



Customer Service Response Index

*Measuring the responsiveness of
service providers in New York State*



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Introduction of a Customer Service Response Index

History

Every month since 1981, the Office of Consumer Services (OCS) has reported on the number of complaints received against Major New York Utilities and related that number to a complaint rate per 100,000 customers. As competition progressed, it became difficult to obtain customer populations and calculate complaint rates because of the constant migration of customers from one service provider to another.

In 2002, the Office of Consumer Services revised its consumer assistance process by introducing a Quick Resolution System (QRS) to handling customer issues. As a result of QRS the number of "complaints" recorded has declined justifying a need to develop an alternate way of measuring the level of customer service provided by providers of energy, telecommunications, cable television and water service.

The Office of Consumer Services has now established a Customer Service Response Index that will be used to compare the level of customer service and responsiveness provided by utility companies. In developing this Index, OCS identified three areas that could be used to measure the service and responsiveness provided by utilities to customers who contact the PSC for assistance. In order to understand the significance of the Index interested parties need to understand the PSC's complaint process and Quick Resolution System.

Complaint Process & QRS

The complaint process allows any customer to ask a question or file a complaint concerning their service. Over the years OCS has found that most all complaints were resolved satisfactorily in accordance with tariffs and/or the rules and regulations of the Commission. Even though these complaints were resolved satisfactorily, the time to resolution was significant. In order for us to provide customers a higher level of service, OCS developed the QRS process.

Beginning in June 2002, prior to intervention by Commission staff, in an effort to insure that utilities fulfill their obligation to provide effective customer service, we began to require utilities to contact the consumer directly and resolve their concerns. If the utility does not:

- ❖ Contact the consumer with its initial acknowledgement,
- ❖ Provide its response within two weeks, or
- ❖ Resolve the matter to the customer's satisfaction

the consumer is asked to inform us of their dissatisfaction so that we may begin a full investigation into the matter and report our findings to the customer.

In these instances, about 10% of the cases received, the Office of Consumer Services then conducts a full investigation of the complaint and notifies the consumer in writing or by telephone of the decision, the reasons for the decision and actions they may take next. While the complaint is at the Commission, consumers must pay amounts of bills not in dispute or their service may be terminated by the utility.

The Benefit of QRS

We believed that if a service provider could deliver a timely and proper response to their customers' issues OCS would not classify the customers' initial contact with our office as a complaint. This would be a benefit to the customer in that their matter would be addressed in two weeks or less and a benefit to the service provider in that they would not be charged with a complaint. Further, it was favorable for OCS in that there would be a significant reduction in paperwork. In the first fifteen months of this process, 90% of the customers that contacted OCS had their cases handled to their satisfaction as part of the QRS process.

The Customer Service Response Index

In order to measure the overall service provided on a company by company basis, OCS has developed a Customer Service Response Index. This index will be used to compare the level of service delivered by each company on a monthly basis. OCS identified four metrics that will be used to measure the service and responsiveness provided by utility companies to their customers who contact the PSC for assistance. The four metrics that comprise the CSRI are:

The Consumer Satisfaction Metric (CSM); a ratio of the number of complaints to the number of QRS cases in the reporting month,

The QRS Response Time Metric (QRM); the average number of days it took to respond to QRS cases resolved in the reporting month,

The SRS Response Time Metric (SRM); the average number of days it took to respond to SRS cases resolved in the reporting month,

The Pending Case Metric (PCM); the average age of all cases awaiting response, determined on the last day of the reporting month

OCS chose these metrics because:

The CSM will show how well the service provider is meeting the expectations of its customers who contacted the PSC. If a provider fails to satisfy the customer the QRS case becomes a complaint¹. Each complaint causes the index for this metric to decline.

The QRM will show the service provider's responsiveness to QRS cases. Providers delivering acceptable service under QRS will not only resolve its cases within 14 days but will also have a very high CSM. As the QRM rises above 14 days the index will decline indicating that the provider is not meeting the intent of the QRS program.

The SRM will show the service provider's responsiveness to SRS cases. Providers are expected to deliver acceptable resolutions to SRS cases within 10 days. As the SRM rises above 10 days the index will decline indicating that the provider is not meeting the intent of the program.

The PCM will show the service provider's overall timeliness in responding to all cases. Based on established criteria of the QRS program, QRS cases should be responded to in 14 days. Similarly, we expect that it is reasonable for providers to resolve complaints within 10 days. Providers performing acceptably in this area may have some cases pending for more than 14 days but the average age of all pending cases is expected to be 14 days or less. As the PCM rises above 14 days the index will begin to decline. If the average age of pending cases exceeds 70 days then the service provider will receive a negative value in this index. This is the only metric in which the index may result in a negative value.

