

## **Detail of CAPD MDC Testimony Exhibits**

### **ATMOS Earnings Investigation IN TRA Docket 05 - 00258**

Exhibit  
Reference

Description

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#### **I. Bare Steel Replacement**

BS1	ATMOS response to CAPD Data Request #1 Part II 4
BS2	ATMOS response to CAPD Data Request #1 Part II 1
BS3	ATMOS response to CAPD Data Request #1 Part II 5
AA	Projection of Completion of Bare Steel/Cast Iron Replacement Utilizing 2006 Agreement
A1	Bare Steel/Cast Iron Mains and Services In Service and Replacement by State, By Year
A2	Bare Steel/Cast Iron Mains and Services - Tennessee, Replacement by State, By Year
A3	Bare Steel/Cast Iron Mains and Services - Mississippi, Replacement by State, By Year
A4	Bare Steel/Cast Iron Mains and Services - Kentucky, Replacement by State, By Year
A5	Bare Steel/Cast Iron Mains and Services - Georgia, Replacement by State, By Year
A6	Bare Steel/Cast Iron Mains and Services - Virginia, Replacement by State, By Year

#### **II. Request Implementation of Service Quality Metrics and Reporting**

SQ	NASUCA Minimum Service quality Standards Resolution
CS	ATMOS Detail of Service Metrics - Customer Service (Call Center)
SD	ATMOS Detail of Service Metrics - Service Department
CD	ATMOS Detail of Service Metrics - Construction Department
MS	ATMOS Detail of Service Metrics - Meter Services
CC1	ATMOS Call Center Employees - 1998
CC2	ATMOS Call Center Employees - 1999
CC3	ATMOS Call Center Employees - 2000
CC4	ATMOS Call Center Employees - 2001
CC5	ATMOS Call Center Employees - 2002
CC6	ATMOS Call Center Employees - 2003
CC7	ATMOS Call Center Employees - 2004
CC8	ATMOS Call Center Employees - 2005
CC9	ATMOS Call Center Employees - 2006
NC1	North Carolina Public Service Commission stipulation agreement in Docket G-9, Dated April 18,m 2006
NC2	Comments and Recommendations Concerning Piedmont's Customer srvice and Estimated Billing Problems and Proposed Correcton Plan, Margaret A. Force, Assistant Attorney General State of North Carolina, Department of Justice, Dated March 3, 2006

#### **III. Investigation of ATMOS Shutoff Procedures**

SO	ATMOS Response to CAPD Data Request #1 Part II Q.15
SO1	Analysis of Shutoff of Services by Company Last Heating Season vs. Previous Year

#### **IV. ATMOS Billing For Third-Party Vendors**

MI	Detail of the Extent of third-Party Billing By ATMOS
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**FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE**

PART II 4. Please provide the expected miles of Bare Steel/Cast Iron gas mains and services per year until all such mains and services are replaced in Tennessee.

Response: In TN jurisdiction Company projects to replace approximately 45,000 ft of bare steel over the next 10 year period. Numerous discussions and/or meetings have taken place with the Safety Division of the Tennessee Regulatory Authority. Atmos will be happy to meet with the Consumer Advocate to discuss in more detail.

Respondent: Patricia Childers

## Executive Summary

In preparation for the April 21st meeting with the TRA, Atmos personnel met to discuss replacement criteria for prioritization of bare steel line sections for FY2006. Tabulated line section data, leakage information and maps were prepared and reviewed for each of the following scenarios.

1. Replacement allocation to each town based on active leaks on Bare Steel pipe.
2. Replacements prioritized according to Atmos Risk Management Model (ARMM).
3. Replacements prioritized by active leakage on ARMM line sections.
4. Hybrid approach where replacements were designated by local operations management by evaluating scenarios 1-3 together with availability of internal resources, job packaging efficiencies for outside contractors and local knowledge of other factors.

After careful review of the maps, data and available resources, Atmos proposes to target approximately 45,000 ft of bare steel pipe for replacement during FY2006. The estimated cost is expected to be approximately \$1.3 million. In addition, the group recommends using replacement scenario 4 and that replacements and resources be allocated as follows:

Tri-Cities	10,000 ft Company Crews 15,000 ft Contractor Crews
Maryville/ Morristown	10,000 ft Company Crews
Middle TN/ Union City	10,000 ft Company Crews

**FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE**

5. Provide the expected replacement miles of Bare Steel/ Cast Iron gas mains and services per year until all such mains and services are replaced (by state) served by ATMOS Energy.

Response: This response is limited to the states of Virginia, Georgia, Mississippi, and Kentucky as agreed to between the Company and the Consumer Advocate Division.

**Virginia-** Atmos has approximately 8900 feet of bare steel and approximately 11,400 feet of cast iron in Bristol, Virginia. Footage is replaced in conjunction with leak repairs. No formal program is in place.

**Georgia-** Program approved by the Georgia Public Service Commission in 2000. Replacement of Bare Steel is scheduled for a 20 year period and cast iron for a 15 year period. Company is slightly accelerating replacement and is in its seventh year of the replacement program. Docket No. 12509-U. Order and annual filings made by Atmos are available on the Georgia Commissions web site as an active docket under 12509-U.

**Mississippi-** Approximately 1,124,000 feet of cast iron pipe was in service on May 1, 1999. Since that date, 804,500 feet has been replaced. The program approved by the Commission was a 10 year replacement program. The company is in the seventh year of the program.

**Kentucky-** There is no formal program. Replacement for both bare steel and cast iron is performed in conjunction with leak repairs, etc.. Kentucky has approximately 2 miles of cast iron and 3 miles of bare steel.

ATMOS Bare Steel/Cast Iron Replacmeent Schedule - Tennessee

## CAPD Exhibit MDC AA

## Utilizing 2006 Annual Agreement - Projecting Forward

45,000 Feet of Main Per Year

[illegible]

Bare Steel/Cast Iron In Service By Jurisdiction, By Year (In Miles)								Reduction Since 1999 (miles)
Jurisdiction	1999	2000	2001	2002	2003	2004	2005	
Tennessee	121.3125	119.9858	149.6733	147.5455	141.8068	138.8153	126.4744	(5.2)
No commission ordered replacement plan in place								
Mississippi	237.9697	211.9697	193.9697	181.9545	112.9091	89.90909	81.87879	156.1
In 7th year of Commission ordered replacement plan								
Kentucky	231.5614	225.3784	222.3784	220.6572	218.4383	217.2773	216.4917	15.1
No commission ordered replacement plan in place								
Georgia	333.5199	367.5767	350.9659	333.8665	307.358	286.2756	264.0341	69.5
In 7th year of Commission Ordered replacement plan								
Virginia	5	5	5	5	5	5	5	0.0
No commission ordered replacement plan in place								
Replacement Rates Per Year (Miles)								(Miles)
Tennessee	1.3	-29.7	2.1	5.7	3.0	12.3	(5.2)	(27,255)
United Cities 1990 - 2000 Per Year Average								61,090
Mississippi	26.0	18.0	12.0	69.0	23.0	8.0	156.1	824,160
Kentucky	6.2	3.0	1.7	2.2	1.2	0.8	15.1	79,568
Georgia	-34.1	16.6	17.1	26.5	21.1	22.2	69.5	366,885
Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-

(Feet)

MDC A2  
MDC R1  
MDC A3  
MDC A4  
MDCA5  
MDC A6

Data Source: ATMOS D.O.T. 7100 Reports

Bare Steel Cast Iron 05-00258.xls  
Accum

# ATMOS 05-00258 Bare Steel Cast Iron Analysis

CAPD Exhibit MDC A2

Analysis of Tennessee Mains and Services - ATMOS Energy Corporation							
	1999	2000	2001	2002	2003	2004	2005
Mains (Miles)	91	90	120	118	113	109	97
Services Number	2134	2111	2089	2080	2028	2099	2075
Length	75	75	75	75	75	75	75
(Feet)	160,050	158,325	156,675	156,000	152,100	157,425	155,625
(Miles)	30.3	30.0	29.7	29.5	28.8	29.8	29.5
							4,425
							0.8
Total Mains & Services	121.3	120.0	149.7	147.5	141.8	138.8	126.5
							-5.2

Age of System (2005)							
	Pre- 1970	1970-1979	1980-1989	1990-1999	2000-2005	Total	
Mains	620	306	794	990	290	3,000	100%
	21%	10%	26%	33%	10%		
Services:							
number	14,733	10,316	32,222	55,164	17,411	129,846	
Feet	1,104,975	773,700	2,416,650	4,137,300	1,305,825	9,738,450	
Miles	209.3	146.5	457.7	783.6	247.3	1,844	
	11%	8%	25%	42%	13%	100%	

Data Source: ATMOS D.O.T. 7100 Reports

Bare Steel Cast Iron 05-00258.xls  
TN

# ATMOS 05-00258 Bare Steel Cast Iron Analysis

CAPD Exhibit MDC A3

## Analysis of Mississippi Mains and Services - ATMOS Energy Corporation

	1999	2000	2001	2002	2003	2004	2005	Reduction From '99
Mains								
(Miles)	235	209	191	179	110	87	79	156
Services								
Number*	196	196	196	195	192	192	190	
Length	80	80	80	80	80	80	80	
(Feet)	15,680	15,680	15,680	15,600	15,360	15,360	15,200	480
(Miles)	3.0	3.0	3.0	3.0	2.9	2.9	2.9	0.1
Total Mains & Services	238.0	212.0	194.0	182.0	112.9	89.9	81.9	156.1

		Age of System (2005)							
		Pre- 1970	1970-1979	1980-1989	1990-1999	2000-2005	Total		
Mains		2,597	954	865	902	816	6,134		
		42%	16%	14%	15%	13%	100%		
Services:									
number		131,546	46,237	41,996	43,763	34,491	298,033		
Feet		10,523,680	3,698,960	3,359,680	3,501,040	2,759,280	23,842,640		
Miles		1993.1	700.6	636.3	663.1	522.6	4,516		
		44%	16%	14%	15%	12%	100%		

\* = Copper Services

Data Source: ATMOS D.O.T. 7100 Reports

Bare Steel Cast Iron 05-00258.xls  
MS



# ATMOS 05-00258 Bare Steel Cast Iron Analysis

CAPD Exhibit MDC A4

## Analysis of Kentucky Mains and Services - ATMOS Energy Corporation

	1999	2000	2001	2002	2003	2004	2005	Reduction From '99
Mains	218	214	211	210	208	207	207	11
Services	2106	1767	1767	1655	1621	1596	1474	
Length	34	34	34	34	34	34	34	
(Feet)	71,604	60,078	60,078	56,270	55,114	54,264	50,116	21488
(Miles)	13.6	11.4	11.4	10.7	10.4	10.3	9.5	4.1
Total Mains & Services	231.6	225.4	222.4	220.7	218.4	217.3	216.5	15.1

### Age of System (2005)

	Pre- 1970	1970-1979	1980-1989	1990-1999	2000-2005	Total
Mains	1,610 44%	433 12%	615 17%	671 18%	310 9%	3,639 100%
Services:						
number	74,923	42,401	25,545	25,823	6,628	175,320
Feet	2,547,382	1,441,634	868,530	877,982	225,352	5,960,880
Miles	482.5 43%	273.0 24%	164.5 15%	166.3 15%	42.7 4%	1,129 100%

