BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

IN RE:	)	
	)	**Docket No. 15296**
SERVICE QUALITY STANDARDS FOR CERTIFICATED MARKETERS AND THE REGULATED PROVIDER	)	

SCANA ENERGY MARKETING, LLC'S (DEREGULATED) PETITION FOR WAIVER OF THE CALL CENTER SERVICE LEVEL STANDARD FOR FEBRUARY AND MARCH 2023

Now comes SCANA Energy Marketing, LLC ("SCANA"), and pursuant to O.C.G.A. § 50-13-9.1(c), petitions the Commission to waive the Call Center Service Quality Level Standard for the months of February and March 2023 (the "Petition"). In support of its Petition, SCANA shows the Commission the following:

Background

1. By Order entered April 14, 2003 in Docket No. 15296-U ("Benchmark Order"), the Commission established service quality standards for certificated marketers as contemplated by Commission Rule 515-7-8-.03. The service quality standard for call center response time (referred to in the Benchmark Order as "Call Center Service Level") is 80% of all calls answered within 180 seconds of the customer's request to speak with an agent measured over one calendar month.

2. On October 10, 2022 (the "Transition Date"), SCANA transitioned to a new billing system. This transition involved moving approximately REDACTED customers from one billing system – which had been in place for SCANA's Georgia natural gas customers for over 20 years – to an entirely new billing system. While over the long-term SCANA's new billing system will provide many benefits for SCANA customers and further the innovative purposes embodied by Georgia's Natural Gas Competition and Deregulation Act, O.C.G.A. § 46-4-150 *et seq.*, this transition to a

new billing system was a significant undertaking and marked an unprecedented change for SCANA and its customers.

3. After this Transition Date, SCANA experienced a) double the normal customer call volume in October 2022 and b) SCANA's Customer Solutions Specialists having to spend more time than normal with customers going over the new bill and setting up their new online account. Additionally, cold temperatures during the week of October 10, 2022, impacted SCANA's call volume. Therefore, for its deregulated service, SCANA's Call Center Service Level was below the Call Center Service Level set forth in the Benchmark Order for the October 2022 Service Quality Measure reporting period.

4. Based on October's 2022 Service Quality Measure results and in anticipation of continued increased call volume during the transition to SCANA's new billing system during the winter heating season, on November 2, 2022, SCANA filed its Petition for Waiver of the Call Center Service Level Standard for November and December 2022 and January 2023 (the "November Petition"). During its December 6, 2022 Administrative Session, the Commission approved SCANA's November Petition, entering an order on January 30, 2023.

5. SCANA continues to have higher than anticipated customer call volume. The table below shows the year of year (YOY) increase by month in SCANA's Call Volume:

Month	2021-2022 Call Volume	2022-2023 Call Volume	YOY Increase (%)
October	REDACTED	REDACTED	REDACTED
November	REDACTED	REDACTED	REDACTED
December	REDACTED	REDACTED	REDACTED
January	REDACTED	REDACTED	REDACTED
February	REDACTED	REDACTED	REDACTED
Total	REDACTED	REDACTED	REDACTED

SCANA anticipates that March 2023 call volume will be substantially higher than March 2022.

6. While SCANA expected some increase in call volume due to its transition to a new billing system and the higher than expected customer bills (as it explained in its November Petition), SCANA did not anticipate such a dramatic increase in call volume or the extended period in which SCANA would experience these increased call volumes. A primary driver (in addition to the transition with respect to the billing system) is high natural gas bills by historical standards, which have impacted the number of customer calls, both before and after customers experience disconnections for nonpayment, or SONPs. In addition to higher per therm costs, the extreme cold experienced within SCANA's service territory during December 2022 has driven these higher than normal customer bills.

SCANA's Efforts to Retain, Hire, and Train Call Center Staff

7. Leading into the Transition Date, SCANA expected some turnover among its Customer Solutions Specialists based on how significant the changes were between the two billing systems. REDACTED and was further exacerbated by the strong jobs market that existed then and persists today.

8. REDACTED.

9. In addition to the reasons described above that drove higher than expected call center volume for a longer than expected period of time, SCANA faced a historically tight and competitive labor market as it sought to execute on its hiring and training plans established in the days and weeks after the Transition Date. REDACTED.

10. REDACTED. Specifically, the table below shows SCANA's Customer Solutions Specialists significant increases in headcounts since the Transition Date:

Date	No. of CSSs	Increase after Transition Date (%)
REDACTED	REDACTED	
REDACTED	REDACTED	REDACTED
REDACTED	REDACTED	REDACTED
REDACTED	REDACTED	REDACTED

11. In addition to hiring new personnel, SCANA is cross-training its existing Customer Solutions Specialists to handle additional call types.

