

REPORT ON JOINT EUC/WWWC WORKING GROUP

Commissioner Mickey Maia

September 12, 2018

WORKING GROUP

- **October-November 2017**
 - Large numbers of customers complained to AE Customer Service about abnormally high water bills for September 2017.
- **December 2017 and January 2018**
 - After unsatisfactory response from AE Customer Service, customers testified at Electric Utility Commission (EUC).
- **January 2018**
 - EUC formed Working Group to further investigate billing problems.
- **February and March 2018**
 - 3 WWW Commissioners were added to Working Group.
- **January-July 2018**
 - Working Group met with AE, AW; discontinued further meetings at July meeting.
- **Commissioners of both bodies were performing independent oversight duties according to their by-laws.**

BASICS OF THIS PRESENTATION

- Constructive changes can come about through joint efforts of Staff, Commissioners in oversight role, and citizen activists/critics.
 - Brings different perspectives together respectfully
 - Allows Staff to share their reasoning and actions
 - Adds transparency and thus builds community trust
 - Solves problems

BASICS OF THIS PRESENTATION

- The current investigation did not achieve those results.
 - Staff tended to minimize customers who complain about service.
 - Staff often refused to answer questions in a responsive and complete manner.
 - Staff often refused to provide public documents requested by the Working Group.
 - Staff focused on public relations rather than on transparency and questions that Commissioners asked.

“We decided that Staff didn’t want to spend the resources to answer old questions, so we are doing something else.”

- AE Supervisor

BASICS OF THIS PRESENTATION

- I have offered concrete information and examples so that Commissioners can make their own judgements.
 - Transcripts of EUC meetings related to meter reading and billing problems
 - My notes of testimony by customers during Citizens' Participation at EUC meetings (taken from meeting videos)
 - My notes from Working Group meetings
 - A spreadsheet of questions posed by Working Group members and AE/AW responses (and lack of response)
- I also provided Commissioners with a newspaper article and transcript of conversations between one water customer and AE Customer Service representatives over many months as concrete evidence of actual practices of AE Customer Service.

BASICS OF THIS PRESENTATION

- **Focus on management practices rather than on individuals**
 - My focus at this time is the internal culture of Austin Energy and how it results in poor customer service for water customers, rather than a focus on named individuals.
- **My observations arise out of my own academic background and experience – in language and linguistics, and in cultural anthropology. These disciplines have direct relevance to describe the sources of Customer Service shortcomings.**
 - Creation stories
 - Use of Names and Naming
 - Use of Language

CREATION STORIES

- Every culture and subculture has its creation story out of which it lives and operates.
 - At some point, AE began to identify itself as a “company” or “corporation”.
 - Management staff unfailingly refers to AE as a company and uses corporate terminology.
- AE’s self-identity as a company sets it apart from the greater purpose and identity of the overall City workforce.
 - Staff throughout Austin’s workforce identify as service providers and public servants.
 - AE managers seem to focus on preservation and protection of AE and themselves, keeping others “out of their business”, controlling the story that comes out, AE’s public image.
- AE’s creation story is not true. It is a public service department of the City workforce pretending to be a corporation.

NAMES AND NAMING

- In every culture, naming carries power. Also, “who” gets to name is the one who has the power.
 - AE names itself a company rather than a department of the City of Austin municipal government.
 - AE mimicks corporate titles for its management-level staff.
 - General Manager/Deputy General Manager instead of Department Director/Deputy Director
 - Vice President instead of Assistant Director
 - AE sets itself apart from the rest of municipal departments.
 - Management has historically played a role in this separation by not requiring AE to have oversight by Assistant City Managers like other departments have.

USE OF LANGUAGE

- **Language influences how we think.**
 - AE, in the Customer Service function, uses many acronyms, jargon, buzzwords, etc., instead of common parlance.
 - AE made little attempt to help Commissioners understand their exclusionary language, even when requested.
 - Use of opaque language enabled the energy department to keep Commissioners “out of their business”.
- **If we want the culture to change, we often have to change the language.**
 - AE is unlikely to change its Customer Service practices and its public transparency until it changes its exclusionary language.

