

ORDER NO. 02-612

ENTERED SEP 05 2002

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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 918

In The Matter Of The Application Of )  
ScottishPower Plc And PacifiCorp For An )  
Order Authorizing ScottishPower Plc To ) SUPPLEMENTAL ORDER  
Exercise Substantial Influence Over The )  
Policies And Actions Of PacifiCorp )

DISPOSITION: MODIFICATION APPROVED;  
ORDER NO. 99-616 AMENDED

On October 16, 2001, PacifiCorp filed a petition under ORS 756.568 and OAR 860-013-0020 for modification of Commission Order No. 99-616, which authorized ScottishPower Plc to exercise substantial influence over the policies and actions of PacifiCorp, pursuant to ORS 757.511. The basis for the current request, including a description of the filings and their procedural history, is contained in Staff's recommendation report, attached as Appendix A.

At its Public Meeting on September 3, 2002, the Commission adopted Staff's recommendation and approved this current request.

**ORDER**

IT IS ORDERED THAT Order No. 99-616 is hereby modified to reset the final target for Performance Standard 6, Telephone Service Levels, to a ratio 80% of incoming calls answered within 20 seconds, effective October 1, 2002, as further described in Appendix A. All other provisions of previous Commission orders issued in this docket, shall, to the extent not modified by this order, remain in full force and effect.

Made, entered and effective \_\_\_\_\_.

BY THE COMMISSION:

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**Becky L. Beier**  
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561.  
A party may appeal this order to a court pursuant to ORS 756.580.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT**

**PUBLIC MEETING DATE: September 3, 2002**

**REGULAR**   X   **CONSENT**        **EFFECTIVE DATE**   October 1, 2002  

**DATE:** August 13, 2002

**TO:** John Savage through Lee Sparling and Bonnie Tatom

**FROM:** Reed Harris

**SUBJECT:** PACIFICORP: (Docket No. UM 918) Petition to modify Performance Standard No. 6.

**STAFF RECOMMENDATION:**

I recommend that the Commission modify its Order No. 99-616, entered October 6, 1999, in Docket UM 918 to reset the final target for Performance Standard 6, Telephone Service Levels, to a ratio of 80% of incoming calls answered within 20 seconds.

**DISCUSSION:**

On October 16, 2001, PacifiCorp (Pacific or company) filed a petition under ORS 756.568 and OAR 860-013-0020 for modification of Commission Order No. 99-00616 in UM 918, (which authorized Scottish Power plc (ScottishPower) to exercise substantial influence over the policies and actions of PacifiCorp, pursuant to ORS 757.511).

In the Order, the Commission adopted implementation of a number of Performance Standards and Customer Guarantees proposed jointly by ScottishPower and PacifiCorp. Performance Standard 6 addresses the response times for incoming calls to PacifiCorp's Business Center. Specifically, Performance Standard 6 provided for progressively faster responses to incoming calls as follows:

- Within 120 days of completion of the [acquisition] transaction, 80% of the incoming calls were to be answered with 30 seconds (80/30).
- By January 1, 2001, the target was increased to 80% of the calls answered within 20 seconds (80/20).
- By January 1, 2002, the target would ratchet up to 80% of the calls answered in 10 seconds (80/10), for all subsequent time periods as the final increment.

PACIFICORP (Docket No. UM 918) ) Petition to modify Performance Standard No. 6.  
August 13, 2002  
Page 2

In the public meeting of December 3, 2001, the Commission postponed implementation of the "80/10" 3<sup>rd</sup> increment until January 1, 2003, to provide the company and Staff an opportunity to assess whether this final step was both reasonable and realistically attainable. Commission Order No. 01-1110 (December 28, 2001) directed Staff and the company to provide recommendations regarding implementation of the "80/10" ratio to the Commission no later than September 30, 2002.

Since December 2001, the company has implemented several changes to its physical telephone system and the telephonic activities associated with customer service as follows:

- Automated Outage Call Handling. The company has engaged Twenty First Century, Communications (TFCC) to provide an external Interactive Voice Response (IVR) system linked to the company's CADOPS outage reporting system. This system provides backup depth to the company's internal telephone centers during outages and other high call volume episodes or events. Customers' calls are answered within 20 seconds and customers may both log outage information and receive outage details without having to speak directly to a customer service representative (CSR). In addition to providing additional call-intake capacity, this system allows company CSRs to respond to emergency and safety issues and more complex cases. (Customers accessing the TFCC/IVR system will still be able to contact a company CSR.) To supplement the TFCC/IVR system, non-CSR company support personnel are also being trained to assist with outage calls, further reducing customer time in queue.
- The actual call routing menu has been redesigned to provide a clearer, simpler and easier to understand process for customers. In simplifying the menu, the company has also been able to reduce the length of the menu message. The result is a shorter and more comprehensible message.
- Pacific's customer services section has implemented a new performance management tool, eQuality, which allows simultaneous monitoring of CSR audio and computer use. Used both as a quality-control tool and coaching/training aid, the eQuality system and associated training programs are credited by the company with improving both the quality and consistency of assistance provided by the CSRs.

