

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 1, 2007
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk *pc*
FROM: Rosanne Gervasi, Senior Attorney, Office of the General Counsel
RE: Docket No. 060368-WS - Minutes of October 30, 2007, Informal Meeting with Aqua Utilities, Florida, Inc.

Please file the attached minutes in the above-mentioned docket file. Thank you.

RG
Attachments

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09974 NOV-18

FPSC-COMMISSION CLERK

Minutes of October 30, 2007 Informal Meeting
With Aqua Utilities Florida, Inc. (Aqua)

Meeting commenced at 10 a.m. and adjourned at 12:30 p.m.

Attendees

Representatives of Aqua:

Chris Franklin
Kimberly Joyce
Jack Lihvarcik
Lesley Dix (by telephone)
Rick Fox (by telephone)
Bill Kephart (by telephone)
Stan Sczygiel (by telephone)

Representatives of Office of Public Counsel:

Charlie Beck
Steve Reilly

Florida Public Service Commission staff:

Cheryl Bulecza-Banks
Rosanne Gervasi
Rhonda Hicks
Troy Rendell
Marshall Willis

Customers of Aqua (Chuluota service area):

Terry Barlow
Nancy Evans
Ron McKay
James Mikell
Lourdes Rivas
Joseph Rivas
Jeff Siger
Kelly Sullivan

Purpose of Informal Meeting:

To review Aqua's response time performance relative to the Commission's complaint process, and any other service quality issues that may have arisen since the September 26, 2007, informal meeting with Aqua.

DOCUMENT NUMBER-DATE

09974 NOV-15

FPSC-COMMISSION CLERK

Agenda: The Agenda items was posted prior to the meeting on the Commission's website homepage, under "Hot Topics."

I. Call Center Project

Chris Franklin:

Aqua has experienced a very good past few months in its Call Center. During this past summer, Aqua added Midwest customers which generated a higher call volume. Aqua added Call Center staff to handle the increased call volume and also Midwest calls have moderated. Aqua is now back to meeting its stated metrics for the Call Center.

Aqua has three Call Centers; in North Carolina, Pennsylvania, and Illinois. Florida customer calls go to the North Carolina Call Center. However, if that Call Center is full, Florida calls are routed to one of the other two Call Centers.

Training in the Call Centers has been a key element in handling calls in a single call so that customers do not have to call back a second time.

Bill Kephart:

As discussed at the last meeting, Aqua has increased the number of customer service representatives (CSRs) and the number of customer lines in its Call Centers. Aqua added CSRs in two waves; it first added 10 CSRs and then added 8 more, for a total of 18 additional CSRs. Before adding them, Aqua had 62 full-time equivalent positions and now has 80 full-time equivalent positions. Aqua has also implemented customer-friendly messages re: estimated call wait times, whether an emergency exists, and good off-peak times to call back.

From August to September 2007, Aqua experienced a 25% system-wide reduction in phone calls and cut the call abandonment rate in half from approximately 16% to 8%. Busy signals were only experienced for one hour during one day, due to an emergency in the Midwest.

In September, the reason for most of the 4200 calls from Florida were re: customers moving in or out of their properties. In October, Florida volume increased to approximately 4800 calls, and involved more verifications of account balances. Aqua attributes this to the on-going status of the Florida interim rate refunds. Call volume is expected to decrease after the refunds are reflected in customer bills.

Aqua measures its service level by the percentage of phone calls answered within 90 seconds or less and has a goal of attaining this service level 80% of the time. An average service level measurement for a retail shop is percentage of calls answered within 30 seconds or less. However, Aqua surveyed its Pennsylvania customers three to four years ago and learned that customers preferred a 90 second average answer time in an effort to trim costs. In August, Aqua attained a 38% average service level, with a 192 second average speed of answer. In September, the service level increased to 63%, with an a 111 second average speed of answer. In October, further improvement is expected. On most days this month, Aqua has attained the 80% target

service level. Call Center metrics are calculated on a company-wide basis. Aqua does not have Florida-specific statistics. However, Aqua has the metrics for its Southern district, which includes Florida, North Carolina, Virginia, and Ohio.

II. Training in Call Centers

Aqua's standard for continued employment at the Call Center is 12 calls per hour, as a measurement of productivity. Aqua is installing a quality control mechanism and training program that consists of the following three parts, as follows:

1. Quality assurance monitoring, which involves CSR supervisors listening to the interactions and then coaching CSRs;
2. Training, including training materials that are kept current, and onboard training for new CSRs which recognizes high turnover; and
3. The formalization of a communication channel in the Call Centers to keep CSRs apprised of the latest information re: line breaks, outages, and emergencies, in order to add to the quality of customer interaction for the Call Centers.

Aqua is currently laying the groundwork to fully implement these initiatives and implementation of the initiatives has begun. Aqua expects these initiatives to be fully operational within the next 30 to 60 days and that they will be routinized by this time next year.

III. Refund of Interim Rates

Rick Fox:

Aqua's accounting department has calculated all of the interest for the Florida refund of interim rates in accordance with the prescribed method. The adjustments are currently under review by the accounting department. Aqua is on the verge of posting the credits to the customer accounts. October bills which have not yet been issued will reflect the credit in the customer's October bill. Those customers already billed will receive their credit with their November bill. All customers will receive their interim refund credit by mid-November.