RESIDENTIAL CUSTOMER COMPLAINTS

Service Problems

- **Reported problems with meter reading and billing, December-March:**
 - Very low bills for use in August 2017 (very hot, dry weather)
 - Very high bills for use in September 2017 (Hurricane Harvey effects should have resulted in low bills)
 - Customers believed their August bills were estimated
 - Very low bills for use in July 2017 (separated from high August/low September phenomenon)
 - Very low or zero bills at miscellaneous times
 - Abnormally high bills beyond August/September problem
 - Receiving 2 bills in one month for different billing periods
 - Customers with less than 12 months at current address cannot get relief on a contested bill.

RESIDENTIAL CUSTOMER COMPLAINTS

Staff Response: Low August/High September Bills

- **Low August/High September Bills**
 - AE Staff reports that 2 meter readers that worked for previous contractor estimated August bills.
 - September meter readings were performed by new contractor and reflected true readings.
 - Meter readers had to use password to get “flag” amounts for each residence so they could avoid detection.
 - AE Staff reports that meter readers obtained a Staff password to access flags. **Working Group has not learned how that password was obtained, or the position of the person who had that password. Likewise, the role of Corix management is unknown.** Staff has not been forthcoming on these questions, citing ongoing litigation.

RESIDENTIAL CUSTOMER COMPLAINTS

Staff Response: Low August/High September Bills

- **Low August/High September Bills (cont.)**
 - By contract, Corix was supposed to track meter readers every few minutes. AE Staff says that GPS was only on the trucks and not the workers. Did the readers sit in their trucks in a neighborhood and just not read meters? Working Group does not know.
 - No motivation for meter readers has been revealed.

“They would have no way to estimate. The process is built so the meter readers are blind to previous reads, so there’s no way to estimate.” [December 11]

“I want to make clear that the meter reader does not estimate a read or a bill.” [January 22]

“There were no meter reading/uploading issues.” [January 22]

- AE Vice President

RESIDENTIAL CUSTOMER COMPLAINTS

Staff Response: Low August/High September Bills

- **Low August/High September Bills (cont.)**
 - 17,800 residential customers were affected.
 - Usage was spread equally between the two months (“smoothing”). According to Staff:
 - 7,400 got refunds.
 - 10,400 were not overcharged.
 - 700 of the 17,800 had extraordinarily high bills after “smoothing”; Staff said these customers got letters and expedited process for additional administrative adjustment.

RESIDENTIAL CUSTOMER COMPLAINTS

Staff Response: Other Billing Complaints

- **Zero Bills**

- *“As it relates to those with zero consumption ... what we’re doing now is looking at every one of those on a report on a 30-day basis, so every zero is definitely getting a look-at.” [EUC Meeting] - AE Deputy General Manager*
- *“There are too many zero reads (800 per day) to keep up with it.” [Working Group Meeting] - AW Division Manager*

- **12-Month Residency Limitation on Appeals**

Changed by Ordinance as Recommended by WWWC

- **The Working Group did not get specific feedback on other complaints.**

RESIDENTIAL CUSTOMER COMPLAINTS

Staff Attitude Problems

- **Complaints made about mistreatment of callers:**
 - For months, AE/AW did not initially investigate why they experienced billing problems (until customer testimony at EUC).
 - AE/AW show a lack of respect; they disparage people.
 - AE and AW have a combative attitude.
 - AW is condescending.
 - AE/AW implied that customers were doing something wrong that caused their billing problems.
 - Customers are minimized: AE tells them that no one else has the same problem as they do, even though there are thousands of customers similarly affected.
 - After told to expect a call from “escalations”, they did not receive a call, often for weeks or months or never.
 - They were charged late fees while the customer was waiting to get a call back so problem could be investigated.

RESIDENTIAL CUSTOMER COMPLAINTS

Staff Attitude Problems

- **Complaints made about mistreatment of callers (cont.):**
 - “They act like you’re an idiot.”
 - They were told to read their own meters, even a customer in her ‘80’s.
 - Customers are not given the benefit of the doubt.
 - They were “offered” some amount of money unrelated to customer cost to get them to end their complaint.
 - AE’s position is that customers have to pay when AE itself can’t explain their widespread billing anomalies.
 - AE wrongly, and without notice or permission, emptied a customer’s bank account while the bill was under protest.
 - Applicants for adjustments are required to waive their due process rights under the Constitution (from an Administrative Law Judge).