Data Source: ATMOS D.O.T. 7100 Reports

Bare Steel Cast Iron 05-00258.xls  
KY

# ATMOS 05-00258 Bare Steel Cast Iron Analysis

CAPD Exhibit MDC A5

## Analysis of Georgia Mains and Services - ATMOS Energy Corporation

	1999	2000	2001	2002	2003	2004	2005	Reduction From '99
Mains (Miles)	232	227	212	195	174	156	137	95
Services Number	5105	7069	6988	6983	6706	6551	6388	
Length (Feet)	105	105	105	105	105	105	105	
	536,025	742,245	733,740	733,215	704,130	687,855	670,740	-134715
	101.5	140.6	139.0	138.9	133.4	130.3	127.0	-25.5
Total Mains & Services	333.5	367.6	351.0	333.9	307.4	286.3	264.0	69.5

Age of System (2005)							
	Pre- 1970	1970-1979	1980-1989	1990-1999	2000-2005	Total	
Mains	541 45%	167 14%	201 17%	178 15%	127 10%	1,214	100%
Services: number	18,635	15,409	15,472	11,926	7,372	68,814	
Feet	1,956,675	1,617,945	1,624,560	1,252,230	774,060	7,225,470	
Miles	370.6 27%	306.4 22%	307.7 22%	237.2 17%	146.6 11%	1,368	100%

Data Source: ATMOS D.O.T. 7100 Reports

Bare Steel Cast Iron 05-00258.xls  
GA

# ATMOS 05-00258

CAPD Exhibit MDC A6

## Bare Steel Cast Iron Analysis

### Analysis of Virginia Mains and Services - ATMOS Energy Corporation

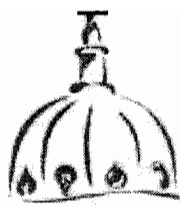
	1999	2000	2001	2002	2003	2004	2005	Reduction From '99
Mains (Miles)	5	5	5	5	5	5	5	0
Services Number	0	0	0	0	0	0	0	0
Length (Feet)	105	105	105	105	105	105	105	105
(Miles)	-	-	-	-	-	-	-	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Mains & Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	0.0

#### Age of System (2005)

	Pre- 1970	1970-1979	1980-1989	1990-1999	2000-2005	Total
Mains	243 38%	62 10%	145 23%	139 22%	45 7%	634 100%
Services: number	4,960	1,877	5,327	7,600	2,338	22,102
Feet	520,800	197,085	559,335	798,000	245,490	2,320,710
Miles	98.6 22%	37.3 8%	105.9 24%	151.1 34%	46.5 11%	440 100%

Data Source: ATMOS D.O.T. Reports

Bare Steel Cast Iron 05-00258.xls  
VA



NATIONAL ASSOCIATION  
OF STATE UTILITY  
CONSUMER ADVOCATES

**NASUCA**

CAPD EXHIBIT MDC SQ

## **The National Association of State Utility Consumer Advocates Resolution 2005-04**

### **MINIMUM SERVICE QUALITY STANDARDS RESOLUTION**

**Calling upon state regulatory authorities to establish regular reporting requirements for utilities on service quality and to establish minimum performance standards with appropriate enforcement provisions so that adequate, reliable, and safe service is achieved and maintained; and**

*Whereas*, adequate service quality from providers of gas, electric, water, and telecommunications services is essential to everyday life and affects almost every function of our society, and service inadequacies and interruptions frustrate or disrupt normal functions; and

*Whereas*, adequate service quality from such providers is also vital to our Nation's economy, our position in the global economy and to national security;

*Whereas*, gas, electric, water, and telecommunications service providers have a duty to provide service that is adequate, reliable, and safe; and

*Whereas*, consumers expect and should receive service that is consistently adequate, reliable, and safe; and

*Whereas*, utility industry developments over the past decade such as mergers, diversification, and changing economic conditions have encouraged utilities to cut costs, reduce staffs and outsource some utility operating functions, and such efforts to economize may have led to deterioration of service quality; and

*Whereas*, a gradual decline in performance may not be detected for some time if regulators do not keep informed as to service quality through regular monitoring; and

*Whereas*, by keeping informed, regulators are better able to recognize signs of deterioration and inadequacies so that they can take corrective action to avert major service quality problems that would otherwise be frustrating and disruptive to consumers; and

*Whereas*, standardized reporting requirements and regular reporting are necessary for regulators to be able to monitor service quality and changes in performance; and

*Whereas*, reports should address performance areas such as customer relations and billing (e.g., responsiveness of customer call centers, responsiveness to consumer complaints, timeliness of installations and repairs, and accuracy and frequency of billing and meter reading) and operating performance (e.g., frequency and duration of outages, and responsiveness to safety calls); and

*Whereas*, reporting requirements should be carefully designed to yield accurate data that is uniform and consistent; and

*Whereas*, in addition to keeping informed about service quality, regulators should establish measurable performance standards that must be met for providers to achieve and maintain a minimum quality of service, to the extent that quality of service is measurable, so that expectations are clear and problems are minimized; and

*Whereas*, performance standards should be supported by appropriate enforcement provisions; and

*Whereas*, service quality data and information should be available to the public to encourage companies to achieve good performance results, to assure that regulation is open and effective and to assist consumers who must choose among competitive providers;

THEREFORE BE IT RESOLVED, that NASUCA calls upon state regulatory authorities to establish regular service quality reporting requirements applicable to gas, electric, water, and telecommunications service providers, and to establish minimum performance standards with appropriate enforcement provisions to monitor and promote improvement toward a consistently high level of service quality for their gas, electric, water, and telecommunications customers.

BE IT FURTHER RESOLVED, that NASUCA authorizes its Standing Committees to develop specific positions and to take appropriate actions consistent with the terms of this resolution to secure its implementation, with the approval of the Executive Committee of NASUCA. The Standing Committees or the Executive Committee shall notify the membership of any action taken pursuant to this resolution.

Submitted by:

Michael D. Chrysler, Chair, Consumer Protection Committee  
June 12, 2005

Approved by NASUCA:

Place: New Orleans, LA  
Date: June 14, 2005

**ATMOS**  
**DETAIL OF SERVICE METRICS**  
**RECORDED MONTHLY FOR YEAR ENDING\*\***  
**DECEMBER 31, 2005**

Customer Service (Call Center)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
# Calls Received (% Answered)	1,324,027 n/a	1,889,777 n/a	2,000,038 n/a	2,426,085 92%	2,563,339 94%	3,105,826 94%	3,241,439 90%	3,502,027 85%
Average Answer Time (Sec.)	n/a	167	164	192	84	77	92	138
Length of Call (Min.)	n/a	3:12	4:37	4:27	4:20	3:48	3:45	4:40
After Call Processing Time (min.)	n/a	2:13	n/a *	0:51	0:30	0:38	0:39	0:32
# of Walk-Ins	Does not	Track	Costumer	Service	Walk-ins			
Customer Call Backs	Atmos	doesn't	track	customer	call backs	but	may	in future
Supervisor Referrals	Atmos	doesn't	track	supervisor	referrals			
Cash Transactions** Processed by Affiliation Agencies	n/a	31,610	141,143	168,724	n/a	n/a	99,697	92,113
Call Center Employees	127	214	181	222	236	243	265	266
Tenn. Residential Customers	87,062	91,112	95,103	97,089	99,278	101,332	103,227	106,345
Total Atmos Residential Customers	889,074	919,012	970,873	1,243,625	1,247,247	1,498,586	1,506,777	2,862,822

\*= ACW included in length of call in 2000

\*\*= 75 payment centers in Tennessee- information is for Western Union

\*\*= Summarized annually for this docket; in practice, metrics would be reported monthly

DATA SOURCE: ATMOS data request response to CAPD Part II (6 a)

## CAPD EXHIBIT NDC SD

ATMOS  
DETAIL OF SERVICE METRICS  
RECORDED MONTHLY FOR YEAR ENDING  
DECEMBER 31, 2005

## Service Department

	Jan-05	Feb-05	Mar-05	April-05	May-05	June-05	July-05	Aug-05	Sept-05	Oct-05	Nov-05	Dec-05	TOTAL 2005
Orders Worked	18,032	16,617	19,424	18,377	17,566	17,418	14,987	17,550	15,511	17,330	17,167	16,669	206,648
Appt. Orders	8,925	8,358	8,732	8,592	9,184	9,109	8,396	9,889	8,240	10,630	10,624	9,425	110,104
Appt. Missed	1,226	1,195	1,110	1,117	1,121	1,265	1,217	1,523	1,118	1,308	1,410	1,350	14,960
Emergency Orders	1,372	1,072	1,026	799	790	789	669	806	890	1,379	1,333	1,456	12,381
Emergency Resp. (min)	400	351	98	148	232	731	814	164	285	238	484	145	296
Meters Set	1,292	1,291	1,221	914	1,124	1,235	1,056	1,183	1,154	1,303	1,508	1,199	14,408

DATA SOURCE: ATMOS Data Request Response CAPD Part II (6c).

ATMOS  
DETAIL OF SERVICE METRICS  
RECORDED MONTHLY FOR YEAR ENDING\*\*\*  
DECEMBER 31, 2005

Construction Department

	1998	1999	2000	2001	2002	2003	2004	2005
TN 1 Call Tickets	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Service Order Received	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Service Orders Installed	4,502	4,630	3,178	3,030	2,465	4,158	4,577	4,711
Backlog (Weeks)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Damages	734	882	665	443	444	441	420	448
Service Renewal/ Relocate*	444	348	277	247	328	391	442	407
Service Retired*	266	143	191	181	406	579	690	812
Leaks**	n/a	800	890	1,159	1,204	1,282	400	204

\* = Does not include services renewed or retired from cast iron / bare steel main replacement program

\*\* = The number of known system leaks at end of year scheduled for repair, D.O.I., 7100 Report, p2.

\*\*\* = Summarized annually for this docket; in practice, metrics would be prepared monthly

DATA SOURCE: ATMOS Data Request CAPD Part II (6 d)



ATMOS  
DETAIL OF SERVICE METRICS  
RECORDED MONTHLY FOR YEAR ENDING\*  
DECEMBER 31, 2005

Meter Services

	1999	2000	2001	2002	2003	2004	2005
# Meters Read	1,754,700	1,385,882	1,390,924	1,331,857	1,575,013	1,605,381	1,645,793
Risers Inspected	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Estimates	1,969	95,765	128,010	206,055	3,333	2,978	3,376
% Estimated	.11%	6.91%	9.20%	15.47%	.21%	.18%	.21%
Skips	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Re-reads	3,031	7,421	7,784	6,721	5,481	4,343	5,122
Door Tags	n/a	n/a	n/a	n/a	n/a	n/a	n/a

\* = Summarized annually for this docket; in practice, metrics would be reported monthly.

DATA SOURCE: ATMOS Data Response to CAPD Part II (6 B).