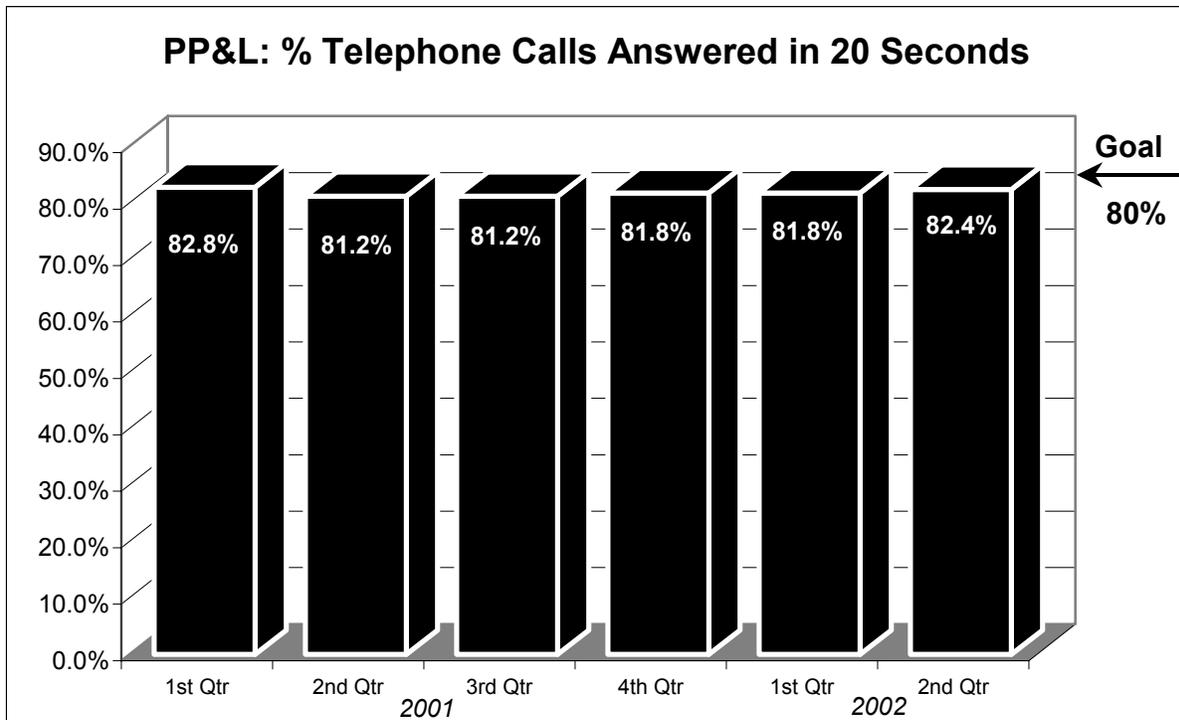
The company credits these changes in equipment and process for improvements in the quality of service provided to its customers. The changes in the call routing menu alone have reduced the average "in-menu" IVR time 50% from the previous level of 50 seconds to the current 25 seconds. The end result is a simpler, more user-friendly process that takes one-half of the time.

PACIFICORP (Docket No. UM 918) ) Petition to modify Performance Standard No. 6.  
August 13, 2002  
Page 3

However, time spent negotiating the IVR is not counted in the performance standard. The telephone-answering performance measurement clock actually begins when the call is released from the IVR into queue for the next available CSR.

A more accurate measurement of actual customer service efficiency improvements would be to measure the elapsed time from the moment the customer's call triggers the IVR menu until the customer is greeted by a live CSR. Prior to implementation of the new call menu, the total elapsed required time to meet the 2001 goal would have actually been 80% of the calls answered in 70 seconds (50 seconds in the IVR + 20 seconds for the CSR to answer the phone after it rang.) This elapsed time has now been cut nearly in half to 45 seconds, yet the measurement of "calls answered within 20 seconds" doesn't reflect that improvement, because of the way the performance standard is measured.

Consequently, the ratio of calls answered in 20 seconds (PS-6) shows only a slight improvement (from 81.8% to 82.4%), although the actual time required to talk to a real person at the company has been almost halved.

