

SERVICE QUALITY

Engineering and Management Services Department

The engineering and management services department (EMSD) has technical responsibilities in two separate areas.

The management analysts' mission is to develop, enhance and support utility management to provide quality services to customers and effective cost control of critical resources such as capital, technology and human resources.

The engineering staff's role is to conduct depreciation studies and provide specialized engineering analysis and assistance for all types of regulated utilities.

QUICK FACT

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Major Projects During 2008

Management analysts participated in a variety of cases and audit projects during 2008. EMSD staff participated in four investigation dockets regarding the December 2007 ice storms that impacted Missouri's regulated utilities and its customers.

Case Nos. EO-2008-0215, EO-2008-0218, EO-2008-0219 and EO-2008-0220 were opened by the commission to examine the storm outage planning and restoration efforts of the state's regulated electric providers (The Empire District Electric Company, AmerenUE, Kansas City Power and Light Company and Aquila, Inc.) Four staff reports were filed in these dockets on June 17, 2008 which included examination of utility planning, actions taken during the storms, call center operations and communications and customer comments.

A number of recommendations resulted from the reviews and those

were included in the reports. The management analysts also responded to a number of public comments and customer complaints regarding the ice storm and related outages experienced by AmerenUE, Aquila, Empire and KCPL.

Staff participated in the telecommunications department's review of Universal Service Fund (USF) certifications of four utilities this year including: LeRu Telephone, CrawKan Telephone, Green Hills Telephone Corp., Competitive Local Exchange Company (CLEC) and Green Hills Telephone, Incumbent Local Exchange Company (ILEC).

EMSD staff analyzed a variety of processes and practices during each of these four reviews including customer billing and payment remittance, credit and collections, local business office operations and the company's handling of customer complaints and inquiries. The department's audit work was similar to reviews conducted on the small water and sewer companies described below.

Staff participated in the merger application of Kansas City Power and Light Company and Aquila, Inc. (Case No. EM-2007-0374). Staff's participation focused on the service quality of both utilities prior to the merger with an emphasis to prevent service declines after the merger.

The department continued to participate in reviews of numerous small water and sewer companies to assist those utilities in providing sound customer service and efficient and effective business practices.

The audit program is designed to assist small companies in a variety of areas including customer

billing, credit and collections, complaint handling, business office operations and others and is performed at the time the small utilities request a rate increase. The audit program includes follow-up and monitoring of the small utilities after the completion of the audit report and such follow-up work is also performed at a number of small companies.

Service quality work was performed at Aqua Missouri, I.H. Utilities, Moore Bend Water Company, Roy-L Utilities, SK & M Utilities, Spokane Highlands Water Company, Tri-States Utilities, Riverfork Utilities, Midland Utilities, Algonquin and KMB Utilities.

Staff continues to receive and review quality of service reports from a variety of companies as a result of merger and rate cases. These reports contain information regarding customer service including data on call center indicators such as average speed of answer (ASA) and abandoned call rate (ACR).

EMSD staff currently monitors call center performance of all the state's largest regulated natural gas and electric companies as well as Missouri-American Water Company. Staff specifically reviews call center performance trends and reviews often result in additional inquiry to the utilities regarding performance.

The staff completed its comprehensive customer service review of Missouri Gas Energy (MGE). MGE serves approximately 500,000 gas customers in Missouri. During the course of this review, the EMSD staff traveled to the company's Kansas City office to conduct on-site work which included the performance of field observations and interviews with company personnel. Areas analyzed included company billing, credit and collections,

service disconnect and reconnect processes, diversion, call center operations, service order processes, meter reading and payment remittance processes.

The engineering staff of EMSD performed depreciation analysis for several large and small companies during this fiscal year. The purpose of depreciation in a regulatory environment is to recover the original cost of capital investment from customers and allocate those costs over the useful life of the assets.

Annual depreciation expense, distributed over the life of each asset, results in the full recovery of the original cost of capital assets. The engineers' objective is to propose depreciation rates that are fair and appropriate for each company as well as its customers. Depreciation comprises a significant component of the cost used to develop utility rates paid by consumers.

During 2008, engineering staff performed depreciation analysis of several large and small companies and conducted depreciation analysis in the context of rate cases filed by The Empire District Electric Company (Case No. ER-2008-0093), AmerenUE (Case No. ER-2008-0318), Missouri-American Water Company (Case No. WR-2008-0311), and Trigen-Kansas City Energy Corporation (Case No. HR-2008-0300).

Depreciation engineers also performed depreciation analysis to determine the revenue requirement of numerous small water and sewer companies that were listed previously. On-site work is often performed and assistance provided to small utilities as to appropriate methods to book utility assets.

The engineering staff continues to be involved in the PSC staff investigation of the reservoir failure

of AmerenUE’s Taum Sauk dam which occurred December 14, 2005. Staff worked within a multi-department team with engineers from the commission’s energy department as well as commission attorneys on Case No. ES-2007-0474. The Staff also assisted the commission’s energy-federal issues section by addressing depreciation rates and methods in a FERC case involving Southern Star Central Gas Pipeline Company (Case No. PP08-350).

Consumer Services Department

The Consumer Services Department serves as the central repository for consumer complaints and inquiries received by the commission.

Consumer complaints may be filed with the commission by mail,

facsimile, e-mail or the commission’s consumer toll-free hotline **1-800-392-4211**. Complaints may also be submitted on-line through the commission’s website.

Consumer services specialists receive, investigate and respond to billing and service issues involving natural gas, electric, water, sewer and telecommunications companies regulated by the commission.

The investigation of complaints may involve consulting with the commission’s technical staff, utility representatives and researching utility tariffs as well as the commission rules and regulations. Through the handling of consumer complaints, specialists work to enforce commission rules and utility tariffs.

Specialists also interact with other PSC staff regarding consumer service issues in proposed rulemakings on the state and federal level. This interaction also involves participating in customer-service focused reviews of utility operations and participating in formal cases before the commission regarding issues that impact customer services.

Consumer service specialists also refer consumers to other agencies that may provide the needed assistance.