# ATMOS Call Center Employees - 1998

CAPD Exhibit MDC CC1

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Avg.
Back Office CSA	3	3	3	5	5	5	8	8	10	12	12	12	7.2
Back Office Team Leader	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Business Support Analyst	1	1	1	2	2	2	2	2	2	2	2	3	1.8
Customer Research Associate	1	1	4	7	8	8	8	9	10	10	10	10	7.2
Customer Support Associate	28	36	60	69	94	94	114	114	115	116	116	126	90.2
Dir Customer Support Center	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Emp Development&Safety Coord	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Field Support Coordinator	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Customer Support Ctr Ops	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Human Resources	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Network Administrator	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Sr Admin Assistant	1	2	2	2	2	2	2	2	2	2	2	2	1.9
Team Leader	11	11	11	11	11	11	11	11	11	11	11	11	11.0
Total	53	62	89	104	130	130	153	154	158	161	161	172	127.3

Data Source: ATMOS response to CAPD data request - PartII 6.A.9

# ATMOS Call Center Employees - 1999

CAPD Exhibit CC2

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Avg.
Administrative Assistant	12	11	10	10	1	1	1	1	1	1	1	1	1
Back Office CSA	1	1	1	1	11	15	15	15	14	13	12	12	12.5
Bankruptcy Research Spec			2	2	2	2	2	2	2	2	2	2	2.0
Business Support Analyst	3	3	3	3	3	3	3	3	3	3	3	3	3.0
Customer Research Associate	10	8	8	10	9	9	10	8	8	8	6	5	8.3
Customer Support Associate	122	126	133	137	145	135	148	144	153	145	157	150	141.3
Dir Customer Support Center	1						1	1	1	1	1	1	1.0
Emp Development&Safety Coord	1	1	1	1	1	1	1	1	1	2	2	1	1.2
Field Support Coordinator	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Human Resources Generalist						1	1	1	1	1	1	1	1.0
Mgr Customer Operations													1.0
Mgr Customer Support Ctr Ops	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Human Resources	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Network Administrator	1	1	1	2	2	2	2	2	2	2	2	2	1.8
Resource Manager													1.0
Service Order Specialist													7.7
Sr Admin Assistant	2	2	2	1	1	1	1	1	1	1	1	1	1.3
Supv Business Office													1.0
Supv Credit & Collections													1.0
Supv Customer Operations													1.0
Team Leader	13	12	12	12	13	13	12	12	12	11	12	12	11.8
													12.5
Total	169	168	176	182	192	187	202	196	204	205	214	206	214.2

Data Source: ATMOS response to CAPD data request - PartII 6.A.9

# ATMOS Call Center Employees - 2000

CAPD Exhibit MDC CC3

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Avg.
Administrative Assistant	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Back Office CSA	12	12	12	12	12	11	11	11	11	11	11	11	11.4
Bankruptcy Research Spec	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Business Support Analyst	3	3	3	3	3	3	3	3	3	3	3	3	3.0
Collections Associate	3	2	2	2	14	14	14	14	14	14	20	20	15.5
Customer Research Associate	158	149	134	118	96	102	105	104	82	94	94	94	110.8
Customer Support Associate	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Dir Customer Support Center	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Emp Development&Safety Coord	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Field Support Coordinator	1	1	1	6	6	6	6	10	9	6	6	6	6.8
Group Leader	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Human Resources Generalist	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Customer Operations	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Customer Support Ctr Ops	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Human Resources	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Network Administrator	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Quality Assurance Rep	1	2	2	2	2	2	5	5	5	5	5	5	3.6
Resource Manager	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Service Order Specialist	8	8	8	7	7	7	8	8	8	8	8	8	7.8
Sr Admin Assistant	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Supv Business Office	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Supv Credit & Collections	12	12	12	10	10	9	8	8	6	8	7	7	9.1
Supv Customer Operations	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Supv Quality Assurance	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Total	213	205	190	179	171	175	180	183	156	167	171	180.9	180.9

Data Source: ATMOS response to CAPD data request - PartII 6.A.9

# ATMOS Call Center Employees - 2001

CAPD Exhibit MDC CC4

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Avg.
Administrative Assistant	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Back Office CSA	11	11	12	12	12	12	11	12	11	12	11	11	11.5
Bankruptcy Research Spec	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Business Support Analyst	3	2	2	2	2	2	2	3	3	3	3	3	2.5
Collections Associate	20	20	20	20	19	19	21	21	40	39	38	38	26.3
Customer Research Associate	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Customer Support Associate	107	129	139	137	131	136	136	144	135	143	139	144	135.0
Dir Customer Support Center	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Emp Development&Safety Coord	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Field Support Coordinator	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Group Leader	6	4	4	4	6	6	8	8	6	9	9	9	6.6
Human Resources Generalist	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Customer Operations	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Human Resources	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Network Administrator	5	5	5	5	5	5	5	5	4	5	5	5	4.9
Quality Assurance Rep	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Resource Manager	8	8	8	8	8	8	8	8	8	8	8	8	8.0
Service Order Specialist	2	2	2	2	2	2	2	1	1	1	2	2	1.8
Sr Admin Assistant	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Supv Business Office	7	9	9	10	10	10	9	7	12	12	12	12	9.9
Supv Customer Operations	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Supv Quality Assurance													
Total	184	205	215	213	208	213	215	223	234	246	241	246	222.4

Data Source: ATMOS response to CAPD data request - PartII 6.A.9

# ATMOS Call Center Employees - 2002

CAPD Exhibit MDC CC5

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Avg.
Administrative Assistant	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Back Office CSA	14	14	7	7	8	8	8	8	8	7	7	6	8.5
Bankruptcy Research Spec	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Billing Adjustment Associate			7	7	7	7	7	6	6	6	6	7	6.6
Business Support Analyst	3	3	3	2	2	2	2	2	2	2	2	2	2.3
Collections Associate	38	37	51	51	50	50	50	50	50	49	49	49	47.8
Customer Support Associate	146	138	118	115	112	110	106	126	124	125	125	124	122.4
Dir Customer Support Center	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Emp Development&Safety Coord	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Field Support Coordinator	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Group Leader	9	8	9	9	9	9	9	9	9	9	7	7	8.6
Human Resources Generalist	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Customer Operations	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Human Resources													
Network Administrator	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Network Coordinator			1	1	1	1	1	1	1	1	1	1	1.0
Quality Assurance Rep	5	5	5	5	5	5	5	5	5	5	5	5	5.0
Resource Manager	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Service Order Specialist	8	8	9	9	9	9	9	9	9	9	9	9	8.8
Sr Admin Assistant	2	2	2	2	2	2	2	1	1	1	1	1	1.6
Sr Programmer Analyst				1	1	1	1	1	1	1	1	1	1.0
Supv Customer Operations	12	12	12	12	12	11	11	10	10	10	11	11	11.2
Supv Quality Assurance	1	1	1	1	1	1	1						1.0
Total	250	240	237	234	231	228	224	241	239	238	237	236.3	236.3

Data Source: ATMOS response to CAPD data request - PartII 6.A.9

# ATMOS Call Center Employees - 2003

CAPD Exhibit MDC CC6

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Average
Administrative Assistant			1	1	1	1	1	1	2	2	2	2	1.4
Back Office CSA	6	6	7	7	7	7	7	7	6	5	4	4	6.1
Bankruptcy Research Spec	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Billing Adjustment Associate	7	7	7	7	7	6	6	6	6	6	7	7	6.6
Business Support Analyst	2	2	2	2	1	1	1	1	1	1	1	1	1.3
Business Support Analyst II													1.0
Business Support Analyst													1.0
Collections Associate	48	47	46	46	46	46	46	45	42	42	41	40	44.6
Customer Support Associate	121	119	131	125	125	121	118	114	150	145	139	148	129.7
Dir Customer Support Center	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Emp Development&Safety Coord	2	2	2	2	2	2	2	1	1	1	1	1	1.6
Field Support Coordinator	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Group Leader	9	9	9	9	9	9	9	11	13	13	13	12	10.4
Human Resources Generalist	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Customer Operations	1	1	1	1	1	1	1	1	2	2	2	2	1.3
Mgr Human Resources	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Network Administrator	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Network Coordinator	1	1	1	1	1	1	1	1	2	2	2	2	1.3
Quality Assurance Rep	5	5	5	5	5	5	5	5	5	4	5	5	4.9
Resource Manager	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Service Order Specialist	9	8	7	9	9	9	9	9	9	9	8	9	8.7
Sr Admin Assistant	2	3	2	2	2	2	2	2	2	2	2	2	2.1
Sr Programmer Analyst	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Supv Customer Operations	11	11	11	11	11	11	11	11	13	13	13	13	11.7
total	234	231	242	238	237	232	229	226	265	258	251	259	242.65

Data Source: ATMOS response to CAPD data request - PartII 6.A.9

# ATMOS Call Center Employees - 2004

CAPD Exhibit MDC CC7

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Avg.
Administrative Assistant	2	2	2	2	2	2	2	2	2	1	1	1	1.8
Back Office CSA	6	6	6	6	6	6	5	5	6	6	5	5	5.7
Bankruptcy Research Spec	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Billing Adjustment Associate	7	7	7	7	6	6	7	7	7	7	7	7	6.8
Business Support Analyst	1	1	1	1	1	1	1	1	1	2	2	2	1.3
Business Support Analyst II	1	1	1	1	1	1	1	1	1				1.0
Collections Associate	38	37	37	36	36	34	54	52	51	50	49	48	43.5
Customer Support Associate	146	142	160	158	156	153	128	139	135	134	150	144	145.4
Dir Customer Support Center	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Emp Development & Safety Coord	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Field Support Coordinator	1	1	1	1	1	1	1	1	1				1.0
Group Leader	11	11	13	13	12	12	12	15	15	14	15	15	13.2
Human Resources Assistant													
Human Resources Generalist	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Customer Operations	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Mgr Human Resources	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Network Administrator	2	1	2	2	2	2	2	2	2	2	2	2	1.9
Network Coordinator	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Quality Assurance Rep	5	5	5	5	5	5	5	4	5	5	5	5	4.9
Resource Manager	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Service Order Specialist	9	9	9	9	9	9	9	9	8	8	9	9	8.8
Sr Admin Assistant	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Sr Programmer Analyst	1	1	1	1									1.0
Supv Customer Operations	14	14	14	14	15	15	15	15	15	15	15	15	14.7
Total	257	251	272	269	265	260	254	266	262	258	274	267	264.9

Data Source: ATMOS response to CAPD data request - PartII 6.A.9



# ATMOS Call Center Employees - 2005

CAPD Exhibit MDC CC8

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Avg.
Administrative Assistant	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Back Office CSA	7	6	6	7	7	7	7	7	7	6	6	5	6.5
Bankruptcy Research Spec	2	2	2	2	2	2	2	2	2				2.0
Billing Adjustment Associate	7	7	7	7	7	7	7	7	5	5	5	4	6.3
Business Support Analyst	2	2	2	2	2	2	2	2	2	2	2	1	1.9
Business Support Analyst II										1	1	1	1.0
Collections Associate	45	43	42	40	41	40	40	40	38	37	37	36	39.9
Customer Support Associate	142	138	151	145	142	140	138	133	148	151	167	169	147.0
Dir Customer Support Center	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Emp Development&Safety Coord	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Group Leader	15	16	16	13	13	14	14	14	14	13	13	15	14.2
Human Resources Assistant	1	1	1	1									1.0
Human Resources Generalist	1	1	1	1	1	1	1	1	1	1	1	2	1.1
Mgr Customer Operations	2	2	2	3	3	3	3	3	3	3	3	3	2.8
Mgr Human Resources	1	1	1	1	1	1	1	1	1	1	1	1	1.0
Mgr Information Technology													1.0
Network Administrator	2	2	2	2	2	2	2	2	1	1	1	1	1.8
Network Coordinator	2	2	2	2	2	2	2	2	2	2	2	2	2.0
Quality Assurance Rep	5	5	5	5	5	5	5	5	5	5	5	5	5.0
Resource Manager	1	1	1										1.0
Service Order Specialist	9	10	10	10	10	10	10	10	10	10	10	10	9.9
Sr Admin Assistant	2	2	2	2	2	2	3	3	3	3	3	3	2.5
Sr Programmer Analyst											1	1	1.0
Supv Customer Operations	15	15	15	15	15	15	14	14	14	13	13	12	14.2
Training Specialist												1	1.0
Total	264	259	271	261	258	256	254	249	260	258	274	275	266