Re: the bill presentation for the interim refund, the interim refund adjustment will appear as two line items: 1) the actual interim refund amount; and 2) the applicable interest. Water and wastewater accounts will appear separately, such that there will be four lines on the bill for water and wastewater customers to reflect the water and the wastewater interim refund adjustments. Aqua will also include a bill message to indicate that the adjustments are related to the interim rate adjustments.

Re: quality control on the administration of the refund, Aqua's billing unit assures that the refund is appropriate, the accounting group administers the refund, and the PSC will verify the accuracy of the refunds.

IV. Meter Replacement/Meter Reading

Chris Franklin:

Aqua's primary objective is to have meter readings occur on the 30th day. Aqua has continued to improve in this area, and with the conversion to radio frequency devices (RF), the company should be able to meet that objective with extreme precision.

Jack Lihvarcik:

Approximately 5000 meters have been installed in Florida and a mobile collector has been purchased. Right now meter readers use a hand held unit but those do not have the range of the mobile collector. The 5000 meters have been installed in Alachua, Citrus, Brevard, Volusia, Desoto, Highlands, and Hardy County, and in one small system in Pasco County, as a pilot project. Other meters are manually read. Aqua can now read the meters located in Alachua, Citrus, and Marion Counties within 3 days. It took 13-15 days to read those meters manually. Aqua has budgeted for all remaining RF meters to be installed in 2008. In all, there will be 14,000 RF meters installed, starting in Lake County and ending in Pasco County in December 2008, at a cost of approximately \$210 per meter. The new RF unit will not allow meter readers to type in a number/curb a meter reading. One additional meter reader has been terminated in Pasco County for curbing.

In response to a question posed by Kelly Sullivan re: whether a quality assurance program exists to insure that all customers are billed, Chris Franklin stated that this happens infrequently. It happens most likely when a customer forgets to register with the company when he or she first moves in. Aqua requires proof of when a customer moves in by way of a copy of a mortgage or lease. Kelly Sullivan stated that the meter at one house in her neighborhood is overgrown with weeds. Chris Franklin advised her to have the customer call the Call Center. Kelly Sullivan stated the customer may not want to call because her bill is only \$70 per month. Nancy Evans stated she knows of three neighbors who don't want to call the Call Center to report that their meters are overgrown with grass. Chris Franklin advised that the company only discusses customer bills with the customer who is responsible. Moreover, the company keeps reports that show how many accounts have been estimated. If there has been no accurate read on the account, the company is very interested in collecting actual reads because this is revenue for the company.

V. Q & A

Kelly Sullivan asked for a report on the construction Aqua is doing on the conversion to chloramination in the Chuluota service area, and how customers will be noticed of when the conversion will take place. Nancy Evans stated that chlorine is burning holes in customers' sinks, especially in the homes located closest to the plants.

Jack Lihvarcik advised that the flushing and chloramination conversion should be operational by mid-November, and is designed to eliminate the THM violations. Flushing will last approximately one week. The company will coordinate with the customers as to when the system

will be burned out with chlorine. Aqua will provide notice in the bills and by way of a postcard mailer. Aqua is open to suggestions re: the placement of signs in the community.

Nancy Evans had questions re: a new meter installed at her home. Jack Lihvarcik advised that Aqua had the meter tested by a third party at low, intermediate, and high flow, in accordance with Commission rules. Nancy Evans questioned the fairness of the test because the meter only tests up to 20 gallons, which may have caused her to receive an inadequate refund, and stated that she filed a new complaint in this matter this past week. Rhonda Hicks will check into the status of the new complaint and will contact Ms. Evans about it.

Other Matters

Complaints:

Rhonda Hicks (Customer Complaints):

The Commission's Division of Regulatory Compliance & Consumer Assistance has no Aqua complaints with late responses by the company. There are 28 complaints currently open for Aqua, 11 of which have been open for over 60 days due to supplemental questions posed by the complaint analyst in need of company response. Can the Call Center track the supplement complaint information needed to complete the resolution of complaints? Supplemental responses are due within seven days. Rhonda will discuss with Lesley Dix how the company will respond to complaints in order to minimize the need for supplemental questions.

Chris Franklin:

Aqua has a team that responds to complaints called in to the regulatory agencies. This team insures that the company follows all proper procedures and treats the customer fairly. In instances when the process has broken down somewhere, the team makes sure the problem is rectified and that the customer is satisfied.

Town Hall Meetings:

An update on the status of the town hall meetings was requested by Charlie Beck.

Chris Franklin:

Aqua will conduct six town hall meetings in 2008, as agreed upon in the settlement. All locations have not as yet been chosen; however, Aqua will concentrate in the areas with the most customers. Lake county will be one of them. A customer service person will be at each meeting to provide answers to specific billing questions. Planning of the town hall meetings will start in earnest now, and Aqua will have more to say about this at the next informal meeting.

Next Meeting:

The next monthly meeting will be held during the last week in November, after the Thanksgiving holiday. Notice of the next meeting will be posted to the "Hot Topics" section on the Commission's website and will be filed in the docket file.

Mary Diskerud

To: Richard Tudor

Attachments: Minutes of October informal meeting rg.doc



Minutes of
October informal m

Please post the attached minutes to the Hot Topics section of the Commission Website for Aqua Utilities of Florida, Inc.