Each index metric has had a weighted value assigned for calculation purposes based on the following rationale:

The CSM carries a weight of 50% which means a provider's performance in this area counts as 50% of the final Index. This metric carries a 50% weight because the primary goal of the QRS program is to drive service providers to handle customer issues properly the first time they are delivered to the provider by OCS staff.

The QRM and SRM both carry a weight of 20% which means a provider's performance in each of these areas count as 20% of the final Index. The PCM carries a weight of 10% which means a provider's performance in this area counts as 10% of the final Index.

The PCM contains a negative scoring component since once a service provider's average age of pending cases becomes two months past due, it is unlikely that a response will be forth coming without significant additional intervention by PSC staff. This level of unresponsiveness warrants a reduction to a providers overall score.

¹ In addition to cases where the customer is dissatisfied, certain high profile cases requiring expedited resolution may become complaints if the service provider fails to resolve the cases in a timely manner.

Scoring Methodology

The Customer Service Response Index for each company will be calculated by; determining the score and resultant index for each metric (found on the chart on page 7) and then adding the four indices together. All calculations will be rounded to one decimal place to determine the index. In other words, in order to score a 5.8 in the customer satisfaction metric a score between 97.5 and 98.4 must be attained.

The CSM scoring ranges from 0 to 10 points, where 10 points are scored when a company receives no complaints during the reporting month. A complaint is recorded as a result of the customer being dissatisfied with the service provider's resolution of a case which was handled as a QRS case. For each one-percent of complaints to QRS cases scored against a company, the CSM score is decreased by 0.2 points. As an example; if the number of complaints equals 10% of the QRS cases for the reporting month the CSM score is 8.0. Likewise, if the number of complaints equals 60% of the QRS cases for the reporting month the CSM score is 2.0. There is no score awarded if a company satisfies less than 50% of the customers that the PSC refers to them. The score is then multiplied by the weighted value (50% in this metric) to determine the index for this metric.

The QRM scoring also ranges from 0 to 10 points, where 10 points is scored when a company's average response time for QRS cases is 14 days or less. The response time on each case is calculated by subtracting the QRS response date from the date the QRS case was opened. The QRM average response time for each company is calculated by adding all the response times for QRS cases resolved in the reporting month and dividing by the number of QRS cases resolved that month. The CSRI chart displays the score earned when the average response time is less than or equal to 28 days. No points are earned if the average response time for QRS cases is more than 28 days (twice the acceptable reply standard). The score is then multiplied by the weighted value (20% in this metric) to determine the index for this metric.

The SRM scoring also ranges from 0 to 10 points, where 10 points is scored when a company's average response time for SRS cases is 10 days or less. The response time on each case is calculated by subtracting the SRS response date from the date the SRS case was opened. The SRM average response time for each company is calculated by adding all the response times for SRS cases resolved in the reporting month and dividing by the number of SRS cases resolved that month. If the case was in REButtal status, the response time will be calculated by subtracting the SRS response date from the date the SRS case was rebutted by staff. The CSRI chart displays the score earned when the average response time is less than or equal to 25 days. No points are earned if the average response time for SRS cases is more than 25 days (two weeks past due). The score is then multiplied by the weighted value (20% in this metric) to determine the index for this metric.

The PCM scoring ranges from -90 to 10 points, where 10 points is scored when a service providers' average age of cases (QRS and complaints) is 14 days or less. The age of each case is determined by subtracting the last day of the reporting month from the date opened or the REButtal date if appropriate on all cases awaiting a utility response (location codes ZPU, PU or REB). The PCM average is calculated by adding the age of all pending cases at the months end and dividing by the number of open cases. If the average age of cases exceeds 70 days (two months delinquent) a negative score is applied and if the average age exceeds 90 days, a

score of -90 is applied, which will result in an overall CSRI of zero. The chart on page six displays the scoring for this metric. The score is then multiplied by the weighted value (10% in this metric) to determine the index for this metric.

Calculating the final Customer Service Response Index (CSRI)

As stated previously, the CSRI for each company is determined by adding the three metric indices together. The table below displays the individual statistics for each metric and the resultant performance index for seven fictitious service providers. The performance index for ABC Energy Co. in the chart below is calculated as follows:

CSM 1 – (15 complaints / 123 QRS cases) = 87.8% = 7.4 points x 50% = 3.7
 QRM 9.0 days average response on QRS cases = 10.0 points x 20% = 2.0
 SRM 12.9 days average response on SRS cases = 9.0 points x 20% = 1.8
 PCM 15.3 days avg. age of all cases = 9.0 points x 10% = 0.9