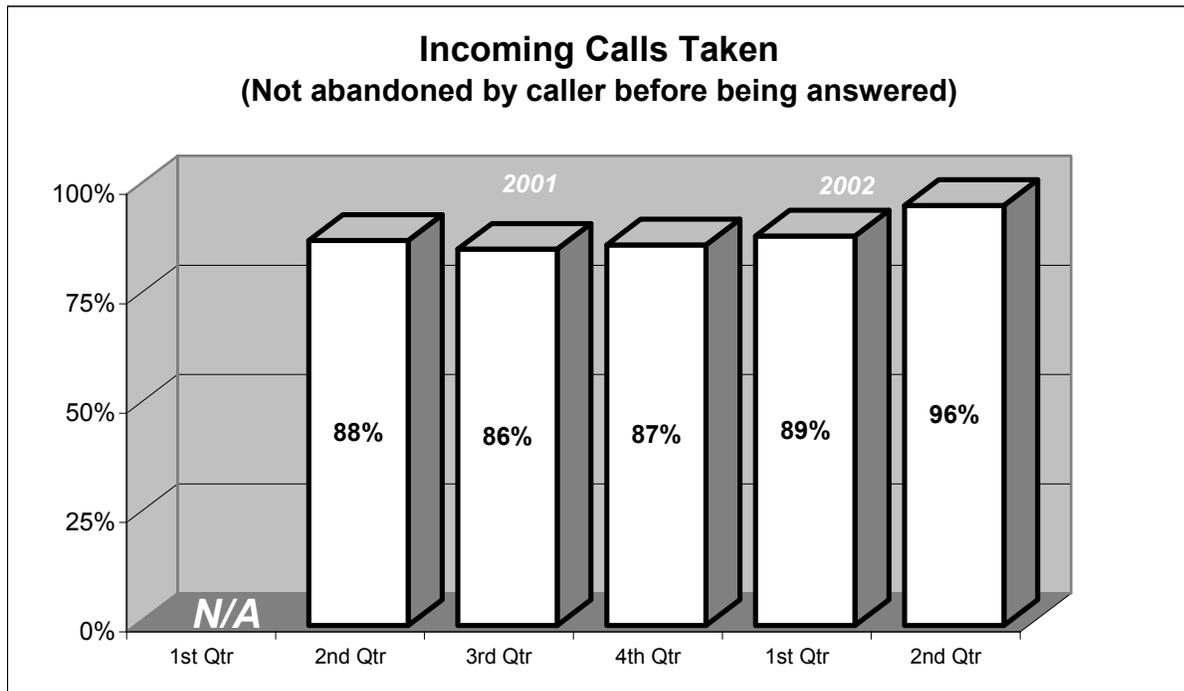


While the reduction in time necessary for a customer to reach a company representative is notable, that is not the whole story. During this same period, the ratio of calls in

PACIFICORP (Docket No. UM 918) ) Petition to modify Performance Standard No. 6.  
August 13, 2002  
Page 4

which the customer hung up before the call could be answered has also declined. Whether this decline in "hang-ups" or abandoned calls is a direct result of the improved IVR menu has not been directly proven, however a shorter, clearer menu of options certainly has to be considered as a factor.

Since the 4<sup>th</sup> quarter of 2001, the ratio of calls getting through to a CSR, (calls that are not abandoned by the caller somewhere in the menu process), has increased from 87% to 96%. Prior to the new IVR menu, up to 14% of incoming calls were abandoned by the caller before being answered by the company. Currently that has dropped to a ratio of 4% of the incoming calls being abandoned.

