

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Lowell Alt, Director
Judith Johnson, Energy Manager
Tom Peel, Technical Consultant
Ron Burrup, Technical Consultant

Date: November 20, 2001

RE: Docket 98-2035-04 PacifiCorp Petition for Modification of Order

Issue:

PacifiCorp filed a petition to modify the Commission's order in Docket 98-2035-04, issued November 23, 1999 which approved ScottishPower's purchase of PacifiCorp. The order adopted customer service standards. One of the standards required PacifiCorp's Business Centers to answer calls within 30 seconds, 80% of the time within the first 120 days. It also required the Company to improve each year and respond to calls within 20 seconds 80% of the time by January 1, 2001. PacifiCorp has achieved these standards. The final standard was to respond within 10 seconds by January 1, 2002.

PacifiCorp has asked that this last requirement to respond to 80% of calls within 10 seconds by January 1, 2002 be eliminated from call center Customer Performance Standards.

Recommendation:

The Division recommends that the Commission approve the petition to modify the order because the 80/10 standard is not used by any other utilities, does not appear to increase customer satisfaction, and causes additional call center labor costs. The DPU has not received any complaints from customers that PacifiCorp does not promptly respond to phone calls. The 10 second target may actually work against good customer service if PacifiCorp representatives rush through each call in order to meet the 10 second target.

Explanation:

Qwest's customer standard is established by Commission rules (R746-340-8E). The

standard from January 1, 2001 to July 7, 2001 was “no more than a 45-second time in queue on average”. Beginning July 8, 2001, the average wait time was changed to 35 seconds. In some months Qwest is not able to reach these averages.

Questar has reached the 80% in 20 seconds standard in the past, but is currently not at that standard. Questar has no plans to move to an 80% within 10 second standard. The Division also asked about the call standards at a major local bank’s customer service center and determined that call abandon rates (where the caller hangs up before being answered) was their main measurement. They try to maintain abandon call rate below 6%. PacifiCorp’s abandoned call rate for the last four years has declined significantly, 1998 - 9.3%, 1999 - 4.6%, 2000 - 1.7% and 2001 - 2.1%. PacifiCorp’s average speed of answer (ASA) has also declined, 1998 ASA 75 seconds, 1999 ASA 38 seconds, 2000 ASA 15 seconds, and 2001 ASA 19 seconds.

Results of an EEI Bench-marking survey show that of 50 major electric utilities, none had a call answering target of 10 seconds, only 14 utilities have answering targets of 20 seconds, 24 utilities have call answering targets of 30 seconds, and one has a target of 85 seconds. Of the utilities that have targets, only 3 reached their target a greater percentage of the time than PacifiCorp (86%). The Division’s analysis shows that the 80% within 10 seconds is not a target used by other utilities

PacifiCorp conducted focus group research in December 2000. The prevailing opinion was that the 80% within 20 seconds was above and beyond customer expectations and that going to 80% within 10 seconds was not deemed necessary or important, nor would it increase the level of satisfaction. PacifiCorp’s customer satisfaction survey validates this research. In 1998, before the merger, 62.7% of customers were very satisfied with wait times. After the merger, in 2000, when the standard was 80% within 30 seconds, 70.4% of customers were very satisfied with wait times. When the call standard went to 80% within 20 seconds in 2001, the percentage of customers who were very satisfied, through August 2001, was 70.2% identical to the previous year. This indicates that answering calls within 10 seconds would not increase satisfaction. Based on the focus group and customer survey results, the Division believes that the 10 second standard would not result in any greater customer satisfaction.

Although complaints about hold time is not a specific category of complaints, the DPU staff who respond to and monitor customer complaints could not remember customers complaining about PacifiCorp call centers not answering the phones promptly.

In order to meet the 80% within 10 seconds standard by January 1, 2002, PacifiCorp would have to pay overtime to call center employees. The Division believes this is an unnecessary expense.

cc: Wes Huntsman
PacifiCorp
CCS