ELECTRIC UTILITY COMMISSIONER COMMENTS

- “It’s not just an individual customer’s problem here.... It’s all over Austin.... It’s a big problem.”
- “You have way too many complaints.... There doesn’t seem to be good diagnostics, there is poor root cause analysis, and just a lost confidence.”
- “I think we’re all saying that we want more flexibility, we want there to be more accountability, and more information is a better way to get there.”
- “Instead of being like ‘What did you do wrong?’ Instead of saying ‘You must have done something wrong’, could we possibly train our people where they share the same way our customers are feeling? To me, that would help with some of this.”

ELECTRIC UTILITY COMMISSIONER COMMENTS

- “Why didn’t Shudde get a flag?” [When she got a zero bill for 8 months] “Why isn’t the system picking [zero reads] up?”
- “This makes me wonder how a \$12,000 bill didn’t get caught.... Managers should go in there where they can see people, where you have made them mad. Then you guys are plugged in rather than let your service representatives be the ones that have to deal with it. There’s nothing like the managers seeing angry customers first hand. I don’t know how much you all are out of the office in people’s meetings in the neighborhoods. That’s how you deliver a quality product: you eventually run out of problems you have to solve.”
- “The relationship part, as far as the cultural part, there’s nothing like people suffering. Make it [relationship] pervasive throughout the organization.”

ELECTRIC UTILITY COMMISSIONER COMMENTS

- “... at some point CSR’s are not really using common sense.... [After relating a case of an 89,000-gallon anomalous bill] You would expect that the response to that would be, ‘Okay, this really looks bizarre and we need to escalate this and find out what’s happening’. But instead, with repeated efforts and repeated contacts with the representatives, it was ‘Well, you’re going to have to go prove your case’.”
- “There’s got to be some kind of escalation process between ‘not my problem’ and ‘here’s a check’. There’s got to be some process there where people can use good judgement and say ‘we’re going to escalate this to get it resolved, because it could be that you’ve got a massive leak ... but more than likely there’s some glitch in the system’. That’s what has people upset.”

ELECTRIC UTILITY COMMISSIONER COMMENTS

- “I had this experience myself.... After hearing the process that I was going to have to go through, I said ‘the heck with it. It’s going to cost me way more than that to take off work to get this resolved.’ There needs to be an escalation path, once you have evidence in front of you that looks way off the chart. And that’s what I heard from almost every single citizen who has come here and complained about it, is that ‘It’s an opaque process that requires them to go to extraordinary lengths’.”
- “I just think that a part of this is not only wading through all the issues but rebuilding the trust. Maybe you ought to explore assigning a manager to a neighborhood or a hot spot, and that’s the ‘relationship manager’. Your task is to go deal with customers and learn. There’s nothing like that for changing the view of what you need to go deal with.”

ELECTRIC UTILITY COMMISSIONER COMMENTS

- “Whatever the issue is, we’re seeing our public trust be eroded in these organizations that we all care about. I don’t know what’s going on, but it seems to me like it would be good for us as a City that cares to do something like that [relationship manager]. I was thinking of the word ‘ombudsman’....They feel like they’re being railroaded one way or another.... It just seems like we should find a more human way to deal with our customers.... I just think we need to take better care of customers than we’re doing.”
- “Embrace these people that are so frustrated. Get to know them. They can be your best resource for getting information to improve your processes. And, people don’t expect everything to be perfect. They expect to be treated with respect and to be taken care of. Sending your management team out, I think you need to pivot to that. Get out of the office and into the car.”

ELECTRIC UTILITY COMMISSIONER COMMENTS

- “The thing that I think is going to be an issue is they haven’t identified the people who haven’t complained – the people who have this issue who haven’t complained.”
- “What attracted me was the customer testimonies. Public utilities should act differently from private utilities. Relations are different. My biggest worry is that there is this feeling that customers should have a good experience in a different way than they do with private utilities.”
- “We Commissioners do not see Staff as enemies. Our goal is to see you succeed.”
- “People were treated like liars.”

