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ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF A GENERIC PROCEEDING)
TO ESTABLISH RULES GOVERNING) DOCKET NO. 01-156-R
UTILITY CUSTOMER CALL CENTERS) ORDER NO. 3

ORDER

By Order No. 1 issued on June 28, 2001, the Commission proposed certain modifications¹ to its General Service Rules (“Rules”) which would establish customer response requirements for utility call centers. Order No. 1 also established a procedural schedule for receiving comments and conducting a public hearing. The Attorney General of Arkansas (“AG”) served notice, July 23, 2001, that it would participate in the proceeding. Subsequent to its initiating order, the Commission modified the procedural schedule by its Order No. 2, issued July 24, 2001. The Commission timely effected publication of Notice of the Rule Making Proceeding as evidenced by the Proof of Publication filed in the Docket on July 27, 2001. Arkansas Oklahoma Gas Company (“AOG”) filed comments pursuant to Order No. 1 and Order No. 2 on August 15, 2001. On August 16, 2001, Logix Communications Corporation filed its comments in the docket. The following parties filed comments on August 17, 2001, responding to the Commission’s proposed Rules’ addition: the General Staff of the Commission (“Staff”), Entergy Arkansas, Inc. (“EAI”), Reliant Energy Arkla (“Arkla”), Oklahoma Gas and Electric Company (“OG&E”), Arkansas Western Gas Company (“AWG”), American Electric Power Company - SWEPCO (“Swepco”), Empire District Electric Company (“Empire”), Arkansas Electric Cooperative

¹The Commission Order proposed an addition of a section “D.” to its current Rule 2.05. Customer Service and a section “C.” to its current Rule 7.06 Operating Records.

Corporation (“AECC”), and the Arkansas Electric Distribution Cooperatives² (“Coops”). The AG filed reply comments on August 24, 2001. On August 30, 2001, Staff, OG&E, Swepco, Arkla, and Empire filed reply comments and EAI filed a letter of support for Staff’s position. On September 6, 2001, a public hearing was held in which the parties offered witnesses in support of their filed comments.

Over the past few years, most Arkansas utilities have restructured their customer service operations and are now predominantly using Customer Calling Centers³ (“Call Centers”) to manage customer service needs. Commission Rules do not currently address the operation of Call Centers. The Commission, through this Docket, is establishing appropriate rules to govern Call Center operations to ensure that customers receive uniform, quality services through these Call Centers.

The Commission’s Order No. 1 proposed for consideration certain additions to its Rules (“Commission Proposal”) and established a proceeding in which all utilities and other interested parties could comment. The Commission Proposal addressed a Call Center’s (1) “answer time” to calls made to the Call Center, (2) “answer times” for “roll-over” calls in which a customer wishes to leave the automated menu and speak directly to a utility employee, (3) “abandonment rate” of calls or the number of callers who hang up prior to concluding their business with the utility, (4) “answer times” for “roll-over” calls which deal with potential threats to public safety, and (5) record keeping. Prior to the initial comment deadline, the parties initiated a collaborative process which sought to produce a consensus response to the Commission Proposal. (Ex. at 70-71, 86, 135) Staff subsequently filed its own

² The Arkansas Electric Distribution Cooperatives consist of Arkansas Valley Electric Cooperative, Ashley Chicot Electric Cooperative, C&L Electric Cooperative, Carroll Electric Cooperative, Clay County Electric Cooperative, Craighead Electric Cooperative, Farmers’ Electric Cooperative, First Electric Cooperative, Mississippi County Electric Cooperative, North Arkansas Electric Cooperative, Ouachita Electric Cooperative, Ozarks Electric Cooperative, Petit Jean Electric Cooperative, Rich Mountain Electric Cooperative, South Central Arkansas Electric Cooperative, Southwest Arkansas Electric Cooperative, and Woodruff Electric Cooperative.