12. SCANA remains committed to retaining existing, and recruiting new, Customer Solutions Specialists during this time when employees continue to have many different good options for employment.

Based on the Regulatory Uncertainty regarding the Benchmark Order, Enforcement of its Remediation Process and Penalties Would Create a Substantial Hardship for SCANA

13. SCANA experienced a continuation of the increase in consumer calls and queue times for the February 2023 Service Quality Measure reporting period and expects those conditions to persist into the March 2023 Service Quality Measure reporting period due to the implementation of the new billing system, the unanticipated and unique impact of this year's winter heating season, and its ongoing, but improving staffing issues. REDACTED. The Benchmark Order provides that "a marketer will begin the remediation process if it fails to meet the benchmark twice during any 12-month period." Benchmark Order at p. 5. Therefore, in light of its October 2022 Service Quality Measure results, unless a waiver is granted as requested hereby, a failure for either February or March 2023 would require SCANA to create and file a Remedial Action Plan and, 105 days later, file a Remediation Report as contemplated by the Benchmark Order. Moreover, once a marketer has filed a Remedial Action Plan, the Benchmark Order contemplates the marketer

would be pay a $25,000.00 penalty for *each and every* reporting period in the one (1) year period (the "One Year Probationary Period") after the filing of the Remediation Report where it failed to satisfy the Call Center Service Level set forth in the Benchmark Order.

14. The rule waiver requested by SCANA is from Commission Rule 515-7-8-.03 which states:

> "Every Marketer shall be required to meet service quality standards to ensure that quality service is afforded to all natural gas customers in Georgia. Specifically, all Marketers shall meet Commission established benchmarks in the following areas:
>
> a. Call Center Service Level"

The Call Center Service Level as set forth in the Benchmark Order requires that 80% of all calls to the call center be answered within 180 seconds of a request to speak with an agent, measured over one calendar month.

15. The Commission is authorized to grant a "waiver to a rule when a person subject to that rule demonstrates that the purpose of the underlying statute upon which the rule is based can be or has been achieved by other specific means which are agreeable to the person seeking the…waiver and that strict application of the rule would create a substantial hardship to such person." O.C.G.A. § 50-13-9.1(c). "Substantial hardship" is defined to mean "a significant, unique, and demonstrable economic, technological, legal, or other type of hardship to the person requesting…a waiver which impairs the ability of the person to continue to function in the regulated practice or business." O.C.G.A. § 50-13-9.1(b)(1).

16. Since the statutory definition of "substantial hardship" expressly contemplates "*legal* . . . hardship to the person requesting…a waiver" as a basis for a rule waiver, the existing regulatory uncertainty surrounding the Benchmark Order supports a waiver of the Call Center Service Level for the February and March 2023 Service Quality Measure reporting periods. O.C.G.A. § 50-13-9.1(b)(1) (emphasis added).

17. Specifically, in discussing the Benchmark Order with Commission Staff, it appears that there exists differing interpretations regarding the timeline for remediation and application of penalties under the Benchmark Order. To that end, the Commission Staff recently requested the formation of a collaborative working group to discuss and propose clarifying changes to the Benchmark Order regarding, among other things, the remediation process timeline and penalty timing and structure. The present regulatory uncertainty that the working group has been formed to address highlights the challenge in applying the current Benchmark Order – creating the very kind of legal hardship that justifies a waiver under O.C.G.A. § 50-13-9.1(c).

18. Further, if the Benchmark Order is modified by the Commission or its contents made subject to a rulemaking by the Commission while SCANA or other marketers are subject to a Remedial Action Plan (or the One Year Probationary Period following such a Remediation Report under the current Benchmark Order), there is a significant potential for the non-uniform application of the Benchmark Order's remedial process and penalty structure among the various marketers. Additionally, a change in the rules and penalty structure while SCANA was subject to the One Year Probationary Period under the current Benchmark Order would create ambiguity on how SCANA could comply with the Benchmark Order, or its successor regulatory framework. This future regulatory uncertainty likely created by an effort to apply the Commission-adopted outcomes of the working group to any marketer in the middle of the current remedial process or One Year Probationary Period is especially unwieldy and burdensome. This future regulatory uncertainty also justifies a waiver of the Benchmark Order requested by this Petition. O.C.G.A. § 50-13-9.1(c).

