnel changes were responsible for a reduction in the number of customer disputes unanswered in 30 days. PG Energy reports that it had no disputes for which it failed to issue a utility report within 30 days. PG Energy explains that it maintains a daily log of open disputes in order to ensure that all customers receive a response within the required time.

II. Conclusion

This report fulfills the Commission's responsibility to summarize the quality of service statistics that the NGDCs reported to the Commission. In 2001 the regulations required the NGDCs to report data two times; the first report contained data for the first six months of 2001 and the second report contained data for the second six months of the year and for the year as a whole. From this point forward, the companies will report data annually.

Next year's report will include additional information that the companies will report to the Commission about their customer service performance in the year 2002. The regulations specify that each NGDC with more than 100,000 residential customers conduct a survey of customers who have had a recent interaction, customer-initiated, with the company. The NGDCs began to conduct the surveys in January 2002 and will report results for the first six months in October 2002. Reports on survey results for the calendar year are due to the Commission in April 2003. The Commission's quality of service report for the year 2002 will include a summary of customer survey results. For the charts and tables on telephone access, billing, metering, etc., next year's report will include 2002 performance data as well as 2001 data to offer a comparison of each NGDC's performance for the past two years. The BCS report, *Utility Consumer Activities Report and Evaluation*, will again provide statistics associated with consumer complaints and payment arrangement requests filed with the Commission about the major NGDCs.