³As addressed in the comments and reply comments of Staff (Ex. 15, 26), Customer Calling Centers are centralized telephone banks which take all calls to the utility regarding utility service initiation, utility service cut-off, utility service quality, utility billing, utility outages, and other customer service issues.

proposed modification to the Rules, as further amended in its reply comments. (Ex. at 15-17, 26-28) Staff's proposed and revised *Amendment to the General Service Rules* ("Amendment"), while representing "significant progress" (Ex. at 99) in reaching consensus among the parties, was not embraced, in its entirety, by all parties. (Ex. at 29, 86, 99) The Commission notes that the AG, EAI, AECC, and the Coops support the Staff's Amendment in its entirety. (Ex. at 137, 80, 128, 131)

General

Some of the parties have expressed concerns regarding the Commission's initiation of this rulemaking and whether Call Center rules are necessary. Swepeco, AOG, and Empire variously argued that (1) lack of complaints, (2) other types of more important consumer satisfaction criteria, and (3) potential cost of compliance should be considered before the Call Center rules are adopted. Swepeco and Empire note that there have been no complaints regarding their Call Centers, indicating that Call Center rules may not currently be needed. (Ex. at 81, 116) AOG stated that "it is not aware of any significant problems" encountered by its customers in obtaining service by telephone. (Ex. at 66) Swepeco noted that consumer satisfaction is not necessarily measured by Call Center operations alone, but "is also linked to first-call resolution of customers' problems..." which should receive consideration. (Ex. at 83) Swepeco, Empire, AOG, OG&E, and Arkla also expressed concerns regarding costs incurred to adopt the Commission Proposal, as written. OG&E, Arkla and Swepeco anticipate increases in investment⁴ and annual expense⁵ should the Commission Proposal be adopted. (Ex. at 31, 88, 90)

Empire argued that its consumer complaint record does not "justify the additional expenditures to be borne by Empire's 3,700 Arkansas customers...." (Ex. at 117) These additional costs, Empire notes, "would be exclusively associated with the new Arkansas rules and thus, would likely be allocated

⁴\$1.5 million for Arkla. (Ex. at 31) and \$265,000 for OG&E. (Ex. at 100)

⁵\$3.7 million for Arkla, \$ 3.3 million for OG&E, and \$1.3 million for Swepeco. (Ex. at 31, 100, 88, 90)

100% to Empire's 3,700 (Arkansas) customers. Empire does not have similar call center compliance standards in Oklahoma, Kansas or Missouri." (Ex. at 121) Empire proposed that all small utilities be exempt. It proposed that utilities "serving less than 5,000 Arkansas customers" be exempt from the Call Center rules, absent "a statistically significant number of complaints...." Noting Staff's proposed exemption of Coops, some of which were larger than itself, Empire argued that the incremental cost to meet "mandates" is not justified for its base level of only 3,700 customers in Arkansas. (Ex. 121 -122)

Arkla, Swepco, AOG, and Empire all recommended that serious consideration be given to the cost associated with any rule. These parties recommended that the Commission engage in more study prior to establishing any set rules. AOG suggested that "a cost/benefit analysis be performed" and that the Commission "hold public meetings" to gauge customer interest. (Ex. at 66) Arkla urged the Commission to perform "consumer research to determine what service level utility customers desire ... balanced against the corresponding cost." (Ex. at 38) Swepco "strongly encourage(d) the use of caution in the development of performance standards without first gathering comparable industry historical data and analyzing potential impacts, including cost...." (Ex. at 84)

The record reflects that the vast majority of electric and gas consumers in Arkansas are required to obtain virtually all customer service through their utility's Call Center⁶. As lamented in the public comments, the opportunity for those customers to resolve service issues face-to-face is no longer available. (T. at 32) Guidelines for Call Center operations are either internally determined by each utility, or set by rules already in place by the regulatory authorities in one or more of the other jurisdictions in which these utilities operate. (Ex. at 91, 121) The Commission's own agency records, its experiences in its community outreach work with consumers statewide, and the record in this Docket indicate that there are currently and the potential for future problems with use of Call Centers to meet

⁶EAI, OG&E, Swepco, Empire, Arkla, AWG, AOG, all have customer Call Centers. The combined customer count of these utilities represents the majority of Arkansas utility consumers of electricity and gas.

Arkansas consumer needs. (T. at 67-69) Complaint records for some utilities may denote laudable levels of customer satisfaction with current operations. However, it would be imprudent for the Commission to depend solely on either the continued good intentions of its jurisdictional utilities, or the wisdom of other commissions, in determining appropriate operation of Call Centers serving Arkansas consumers. Nor does the Commission find it appropriate to wait until a significantly larger customer service problem exists. Uniform and consistently applied Rules for Call Centers operating in Arkansas are needed.