ELECTRIC UTILITY COMMISSIONER COMMENTS

- “I worry that someone at AE knew this was going on.... I wonder who was doing the management on this.”
- “I am also concerned about ‘After-Action Reports’. I am a great believer in AA Reports; it’s important to have something we can go back to in the future. Taking time to do it is important.”
- “I’m just hoping that there will be an analysis so that we’ll do ‘lessons learned’.”

CASE STUDY – THE 2-COW FAMILY

- The 2-Cow Family purchased undeveloped land with only a water spigot from which they filled a 2000-gallon tank every few months and then turned off the hose, “literally turn the water off at the street”.
- The family fills a child’s 5-10 gallon plastic pool with water from the tank every few days for two cows and wildlife.
- The land had been recently subdivided, and they initially had both a water bill and an erroneous electric bill carried over, but they got the electricity removed and then had a \$357 credit on their water-only account.
- They didn’t receive bills for 5-6 months, but were told by AE that this was because of the credit being applied to monthly bills of \$7-\$15.
- Then they got a bill for \$12,111.68.

CASE STUDY – THE 2-COW FAMILY

- **November 22, 2017**

- The husband calls AE Customer Service, thinking there is some misplaced decimal or other explanation for the amount of the bill.
- The Customer Service agent is “Robert”.
- Agent says that the meter had not been read between March and October, and the 790,000 gallons are for several months all being charged in March.
- Agent blames the cost on application of the “tiered” water rate structure applied in a single month.
- Agent says he is “submitting an escalation”.
- Husband responds this is not acceptable, because he reads the meter all the time, and that the meter is easily accessible to readers.
- The agent says the Water Department will look at this.
- Husband re-states that the amount of water cannot be correct.

CASE STUDY – THE 2-COW FAMILY

- **November 22, 2017 (cont.)**
 - Husband again says the family was not receiving a bill for months and he repeatedly called to report. He was told he was not receiving a bill because he had a credit.
 - Agent says that is incorrect; the meter was not being read.

CASE STUDY – THE 2-COW FAMILY

- **December 11, 2017 (19 days later)**
 - The husband calls AE Customer Service again, asking for someone in “Escalations”.
 - The Customer Service agent is “Toni”, a different agent.
 - Agent asks for the service address for verification.
 - Husband says that AE changed the “service address” (the meter is on a dirt road) and did not tell him the assigned service address.
 - Agent says she must have it verified. He gives her many other types of information about the account, and she relents.
 - Husband wants to file a complaint because AE took \$800 out of his bank account while he was waiting to hear back from “Escalations”. [His rent check bounced.]
 - Husband says that he got a registered letter from AE that he cannot receive because he doesn’t have an ID that matches the service address that AE assigned to him and did not give him.

CASE STUDY – THE 2-COW FAMILY

- **December 11, 2017 (cont.)**
 - The agent will not give him the address unless he provides it to her for security; then she can verify it.
 - Agent says she will see who will be responding to him from “Escalations”.
 - Agent “Joseph” comes on the line (the third different agent) to talk to “Toni” with husband not hearing. Says “we just barely filed this back in November. Nothing has happened with it”.
 - Joseph goes on to say that family needs to be put on a payment plan.
 - “Toni” tells husband “We’re gonna have it assigned to someone; we don’t have it assigned to anyone yet”.
 - Husband returns to the \$800 withdrawal from his bank account by AE the day before, without anybody contacting him. He wants to file a complaint, and he wants the “Escalation” contact’s name.

