

FILED⁴
JUL 13 2004
Missouri Public
Service Commission

Exhibit No.: 12
Issue: Customer Service
Witness: Carlton A. Ricketts
Sponsoring Party: Missouri Gas Energy
Case No.: GR-2004- 0209

MISSOURI PUBLIC SERVICE COMMISSION

MISSOURI GAS ENERGY

DIRECT TESTIMONY OF

CARLTON A. RICKETTS

Jefferson City, Missouri

November 2003

DIRECT TESTIMONY
OF CARLTON A. RICKETTS
NOVEMBER 2003

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Carl Ricketts. My business address is 3420 Broadway, Kansas City,
3 Missouri, 64111.

4

5 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

6 A. I am Vice President of Business Services for Missouri Gas Energy
7 ("MGE" or "Company").

8

9 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND EXPERIENCE.**

10 A. I am a graduate of Emporia State University where I earned a Bachelor of Science
11 degree with a major in accounting and a Master in Business Administration with a
12 major in management. I joined Missouri Gas Energy in May 2002, as Vice
13 President Business Services. My responsibilities include, among other areas, the
14 customer service operations.

15

16 Prior to joining Missouri Gas Energy, I was employed by Western Resources for
17 twenty years. At Western Resources, I held numerous positions in the customer
18 service arena including area Manager, Division Manager and Regional Director.
19 These positions included responsibility for both gas and electric service, and I

oversaw field operations, office administration, customer contact operations and community relations. Before leaving Western Resources, I also held positions of Vice President Labor Relations, Vice President Corporate Development, Vice President Strategic Planning and Vice President Investor Relations.

Q. DO YOU HAVE ANY INFORMATION DEMONSTRATING MGE'S COMMITMENT TO SERVICE QUALITY?

A. We are committed to providing a high quality of service to our customer. The following statistics for abandoned call rate ("ACR") and average speed of answer ("ASA") summarize our results during the last five calendar years:

	<u>ACR (%)</u>	<u>ASA (seconds)</u>
CY98	8.35	62
CY99	5.88	64
CY00	6.08	64
CY01	9.69	125
CY02	4.48	58

Except for CY01, when performance measures were negatively affected by the unusually high number of customer contacts resulting from the cold weather and high gas prices of the winter of 2000-2001, MGE has consistently been able to maintain relatively stable ACR and ASA levels that are better than the merger commitments for these measures, 8.5% and 75 seconds respectively. Year to date measures through October 12, 2003—5.91% and 88 seconds—have also been negatively affected by the high gas prices experienced thus far in 2003.

1 Q. DO YOU HAVE ANY OTHER STATISTICAL INFORMATION
2 DEMONSTRATING MGE'S COMMITMENT TO HIGH QUALITY
3 CUSTOMER SERVICE?

4 A. Yes. MGE implemented an automated meter reading system that has resulted in a
5 dramatic reduction in estimated meter reads. The following chart shows the
6 number of estimated meter reads on MGE's system by fiscal year for the past
7 eight years.

	<u>YEAR</u>	<u>NUMBER OF ESTIMATED METER READS</u>
8		
9	FY96	674,834
10	FY97	761,641
11	FY98	172,217
12	FY99	14,607
13	FY00	1,893
14	FY01	967
15	FY02	687
16	FY03	556

17
18 In addition, the number of complaint/inquiry contacts made by MGE customers
19 with the Commission's consumer services department has also been trending
20 favorably over the past several years—although calendar year 2001 reflects a
21 higher number of contacts that would be expected to result from the combination
22 of cold weather and high gas prices in the winter of 2000-2001—as shown in the
23 following chart.

	<u>YEAR</u>	<u>NUMBER OF COMPLAINTS/INQUIRIES#</u>
24		
25	CY00	448
26	CY01	840
27	CY02	389
28	CY03*	136

29 #Based on information provided by the Commission Staff for reports
30 submitted by MGE in Case Nos. GM-2000-43, et al.

31 *Through June

1
2 **Q. HAS MGE TAKEN STEPS TO HELP MAKE SURE THE PROGRESS**
3 **MADE IN PROVIDING QUALITY CUSTOMER SERVICE IS**
4 **MAINTAINED?**

5 A. Yes. We continually seek ways to serve our customers more effectively and
6 efficiently, typically by improving processes or deploying technology. Examples
7 of process improvements or technology deployment that have been implemented
8 recently or will soon be implemented include the following:

- 9
- 10 • In 2001-2002 MGE rolled out a work-force automation project pursuant to which
11 computer terminals were installed in the trucks of all service personnel in the
12 field. Service orders are now largely administered via computer instead of the old
13 paper method, which allows for more efficient assignment and routing of service
14 orders. And the orders are now closed by service personnel in the field instead of
15 by personnel in the office, which speeds the input of data into the customer's
16 account and eliminates a hand-off that formerly exposed orders to being lost.

- 17
- 18 • Performance standards were implemented in the contact center in 2002. The
19 standards clearly convey expectations regarding successful performance of
20 personnel in the contact center and have boosted the overall performance of the
21 contact center. There is a direct, positive correlation between achievement of the
22 standards and providing good customer service.

- 1 • Since 2001, enhancements to our website enable customers to pay their gas bills
2 and retrieve information from their accounts electronically. Over time we have
3 seen more and more use by customers of this capability.

- 4
5 • We are in the process of upgrading our Interactive Voice Response (“IVR”)
6 system, which should be in place in early 2004. This upgraded IVR will allow us
7 to conduct interactive transactions with customers on an automated basis,
8 providing customers with efficient service 24 hours a day, seven days a week.
9 Initially, customers will be able to make payments by credit or debit card, bank
10 plan and check, in addition to being able to arrange short-term payment
11 extensions. We expect to add functionality over time so that customers will be
12 able to conduct additional kinds of transactions by way of the IVR, including such
13 things as signing up for the Average Bill Calculation (“ABC”) plan.

14
15 **Q. WHAT KIND OF WORKING RELATIONSHIP EXISTS BETWEEN MGE**
16 **AND ITS UNIONS, AND HOW DOES IT AFFECT MGE’S**
17 **OPERATIONS?**

18 A. For a number of years now, MGE has had in place a Labor/Management
19 Partnership in which an outside facilitator helps us conduct partnership meetings
20 on a regularly scheduled basis. Labor and management seek to resolve issues at
21 the lowest possible levels in the organization. Overall, the Labor/Management
22 Partnership has had a positive impact on our operations, resulting in a more
23 favorable work environment and better customer service.

1

2 **Q. DOES THIS CONCLUDE YOUR DIRECT PRE-FILED TESTIMONY?**

3 **A. Yes, at this time.**

4

Kim W. Henzl
Notary Public - Notary Seal
State of Missouri
Jackson County
My Commission Expires Feb. 3, 2007