The Commission will give due consideration to the cost issues raised. AOG, Swepco, and Arkla propose that cost analysis and cost studies be considered prior to enacting rules. (Ex. at 38, 66,84) The opportunity to address cost issues was provided in this docket. Some of the parties appear to fault Staff for not having conducted these studies. (T. at 40-42, 48, 62) The responsibility to provide that information to the Commission, however, does not lie with Staff. The cost consequences of the alternative proposed standards discussed here would be more precisely and readily available to the utilities required to meet those standards. Had these utilities wished to introduce the alternative cost impacts, or even estimates thereof, they could have availed themselves of the opportunities provided to them through this docket.

Moreover, the Commission is cognizant that the decisions to consolidate or eliminate local customer service options, merging customer service functions into large, centralized facilities serving multiple states and, in some cases, multiple corporate entities⁷, were made by utility management⁸. While the means or method of providing high quality customer service may be discretionary, the regulatory requirement of providing such service is not. Increased operating efficiencies with

⁷Arkla, AOG, Empire, OG&E, EAI, Swepco (and other affiliates of AEP) operate on a multi-state, multi-jurisdictional, and, in some instances, multi-corporate level. (Ex. at 82, 91, 115)

⁸The record does not indicate that any Arkansas utility, also operating in other states, consolidated local offices into customer call centers upon order of any regulatory body in those states.

corresponding economic advantages (savings) were the touted benefits of replacing local office services with Call Center operations. It is not clear, however, how much these savings may offset any incremental cost that may result from implementation of the Rules established in this proceeding. The Commission also notes that, absent a rate change, these consolidation savings have not yet been enjoyed by ratepayers. Rather, they have been, heretofore, enjoyed only by utility stockholders.

As to Empire's discussion of future rate treatment of these costs (Ex. at 121), the Commission makes no ruling here. Nor will the Commission specifically comment on the differing jurisdictional requirements raised by Swepco. (Ex. at 91) However, the Commission recognizes that interstate utilities have operated for decades across inter-jurisdictional lines. In doing so, these utilities have been required to meet the varying needs of the multiple jurisdictions under which they operate. And, in each state, rules of service and operation may vary slightly or significantly from one to another. Sharing utility functions across more than one jurisdiction is not something new, and is in fact one of the efficiency reasons that many utilities implemented their Call Centers. Furthermore, having to operate those functions under differing rules for each state is also nothing new. Consolidating multi-jurisdictional services under centralized Call Centers is a management choice, requiring that management adapt Call Center operations to conform to each jurisdiction's rules. In some instances, its shared operations are adjusted to reflect the most stringent of rules. This may result in customers in certain jurisdictions enjoying levels of service not required by the rules in those jurisdictions. The fact that customers enjoy a higher standard than required by the state in which they reside, however, does not remove those customers' responsibility for the cost of the service they do receive.

Staff Proposed Amendment

Commission Staff "agrees with the Commission's conclusion that uniform rules applicable to the operation of...(Call Centers)...are needed to ensure that utility customers receive the best customer

service possible.” (Ex. at 8) Staff, however, recommended certain changes to the Commission Proposal. First, Staff added pertinent definitions to the “Definitions” Section of the current Rules. (Ex. at 8, 9-10) Staff argues that “without (use of) consistent definitions, the proposed standards may not be applied uniformly by all utilities.” (Ex. at 10) This particular aspect of Staff’s proposal, specifically the need for, and the wording of, the proposed definitions, is either generally supported or not opposed by the majority of the parties including the AG, EAI, Arkla, AWG, AECC, and the Coops. (Ex. at 8-10, 135-136, 70-71, 74, 80, 36, 57, 128, 131) The Commission finds that the addition and content of the definitions, as proposed by Staff, will result in standards more easily followed and uniformly applied and should, therefore, be included in the Rules.