Data Source: ATMOS response to CAPD data request - PartII 6.A.9

# ATMOS Call Center Emoloyees - 2006

CAPD Exhibit MDC CC9

Job Title	January	February	March	April	May	June	July	August	September	October	November	December	Avg.
Administrative Assistant	1	1	1	1	1								1.0
Back Office CSA	5	4	4	4	4								4.2
Billing Adjustment Associate	3	3	3	3	3								3.0
Business Support Analyst	1	1	1	1	1								1.0
Business Support Analyst II	2	2	2	2	2								2.0
Collections Associate	34	34	34	51	49								40.4
Customer Support Associate	165	152	148	120	137								144.4
Dir Customer Support Center	1	1	1	1	1								1.0
Group Leader	14	13	13	13	13								13.2
Human Resources Assistant					1								1.0
Human Resources Generalist	2	2	2	2	2								2.0
Mgr Customer Operations	3	3	3	3	3								3.0
Mgr Human Resources	1	1	1	1	1								1.0
Mgr Information Technology	1	1	1	1	1								1.0
Network Administrator	2	2	2	2	2								2.0
Network Coordinator	2	2	2	2	2								2.0
Quality Assurance Rep	5	5	5	4	6								5.0
Service Order Specialist	10	9	9	12	12								10.4
Sr Admin Assistant	2	3	3	3	2								2.6
Sr Programmer Analyst	1	1	1	1	1								1.0
Supv Customer Operations	14	13	13	13	13								13.2
Training Specialist	1	1	1	1	1								1.0
Total	270	254	250	241	258								254.6

Data Source: ATMOS response to CAPD data request - PartII 6.A.9



State of North Carolina  
Utilities Commission

4325 Mail Service Center  
Raleigh, NC 27699-4325

April 18, 2006

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Thomas E. Skains  
Chairman, President & CEO  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, NC 28233

Sent via facsimile and  
USPS

*G-9  
Company Folder*

Dear Mr. Skains:

For the past several weeks the Commission has been engaged in a dialogue with your Company, the Public Staff, and the Attorney General concerning three areas of great concern: the operation of your call centers, the number of recent estimated bills, and the usage reflected on some of those estimated bills. Written reports with recommendations from Piedmont and the Public Staff were followed by an oral presentation on those reports on February 20, 2006. Further recommendations from the Public Staff and the Attorney General were received, then Piedmont filed an additional letter in response on March 15, 2006. I write now on behalf of the Commission to review the commitments that have been made and to set forth the course we believe to be reasonable as we proceed.

The circumstances that led us to open the current dialogue are well known. Concerns with respect to Piedmont's call centers existed in the fall of 2004; concerns with respect to estimated bills arose this last winter. At the outset, the Commission considered various ways in which we could exercise our oversight function. The Commission decided on the present informal process for the time in order to focus our mutual resources on meeting your customers' needs for reliable lines of communication with Piedmont and for accurate bills. We realized that an informal process would impose some limitations: we do not have the advantage of sworn expert testimony and cross examination and we cannot issue mandates as in a formal proceeding. However, an informal process has advantages in terms of achieving results quickly – the paramount goal. You assured us that Piedmont was committed to customer service and was just as interested as the Commission in solving these problems, and we incorporated those assurances in our decision to proceed as we have.

*Clerks  
A6  
Bernink  
Kirby  
Watson  
Hower  
Kite  
Hilburn  
Vacant  
Sessions  
Gilmore  
Ex Dir  
3/15 Legal  
3/15 Acctg  
2/15 Ec/Kg  
3/15 bcs*

Mr. Skains  
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#### Call Center Operations.

With respect to call center operations, the Commission believes that Piedmont should commit to several corrective steps. Some of these steps have already been undertaken and recent reports suggest that welcome improvements have occurred. These steps include matters that Piedmont proposed in its report of February 17, recommendations from other parties to which Piedmont agreed in its letter of March 15, and, in some instances, further commitments and conditions that the Commission finds appropriate. The corrective steps are as follows:

- Piedmont will increase the number of Piedmont-employed and fully trained full-time customer service representatives to a level of no less than 137.
- Piedmont will increase the number of trained third-party customer service representatives to 95 by May 1, 2006.
- Piedmont will implement information and customer service management system modifications to permit the additional trained third-party customer service representatives identified above to act as Company customer service representatives on a seamless basis no later than May 1, 2006.
- Piedmont will improve its Interactive Voice Response (IVR) and web-based self-service systems prior to September 1, 2006, in order to permit customers to make payment arrangements, enroll in the Equal Payment Plan, and authorize automatic bank drafts without the need to speak to a customer service representative.
- Piedmont will increase the existing capacity of its IVR system by at least 115 access lines by September 1, 2006.
- Beginning May 1, 2006, Piedmont will file with the Commission and serve on the Public Staff and the Attorney General detailed semi-monthly updates on the implementation of its corrective action plan.
- Piedmont will attain by September 1, 2006, and maintain thereafter, a monthly customer service performance standard of 80/20 (i.e., 80 per cent of customer calls answered within 20 seconds). The 80/20 performance standard will apply to third party call centers as well as Piedmont's own call centers.
- Beginning May 1, 2006, Piedmont will file and serve monthly monitoring reports on its call center operations, and such reports will continue for a period of twelve months after the corrective action plan is completed (projected for September 1, 2006). These reports will include data for third party call centers

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as well as Piedmont's own call centers. The reports will be so designed as to allow for ready monitoring of the 80/20 performance standard discussed above. In addition, the reports will include measurement and reporting of calls receiving busy signals.

- In preparation for the filing of these monthly monitoring reports, Piedmont, the Public Staff, and the Attorney General will meet to discuss and refine the call center performance standard and definitions. The parties will report to the Commission on the results of their meeting, including, if appropriate, recommendations for further action by the Commission with respect to this monitoring requirement. This meeting and report will include an explanation of what it means for a call to be "answered" and a definition of "answered" as it relates to calls received and handled by the IVR system, including the formula for calculating the number of calls answered within 20 seconds and the average speed of answer. The meeting and report will address how to account for calls that are not answered because they are deflected by the IVR system and for calls that encounter a busy signal. In addition, Piedmont will file and serve a written description of the IVR menu and the various scripts within the IVR system.
- Piedmont will be assessed a monetary penalty of \$100,000 for each month during which it fails to meet the 80/20 customer service performance standard during the twelve months following September 1, 2006 (which is the projected completion date of the Company's corrective action plan for the call centers), except in cases of force majeure as provided in Commission Rule R9-8(c). A copy of this force majeure provision is attached.

The Commission requests that Piedmont file a letter accepting and committing itself to each of these steps and conditions.

Based upon the presentation that has been made and our present understanding, the Commission will accept Piedmont's proposed 80/20 customer service performance standard. As we understand this measure, it provides that, on a monthly basis, 80% or more of all calls must be answered within 20 seconds or less. However, the presentation and letters have raised enough questions as to the exact meaning of this standard, the applicable definitions, and the scope of the reporting that the Commission believes it would be advantageous for Piedmont, the Public Staff, and the Attorney General to discuss and refine these matters and to report to the Commission on their results, including, if appropriate, recommendations for further action by the Commission with respect to this monitoring requirement.

The most significant step beyond what Piedmont has so far accepted on its own is the increase in the penalty from the \$50,000 that Piedmont proposed to \$100,000.

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The Commission believes that an increased penalty is appropriate for several reasons. First and foremost, it reflects the importance of public utility customers' expectation and right to communicate with the Company in a reasonably prompt manner. You acknowledged this obligation in your report and presentation and conceded that the situation this past winter was unacceptable. The increased penalty also takes into account the fact that problems with Piedmont's call centers go back to the fall of 2004, as cited in the Public Staff's report of February 17, 2006. Finally, the increased penalty recognizes that the 80/20 performance standard is not being required until September 1, 2006, as Piedmont proposed. The Attorney General urged us to put this standard into effect right away, and there would be some logic to that since many important corrective steps have already been achieved or are targeted for May 1, 2006. The Commission has instead agreed to an 80/20 performance standard as of September 1, 2006. In light of all these considerations, the Commission believes it reasonable for Piedmont to agree to a penalty of \$100,000. We very much hope that this penalty will never come into play, and recent reports are encouraging.

We should also note that the Attorney General urged the Commission to open an investigation with an independent expert consultant to audit Piedmont's customer service performance. Piedmont opposed that recommendation as a "distraction from the immediate task at hand," and the Commission is not undertaking such an investigation at this time. The Commission continues to believe that the priority at this time is to resolve the call center and estimated bill problems, and we think that an informal process, bolstered by Piedmont's cooperation and commitment, best lends itself to achieving quick results. However, the Commission, of course, always has the right to initiate a management audit, a show cause proceeding, or any other formal action that might be appropriate.

#### Estimated Bills.

With respect to estimated bills, the Commission believes that Piedmont should commit to the following steps and conditions. Again, these include matters that Piedmont has either proposed or accepted, as well as further commitments and conditions that the Commission finds appropriate. The steps and conditions are as follows:

- Piedmont will complete the automated meter reading (AMR) project in North Carolina by March 1, 2007, at the latest.
- Piedmont will work with the Public Staff to attempt to improve the methodology for estimating bills in the future.

Mr. Skains  
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- Piedmont will limit monthly estimated bills on a statewide basis to 1% of its total statewide bills and will limit monthly estimated bills on a district-wide basis to 3% of its total district-wide bills until the AMR project is completed.
- Piedmont will file monthly reports until the AMR project is completed indicating statewide and district-wide estimated bill statistics in order to permit the Commission to monitor compliance with the above performance commitments.
- Piedmont will be assessed a monetary penalty of \$100,000 for each month during which it fails to meet either or both of the above performance commitments between May 1, 2006, and the completion of the AMR project.
- For all estimated bills during the period beginning May 1, 2006, and continuing through the month in which the AMR project is completed in North Carolina, Piedmont (a) will adjust bills in the month following an estimated bill so that the customer is billed for all usage during the interval between actual readings based upon the lowest rate that was in effect during the interval and (b) will not pass any resulting under-collection through the deferred account for collection from customers.
- Piedmont, the Public Staff, and the Attorney General will conduct a bill sampling analysis of the estimated bills during the 2005-2006 winter heating season with a view toward identifying significant problems, if any there be. Comparisons with alternative estimating methodologies, such as the Public Staff's proposal, should be conducted. The parties will report the results of their analysis, including any recommendations, to the Commission for whatever further action, if any, may be appropriate.

The Commission requests that Piedmont file a letter accepting and committing itself to all of these steps and conditions.

