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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)
PacifiCorp and ScottishPower plc for an) DOCKET NO. 98-2035-04
Order Approving the Issuance of)
PacifiCorp Common Stock)

PETITION OF PACIFICORP FOR MODIFICATION OF ORDER

PacifiCorp files this Petition for Modification of Order No. 98-2035-04 pursuant to the provisions of § 54-7-13 U.C.A. Order No. 98-2035-04, issued November 23, 1999 (the “Order”), approved Scottish Power plc’s (“ScottishPower”) purchase of PacifiCorp (collectively the “Joint Applicants”) pursuant to the Agreement and Plan of Merger dated December 6, 1998 (as amended on February 23, 1999). In the Order, the Commission adopted a number of conditions to granting the application, including implementation of a number of Performance Standards and Customer Guarantees proposed by the Joint Applicants. In the Order, the Commission adopted a number of conditions to granting the application, including

implementation of a number of Performance Standards and Customer Guarantees proposed by the Joint Applicants. PacifiCorp seeks modification of the Order regarding one standard; *viz.*, Customer Service Performance Standard 6, addressing response times for PacifiCorp Business Center incoming telephone calls.

1. Background

In the Order, the Commission adopted a number of proposed conditions to the granting of the application including network performance standards, customer service performance standards, and customer guarantees. See, Appendix 1 to Order reflecting the July 28, 1999 Stipulation among the Joint Applicants, the Division of Public Utilities and the Committee of Consumer Services. The Customer Service Performance Standards adopted by the Commission are reflected in Attachment No. 1 to Appendix 1 of the Order. Among the standards was a Customer Service Performance addressing telephone response times at PacifiCorp's business centers which specifically provides:

1. Telephone Service Levels. Within 120 days after completion of the transaction 80% of calls to PacifiCorp's Business Centers will be answered within 30 seconds. This target will be increased to 80% in 20 seconds by January 1, 2001 and 80% in 10 seconds by January 1, 2002." Section I. B. Customer Benefits of Attachment 1 to Order Appendix 1.

PacifiCorp reports to the Commission on compliance with meeting the performance standards on an annual basis. There are no monetary penalties associated with failure to meet the telephone service level customer service performance standards. Due to the Joint Applicants' focus on the commitment to meet the performance standards and the systems and process improvements that were implemented during and after the merger proceedings, the Joint Applicants surpassed the 80%-in-30-seconds ("80/30") target during the first year following the

merger. The 80%-in-20-seconds (“80/20”) target took effect January 1, 2001, and we expect this target will be met on an annual basis although current service levels are just below 80%.

2. Relief Requested and Reasons for Seeking Modification

In this request for modification, PacifiCorp seeks to eliminate the 80%-in-10 seconds (“80/10”) target that was intended to go into effect January 1, 2002. At the time this commitment was made, today’s energy environment with tight energy supplies, volatility in energy markets and the increase in the number of programs (e.g., Customer Energy Challenge, increased interest in demand side management programs, etc.) was not envisioned. While we have made technology improvements over the past few years which have allowed us to improve work queue management while ensuring that customer calls are handled as quickly as possible; these improvements do not offset the unanticipated increase in the volume of calls as well as the receipt of more complex calls by PacifiCorp’s Business Centers. In addition, the Company is working to resolve the customers’ concerns with the first call, thus potentially lengthening the duration of calls.

In further support of the Company’s request to eliminate the 80/10 target, a Residential Focus Group Research Report was conducted December 18-20, 2000 and indicated that the goal of answering 80% of calls within 10 seconds is unnecessary and not particularly important to the customer. In this research, customers questioned whether the quality of service would suffer in the haste to answer calls. In addition, customers in the focus groups reported that 80/10 would not increase their level of satisfaction. The Company’s “pulse” research also shows that customer satisfaction with call center wait times was 70.4% “very satisfied” in 2000 with the 80/30 standard. The “pulse” research is a monthly telephone survey of 200 randomly selected customers throughout the Company’s service territory. Through August 2001, customer

satisfaction with wait times in 2001 is 70.2% “very satisfied” although the standard was raised to 80/20 effective January 1, 2001. This demonstrates that while performance has improved in 2001, customer satisfaction has remained stable.

Lastly, the Company has verified that the current 80/20 standard is on the high end relative to the level of service provided by other United States electric utilities based on a preliminary benchmarking data. This benchmarking data shows that no other electric utility in the U.S. has a higher target than 80 percent of calls answered in 20 seconds. Of the utilities included in the Edison Electric Institute’s 2001 Call Center Benchmarking Study, PacifiCorp’s call center service level is among the best in the U.S.

3. Summary

To summarize, PacifiCorp believes that the service received by customers as a result of implementing Performance Standard 6 has significantly and measurably increased customer satisfaction. In fact, research shows that satisfaction with wait time to speak to a customer service representative has increased significantly from 62.7% “very satisfied” in 1998 to 70.2% “very satisfied” year-to-date in 2001 (January-August). As noted above, achieving 80/10 would not increase customer satisfaction and is not considered important to customers, although this fact was not known at the time this commitment was developed. Also not known at the time this commitment was made was the complexity in the energy marketplace that has occurred over the past few years, as described above. Even given this complexity, our customers have received, and will continue to receive quality call center telephone response service through the 80/20 standard currently in place. Eliminating the 80/10 response time in no way lessens the Company’s commitment to service excellence in all areas of performance. PacifiCorp will continue to monitor customer satisfaction levels to ensure that these satisfaction levels remain

high and we will consider and implement suggested changes to improve satisfaction levels in the future.

For the reasons set forth above, PacifiCorp respectfully Petitions the Commission to Modify Order No. 98-2035-04 to eliminate the 80/10 call center Customer Performance Standard.

DATED: October 15, 2001.

Respectfully submitted,

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