Additionally, based on its definition of Call Center, Staff recommended that neither the Coops nor AECC should be subject to Call Center rules. Staff acknowledged the comments of the Coops and AECC, noting that Coops do not currently maintain Call Centers, as defined by Staff. Nor does AECC, as a wholesale provider, fit the “retail” requirements of a Call Center. (Ex. at 9, 19, 127-128) The Commission finds that, under the definition of “Call Center” set forth in Staff’s Amendment, AECC, as a wholesale rather than retail provider, would not be subject to Call Center rules. The Commission also finds that the Coops, which do not currently maintain Call Center operations, would also not be subject to Call Center rules.

AOG, in its comments, also contended that its operations do not fall within Staff’s definition of a Call Center and, therefore, it is exempt from Call Center rules. (Ex. at 65) Staff, however, rebutted that contention, arguing that AOG’s main office operations fit the proposed rules’ definition. (Ex. at 19) Based on the testimony, however, the Commission finds that AOG and its consolidated customer service operations, as described by Staff (Ex. at 19), fall under Staff’s definition and would therefore be subject to the Call Center rules.

Empire, arguing that the costs to its small customer base were not justified, proposed that the

Commission exempt utilities with less than 5,000 Arkansas customers from these rules. (Ex. 121-122) Empire emphasizes its small customer base and compares its operations with those of “exempt” Coops, noting that Empire is smaller than many of them. (Ex. 121-122) In its argument, however, Empire misses the distinction and reason for the Coop exemption, which is the absence of Call Center operations. Empire operates Call Centers which serve its Arkansas customers. (Ex. at 116-117) No other utility operating a Call Center would be exempt under the Rules. And, in similar fashion to all or most of these other utilities: (1) Empire chose to consolidate its customer service functions into centralized Call Centers; (2) Empire operates in multiple jurisdictions; and, (3) Empire may have some issues of cost, both consolidation savings and costs incurred as a result of implementing the proposed Rules. Other than its small customer base, the Commission finds no distinction between Empire and the other utilities with Call Centers and, therefore, no factual nor public policy basis to warrant adopting its proposed exemption to the rule. Accordingly, the Commission rejects Empire’s proposed general “exemption”.

Both AOG and Empire are, however, free to pursue, in a separate proceeding, individual utility requests for exemptions to any Commission Rule. Alternatively, either utility could conform its operations such that it would not be using a Call Center to provide customer service.

Finally, Staff recommends several modifications to the Commission Proposal under Section 2.05.D. and 7.06.C. of the Commission Proposal. Some of these changes are stylistic only. However, some would change the Commission’s proposed service quality (2.05.D) and record retention (7.06.C) requirements for Call Centers.

Section 2.05.D.

Under Section 2.05.D., Staff first recommended that Commission-proposed answer times for both “initial calls” and “roll-over” calls be changed. Acknowledging the concerns of the other parties,

Staff recommended in its reply comments that “answer times” for a customer’s initial call be changed from “90% of all calls answered within 20 seconds”⁹ to “80% of all calls answered within 30 seconds”. This proposed service level was either suggested, or is now generally supported, by the majority of the parties. AG, EAI, OG&E, Empire, Arkla, AWG, AECC and the Coops support Staff’s answer time requirement. (Ex. 18-19, 27, 136, 73-74, 100, 120, 32, 34, 50, 58, 128, 131) These parties also support, or do not oppose, Staff’s recommendation that the Commission’s proposed “roll-over time” be changed. Staff proposed to change the “roll-over time” requirement from “95% transferred to a live assistant within 55 seconds”¹⁰ to “80% of all such calls ... (rolled-over) within 30 seconds of the customer’s election.” (Ex. at 27, 136-137, 73-74, 77, 80, 100-101, 108, 120, 32, 34, 36-38, 50, 56, 58, 128, 131) Swepeco, however, argued that “average speed of answer” or “ASA” rather than “answer-time” is a more appropriate method of measurement. According to Swepeco, use of “answer time” can cause incomplete and misleading results and could result in higher costs. Swepeco proposed that the Commission adopt “ASA” instead of “answer time” and set the “ASA” at 60 seconds. (Ex. at 84-86, 88, 94)