Our approach to the issue of estimated bills bears some explanation. Piedmont admitted a higher than usual number of estimated bills last winter, but never conceded any problem with high estimates. Piedmont took the position that its estimating methodology worked as intended in all cases. The Public Staff stated that Piedmont's methodology is deficient and that the Public Staff's methodology, which uses a linear regression analyzing 12 to 24 months of the customer's consumption, is more accurate. Piedmont's methodology, which uses the customer's usage from the single previous month, seems prone to anomalies, especially during shoulder months. Piedmont has already begun discussions with the Public Staff on alternative methodologies, and the Commission expects Piedmont to work with the Public Staff to attempt to improve the methodology for estimating bills in the future.

Mr. Skains  
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Piedmont attributed the recent high number of estimated bills to several causes: the loss of some meter readers who moved to other positions within the Company in anticipation of the transition to AMR, two meter readers on sick leave, an ice storm in December that impacted work for two days, and holidays. The AMR project has been planned for years; accommodating ongoing utility operations, without disruption, should have been part of that planning. Many of the other reasons given – sickness, weather, and holidays – are common challenges that management must address every day in ensuring that staffing is adequate and corporate responsibilities are met. Given only what has been presented so far, the Commission believes that the corrective actions now proposed by Piedmont – redeploying meter readers from other regions, mandating overtime, encouraging employees to continue meter reading before moving to their new positions – are all matters that should have been anticipated and should have been undertaken long before the number of estimated bills reached the levels of last winter.

Without conceding that the ongoing AMR project is justification for any increase in estimated bills, the Commission asked Piedmont to accelerate completion of the AMR project in North Carolina. The Commission is disappointed with Piedmont's report that the project cannot be completed before March 1, 2007. We reluctantly accept Piedmont's conclusion, but renew our strong request that Piedmont take all reasonable actions to finish the project in North Carolina as soon as possible. This will better serve Piedmont's customers and will result in an earlier release from many of the corrective steps and conditions discussed herein.

The Commission will accept Piedmont's proposed performance commitments to limit monthly estimated bills on a statewide basis to 1% of its total statewide bills and to limit monthly estimated bills on a district-wide basis to 3% of its total district-wide bills until the AMR project is completed. However, we observe that these proposed levels appear to be generous. At the oral presentation, Piedmont stated that the level of its estimated bills, total Company, in December 2004 was 0.3%, compared with 3.44% for December 2005. Broken down by states, the December 2005 levels were 0.4% for South Carolina and 0.2% for Tennessee, compared with 4.87% for North Carolina. Piedmont attributed the high numbers to the AMR project, which started in North Carolina. Given what has been presented so far, the Commission does not see how a project that has been planned as long as the AMR project could justify such anomalies in a vital utility function like meter reading. Going forward, the Commission believes that Piedmont should be able to achieve levels of estimated bills in North Carolina that are in line with its historical experience and with its experience in other states. Confirming such, Piedmont's letter of March 15, 2006, indicated that both statewide and district-wide levels of estimated bills in North Carolina for late February and early March 2006 were below 1% and stated that Piedmont "expect[s] to sustain performance at this level (i.e. within the parameters we have proposed) on a going forward basis until the AMR project is complete." Given the generosity of the 1% and 3% performance commitments proposed by Piedmont compared to past experience and to other states, given



Mr. Skains  
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Piedmont's focus on the situation and the time that Piedmont has had to rectify it, and given the importance of accurate bills as recognized by G.S. 66-9, the Commission believes that Piedmont should meet these performance commitments and that \$100,000 is a reasonable penalty for any month in which either or both of these performance commitments are not met.

The Commission rejects the view that, in the current environment, an unreasonably high estimated bill is effectively trued-up the following month when the meter is read. Many customers experience real hardship when they must adjust to unexpected expenses. And in a time like this past winter, when the benchmark cost of gas reflected in rates is falling, the reading of the meter in the second month may never true-up a high first-month estimate since it cannot be known how much usage occurred on the lower rate. The Attorney General recommended that Piedmont adjust bills in the month following an estimated bill so that the customer is billed for all usage during the two-month period based upon the lowest rate that was in effect during the interval between actual readings. While the Commission will not order such adjustments indefinitely, we believe that such adjustments should be implemented for all of Piedmont's estimated bills during the period beginning May 1, 2006, and continuing through the month in which the AMR project is completed in North Carolina. Furthermore, no resulting "under-collection" should be passed through the deferred account for collection from customers. This will encourage Piedmont to take actual meter readings despite the ongoing AMR project and will ensure that no customer is overcharged if Piedmont is unable to do so.

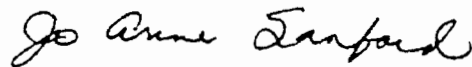
Finally, the Commission notes that the Attorney General recommended that Piedmont be directed to examine and report on each account that included an estimated bill last winter, using both the Piedmont and Public Staff methods. The Public Staff stated that Piedmont had adjusted bills for many customers who had complained to the Public Staff and that it "may be possible" for Piedmont to analyze all of the estimated bills to look for disconnections or late payment fees and to adjust as appropriate. Without deciding now whether further action of any kind will be undertaken, the Commission believes that Piedmont, the Public Staff, and the Attorney General should conduct a bill sampling analysis of the estimated bills during the 2005-2006 winter heating season with a view toward identifying significant problems, if any there be. Comparisons with alternative estimating methodologies, such as the Public Staff's proposal, should be conducted. The parties should report the results of their analysis, including any recommendations, to the Commission for whatever further action, if any, may be appropriate.

As stated earlier, the Commission reserves the right to initiate more formal proceedings if appropriate, but we do not desire further proceedings in this matter if we can mutually resolve the issues in the manner set forth herein. The Commission desires prompt and lasting resolution of its concerns as to Piedmont's call centers and

Mr. Skains  
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estimated bills. The Commission commends Piedmont for its expressed commitment to addressing these concerns and for the progress that recent reports suggest. The Commission also commends Piedmont for its cooperation in working with us and the parties in these informal proceedings. Piedmont showed that cooperative spirit on January 6, 2006, when it agreed to my request that it suspend disconnections for nonpayment due to the problems at the call centers. In light of the improved performance suggested by recent call center statistics, the Commission released Piedmont from that moratorium on April 13, 2006. The Commission hopes that Piedmont, in the same cooperative spirit, will agree to be bound by all of the corrective steps and conditions which the Commission finds reasonable herein and will write a letter within one week to that effect. The Commission believes that these steps and conditions will be effective and we look forward to your response.

Very truly yours,

A handwritten signature in cursive script, reading "Jo Anne Sanford".

Jo Anne Sanford

JAS/srk

c: Chief Clerk (Company File)  
Robert P. Gruber  
Attorney General

Mr. Skains  
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April 18, 2006

Commission Rule R9-8(c)

Force Majeure. A company may seek a waiver of part or all of Rule R9-8 due to force majeure. To request a waiver, a company should file adjusted data and unadjusted data along with its waiver request. In order to secure Commission approval, the waiver request should clearly demonstrate that (1) the force majeure event was sufficiently serious and unusual to warrant adjustment of the monthly service quality statistics, including a detailed description of the adverse consequences of the event on the ratepayers' service and the company's facilities; (2) to the extent reasonably foreseeable, the company prudently planned and prepared in advance for such emergencies; (3) despite these plans and preparations, and the best efforts of the company personnel before, during, and after the event, failures to satisfy the service objectives could not reasonably have been avoided; and (4) the extent and nature of the adjustments requested are appropriate for the circumstances. The Commission shall grant waiver requests if the Commission finds that all four criteria have been met.



CAPD EXHIBIT MDC NC 2

# State of North Carolina

ROY COOPER  
ATTORNEY GENERAL

Department of Justice  
9001 Mail Service Center  
RALEIGH, NORTH CAROLINA  
27699-9001

REPLY TO: PEGGY FORCE  
UTILITIES UNIT  
TELEPHONE No: 919-716-6053  
FAX No. 919-716-6757

**OFFICIAL COPY**

March 3, 2006

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Jo Anne Sanford, Chair  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4325

Clerk's Office  
N.C. Utilities Commission

re: Comments and Recommendations Concerning Piedmont's Customer Service and Estimated Billing Problems and Proposed Correction Plan

Dear Chair Sanford:

Thank you for the opportunity to offer these comments and recommendations about Piedmont's report and proposal for responding to estimated bill and call center problems. Here are the comments and recommendations of the Attorney General's Office made on behalf of the using and consuming public.

Call Centers:

Piedmont's proposed plan to address call center problems has strong features that provide a good start as an interim response, but without an investigation of the call center problems, it is not possible to evaluate what went wrong and what is needed to assure that problems do not reoccur. A year ago, after consumer complaints about poor access to Piedmont's call center had persisted through the winter of 2004-2005, Piedmont said that it had identified the problem and would add capacity to the phone system at the NCNG call center. Although capacity was added to the NCNG center's system, the problems persisted and grew worse. This winter, Piedmont has made considerable efforts to right the situation but problems have persisted. Although Piedmont's report filed February 17, 2006, characterizes the problems as an anomaly related to hurricanes and high gas costs this past winter, there are indications that call center performance has been deteriorating for some time. It is essential to establish what Piedmont's historic performance data indicate, how Piedmont has responded to problems, what factors have affected performance, and other such information, in order for the Commission to reach a resolution of this matter and address what is needed to avoid a reoccurrence of the problems.

Lack of reasonable access to call centers is a serious problem. Callers have not

Clerk  
7 Comm.  
Bennink  
Hoover  
Sessions  
Kite  
Gilmore  
Gruber  
3 Legal  
3 Acctg.  
2 Ed/Res.  
3 Gas

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been able to get through **at all** during some periods when lines were busy, suggesting even emergency calls were unanswered or delayed. Non-emergency responsiveness is also important, and a monopoly service provider must be required to meet acceptable standards. Consumers cannot simply change providers when they are dissatisfied with the Company's lack of responsiveness, and when the customer service line is busy or the wait time is excessive, customers become frustrated.

Piedmont tracks service quality performance internally but has not shared substantive data and analysis for North Carolina over the past several years. Piedmont publicly touted its service performance measures in the October 2002 Insider where it described performance measures adopted in the MVP (Mission, Values, Performance) Program. Later, in a presentation given to the National Association of State Utility Consumer Advocates in late 2004, Piedmont's Vice President - Customer Services June Moore stated, "If you don't measure it you can't manage it," and asserted that Piedmont's measures lead to actions.

Notwithstanding Piedmont's stated goals, the data that the A.G.O. has obtained relating to Tennessee, where Piedmont has reported service quality performance for several years, suggest that the service quality at Tennessee call centers has been deteriorating for some time, particularly since Piedmont initiated its virtual call centers in September 2004.<sup>1</sup> A copy of the Tennessee information was distributed during the February 20, 2006, meeting and is attached. The call center data measure how many calls Piedmont receives, what percentage of those calls are actually answered (calls that are answered before the caller gives up and abandons the call), and how long callers have to wait before their call is answered. It appears that the data do not reflect calls to Piedmont that result in a busy signal.

The Tennessee data indicate the following relevant points:

- In the months November 2004 through May 2005, **the percentage of calls that were answered declined to a range of 56% to 66%**. That means that approximately 40% of the calls received by Piedmont were not answered. By comparison, data from early 2003 indicate that Piedmont answered close to 90% of calls even in peak winter months. There appears to have been a deterioration of call center responsiveness beginning in late 2003, and worsening in late 2004.