Customer Service Response Index = 8.4 points

Sample CSRI Report										
Service Provider	QRS Cases	Complaints	CSM Index	Avg. QRS Response	QRM Index	Avg. SRS Response	SRM Index	Avg. Age of Pending Cases	PCM Index	CSRI
DTMF Telephone	123	1	4.9	15.6	1.8	11.2	1.9	10.0	1.0	9.6
ABC Energy Co.	123	15	3.7	9.0	2.0	12.9	1.8	15.3	0.9	8.4
XYZ Long Distance	400	37	4.1	14.0	2.0	10.0	2.0	23.5	0.8	8.9
Main Waterworks	10	3	2.0	7.5	2.0	56.2	0.0	7.5	1.0	5.0
Basic CATV Co.	123	37	2.0	10.0	2.0	8.8	2.0	24.1	0.8	6.8
Coax Cable Co.	55	7	3.7	29.0	0.0	92.2	0.0	27.3	0.7	4.4
Volts Power, Inc.	50	5	4.0	20.9	1.3	7.7	2.0	61.6	0.0	7.3

NYS Public Service Commission
Office of Consumer Services
Customer Service Response Indices

50% Customer Satisfaction Metric			20% Avg. QRS Response Time Metric			20% Avg. SRS Response Time Metric			10% Avg. Age of Pending Cases Metric		
Performance	Score	Index	Performance	Score	Index	Performance	Score	Index	Performance	Score	Index
100.0%	10.0	5.0	<=14	10.0	2.0	<=10	10.0	2.0	<=14	10.0	1.0
99.0%	9.8	4.9	14.1 - 15.0	9.5	1.9	10.1 - 12.0	9.5	1.9	14.1 - 20.0	9.0	0.9
98.0%	9.6	4.8	15.1 - 16.0	9.0	1.8	12.1 - 13.0	9.0	1.8	20.1 - 25.0	8.0	0.8
97.0%	9.4	4.7	16.1 - 17.0	8.5	1.7	13.1 - 14.0	8.5	1.7	25.1 - 30.0	7.0	0.7
96.0%	9.2	4.6	17.1 - 18.0	8.0	1.6	14.1 - 15.0	8.0	1.6	30.1 - 35.0	6.0	0.6
95.0%	9.0	4.5	18.1 - 19.0	7.5	1.5	15.1 - 16.0	7.5	1.5	35.1 - 40.0	5.0	0.5
94.0%	8.8	4.4	19.1 - 20.0	7.0	1.4	16.1 - 17.0	7.0	1.4	40.1 - 45.0	4.0	0.4
93.0%	8.6	4.3	20.1 - 21.0	6.5	1.3	17.1 - 18.0	6.5	1.3	45.1 - 50.0	3.0	0.3
92.0%	8.4	4.2	21.1 - 22.0	6.0	1.2	18.1 - 19.0	6.0	1.2	50.1 - 55.0	2.0	0.2
91.0%	8.2	4.1	22.1 - 23.0	5.5	1.1	19.1 - 20.0	5.5	1.1	55.1 - 60.0	1.0	0.1
90.0%	8.0	4.0	23.1 - 24.0	5.0	1.0	20.1 - 21.0	5.0	1.0	60.1 - 70.0	0.0	0.0
89.0%	7.8	3.9	24.1 - 25.0	4.0	0.8	21.1 - 22.0	4.0	0.8	70.1 - 75.0	-10.0	-1.0
88.0%	7.6	3.8	25.1 - 26.0	3.0	0.6	22.1 - 23.0	3.0	0.6	75.1 - 80.0	-30.0	-3.0
87.0%	7.4	3.7	26.1 - 27.0	2.0	0.4	23.1 - 24.0	2.0	0.4	80.1 - 85.0	-50.0	-5.0
86.0%	7.2	3.6	27.1 - 28.0	1.0	0.2	24.1 - 25.0	1.0	0.2	85.1 - 90.0	-70.0	-7.0
85.0%	7.0	3.5	>28	0.0	0.0	>75	0.0	0.0	>90	-90.0	-9.0
84.0%	6.8	3.4									
83.0%	6.6	3.3									
82.0%	6.4	3.2									
81.0%	6.2	3.1									
80.0%	6.0	3.0									
79.0%	5.8	2.9									
78.0%	5.6	2.8									
77.0%	5.4	2.7									
76.0%	5.2	2.6									
75.0%	5.0	2.5									
74.0%	4.8	2.4									
73.0%	4.6	2.3									
72.0%	4.4	2.2									
71.0%	4.2	2.1									
70.0%	4.0	2.0									
69.0%	3.8	1.9									
68.0%	3.6	1.8									
67.0%	3.4	1.7									
66.0%	3.2	1.6									
65.0%	3.0	1.5									
64.0%	2.8	1.4									
63.0%	2.6	1.3									
62.0%	2.4	1.2									
61.0%	2.2	1.1									
60.0%	2.0	1.0									
59.0%	1.8	0.9									
58.0%	1.6	0.8									
57.0%	1.4	0.7									
56.0%	1.2	0.6									
55.0%	1.0	0.5									
54.0%	0.8	0.4									
53.0%	0.6	0.3									
52.0%	0.4	0.2									
51.0%	0.2	0.1									
50%	0.0	0.0									