

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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| In the Matter of the Application of |) | <u>DOCKET NO. 98-2035-04</u> |
| PacifiCorp and ScottishPower plc for an |) | |
| Order Approving the Issuance of |) | <u>ORDER MODIFYING</u> |
| PacifiCorp Common Stock |) | <u>CALL ANSWERING RATE</u> |

ISSUED: December 17, 2001

On October 16, 2001, PacifiCorp filed a petition (Petition) to modify the Commission's November 23, 1999, Order (November Order) issued in this docket. In the November Order, the Commission set various customer service standards, one of which dealt with the answer rate for calls placed to PacifiCorp's business centers. The November Order required call answer rates to ratchet up over time; beginning with 80% of calls answered in 30 seconds, moving to 80% of calls answered in 20 seconds in 2001, and then 80% of calls answered in 10 seconds beginning in 2002. In its Petition, PacifiCorp represents that customer research shows that customers do not necessarily place value or receive appreciable additional customer satisfaction in having the call answering rate move from 20 seconds to 10 seconds. Customers may question whether service quality may actually suffer in the haste to answer calls. PacifiCorp further represents that the nature of calls received from customers, changed call volumes and the Company's efforts to fully respond to customer inquiries on the first call make the move from 20 seconds to 10 seconds one which will incur additional expenses (personnel and other) with little or no benefit to customers. PacifiCorp also states that no other U.S. electric utility has a target higher than 80 % of calls answered in 20 seconds.

On November 21, 2001, the Division of Public Utilities (DPU) submitted a Memorandum supporting the requested modification. The DPU confirms that a target of 10 seconds is not used by other utilities; the 20 second level is the upper range, which a limited number of entities attempt. The DPU's Memorandum notes that PacifiCorp's performance, under the past and existing call answering standards, has been as good or better than the performance of other utilities operating in the State of Utah. The DPU's Memorandum indicates that call answering standards for some other Utah utilities is lower than the existing standard applicable to PacifiCorp. The DPU concurs in viewing a move to 10 seconds as offering little or no additional customer service satisfaction, outweighed by costs needed to achieve that level. On November 23, 2001, the Committee of Consumer Services (CCS) filed a Memorandum regarding the Petition. The CCS's Memorandum does not directly oppose the requested modification. The CCS Memorandum represents that the CCS has some concerns regarding PacifiCorp's proposal, but does not identify what these concerns may be. The CCS represents that it desires to discuss, with PacifiCorp, other aspects of the Company's handling of telephone calls in general, since this docket has been opened. Apparently, the CCS, seeks to broach these other matters through the opportunity presented by this docket raising a call answering standard modification.

We recognize the CCS's desire to take advantage of this docket and attempt to negotiate resolution of other issues in connection with the specific matter raised by the Petition. The Commission concludes, however, that it will approve the modification requested. We note the CCS's point that the call answering standards were originally included in a prior stipulation

submitted in this Docket, supporting PacifiCorp's and Scottish Power's merger. The requested relief is to modify the November Order, a Commission determination, not the prior stipulation. The information submitted by PacifiCorp and the DPU support modification of the standard which would otherwise become effective January, 1 2002. The CCS's unarticulated concerns concerning the specific modification, if any, do not detract from the PacifiCorp and DPU evidence that the 2002 standard, if implemented, will increase expenses without providing any additional customer satisfaction or benefit. We cannot justify requiring the Company to gear up and begin to comply, in less than three weeks, with a Commission mandated call answering standard when all evidence submitted shows it would be a waste of resources. We determine that a call answering standard of 80% of calls answered within 20 seconds is the appropriate standard, deriving an adequate level of customer satisfaction relative to the costs incurred in reaching such a target, and in light of other call answering targets applied by other utilities and other entities using call response standards.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

Our November Order is hereby modified to set a call answering standard of 80% of calls answered within 20 seconds for 2002 and thereafter.

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DATED at Salt Lake City, Utah, this 17th day of December, 2001.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary

G#27496