<sup>1</sup> Piedmont provided the Tennessee data last August in response to a data request during the rate case and only data through May 2005 is included. Recently Piedmont was asked to provide data for North Carolina and for its system, but responded saying that the information is not readily available.

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- The wait time for callers increased dramatically during the same periods. The average wait time that callers experienced during January, February, and March 2005 was between 9-10 minutes and stayed over 6 minutes into April and May. By comparison, the wait time in early 2003 was under 1 minute even in some winter months, and ranged from less than 1 minute to just over 2 minutes at the end of the year. The average wait time during winter months in 2004 increased from 1 ½ minutes to 3 minutes and then to 5 and 6 minutes by year end.
- The decline in call volume in 2005 suggests the possibility that busy signals were also a problem in Tennessee. During 2005 when the percentage of calls abandoned was highest and the wait times were the longest, the number of calls "received" dropped significantly compared to the number reported during the same months in earlier years.
- The response time for emergency calls also increased during the period. The total minutes from time dispatched to arrival on site exceeded 15 minutes in all months in 2005, as compared to only 3 months during all 2003 and 2004 combined. The response time in April and May 2005 exceeded 20 minutes. Data is not available after those months.

These data offer a glimpse at what was happening in Tennessee. It is important to investigate historic service performance data for North Carolina for several years to evaluate the extent of the problems experienced here and identify the root causes. In fact, problems that have been identified in one area of performance may indicate that there are also other performance problems that have not been detected.

In response to service quality problems experienced by customers of a gas utility in Maine several years ago, the Maine Public Utilities Commission issued an Order Initiating Management Audit and Investigation of Service Quality Incentive Plan in Docket No. 2002-140 (May 16, 2002). The Maine Commission initiated an audit to determine the adequacy of the customer services of the utility and initiated an investigation in order to develop and implement a service quality plan. The Maine Commission also adopted interim service quality standards that became effective the month that the Order was issued. The A.G.O. suggests that similar steps be undertaken in North Carolina.

Call Center recommendations:

1. An investigation is needed to make a determination about what went wrong, what ongoing standards are needed, what reporting should be required, and what other

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measures and enforcement provisions are needed to avoid a reoccurrence of problems in the future.

To this end, the A.G.O. recommends that the Commission open an investigation pursuant to N.C.G.S. § 62-37 to audit Piedmont's customer service performance. An independent consultant should be employed by the Commission and funded by Piedmont to conduct the investigation. The consultant should have expertise in customer service operations of public utilities and in performance standards used in other states. The purpose of the investigation would be to examine Piedmont's historic performance and responses to service problems, to assess problem areas and likely causes, and to identify measures that might be adopted prospectively to monitor and encourage good service, including reporting requirements, standards, and enforcement provisions. Consumers have a direct interest in the issues giving rise to the investigation, and the investigation should be conducted in the open and reported to the public. The Public Staff, the Attorney General, and other interested parties should have the opportunity to participate in the investigation and in the determinations that follow.

2. An investigation into what went wrong and what is needed in the long term should not delay the response to immediate concerns. An order that sets standards, reporting requirements, and enforcement measures on an interim basis is appropriate and Piedmont's plan is a good starting point for the interim requirements. Piedmont's plan has three important ingredients: it sets a standard; requires reporting; and includes automatic enforcement provisions. Here are some suggestions that build on the plan:

a. The 80/20 standard should be adopted and put into effect immediately rather than delayed until September 2006. In addition, the standard should be defined more precisely. According to Piedmont's explanation during the February 20<sup>th</sup> meeting, the standard means that, on a monthly basis, 80% or more of all calls will be answered within 20 seconds, and the calls will be answered by a live service representative within that period of time if that is the option the caller selects.

b. The 80/20 standard must be measured and applied to third party call centers as well as Piedmont centers, and all data must be reported for both. Piedmont's proposed form for reporting data indicates that calls abandoned and average speed of answer (i.e., the wait time) will be reported for Piedmont only. The third party call centers make up a substantial part of Piedmont's call center work force. Piedmont has promised an increase of only 12 representatives employed by Piedmont, to 137 total, and an increase in and training for 95 third-party customer service representatives. Unless the 80/20 standard is measured and applicable to all representatives including these "overflow" staff, the standard will not be meaningful. Likewise, other measures and reporting must apply to third party representatives as well as Piedmont staff to be meaningful. Piedmont is responsible for selecting a service provider that satisfies

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Commission requirements.

c. Piedmont has proposed an automatic penalty provision beginning in September 2006. Prior to September, penalties would not be applicable automatically but other penalty provisions should not be ruled out. In addition, the parties might negotiate an adjustment of the penalty to increase or decrease the amount depending on the degree to which the standard has not been achieved.

d. Hourly and daily busy signal records should be maintained and reported, and the percentage of busy signals should not exceed a threshold percentage. It is conceivable that an 80/20 standard is achievable even at a time when access lines and staffing are not sufficient if, for example, both the number of phone lines and the number of service representatives are low, prompting busy signals instead of long waits.

Estimated Bills:

Recently, a high number of estimated bills have coincided with indications that Piedmont's method for estimating usage has not produced reasonably accurate estimates and has resulted in overcharges to some customers. Piedmont has agreed to refunds in instances when customers have complained to the Public Staff, and has proposed a plan to limit the percentage of bills that may be estimated henceforth. Piedmont indicates that recent increases in the number of estimated bills may continue temporarily during the installation of Automated Meter Reading (AMR) devices but should decrease significantly once AMR installation is completed.

Pursuant to N.C.G.S. § 66-9, it is Piedmont's duty to show on all natural gas bills the reading of the meter at the end of the preceding month, the reading of the meter at the end of the current month, and the amount of gas consumed for the current month, in feet. N.C.G.S. § 66-9 (2005). Customers must be billed monthly. Rule R6-8. However, the Commission has recognized that estimated billing is necessary on occasion, and has directed that gas utilities avoid sending two successive estimated bills as nearly as practicable. *Id.* As long as estimates are reasonably accurate, customers should not be harmed by an occasional estimated bill.

However, the Public Staff's report indicates that extremely high estimates have occurred this winter. Indeed, Piedmont's Report and comments during the meeting on February 20<sup>th</sup>, give further indication that there are problems with the reliance on only one month of data to estimate usage. For instance, Mr. Cocklin described factors that drove the extremely high estimated bills. One factor was the variation in weather when one month was compared to the next. Another was the number of days in the billing cycle. Many November bills were actual bills for only 8 days of service, since



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November is a common month for service turn-ons. (T p 49).

Where estimated gas bills are not reasonably accurate during winter months, two particular problems arise. First, although a high estimate in one month should be corrected by the actual bill in the following month, and likewise for a low estimate, customers may have difficulty paying their higher bill. There is evidence that particular customers were billed as much as \$200 more using Piedmont's method of estimating bills as compared to the method used by the Public Staff. As a result of high bills caused by estimates that are not reasonably accurate, it is likely that some customers were forced to incur high interest charges in order to borrow the money needed to pay their high gas bill and other monthly living expenses. The lower bill in the following month was an offset, but did not cover indirect costs incurred by consumers.

The second problem with estimates that are not reasonably accurate is even more troubling. Because natural gas rates change frequently and by large amounts, a bill reflecting inaccurate usage can result in customers being billed at the wrong rate. Due to a high estimate, a customer who was billed in December for usage that did not occur until January, was charged based on a benchmark of \$13 rather than \$11, 18% more. If the bill was \$200 too much in December, the correcting adjustment in the January bill was only about \$164, not the full \$200.

The method Piedmont has relied upon to estimate bills should not be allowed to cause a material increase in customer charges. It is Piedmont's statutory duty to show actual usage on all natural gas bills. N.C.G.S. § 66-9 (2005). Where it appears that Piedmont's failure to take an actual reading was combined with its use of an estimation method that was not sufficiently accurate, and customers were harmed, it is not sufficient for Piedmont simply to offer customers the opportunity to spread out the impact of the overcharges over several months by using the Equal Payment Plan, as Piedmont has suggested.

These concerns about estimated billing methods were exacerbated by the large number of estimated bills. While Piedmont's proposal to limit the number of estimated bills is a start, the concern remains that estimates must be as accurate as possible so that no customer is harmed by Piedmont's failure to render a bill based on actual usage.

#### Estimated Bill Recommendations:

1. To avoid future harm that may result from estimated bills that occur in the midst of rate changes, the Commission may require on a prospective basis that Piedmont adjust the bill in the month that follows an estimated bill so that the affected customer is billed for all actual consumption during the two month period based on the

March 3, 2006

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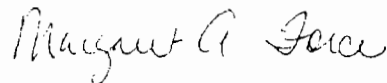
lowest usage rate that was in effect during the interval between actual readings. This will ensure that customers are not over-charged as a result of Piedmont's failure to take an actual meter reading. Further, it will encourage Piedmont to take actual readings but will allow Piedmont to rely on estimated meter readings for a one-month period if that is necessary and cost effective. This approach, combined with the recommendation in the next paragraph, would obviate the need to set a specific standard limiting the percentage of bills that are estimated.

2. Also, on a prospective basis Piedmont should be required to examine the method it uses to estimate bills and demonstrate the validity and reasonable accuracy of the method in comparison to other methods, such as the Public Staff's, or change it promptly to a method that is as accurate as possible. Even if the recommendation in the previous paragraph means customers will not be over-charged as a result of receiving an estimated bill, they will still be harmed if estimates are not carefully performed and result in a large bill one month and small bill the next, or vice versa.

3. To address the impact of Piedmont's high bill estimates on particular customers this past winter, Piedmont should be directed to examine each North Carolina customer account that included estimated bills this winter to determine the estimated usage and charges paid during the estimated and correction month using Piedmont's method and the Public Staff's method. Based on the results of Piedmont's investigation and report, the Commission should consider whether estimated usage was reasonably accurate, and if not, whether customers were billed at the wrong rate for some of their usage and, if harmed, whether they are entitled to refunds.

Thank you again for the opportunity to offer these comments and recommendations of the A.G.O.

Very truly yours,



Margaret A. Force  
Assistant Attorney General

c: Chief Clerk (Company folder)  
Robert Gruber  
James H. Jeffries IV  
Kim R. Cocklin  
Thomas E. Skains

Piedmont Natural Gas Company **CAPD EXHIBIT MDC NC 2**  
Docket Nos. G-9, Sub 499, G-21, Sub 461, and G-44, Sub 15  
Attorney General's Data Request No. 1  
August 1, 2005

1-12: Produce completed service metrics reports completed during 2005 for customer service, service department orders, construction department orders, service department statistics, and meter services.

Response:

See attached.

