

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: December 31, 2007
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Rosanne Gervasi, Senior Attorney, Office of the General Counsel *RG*
RE: Docket No. 060368-WS - Application for increase in water and wastewater rates in Alachua, Brevard, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia and Washington Counties by Aqua Utilities Florida, Inc.

Please file the attached minutes for the December 27, 2007 Informal Meeting with Aqua Utilities Florida, Inc., in the docket file for the above docket.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Minutes of December 27, 2007 Informal Meeting
With Aqua Utilities Florida, Inc. (Aqua)

Meeting commenced at 10 a.m. and adjourned at 11:00 a.m.

Attendees

Representatives of Aqua:

Chris Franklin (by telephone)
Kimberly Joyce (by telephone)
Jack Lihvarcik
Rick Fox (by telephone)
Alice Green (by telephone)
Nance Guth (by telephone)
Bill Kephart (by telephone)
O.C. Pinkney (by telephone)

Office of Public Counsel:

Steve Reilly

Office of the Attorney General:

Cecilia Bradley (by telephone)

Florida Public Service Commission staff:

Tim Devlin
Rosanne Gervasi

Customers of Aqua:

Nancy Evans, Chuluota (by telephone)
Elaine Panozzo, Sebring Lakes (by telephone)
Kelly Sullivan, Chuluota (by telephone)

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 November 29, 2007, informal meeting with Aqua.

I. Call Center Project

Bill Kephart:

Aqua's service levels continue to improve. Service level is measured by way of the percentage of customer calls handled in 90 seconds or less. In November 2007, Aqua's service level was at 71% and so far in December, the service level is at 84%, up from around 40% during the summer

months 2007. Overall, Aqua has increased its personnel that staffs the phone lines since the summer and the results are encouraging. Also, call volume has been declining since the summer. On a company-wide basis, call volume is currently 4000 calls per day, as opposed to 5400 calls per day during July and August 2007. The customer call abandonment rate has also improved from 15-16% during the summer months to 5.2% in November and 2.8 – 3% so far in December. The average time it takes to answer a call was 180 seconds over the summer, and that has gone down to 77 seconds in November and to 42 seconds so far in December.

Aqua has six fewer customer service representatives (CSRs) than it did a few months ago, due to attrition. Aqua has not rehired in these positions. This was a cost-conscious decision, due to the fact that call volume has declined.

Aqua now receives approximately 190 calls per day from Florida customers. The top ten reasons why Florida customers called Aqua in November 2007 include:

- 23% - move in/move out
- 19% - verify account balance
- 14% - explain bill
- 6% - customer account changes
- 5% - high bill complaint
- 4% - payment arrangement (for collections)
- 4% - pay by phone
- 2% - payment confirmation number
- 2% - to request correction to bill
- 2% - no bill received (bills were held up for a few days due to interim refund)

The top ten reasons why Florida customers called Aqua in December 2007 to date include:

- 19% - move in/move out
- 19% - verify account balance
- 15% - explain bill
- 7% - customer account changes
- 4% - high bill complaint
- 4% - payment arrangement (for collections)
- 4% - pay by phone
- 3% - payment confirmation number
- 2% - to request correction to bill
- 2% - estimated bills (34 calls)

Water quality complaints are received as well; however, those calls are not in the top ten reasons why customers call Aqua. Water quality complaint calls account for less than 2% of total calls in all states in which Aqua serves, including Florida. Kelly Sullivan has a continuing water quality complaint. Laundry smells bad and the water causes a white film when washing cars.

Jack Lihvarcik: Aqua samples monthly. Aqua is still out of compliance at Chuluota re: TTHMs. In January, Aqua will prove the system and switch over to chloramination upon receiving the go-ahead from the Florida DEP.

Elaine Panozzo: Sebring customers received a public notice saying that Aqua has not tested for copper and lead on a timely basis. The notice says the testing will be done from January through June 2008.

Jack Lihvarcik: Aqua missed the quarterly sampling this year in Sebring for lead and copper. Aqua's licensed operator in that service area was personally fined by the DEP for this violation. Aqua has developed an internal tracking access program for all of its water and wastewater systems. Aqua inputs the date of when sampling is due and also the results of all testing will be entered so that Aqua will have ready access to maximum contaminant levels (MCLs). The data will be entered in on a monthly basis.

Chris Franklin: This internal tracking program is 2/3 operational at this time. Also, Aqua is redesigning its employee review form for accountability. Aqua will tie employee compensation to performance and violations. This, combined with a more sophisticated reporting system should help the company improve in this area.

Re: fudging samples – an independent lab does the water sampling. The lab notifies the compliance person (Patrick Farris) of any anomalies.

Kelly Sullivan: An independent contractor should take the samples rather than Aqua employees. Chris Franklin advised Aqua has to trust in its employees to do their jobs.

II. Training in Call Centers

Bill Kephart: Aqua is staffing its latest group of trainees now. Aqua has developed a training program for call center representatives (CSRs), to include on board training for new employees, ongoing training for more experienced CSRs, and an internal communications team which makes the front line employees aware of any news/issues that customers may call about. There is also a quality monitoring team, which is a small team of independent people who monitor the calls and provide feedback to further coach CSRs. Two calls per CSR per week are monitored and each CSR receives a monthly review. Also, all calls are recorded.

After-hours calls received between 8 pm – 8 am are answered by an answering service which refers calls to the Aqua field personnel. The answering service will take the information and a field representative will call the customer back, as appropriate.

Nancy Evans: filed complaints in August, October, and December and has had difficulty getting through to the Aqua call center this month. She has received her third estimated bill. Although the bill says actual, it was rounded up. Water is still brown coming out of the tap. Aqua will follow up with Ms. Evans.

III. Refund of Interim Rates

Chris Franklin: The interim refund has been completed. Aqua did not receive a lot of calls about it. Some customers called asking for information on interest rates and for clarification about the amount of the refund.

IV. Meter Replacement/Meter Reading

Jack Lihvarcik: Much of the meter reading is now done electronically and is not manipulated by a human being. Actual reads are not fudged. On January 2, conversion to electronic metering of the 14,000 meters within the Florida systems subject to Commission regulation will begin. It will take approximately nine months to complete this process. Lake County will be converted first. Customers will be noticed as the applicable systems are nearing conversion. Also, door tags will be placed on homes with a contact person's name and phone number.

V. Q & A

Elaine Panozzo: There is an Aqua pump station near her home in Sebring Lakes. How often should the aerator run? An Aqua operator will stop by her house to discuss.

Town Hall Meetings: The first town hall meeting will be held in Mt. Dora during the last week in January. The second town hall meeting will be held in Ocala during the last week in February. Aqua will inform the PSC of all the times and locations of the town hall meetings. PSC staff will post the list of locations to the PSC's website. However, PSC staff may not receive a complete list of locations timely enough for customers to rely on it. All customers will receive a direct invitation from Aqua to one of these events.

Next Meeting:

The next monthly meeting should be held during the third week in January, so as not to interfere with Aqua's first town hall meeting. 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.