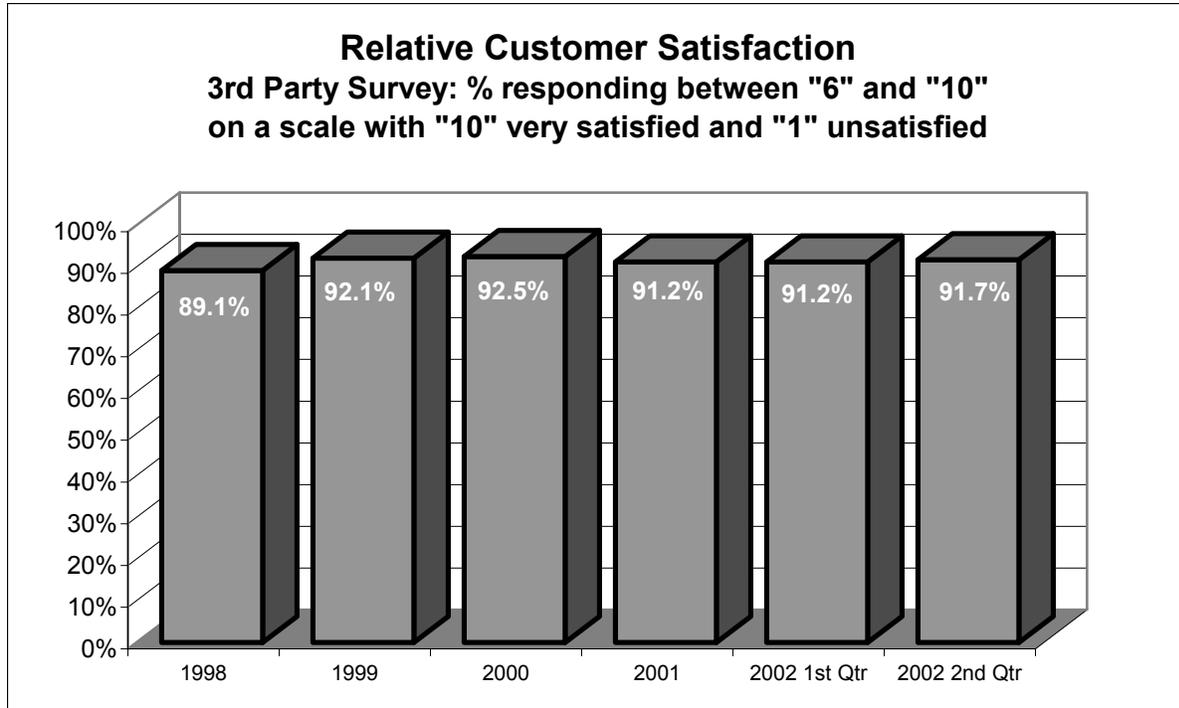


It should also be noted that the environment for electric utilities has changed since the performance standards were adopted in 1999. The most significant of these changes is restructuring, which has altered the relationship between Pacific and its customers and introduced increasingly complex issues into the calls handled by the company's CSRs. Consequently, the company's emphasis on attempting to answer customer questions and resolve each customer's issues during that respective customer's first call has increased the average duration of each call.

Finally, Pacific tracks the relative satisfaction of customers contacting the company. The company uses an independent 3<sup>rd</sup> party to survey those customers contacting the company to determine that customer's relative satisfaction with the CSR interaction. A

PACIFICORP (Docket No. UM 918) ) Petition to modify Performance Standard No. 6.  
August 13, 2002  
Page 5

1 to 10 scale used is with "5" and below interpreted as "unsatisfied" and "6" and above registering varying degrees of "satisfaction".



This survey indicates that the progressive improvement in the telephone answering time since 1999, from 79% answered in 45 seconds to 82.4% answered in 20 seconds, has not produced a corresponding increase in customer satisfaction. From another perspective, that of relative customer dissatisfaction, PUC Consumer Services Division confirms that the current answering standard of 80% of the calls answered in 20 seconds is not a source of complaints from Pacific's customers.

Pacific's petition to modify Order No. 99-616, questioned whether the additional resources and costs necessary to reach a call-answering ratio of 80% answered in 10 seconds, if that ratio could actually be accomplished, would be justified by any benefits realized. At that time, neither Pacific nor Staff could substantiate whether the 80/10 goal was in fact attainable, reasonable, or justifiable.

It is Staff's opinion that Pacific has achieved measurable improvements in the quality of telephonic service provided to its customers. The total elapsed time from the point the customer's call is picked up by the IVR, until the customer is connected to a company representative has been reduced by almost 50%. Of those customers calling the company, the percentage that actually get through to a company representative has

PACIFICORP (Docket No. UM 918) ) Petition to modify Performance Standard No. 6.  
August 13, 2002  
Page 6

increased by 10%. The quality, consistency and complexity of information provided to customers have increased. Customer satisfaction levels have not suffered and complaints about telephone answering time are not an issue.

Whether or not the 80/10 answering ratio is actually attainable still has not been established. It has not been attained, but in the effort to determine if it could be attained, the quality of service that Pacific provides to its customers has substantially and measurably improved within the 80/20 answering ratio.

Staff believes that given the current improvements that have been implemented, the only realistic way to reach the 80/10 ratio would be to add more people to the call centers, creating increased costs that would eventually fall upon the shoulders of ratepayers, without providing an equivalent increase in benefits. Consequently, Staff recommends that the Commission modify its Order No. 99-616, entered October 6, 1999 in Docket UM 918 to reset the final target for Performance Standard 6, Telephone Service Levels, to a ratio of 80% of incoming calls answered within 20 seconds.

Staff identifies two alternative actions to adopting the 80/20 standard as the permanent final level of Performance Standard No. 6:

1. The Commission could extend the postponed implementation of the final 80/10 ratio beyond the current expiration date of January 1, 2003.
2. The Commission could deny PacificCorp's petition and allow the 80/10 ratio to become effective on January 1, 2003.

**PROPOSED COMMISSION MOTION:**

Order No. 99-616 in Docket UM 918 be modified to reset the final target for Performance Standard 6, Telephone Service Levels, to a ratio 80% of incoming calls answered within 20 seconds, effective October 1, 2002.