Person responsible for answering request:

Bill Morris  
Director, Financial Planning  
1915 Rexford Rd.  
Charlotte, NC 28211

## CAPD EXHIBIT MDC NC 2

NASHVILLE GAS COMPANY  
Customer Service Statistics

## Cash Transactions

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
January	9,259	7,351	10,400	17,994	15,604	16,335	16,071	15,316
February	9,511	9,446	12,493	19,575	16,303	17,619	18,056	17,269
March	10,616	10,076	13,007	22,161	16,494	19,370	19,156	19,271
April	8,270	8,306	10,320	18,248	17,459	16,698	15,851	16,115
May	7,222	8,104	7,717	16,133	14,458	14,590	13,888	15,840
June	5,853	6,841	8,548	13,185	10,255	12,588	13,293	
July	5,423	6,254	6,662	11,620	10,767	11,255	10,547	
August	4,624	6,520	10,640	10,339	9,704	10,892	11,118	
September	5,009	6,580	9,653	9,704	9,481	10,954	10,442	
October	5,893	7,562	11,195	11,962	10,921	11,293	11,412	
November	5,716	7,886	11,197	10,751	10,427	10,580	12,249	
December	6,766	8,843	12,030	12,055	13,219	14,341	13,305	
<b>Total Cash Transactions</b>	<b>84,162</b>	<b>93,769</b>	<b>123,862</b>	<b>173,727</b>	<b>155,092</b>	<b>166,515</b>	<b>165,386</b>	<b>83,811</b>

Bill Morris

# CAPD EXHIBIT MDC NC 2

## NASHVILLE GAS COMPANY Customer Service Statistics

### Walk-in Customers

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
January	n/a	n/a	1,021	2,180	1,292	1,387	1,531	1,695
February	n/a	n/a	1,157	2,825	1,342	1,444	1,499	1,846
March	n/a	n/a	1,270	2,752	1,234	1,646	1,706	2,168
April	n/a	n/a	886	1,781	1,417	1,419	1,387	1,693
May	n/a	n/a	908	1,507	1,158	1,175	1,198	1,399
June	n/a	n/a	841	1,223	778	972	988	
July	n/a	n/a	616	955	802	845	927	
August	n/a	n/a	639	912	795	739	836	
September	n/a	n/a	810	1,091	763	986	1,013	
October	n/a	1,706	1,512	1,662	1,402	1,594	1,537	
November	n/a	1,178	1,380	1,105	1,175	1,164	1,777	
December	n/a	1,021	1,270	1,114	1,114	1,400	1,695	
Total Walk-In Customers		3,905	12,310	19,107	13,272	14,771	16,094	8,801

**NASHVILLE GAS COMPANY**  
Customer Service Statistics

Call Center

**2003**  
# Calls Received  
% Answered  
Average Speed of Answer (Min)  
Length of Call (Min.)  
After Call Processing Time

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
# Calls Received	26,655	24,096	23,177	21,213	20,427	18,220	17,660	16,532	18,849	23,170	19,768	23,842
% Answered	89.80	89.16	84.74	83.49	85.88	88.78	93.56	93.72	87.46	79.27	82.49	83.22
Average Speed of Answer (Min)	0.42	0.56	1.25	1.16	0.45	0.12	0.02	0.02	1	1.41	1.12	2.02
Length of Call (Min.)	2.11	2.18	2.21	2.14	2.11	2.21	2.23	2.17	2.15	2.25	2.26	2.19
After Call Processing Time	0.15	0.19	0.27	0.3	0.22	0.18	0.11	0.18	0.22	0.37	0.36	0.35

**2004**  
# Calls Received  
% Answered  
Average Speed of Answer (Min)  
Length of Call (Min.)  
After Call Processing Time

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
# Calls Received	27,546	25,106	27,763	24,554	20,721	20,689	15,893	17,120	16,075	23,299	26,227	28,483
% Answered	86.78	80.52	82.99	85.33	85.81	89.97	88.65	81.7	88.67	78.08	69.29	65.77
Average Speed of Answer (Min)	1.54	3.21	3	2.19	1.55	1.04	0.31	0.34	1.04	3.06	5.33	6.41
Length of Call (Min.)	2.25	2.32	2.27	2.19	2.29	2.21	2.39	2.32	3.24	3.38	3.43	3.34
After Call Processing Time	0.24	0.55	0.51	0.48	0.51	0.44	0.38	0.35	1.31	1.41	1.46	1.59

**2005**  
# Calls Received  
% Answered  
Average Speed of Answer (Min)  
Length of Call (Min.)  
After Call Processing Time

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
# Calls Received	23,169	16,985	18,466	18,968	17,687							
% Answered	63.45	55.79	59.36	64.17	62.59							
Average Speed of Answer (Min)	9.13	10.02	9.39	6.19	6.22							
Length of Call (Min.)	3.44	3.59	3.48	3.40	3.42							
After Call Processing Time	1.48	2.00	1.56	1.47	1.58							

NASHVILLE GAS COMPANY  
Customer Service Statistics

Service Department

	2003												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Orders Worked	8,515	7,300	8,435	8,692	9,785	10,690	9,926	10,433	9,841	13,803	9,969	10,160	117,549
Appt. Orders	916	760	626	735	811	969	1,026	872	1,196	1,614	1,165	1,305	11,995
Appt. Missed	-	-	-	-	1	-	3	-	1	1	-	-	6
Emergency Orders	668	534	551	454	452	402	378	384	487	771	629	607	6,317
Emergency Resp. (Min.)*	12	10	10	11	12	11	12	12	12	15	17	16	-
Meters Set	480	349	300	234	280	370	354	375	386	639	500	642	4,909
Appliance Installment	203	168	193	153	159	166	196	184	218	194	202	221	2,257
	2004												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Orders Worked	8,382	7,646	9,569	9,267	8,614	9,277	8,130	9,583	8,307	11,521	10,143	9,929	110,368
Appt. Orders	1,102	881	843	859	810	789	777	797	860	1,494	1,226	1,221	11,659
Appt. Missed	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Orders	630	535	471	398	374	390	396	401	337	555	508	805	5,800
Emergency Resp. (Min.)*	13	13	9	13	12	12	13	11	8	14	13	16	147
Meters Set	451	335	352	295	298	362	364	400	454	578	630	730	5,249
Appliance Installment	186	178	212	145	167	205	182	160	135	169	177	234	2,150
	2005												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Orders Worked	8,679	7,736	9,298	8,337	8,750	-	-	-	-	-	-	-	42,800
Appt. Orders	951	803	886	668	810	-	-	-	-	-	-	-	4,118
Appt. Missed	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Orders	698	524	539	486	459	-	-	-	-	-	-	-	2,706
Emergency Resp. (Min.)*	16	15	16	21	20	-	-	-	-	-	-	-	88
Meters Set	535	363	416	328	376	-	-	-	-	-	-	-	2,018
Appliance Installment	168	188	196	174	158	-	-	-	-	-	-	-	884

\* Emergency Response Time = Total minutes from time dispatched to arrival on site.

**Meter Services**

2003

[illegible]

2004

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
# Meters Read	160,059	160,228	160,353	160,439	160,538	160,644	160,754	160,868	160,984	161,099	161,214	161,328	161,442	161,556	161,669	161,782	161,895	162,008	162,121	162,234	162,347	162,459	162,572	162,685	162,798	162,911	163,024	163,137	163,250	163,363	163,476	163,589	163,702	163,815	163,928	164,041	164,154	164,267	164,380	164,493	164,606	164,719	164,832	164,945	165,058	165,171	165,284	165,397	165,510	165,623	165,736	165,849	165,962	166,075	166,188	166,301	166,414	166,527	166,640	166,753	166,866	166,979	167,092	167,205	167,318	167,431	167,544	167,657	167,770	167,883	167,996	168,109	168,222	168,335	168,448	168,561	168,674	168,787	168,900	169,013	169,126	169,239	169,352	169,465	169,578	169,691	169,804	169,917	170,030	170,143	170,256	170,369	170,482	170,595	170,708	170,821	170,934	171,047	171,160	171,273	171,386	171,499	171,612	171,725	171,838	171,951	172,064	172,177	172,290	172,403	172,516	172,629	172,742	172,855	172,968	173,081	173,194	173,307	173,420	173,533	173,646	173,759	173,872	173,985	174,098	174,211	174,324	174,437	174,550	174,663	174,776	174,889	175,002	175,115	175,228	175,341	175,454	175,567	175,680	175,793	175,906	176,019	176,132	176,245	176,358	176,471	176,584	176,697	176,810	176,923	177,036	177,149	177,262	177,375	177,488	177,601	177,714	177,827	177,940	178,053	178,166	178,279	178,392	178,505	178,618	178,731	178,844	178,957	179,070	179,183	179,296	179,409	179,522	179,635	179,748	179,861	179,974	180,087	180,200	180,313	180,426	180,539	180,652	180,765	180,878	180,991	181,104	181,217	181,330	181,443	181,556	181,669	181,782	181,895	182,008	182,121	182,234	182,347	182,460	182,573	182,686	182,799	182,912	183,025	183,138	183,251	183,364	183,477	183,590	183,703	183,816	183,929	184,042	184,155	184,268	184,381	184,494	184,607	184,720	184,833	184,946	185,059	185,172	185,285	185,398	185,511	185,624	185,737	185,850	185,963	186,076	186,189	186,302	186,415	186,528	186,641	186,754	186,867	186,980	187,093	187,206	187,319	187,432	187,545	187,658	187,771	187,884	187,997	188,110	188,223	188,336	188,449	188,562	188,675	188,788	188,901	189,014	189,127	189,240	189,353	189,466	189,579	189,692	189,805	189,918	190,031	190,144	190,257	190,370	190,483	190,596	190,709	190,822	190,935	191,048	191,161	191,274	191,387	191,500	191,613	191,726	191,839	191,952	192,065	192,178	192,291	192,404	192,517	192,630	192,743	192,856	192,969	193,082	193,195	193,308	193,421	193,534	193,647	193,760	193,873	193,986	194,099	194,212	194,325	194,438	194,551	194,664	194,777	194,890	195,003	195,116	195,229	195,342	195,455	195,568	195,681	195,794	195,907	196,020	196,133	196,246	196,359	196,472	196,585	196,698	196,811	196,924	197,037	197,150	197,263	197,376	197,489	197,602	197,715	197,828	197,941	198,054	198,167	198,280	198,393	198,506	198,619	198,732	198,845	198,958	199,071	199,184	199,297	199,410	199,523	199,636	199,749	199,862	199,975	200,088	200,201	200,314	200,427	200,540	200,653	200,766	200,879	200,992	201,105	201,218	201,331	201,444	201,557	201,670	201,783	201,896	202,009	202,122	202,235	202,348	202,461	202,574	202,687	202,800	202,913	203,026	203,139	203,252	203,365	203,478	203,591	203,704	203,817	203,930	204,043	204,156	204,269	204,382	204,495	204,608	204,721	204,834	204,947	205,060	205,173	205,286	205,399	205,512	205,625	205,738	205,851	205,964	206,077	206,190	206,303	206,416	206,529	206,642	206,755	206,868	206,981	207,094	207,207	207,320	207,433	207,546	207,659	207,772	207,885	208,000	208,113	208,226	208,339	208,452	208,565	208,678	208,791	208,904	209,017	209,130	209,243	209,356	209,469	209,582	209,695	209,808	209,921	210,034	210,147	210,260	210,373	210,486	210,599	210,712	210,825	210,938	211,051	211,164	211,277	211,390	211,503	211,616	211,729	211,842	211,955	212,068	212,181	212,294	212,407	212,520	212,633	212,746	212,859	212,972	213,085	213,198	213,311	213,424	213,537	213,650	213,763	213,876	213,989	214,102	214,215	214,328	214,441	214,554	214,667	214,780	214,893	215,006	215,119	215,232	215,345	215,458	215,571	215,684	215,797	215,910	216,023	216,136	216,249	216,362	216,475	216,588	216,701	216,814	216,927	217,040	217,153	217,266	217,379	217,492	217,605	217,718	217,831	217,944	218,057	218,170	218,283	218,396	218,509	218,622	218,735	218,848	218,961	219,074	219,187	219,300	219,413	219,526	219,639	219,752	219,865	219,978	220,091	220,204	220,317	220,430	220,543	220,656	220,769	220,882	220,995	221,108	221,221	221,334	221,447	221,560	221,673	221,786	221,899	222,012	222,125	222,238	222,351	222,464	222,577	222,690	222,803	222,916	223,029	223,142	223,255	223,368	223,481	223,594	223,707	223,820	223,933	224,046	224,159	224,272	224,385	224,498	224,611	224,724	224,837	224,950	225,063	225,176	225,289	225,402	225,515	225,628	225,741	225,854	225,967	226,080	226,193	226,306	226,419	226,532	226,645	226,758	226,871	226,984	227,097	227,210	227,323	227,436	227,549	227,662	227,775	227,888	228,001	228,114	228,227	228,340	228,453	228,566	228,679	228,792	228,905	229,018	229,131	229,244	229,357	229,470	229,583	229,696	229,809	229,922	230,035	230,148	230,261	230,374	230,487	230,600	230,713	230,826	230,939	231,052	231,165	231,278	231,391	231,504	231,617	231,730	231,843	231,956	232,069	232,182	232,295	232,408	232,521	232,634	232,747	232,860	232,973	233,086	233,199	233,312	233,425	233,538	233,651	233,764	233,877	233,990	234,103	234,216	234,329	234,442	234,555	234,668	234,781	234,894	235,007	235,120	235,233	235,346	235,459	235,572	235,685	235,798	235,911	236,024	236,137	236,250	236,363	236,476	236,589	236,702	236,815	236,928	237,041	237,154	237,267	237,380	237,493	237,606	237,719	237,832	237,945	238,058	238,171	238,284	238,397	238,510	238,623	238,736	238,849	238,962	239,075	239,188	239,301	239,414	239,527	239,640	239,753	239,866	239,979	240,092	240,205	240,318	240,431	240,544	240,657	240,770	240,883	240,996	241,109	241,222	241,335	241,448	241,561	241,674	241,787	241,900	242,013	242,126	242,239	242,352	242,465	242,578	242,691	242,804	242,917	243,030	243,143	243,256	243,369	243,482	243,595	243,708	243,821	243,934	244,047	244,160	244,273	244,386	244,499	244,612	244,725	244,838	244,951	245,064	245,177	245,290	245,403	245,516	245,629	245,742	245,855	245,968	246,081	246,194	246,307	246,420	246,533	246,646	246,759	246,872	246,985	247,098	247,211	247,324	247,437	247,550	247,663	247,776	247,889	248,002	248,115	248,228	248,341	248,454	248,567	248,680	248,793	248,906	249,019	249,132	249,245	249,358	249,471	249,584	249,697	249,810	249,923	250,036	250,149	250,262	250,375	250,488	250,601	250,714	250,827	250,940	251,053	251,166	251,279	251,392	251,505	251,618	251,731	251,844	251,957	252,070	252,183	252,296	252,409	252,522	252,635	252,748	252,861	252,974	253,087	253,200	253,313	253,426	253,539	253,652	253,765	253,878	253,991	254,104	254,217	254,330	254,443	254,556	254,669	254,782	254,895	255,008	255,121	255,234	255,347	255,460	255,573	255,686	255,799	255,912	256,025	256,138	256,251	256,364	256,477	256,590	256,703	256,816	256,929	257,042	257,155	257,268	257,381	257,494	257,607	257,720	257,833	257,946	258,059	258,172	258,285	258,398	258,511	258,624	258,737	258,850	258,963	259,076	259,189	259,302	259,415	259,528	259,641	259,754	259,867	260,000	260,113	260,226	260,339	260,452	260,565	260,678	260,791	260,904	261,017	261,130	261,243	261,356	261,469	261,582	261,695	261,808	261,921	262,034	262,147	262,260	262,373	262,486	262,599	262,712	262,825	262,938	263,051	263,164	263,277	263,390	263,503	263,616	263,729	263,842	263,955	264,068	264,181	264,294	264,407	264,520	264,633	264,746	264,859	264,972	265,085	265,198	265,311	265,424	265,537	265,650	265,763	265,876	265,989	266,102	266,215	266,328	266,441	266,554	266,667	266,780	266,893	267,006	267,119	267,232	267,345	267,458	267,571	267,684	267,797	267,910	268,023	268,136	268,249	268,362	268,475	268,588	268,701	268,814	268,927	269,040	269,153	269,266	269,379	269,492	269,605	269,718	269,831	269,94