CASE STUDY – THE 2-COW FAMILY

- **December 11, 2017 (cont.)**
 - “Toni” finally makes a note of that on his file. She tells him someone will call him.
 - Husband asks to speak to a supervisor.
 - Agent tells husband he will get a call within 24 hours from an “Escalation” agent. Does not refer him to a supervisor. [Note: AE Staff told Working Group that customers can talk to a supervisor at the call center before being sent to Escalations.]
 - Husband hangs up.
 - “Joseph” calls “Toni” back to say they should have put him on a payment plan so he doesn’t have any “collection activity”, or they should send a 30-day postponement to collections. [Too late – they already emptied his bank account.]
 - “Toni” said she didn’t have a conversation about a payment plan because “he was talking all hyper, he keeps thinking that we drafted \$800 out of his account”. [Blaming the customer]

CASE STUDY – THE 2-COW FAMILY

- December 11, 2017 (cont.)
 - “Joseph” says they need to offer a payment arrangement and postpone collections “as a solution to calm them down”.
 - “Joseph” reads in the file discrete amounts for each of several months. There is no indication of where these amounts came from if there were no meter reads for months. [It appears that AE took \$100 for each month out of husband’s bank account to apply to amounts that were either “assumed” or had unknown sources.]
 - “Joseph” says it looks like a stopped or crossed meter issue.
 - “Joseph” says he will contact the husband to talk about a payment arrangement.

CASE STUDY – THE 2-COW FAMILY

- **December 18, 2017 (One week later, 26 days since first call)**
 - Husband tells his story again. The newest event is that he has a \$600 late fee on his latest bill.
 - Husband says that no one ever called him back.
 - “Toni” is the agent (not sure if it is the same agent as before).
 - Husband cancels autopay arrangement with AE. “Y’all are not honorable in your usage of my autopay”.
 - Husband tells complete story again.
 - Agent tells husband he needs to read his meter every few days and keep a log. [Husband had told her the meter was half a mile away in the woods and that he had not been reading it.]
 - Husband asks for a field agent to meet him on his property so they can make sure the right meter is being read.
 - Agent tells him to wait for a callback from Escalations.
 - Agent puts husband on hold, then tells him that the escalation is still pending, and that his property is not residential

CASE STUDY – THE 2-COW FAMILY

- **December 18, 2017 (cont.)**
 - Agent tells the husband to follow the prompts to get to a commercial supervisor.
 - Agent says to call the call center again if he has not heard from escalations within a week.
 - Agent signs off: **“Thank you for choosing Austin Utilities”**.

CASE STUDY – THE 2-COW FAMILY

- December 18, 2017 (Same day, husband receives call from AE)
 - Agent is “Mark”, another agent. He works in the “Executive Escalations Department”. “When it comes in through City Hall, ... it comes to me”.
 - Agent says that he received a call from the Mayor’s Office about husband not getting call backs.
 - Husband tells the whole story again, and says he called the Mayor when he was threatened with a bill collector. [Agent had earlier said something indecipherable about collections.]
 - Husband says “it’s just a comedy of errors, and it’s just to the point of incompetence at this point.”
 - Agent gives husband his direct line phone number [first time an agent gave a full name and phone number], saying “I don’t want you to feel like you’re not having anybody to talk to”.
 - Agent says that there are no crossed meters.

CASE STUDY – THE 2-COW FAMILY

- **December 19, 2017 (One day later, 27 days since first call)**
 - Mark calls husband and says he will get to the bottom of the problem before the end of the week.
 - Husband says he can tell from reviewing his bills that the wrong meter was read one month.
 - Agent says the meter may have stopped.
 - Agent says that he removed the \$600 late fee and he will make sure that family doesn't have any collection issues.

CASE STUDY – THE 2-COW FAMILY

- **January 3, 2018 (15 days later, 42 days since first call)**
 - Mark calls husband and tells him the investigation is not done yet.
 - Agent tells husband he is not in danger of being cut off.
 - Agent says the meter was stopped.
 - Agent says that he will call husband in the next couple of days.

CASE STUDY – THE 2-COW FAMILY

- **January 22, 2018 (19 days later, 61 days since first call)**
 - Mark calls husband and apologizes for taking so long.
 - Agent says he has been sending people out into the field to make sure they have the right meter.
 - Husband says he has seen them at his gate several times, where his neighbor's meter is located. They are reading the wrong meter.
 - Agent says that they have spread family's usage over several months to get the bill lower by moving more gallons to lower tiers.
 - Agent tells him to expect new bills for those months, maybe the same day.
 - Husband says, "the City doesn't know which meters they are reading, what day of the week they are reading, and even when I guide them in, they still read the wrong meter five times."

