DIVISION OF PUBLIC UTILITIES REPORT TO UTAH PUBLIC SERVICE COMMISSION ON QUESTAR GAS COMPANY'S CUSTOMER QUALITY OF SERVICE

May 13, 2003

This is the first annual report of the DPU on the results of QGC Service Standards for the year ended 2002. It is based on information, both public and confidential, filed by QGC to the PSC, as well as information taken from the DPU's customer complaint files, in response to the Service Standards Stipulation and Settlement in Docket No. 02-057-02.

BACKGROUND

Beginning in 2000, QGC began consistently referring customers, who requested nonemergency services beyond the meter, to contractors who provided those services. QGC continued to provide in-home service for "special needs" customers. However, QGC reports that these types of services were only requested by approximately 15% of QGC's customers. In the 2002 QGC rate case, witness Ronald W. Jibson stated that "If further cost cutting is required, the Company would have no alternative but to reduce the basic service level further."¹

For these reasons, the DPU had concerns about the level of customer service in general and felt it was important to monitor customer satisfaction. As a result of this and as a part of the rate case filed by QGC in Docket No. 02-057-02, a Service Standards Stipulation was agreed to and filed as part of the Settlement in the afore mentioned docket.

This stipulation required the interested parties to meet and convene a collaborative group or task force to study the issues at hand with the intent of establishing defined levels of customer service offered by QGC, methods of evaluating customer satisfaction and reporting the results of these evaluations. There were meetings held on November 19th, December 10th, 2002 and January 14th, 2003. The result of these meetings established a series of quarterly reports and procedures that QGC will follow to make this information available to the PSC, DPU, CCS and the general public. These procedures and the reporting process were outlined in a report sent to the PSC on January 28, 2003.

DEVELOPMENT

An existing QGC management tool, consisting of over 50 questions, that has been used for five years and provided to the DPU quarterly during that time frame, formed the basis for the development of this report. There are some new elements of the report for which

¹ Exhibit QGC 2.0, Docket No. 02-057-02, P 5 of 10, L 15.

the company has not tracked the internal statistics necessary to report 2002 results. It is now doing so and will be furnishing that data on a quarterly basis.

There are six areas of focus within these reports that show performance ratings achieved for the most recent quarter and on a 12 month ending basis as measured against QGC's annual service goals. These six areas or categories are; **Overall impression of QGC**, **QGC's Call Center**, **Service Calls to QGC's Ask-A-Tech Program**, **Service Calls** made by QGC to the customer's address, **Billing Matters** and **Complaints to the PSC**. The information for these measures is taken from Customer Satisfaction Surveys conducted by an independent research group (Wirthlin Worldwide), from internal statistics of QGC and from the DPU's customer complaint files to the PSC. The customer surveys, conducted by Wirthlin Worldwide, are based on a rating scale from 1 to 7 with a 1 rating equating to a "do not agree at all" to the statement or inquiry and a 7 rating equating to a "strongly agree" to the statement. The measurements taken from internal statistics of QGC are measured either as percentages, increments of time or days.

There is also a section dealing with safety issues. The information reported here is based on data reported to the U.S. Department of Transportation. It is more informational in nature and doesn't deal directly with customer service but has a bearing on how customer service may be affected by line leaks and breaks.

FINDINGS

The following is a summary of the six categories taken from the report filed by QGC for the year 2002 on the Customer Satisfaction Standards.

- 1. **Overall Impression of QGC** (taken from Customer Satisfaction Survey) There are seven questions in this category. QGC has high goals and has performed reasonable well. They exceeded their annual goal on expectations of "value received for the price paid" with October and December both being above their annual goal for the fourth quarter (1 question). They achieved their annual goal on expectations customers had on safety and reliability with each month showing improvement over the previous month during the fourth quarter (2 questions). They were slightly below their annual goals in image, services provided and communicating price changes. In these areas for the fourth quarter, November showed improvement over October in each response while December showed a slight decline from the levels achieved in November (4 questions).
- 2. **Call Center** (Customer Satisfaction Survey and internal statistics) There are eleven questions in this category. The company exceeded their annual goals of percentage of calls answered within a targeted time (2 questions), achieved their goal in phone staff courtesy with each month showing improvement over the previous month during the fourth quarter (1 question) and was below their annual goals in the rest of the questions

(8 questions). Even though QGC reached their annual goal of percentage of calls answered within the allowed time, the actual average customer wait time before their call was answered, after making a menu selection, was more than double their annual goal, resulting in a higher than anticipated percentage of customers hanging up before their call could be answered. However, during December they bettered their annual goals for that month in average wait time, percentage of callers that hang up after menu choice is made and amount of time talking to customers to complete requests. The Call Center has been an area of focus for the company this year. Although eight of the goals were not met on an annual basis, the company made significant improvement in these areas during the fourth quarter. This is a positive trend and will continue to be monitored.

3. Service Calls – Ask – Tech (Customer Satisfaction Survey)

There are six questions in this category. QGC exceeded their annual goal in the area of technician courtesy and ability to help quickly (2 questions). They reached their annual goals in the technician's ability to resolve the issue and his/her overall performance rating while showing continuous improvement over the previous months rating during the fourth quarter (2 questions). They were slightly below their goal in technician knowledge and ease of use of the automated phone menu (2 questions).

4. Service Calls (Customer Satisfaction Survey and internal statistics)

There are ten questions in this area, five from the Customer Satisfaction Survey's, conducted by Wirthlin Worldwide, and five based on QGC's internal statistics. The internal statistics necessary to measure the 2002 results were not previously tracked by the company but will be as a result of the Stipulation. Of the five questions from the Customer Satisfaction Survey, four met the annual goal and one, dealing with the ability of the service technician to resolve the issue, was just below the annual goal. During the fourth quarter of 2002, November results improved over October's in the five areas of inquiry while December's results declined slightly from November's levels but still were above October's levels.

5. **Billing** (internal statistics)

There are five questions in this category, two of which the internal statistics necessary to report 2002 were not previously tracked. Of the remaining three, QGC exceeded their annual goal in one, "percent of necessary adjustments", and was under their goal in "percent of meters read each month" and "days required to send customers a corrected statement".

6. Complaints to the PSC (DPU's complaint files)

There were 390 complaints filed with the PSC during 2002. This total included 151 complaints dealing with "shut offs", possibly due to Questar Gas's increased collection activity, 126 complaints dealing with billing

issues including but not limited to incorrect meter reads, weather normalization adjustments and higher than anticipated usage issues. There were 41 complaints dealing with customer service issues which included equal pay disputes, green sticker issues and credit card charges. The remaining 72 complaints filed dealt with various miscellaneous issues such as premise fees, telephone wait times, monthly customer charges, etc. The company has a 100% goal of responding to complaints within five business days and they met that goal during 2002.

SUMMARY

The Task Force recommended and QGC agreed to make available for public review, a report that has results from this Customer Service Standards report that QGC deems as non-confidential information. This report will be available on a quarterly basis on the websites of QGC, DPU and CCS or by individual customer request.

The Division feels that QGC has made a commendable effort in providing this information and will continue to monitor these reports noting any changes or trends. The DPU will make appropriate recommendations including the periodic reconvening of the Task Force to review QGC's annual goals.