In rebuttal, Staff argued, first, that no other party proposed the isolated use of ASA as the appropriate service measurement. Staff proposed adoption of both “answer time” requirements and “average speed” requirements, noting that adoption of both will more “adequately protect customers.” (Ex. at 21-22) Additionally, Staff argued that “information available to (it) indicates that many utilities are currently achieving a service level of 80% of calls answered in 30 seconds.” (Ex. at 21, T. at 40) Staff recommended that all “answered” calls be subject to a certain time “ceiling” based on an ASA or average speed, within an “average speed” not to “exceed 30 seconds.” (Ex. at 10, 27) Staff’s proposed 30-second average speed requirement is either generally supported, or not opposed, by the majority of

⁹Commission Order No.1. (Ex. at 6-7)

¹⁰Commission Order No.1. (Ex. at 6-7)

the parties. (Ex. at 136-137, 73-74, 77, 80, 37, 50, 59, 108, 128, 131) Staff has incorporated the use of both “answer time” and “average speed” in its proposal. While Staff’s proposal does not exactly match Swepeco’s current operations, it has accommodated the concerns raised by the majority of the parties. Accordingly, the Commission finds Staff’s recommended provisions on this issue reasonable and appropriate for inclusion in the Rules.

In addition to its proposed changes to “answer times”, Staff also recommends that “the abandonment rate standard of 10% be deleted from the rules.” The majority of the other parties and Staff agree that call abandonment is not within the control of the utilities. Staff notes that customers abandon their connections for many unrelated reasons. As such, setting a standard for abandonments is not appropriate and Staff has deleted that section of the Commission Proposal. (Ex. at 21, 136, 74, 77, 80, 108, 86, 89, 35, 56, 58, 128, 131)

At the same time, however, Staff recommended adoption of a provision which would require that a utility’s “busy-out rate shall not exceed 5%”. Staff argued that customers confronted with “busy signals because of insufficient lines” should be recognized and that utilities should be required to keep records of “busy-outs”. (Ex. at 11) This Staff proposal is either generally supported, or not opposed, by the majority of parties, including EAI, AWG, AECC, Arkla, and the Coops. (Ex. at 11, 136, 74, 77, 80, 38, 62, 128, 131) However, both OG&E and Empire, while not necessarily opposing the requirement, noted that neither currently takes the telecommunications service needed to track this information. (Ex. at 108, 121- footnote no. 1) For this reason, OG&E argued, it has no busy-out data and is not sure that a 5% maximum is reasonable. OG&E recommended a six (6) month data collection period before the Commission adopts this measure. (Ex. at 108) Swepeco recommended data be collected for at least 12 months before determining whether a 5% rate is reasonable. (Ex. at 96)

Based on the degree of consensus and the logic underlying it, the Commission finds that both (1) deletion of the abandonment provision, and (2) adoption of Staff’s “busy out” provision are

appropriate. Utilities have little control over call abandonment, which may occur due to other than service-related reasons. (Ex. at 21) The Commission, therefore, approves the removal of that provision from the Rule. The Commission also approves Staff's "5% busy-out" rate. The purpose of these rules is to ensure responsiveness on the part of utilities choosing to operate Call Centers. There is no difference between consumers left waiting for utilities to answer a ringing phone and consumers who are consistently confronted by a busy signal when attempting to contact the utility. The Staff's proposal appears reasonable¹¹, with, as the Commission understands the concept, utilities averaging no more than one in twenty calls receiving busy signals. Should OG&E or Swepco find in the months ahead, as data is collected, that meeting this requirement is onerous, each is free to petition the Commission for further consideration.

Also under Section 2.05 of the Commission Proposal, Staff recommended changes be made to the "roll-over" provisions for calls dealing with public safety¹². Staff argued that most automated systems currently in place give customers an opportunity to report safety hazards. However, the "10-second"¹³ limitation in the Commission Proposal does not provide sufficient time for the utility "to identify itself and explain the automated system." (Ex. at 12) Staff proposed to split this one provision into two distinct provisions. The first provision would require that an automated system give the customer the choice to report a potential hazard "within 25 seconds" of the call's receipt. The second provision would require that "customer calls determined to involve clear threats to public safety be given the highest priority and answered by the next available employee." (Ex. at 12, 27) Staff's proposal

¹¹Staff notes that under a 5% busy out rate, of the 2.6 million calls OG&E received each year, it would be allowed approximately 500 busy tones per working day, which Staff concludes is a "very large number". (T. at 61)

¹²Commission proposed Rule 2.05.D.4 states that: Calls to the customer call center that involve potential threat to public safety shall be answered by a representative of the utility within 10 seconds of the customer stating or the utility determining that the call is clearly related to maintaining public safety.