2005

[illegible]



## CAPD EXHIBIT MDC NC 2

NASHVILLE GAS COMPANY  
Customer Service StatisticsConstruction Department

	2003												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
TN 1 Call Tickets	3,917	3,635	4,626	5,128	4,736	4,583	4,927	4,585	4,820	5,335	4,038	4,047	54,377
Service Orders Received	372	318	302	290	388	289	356	362	391	378	381	298	4,125
Service Orders Installed	302	261	323	263	296	371	359	314	354	376	325	329	3,873
Backlog (Weeks)	0.64	0.54	0.51	0.69	0.79	0.74	0.87	0.84	0.66	0.59	0.59	0.3	0.65
Damages	10	22	10	18	16	20	23	28	28	23	15	21	234
Service Renewal/Relocate*	10	14	11	14	19	20	11	11	11	17	20	13	171
Service Retired*	11	15	13	29	29	35	30	19	23	23	18	19	264
Survey Leaks	73	91	79	67	37	23	42	105	50	101	86	60	814

2004	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
TN 1 Call Tickets	4,273	4,081	5,433	5,566	5,336	5,633	5,232	5,312	5,339	5,335	5,700	4,602	61,842
Service Orders Received	407	413	437	389	352	397	217	527	339	378	305	363	4,524
Service Orders Installed	321	281	320	289	349	386	354	331	316	376	371	387	4,081
Backlog (Weeks)	0.51	0.35	0.48	0.64	0.67	0.56	0.4	0.54	0.55	0.59	0.56	0.54	0.53
Damages	27	12	19	15	18	17	31	24	28	23	20	25	259
Service Renewal/Relocate*	7	9	15	10	7	9	19	17	13	10	17	16	149
Service Retired*	40	16	25	23	20	29	21	25	43	49	19	30	340
Survey Leaks	58	51	64	72	73	35	55	73	54	101	20	27	683

2005	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
TN 1 Call Tickets	4,885	4,558	5,452	5,356	5,371								25,622
Service Orders Received	281	389	372	461	392								1,895
Service Orders Installed	313	248	389	329	337								1,616
Backlog (Weeks)	0.32	0.37	0.31	0.39	0.57								0.39
Damages	19	16	18	26	13								92
Service Renewal/Relocate*	11	9	9	12	8								49
Service Retired*	14	23	36	55	16								144
Survey Leaks	16	53	31	53	26								179

\* Does not include services renewed or retired from cast iron / bare steel main replacement program

**FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE**

Q. 15 Please explain why ATMOS shut-off 14.1% more customers for non-payment in Tennessee during the 20005-06 heating season than during the previous year especially given the attention given by the TRA to mitigate disconnections in TRA Docket 05-00281 and since Chattanooga Gas reduced disconnections 31% and Nashville Gas reduced disconnection 46.5%.

Response: Atmos applied guidelines consistent with the discussions by the three regulated gas utilities and the Directors of the Tennessee Regulatory Authority. Customers were allowed to roll in arrears and enter the budget billing program during the winter season to avoid disconnection. Disconnections were made only after customers defaulted on leniency in the Company's policy. Atmos would not have any information on Chattanooga Gas Company's and/or Piedmont Natural Gas Company's operations with regards to disconnect this past winter season and is unable to provide any explanation as to the differences in % of disconnections by one utility to the other.

It has always been the Company's practice to communicate with its customers in the fall and throughout the winter about the potential cost of natural gas. In addition to news releases, bill inserts, etc. we also print message lines promoting conservation and/or to encourage budget billing. In special circumstances, the Company will allow payment arrangements to avoid disconnection.

# Shutoff Non-Pay Comparisons Between LDCs

CAPD Exhibit MDC SO1

	Nashville Gas		Chattanooga Gas		ATMOS	
	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06
Oct	276	329	98	152	280	138
Nov	201	135	114	108	187	206
Dec	182	24	81	77	101	116
Jan	527	52	300	205	301	398
Feb	903	112	461	229	425	486
Mar	1460	1247	679	425	663	889
	3549	1899	1733	1196	1957	2233
		-1650		-537		276
		-46.5%		-31.0%		14.1%

## CAPD EXHIBIT MDC MI

## Responses 13 and 14 to CAD Data Request #1

RATE	DESCRIPT	State	QTY	BILLED
8CDA	CLOTHES DRYER-GA	GA	1	\$143
8CDB	CLOTHES DRYER-GA	GA	1	\$129
8CDQ	CLOTHES DRYER-GA	GA	3	\$287
8SHB	SPACE HTR-GA	GA	1	\$36
8SHE	UNVENTED SPACE HTR-GA	GA	3	\$170
8UGL	UNMTRED GAS LIGHT-GA	GA	2	\$218
8WHA	WATER HTR-GA	GA	16	\$1,504
8WHC	WATER HTR-GA	GA	2	\$199
AUCB	Auto Club 1-800-323-2002	GA	456	\$37,141
HOPR	Home Prot 1-800-576-3445	GA	419	\$42,586
SAHA	Shop4 1-800-555-5363	GA	175	\$10,437
			1,079	\$92,851
2CDA	CLOTHES DRYER-TN	TN	3	\$311
2CDB	CLOTHES DRYER-TN	TN	4	\$430
2CDD	CLOTHES DRYER-TN	TN	2	\$0
2CDM	CLOTHES DRYER-TN	TN	3	\$143
2SHB	UNVENTED SPACE HTR-TN	TN	2	\$191
2SHD	UNVENTED SPACE HTR-TN	TN	2	\$107
2SHE	VENTED SPACE HTR-TN	TN	1	\$227
2SHG	UNVENTED SPACE HTR-TN	TN	1	\$0
2SHJ	SPACE HTR-TN	TN	1	\$127
2SHM	SPACE HTR-TN	TN	1	\$166
2UGL	UNMTRED GAS LIGHT-TN	TN	1	\$64
2WHA	WATER HTR-TN	TN	10	\$958
2WHB	WATER HTR-TN	TN	4	\$264
2WHD	WATER HTR-TN	TN	3	\$117
2WHG	WATER HTR-TN	TN	1	\$72
2WHQ	WATER HTR-TN	TN	1	\$100
AUCB	Auto Club 1-800-323-2002	TN	90	\$7,252
HOPR	Home Prot 1-800-576-3445	TN	290	\$29,443
SAHA	Shop4 1-800-555-5363	TN	98	\$5,915
			518	\$45,888
6CDA	VA-CLOTHES DRYER	VA	1	\$155
6SHA	VA-VENTED SPACE HTR W/BLOWER	VA	1	\$251
6SHG	VA-VENTED SPACE HTR	VA	1	\$227
6SHQ	VA-UNVENTED SPACE HTR	VA	1	\$95
6WHA	WATER HTR-VA	VA	1	\$107
6WHB	WATER HTR-VA	VA	1	\$66
			6	\$903