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August 31, 2011

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utilities Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Docket No. A-2009-2100320 Palmco Energy PA, LLC Data Request

Dear Secretary Chiavetta:

This letter is in response to the Commission's letter dated August 26, 2011. The Energy Industry Group requires answers to particular questions before Palmco Energy PA, LLC's license can be amended.

The attached sheets state the questions posed by the Energy Industry Group as well as the responses given by Palmco Energy PA, LLC.

Very Truly Yours,

  
Robert Palmese – Member

1. In addition to being a licensed Natural Gas Supplier (NGS) in Pennsylvania, Palmco is also a licensed Electric Generation Supplier (EGS) in Pennsylvania. It is also our understanding that Palmco is a licensed natural gas and electricity supplier in New Jersey and is a licensed electricity supplier in Connecticut. It is our further understanding that Palmco has a home heating oil business. Does Palmco use the same customer service/call center to receive consumer inquiries and customer contacts, etc. for all of these businesses?

Palmco Energy PA, LLC (Palmco), a PA LLC, does not have a home heating oil business. The home heating oil business is owned by Columbia Utilities Heating Corp. (Columbia), a separate entity, incorporated in NY. Even though Palmco shares the same customer service / call center with Columbia, Columbia's customer service only requires the work load of less than ½ of 1 customer service representative.

Yes, Palmco is licensed in New Jersey and Connecticut. Yes, Palmco uses the same customer service/call center for these businesses. In the recent past, Palmco has already increased the number of supervisors and representatives on the phone, and will continue to add personnel as Palmco's customer base increases. Palmco also plans on adding more customer service representatives and supervisors in the next few months. Palmco is also looking for a larger office space to add even more customer service representatives and supervisors based upon Palmco's projected growth.

2. Palmco's current application requests to expand its NGS license to include the additional service territories of Philadelphia Gas Works, Columbia of Pennsylvania, UGI Utilities, UGI Penn Natural Gas, and UGI Central Penn Gas, respectively. What changes has Palmco made and/or what changes does Palmco intend to make to its customer service/call center operations so that it is equipped to handle any increase in business that occurs from the expansion? If no such changes have been made or are planned, please explain why Palmco's existing customer service/call center operations are adequate to handle any increased business that occurs from the license expansion.

In the recent past, Palmco has already increased the number of supervisors and representatives on the phone, and will continue to add personnel as Palmco's customer base increases. Palmco also plans on adding more customer service representatives and supervisors in the next few months. Additionally, Palmco has been, and is currently looking for new and larger office space. Palmco needs this new/larger space to add customer service representatives and supervisors to coincide with the projected future growth in Palmco's customer base so that Palmco can adequately handle any increase in incoming calls along with increased office work in other areas, non-customer service related.

However, Palmco intends to first market natural gas to Palmco's current electric customers in PA. In doing so, Palmco would not be increasing households / customers whom Palmco services / call with inquiries. Palmco would have one customer using two commodities, so in-turn, the same one person would be calling about a bill as opposed

to two people calling about a bill. So Palmco would not have an increased number of calls because Palmco would be soliciting its current customers.

3. Please provide the number of Customer Service Representatives (CSRs) that Palmco currently has in its customer service/call center and whether Palmco intends to increase the number CSRs following any approval of its requested NGS license expansion in Pennsylvania. If so, please provide the number of additional CSR's that Palmco intends to add and when Palmco intends to add them. If not, please explain why Palmco's existing customer service/call center staffing levels are adequate to handle any increased business that occurs from the license expansion.

Currently, Palmco has 7 CSR's and 3 supervisors. However, when call volume becomes higher than normal, Palmco's supervisors can answer calls.

In the recent past, Palmco has already increased the number of supervisors and representatives on the phone, and will continue to add personnel as Palmco's customer base increases. Palmco also plans on adding more customer service representatives and supervisors in the next few months. Palmco intends to increase the number of CSR's by 4 people in the next 6 months and also intends to add 1 or 2 supervisors in the next 6 months.

Additionally, Palmco has been, and is currently looking for new and larger office space. Palmco needs this new/larger space to add customer service representatives and supervisors to coincide with the projected future growth in Palmco's customer base so that Palmco can adequately handle any increase in incoming calls. When Palmco finds a larger office space, Palmco will be able to increase its number of CSR's by as many as needed. Palmco hopes to be in the new office before the end of calendar year 2012.