¹³Commission Order No.1. (Ex. at 6-7)

is generally supported or not opposed by EAI, AG, OG&E, Swepeco, Arkla, AWG, AECC and the Coops. (Ex. at 74, 77, 131, 109, 95, 38, 59, 128, 131) The Commission finds Staff's recommendation reasonable and approves the change to the Commission Proposal.

For purposes of compliance with these rules, Staff also proposed that measurement be made on a monthly basis. (Ex. at 9, 19-20, 27-28) Swepeco, Arkla, AWG, EAI, and OG&E all raised concerns that Staff's standards were too strict. (Ex. at 88, 95, 37-38, 71, 56, 103) These parties argued, first, that monthly measurement did not give appropriate consideration to "extraordinary" circumstances. (Ex. at 88, 34, 71, 56, 103) To accommodate that concern, Staff, in its revised Amendment, incorporated an additional provision under Section 2.05 which requires that "reasonable consideration shall be given to any extraordinary circumstances that may have existed during the measurement period." Actual performance data would continue to be reported. However, due consideration of any reported "extraordinary" circumstances would be given should there be a literal violation of any performance standard. (Ex. at 22)

Arkla objected to Staff's revised approach and requested that all effects of extraordinary circumstances be excluded entirely when measuring compliance with these rules. Arkla contends that its proposal would "remove much of the subjectivity that is inherent in Staff's approach." (Ex. at 50) However, Arkla fails to explain how its proposal, which allows individual utility adjustments to performance data, made and quantified at the sole discretion of the utility for circumstances the utility itself deems "extraordinary", is less subjective than having each utility simply report the actual data. (T. at 83-84) The Commission finds Arkla's proposal to be more subjective, not less. The Commission finds that Staff's proposal would appropriately recognize "extraordinary" circumstances and allow for the opportunity to modify the performance expectations accordingly.

Many of the parties also argued that Staff's "monthly" compliance standards are too aggressive. These parties recommended that "annual" compliance is more appropriate and cost-effective. OG&E

and Arkla, with Swepeco support, argued that the seasonal and peaking nature of their systems requires a 12-month measurement period to meet the answer times within reasonable cost levels. (Ex. at 102-103, 30, 34, 48, 96) AWG argued that the Commission should either adopt an exemption for extraordinary items or use annual standard measurement. (Ex. at 56, 59) In reply, Staff continues to support measurement of compliance under the Rules on a “monthly” basis. Staff is concerned that annual compliance measurement will “dilute poor monthly performance making the standard less meaningful.” (Ex. at 20)

The Commission shares Staff’s concern that annual measurement could result in reduced customer service if performance problems are allowed to go undetected and unreported for this period of time. However, the Commission also finds that the arguments as to the peaking and seasonal nature of utility operations, with the corresponding cost of staffing and performing to meet peak needs on a monthly basis, have validity and merit consideration. (Ex. at 32, 45, 59, 95) Further, as noted by OG&E, even under annual compliance standards, utilities will need to approximate monthly compliance in order to eventually meet the annual standard. Utilities will not be free to vary significantly from the standard on a regular basis without risking failure to meet annual compliance. (T. at 107-109) The Commission is persuaded that a combination approach best meets the needs of consumer service as well as cost-effectiveness. The Commission finds that monthly “reporting”, but annual compliance, is the best way to ensure that problems can be detected and resolved on an ongoing basis while also balancing the cost of strict monthly compliance. The Commission, therefore, directs each utility to keep data on its monthly Call Center performance¹⁴, with records sufficient to calculate that performance on an annual basis. Compliance with the Rules will be determined based on each utility’s annual performance. Appropriately, as proposed by Staff, (T. at 71) the 12-month measurement period should

¹⁴Staff advises that the majority of utilities do not oppose reporting on a monthly basis, as long as compliance measurement is made annually. (Ex. at 20)

reflect the most current information available. Utilities shall use, for measurement purposes, a twelve-month rolling average, ending with the most recent month¹⁵. Further, based upon the recommendation of Staff, (T. at 71-72), that twelve month average will be calculated using actual performance data, not an average of each month's performance.