19. Additionally, there is a substantial burden of implementing and complying with the formal remediation process contemplated by the Benchmark Order. Because of their knowledge and

experience, the leadership of SCANA's call center would be heavily relied upon to create the formal Remedial Action Plan and the subsequent Remediation Report. Time spent on such planning would divert attention from SCANA's continuing efforts to retain, hire, and train high quality Customer Solutions Specialists. This personnel strategy – which is already substantially underway -- would be the cornerstone of any Remedial Action Plan that SCANA would propose if it were required to enter the formal remediation process.

20. Moreover, if triggered, this remediation process set forth in the Benchmark Order places SCANA in additional jeopardy of facing substantial penalties during the three month Remedial Action Plan and the One Year Probationary Period. When viewed in the context of all the factors described above that have converged to create SCANA's present situation, the costs associated with being required to pay a $25,000.00 penalty for each and every misstep over the next 15 months does create a substantial hardship for SCANA.

21. While SCANA has been aggressive in hiring new personnel since its November Petition, it remains committed to "right-sizing" its call center staffing. Over-staffing for SCANA's longer-term needs would likely have negative consequences for its employees and raise SCANA's costs of doing business. The combined effect of the risks and costs described above – regulatory uncertainty, the direct and indirect costs of creating and complying with a formal Remedial Action Plan ("RAP") and Remediation Report, and the jeopardy of paying $25,000.00 per month penalty – incentivizes SCANA to hire more call center personnel than planned as part of its November Petition, or that may ultimately be needed, to ensure that the Call Center Service Level set forth in the Benchmark Order is met during the RAP and during the One Year Probationary Period following the RAP. This approach creates additional costs for SCANA that were not originally

planned for, causing the very kind of financial hardship contemplated by O.C.G.A. § 50-13-9.1(c) that would justify a rule waiver.

22. In enacting O.C.G.A. § 50-13-9.1(b)(1), the code section that permits rule waiver, the General Assembly declared "that the strict application of rules can lead to unreasonable, uneconomical, and unintended results *in particular instances*," and as such, "it is appropriate in such cases to adopt a procedure for agencies to provide relief to persons subject to regulation." O.C.G.A. § 50-13-9.1(a) (emphasis added). When looking back at its past 20 years in the Georgia natural gas market, SCANA's experience with its call center since the Transition Date has been unprecedented and the consequence of several uncommon circumstances occurring nearly all at once: its most significant billing system change ever, higher than typical customer bills due in part to above-average natural gas prices, and call center staff retention and hiring challenges based in part on a historically competitive labor market. Imposition of a remedial process and significant penalties for failing to meet the Call Center Service Level set forth in the Benchmark Order contemplates a marketer operating in typical circumstances and failing to meet minimum performance standards. But SCANA's experience since the Transition Date has been anything but normal and therefore, to require, under these unique circumstances, SCANA to follow the formal remedial process and risk penalties all the while the working group works to resolve the regulatory uncertainty surrounding the Benchmark Order is the type of "significant, unique, and demonstrable" legal and economic hardship that justifies a rule waiver under O.C.G.A. § 50-13-9.1(b)(1).

23. In summary, SCANA believes it has developed an achievable hiring and training plan that will allow it to come within compliance with the Call Center Service Level set forth in the Benchmark Order by April 2023 at the latest. Due to the regulatory uncertainty surrounding the

current Benchmark Order, SCANA contends that before the Commission seeks to enforce the current Benchmark Order, the working group should be granted time to develop understandable and uniform rules of the road to guide marketers in this competitive marketplace going forward.

Wherefore, SCANA respectfully requests that the Commission grant its request for a waiver of the Call Center Service Level for the February and March 2023 Service Quality Measure reporting periods and any requirements to file a Remedial Action Plan (as that term is defined on page 11 of the Benchmark Order) based on SCANA's failure to meet the Call Center Service Level for the February and March 2023 Service Quality Measure reporting periods.

Respectfully submitted this 7th day of March, 2023.

HALL BOOTH SMITH, P.C.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the within and foregoing **SCANA ENERGY MARKETING, LLC'S (DEREGULATED) PETITION FOR WAIVER OF THE CALL CENTER SERVICE LEVEL STANDARD FOR JANUARY AND FEBRUARY 2023** via electronic delivery, upon the following as reflected:

Sallie Tanner, Executive Secretary
Georgia Public Service Commission
stanner@psc.ga.gov

This 7th day of March 2023.

HALL BOOTH SMITH, P.C.

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