4. Please provide the hours of operation when Palmco's customer service/call center is open and whether Palmco intends to expand its customer service/call center hours of operation following any approval of its requested NGS license expansion in Pennsylvania. If so, please provide the new hours of operation when Palmco's customer service/call center will be open, post-expansion. If not, please explain why the existing hours of operation will be adequate, post-expansion.

Currently, Palmco's customer service hours of operation are from 8:00 AM – 4:45 PM, Monday – Friday. Currently, Palmco finds that Palmco's hours of operation are adequate to service its customers' needs.

At this moment Palmco does not see the need to expand Palmco's hours of operation. This is because Palmco feels that its additional customer service representatives Palmco is planning on adding in the next few months will be adequate to compensate Palmco's expansion. Additionally, Palmco intends to first market natural gas to Palmco's current electric customers in PA. In doing so, Palmco would not be increasing households /

customers whom Palmco services / call with inquiries. Palmco would have one customer using two commodities, so in-turn, the same one person would be calling about a bill as opposed to two people calling about a bill. So Palmco would not have an increased number of calls because Palmco would be soliciting its current customers. However, in the future, whether near or far, should Palmco see that Palmco needs to increase its hours of operation, Palmco has no problem with doing so. Such a decision depends on how many customers Palmco has, and how many customers want to speak with Palmco after the time frame Palmco's customer service phone lines are currently open. Palmco can only speculate what its "new" hours of operation would be if Palmco needed to increase its hours of operation. Palmco can speculate that new hours of 7:30 AM – 5:15 PM Monday – Friday would be sufficient, however, if Palmco sees that Palmco needs more hours to answer customer inquiries, Palmco can either add hours Monday – Friday and/or have hours on Saturday as well.

5. What performance metrics, if any, does Palmco use to evaluate its customer service/call center operations and its CSR performances? Please provide a copy of any such metrics.

Currently Palmco has IP phones with service provided by Optimum. Along with this phone service comes the ability to see the call flow; number of customers on the phone, number of customers in queue, number of reps "busy", whether they are on an incoming or outgoing call, and longest wait time. Palmco does not have a copy of how these metrics work, but Palmco is told that the system takes into account all the items listed above and establishes a service level, from 0% - 100%; 100% being the best.

Palmco strives to be at the 100% level because Palmco want its customers to wait as little as possible and get the best service they possibly can from Palmco's CSR's. As lofty a goal as this may seem, this is what Palmco strives for its customers. Giving anything but great customer service with minimal wait time will cause customers to leave Palmco. Palmco's intention is to retain customers and not have customers leave due to poor service.

6. Please provide the following information, if known and available:
- a) The percentage of consumer calls that Palmco answers in its customer service/call center within 30 seconds;

Palmco does not have this statistic

- b) The percentage of consumer contacts with the customer service/call center that result in the consumer leaving a recorded message with Palmco;

Palmco does not have a statistic on this, but based on what Palmco has seen in the past, Palmco would say less than 1% of customers leave a recorded message and all of these messages are occurring after hours.

- c) Palmco's average response time to respond to a customer that leaves a recorded message with the customer service/call center requesting to sign up for natural gas or electric supply service with Palmco;

Palmco does not have a statistic on this item, but Palmco would have to say that customers who leave a message during business hours and request to sign up get a response in less than 1 hour. If a customer leaves a message after hours to request a sign up, they will receive a response by 10:00 AM the next business day.

- d) Palmco's average response time to respond to a customer that leaves a recorded message with the customer service/call center requesting to cancel natural gas or electric supply service with Palmco;

The only time Palmco gets a recorded message from customers requesting to cancel service is after hours. If a customer leaves a message after hours to request a cancellation, they will receive a response by 10:00 AM the next business day.

- e) Palmco's average response time to respond to a customer that leaves a recorded message with the customer service/call center making a billing inquiry or dispute with Palmco regarding its natural gas or electric supply service;

The only time Palmco gets a recorded message from customers with a billing inquiry or dispute is after hours. If a customer leaves a message after hours with a billing inquiry or dispute, they will receive a response by 10:00 AM the next business day.

- f) Palmco's average response time to respond to all the types of customer contacts that result in a recorded message with the customer service/call center related to its natural gas or electric supply service with Palmco.

The only time Palmco gets a recorded message from customers for any other type of contact is after hours. If a customer leaves a message after hours with any other type of contact, they will receive a response by 10:00 AM the next business day.

I, Robert Palmese, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

Robert Palmese

Robert Palmese

9/1/2011

Date

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