The Commission notes that no party specifically recommended an implementation date for these rules. Arkla did express a concern that a certain level of lead time may be necessary, although with annual measurement, that lead time could be less. (Ex. 34-35) Many Arkansas utilities are already meeting these or similar standards and should be able to achieve almost immediate compliance with the Rules. (Ex. at 19) For others, additional time will be needed. (T. at 68-69) Staff indicates that it does not object to implementation as of the beginning of 2002, but that the date should be set "no longer than six months" from the order date. (T. at 68-69) The Commission will, therefore, require that monthly performance data be collected beginning with the month of January 2002. Monthly performance information or reports should be gathered or completed no later than the end of the following month. The Commission will also require, for the first twenty-four months of Call Center data collection, that the monthly data on compliance be provided to the Staff upon completion. At the end of that period, the Commission will consider whether monthly reporting to Staff should be mandated as a part of these Rules.

The Commission, however, does qualify its approval of an annual compliance period for this Rule. While annual performance compliance provides a utility the opportunity to even out the seasonal and peaking draw on its Call Center operations, the Commission firmly expects each utility to maintain

¹⁵Arkla had expressed concern that the rules may require retention and application of prior-period information for record keeping and measurement. (Ex. at 38) To clarify, the rules are to be applied prospectively only. During the first eleven months of implementation, a full year of cumulative information will not be available for measurement purposes. Therefore, while data retention and reporting will begin for the first month, measurement for compliance with the standards will not begin until the twelfth month of that year.

reasonable performance, even during these periods. To the extent the Commission determines, at some later date, that annual compliance standards result in utility performance which fails to meet the needs of Arkansas consumers, it will revisit the issue and make any amendment to the Rules it deems appropriate.

Section 7.06.C

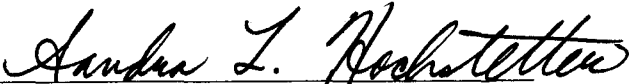
In addition to the changes made to Section 2.05, Staff proposed changes to the record keeping requirements under the Commission Proposal, Section 7.06. Staff added more specific informational requirements under the Rule. Staff argued that its changes make the Rule more consistent with other General Service Rules and “provide(s) more meaningful data....” (Ex. at 13, 17, 28) Staff further recommended that records be kept for “each customer call center”. (Ex. at 28) OG&E, while not generally opposing the Commission’s record retention requirements, also recommended that records be maintained by “call center” rather than by “Arkansas customers”. (Ex. at 106) Additionally, Staff amended its proposal in light of concerns raised by Empire¹⁶. Staff amended the Commission Proposal to require only a three-year retention period, contending that “a three year retention period (for) call center records is adequate....” (Ex. at 22-23, 28) The AG, EAI, OG&E, and Swepco generally or fully support Staff’s recommendations. (Ex. at 136, 109, 80, 92) The Commission finds Staff’s recommended revisions appropriate, more consistent with other Commission Rules, and delineating more clearly the data that will be required.

The Commission, therefore, adopts the rules for Call Centers as proposed by Staff in its Revised Staff Exhibit 1, amended to reflect the provisions of this order, to be effective beginning January 1, 2002. Compliance with these Rules shall be measured beginning in the twelfth month of applicability.

¹⁶Empire argued that its system could not accommodate four-year record retention (Ex. at 117-118).

BY ORDER OF THE COMMISSION.

This 8th day of October, 2001

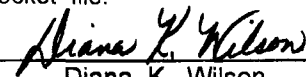

Sandra L. Hochstetter, Chairman


Betty C. Dickey, Commissioner


Lavenski R. Smith, Commissioner


Diana Wilson
Secretary of the Commission

I hereby certify that the following order issued by the Arkansas Public Service Commission has been served on all parties of record this date by U.S. mail with postage prepaid, using the address of each party as indicated in the official docket file.


Diana K. Wilson
Secretary of the Commission
Date 10-8-01