CASE STUDY – THE 2-COW FAMILY

- **January 22, 2018 (cont.)**
 - Mark tells husband to request an administrative hearing, and that his case will then be turned over to Austin Water.
 - Husband asks “At some point is there ever a dude in a truck that is willing to come over and let me point at my meter?”
 - Agent says that he doesn’t have the authority to do so.
 - Agent gives husband tips for his hearing argument.
 - Agent acknowledges that usage is “way down”. “It’s returned to where it’s always been”, said the husband.
 - Agent asks if there is any usage on the husband’s earlier low bills, and the husband says yes. [AE has been arguing that they haven’t read the meter for months, or that the meter stopped.]

The same evening, January 22, the wife testified at the EUC:

“I don’t know if the meter is broken, the meter reader is broken, but certainly the utility department customer service is broken.”

CASE STUDY – THE 2-COW FAMILY

- **Epilogue from Austin American Statesman**

- After the wife's public testimony, AE took another look at the billing for the 2-Cow Family.
- The cause of the family's 790,000-gallon bill was a water main break on an Austin Water line. [Working Group was told by managers that checking with AW for system problems that may affect a customer's bill is routine. This routine check was not done, or even considered by the Customer Service agents.]
- The family was credited \$12,121.76. [What about the \$800?]
- There was a subsequent contested \$300 charge to the family.
- Bills have remained in the \$6 range.

No Customer Service agent ever addressed the basic assertion of the family: the 790,000 gallon usage on the bill was incorrect.

None of the agents seemed to find the length of time it took to be assigned a case in Escalations to be unusual. This is routine.

CASE STUDY – THE 2-COW FAMILY

A very limited City Audit looked at a sample of 2017 complaints and found *“Austin Energy handled every complaint in accordance with their policies.”* This is not a case of “everything going wrong” or rogue agents; this is what their practices actually are.

In May, the AE Supervisor for escalations strongly insisted that reports of failure to receive promised callbacks from Customer Service staff, or a customer having to re-start the complaint process from the beginning because of non-responses were impossible. She said that they had a system, they had records, every customer was given the name and phone number of an agent they could contact.

In June, an AE vice president, referring to an internal survey of customers after a Customer Service call, said *“We consider these positive [customer satisfaction] responses are higher than virtually any utility in the country.”*

CONCLUSIONS

- The ultimate reason for customer service negative experiences and sometimes abusive treatment of water customers is the internal culture of Austin Energy itself.
 - Austin Water customers who have had billing problems are rightly disappointed in the customer service that they have received, and that they paid for in their water bills.
 - The actions of Austin Energy relative to customer service has reflected negatively on AW and its employees, and has caused a diminishment of public trust in both utilities.
 - Austin Energy's insistence on closed "corporate" culture is not representative of Austin values of honoring public service and of transparency of public agencies.

CONCLUSIONS

- **Water billing and meter reading problems should have never risen to the level of Commission/Council oversight.**
 - **Competent “troubleshooting”, including listening to customers, would have more quickly resulted in identifying the source of anomalies, leading to appropriate and more timely remedies.**
 - **Austin Energy’s analytical processes were inadequate, wasting money and personnel resources, and resulting in harm to customers.**
 - **Management and oversight of the meter reading contractor was inadequate, resulting in harm to customers.**
 - **More respectful attention to customer service and relations would have built trust and good will from most customers.**
 - **With competent management and training, the number of complaints to the EUC/WWWC/Council is likely to have been minimal.**

CONCLUSIONS

- **Customer service to Austin Water customers will not substantially and permanently improve until Austin Water assumes control over its own customer service functions.**
 - Contracting for meter reading services
 - Transitioning to AMI metering and related services
 - Troubleshooting water bill problems
 - Other public service initiatives with AW customers
- **Austin Energy could play an important part in AW customer service initiatives, but must ultimately be under the management control of AW for those functions to ensure that AW customers receive quality services.**

RECOMMENDATIONS

- Austin Water needs to take full responsibility (expanding what it is currently doing) for customer service provided to their customers. AW will need City Management support to do this.
- Austin citizens need to reclaim their power of naming and ask Council/Management to re-formulate AE as a municipal service-oriented department.