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December 13, 2018

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501

Subject: Tariff Advice Letter TA 308-4

Dear Commissioners:

The tariff filing described below is transmitted to you for filing in compliance with Section 3 AAC 48.200 - 3 AAC 48.430 of the Alaska Administrative Code:

<u>Tariff Sheet</u>		<u>Cancels Sheet</u>		<u>Schedule or Rule Number</u>
<u>Number</u>	<u>Revision</u>	<u>Number</u>	<u>Revision</u>	
10	Fourth	10	Third	Section 102 Office Locations

ENSTAR Natural Gas Company, a division of SEMCO Energy, Inc., (“ENSTAR”) is proposing a revision to its tariff to reflect changing the customer lobby hours at its office locations to 9:00 a.m. to 4:00 p.m., from 8:00 a.m. to 5:00 p.m. ENSTAR’s call center and other service hours will remain unchanged (8:00 a.m. to 5:00 p.m.). Customers are able to make payments 24 hours a day, 7 days a week at ENSTAR’s payment kiosks located at each business office location, as well as on-line at www.enstarnaturalgas.com. The proposed tariff provision revision could relate to any of ENSTAR’s approximately 145,000 customers and potential customers.

Over the last few years, ENSTAR has made various improvements in its service options that have reduced the need for customers to visit its office locations to transact business with the utility. Customers have long been able to sign-up for service by phone and ENSTAR has had its current tariff available on its website for many years. In 2014, ENSTAR implemented its on-line “MyENSTAR” customer portal that allows customers to sign-up for service, transfer service, set up auto-pay, ask questions about service and billings, as well as view billing and consumption history. In 2016 ENSTAR began accepting credit and debit card payments directly from customers (without a transaction fee) which has facilitated more on-line and phone payments,¹ and ENSTAR also changed its tariff to allow for electronic notifications.² ENSTAR customers can email ENSTAR notices to stop and start service, as well as provide notice of address or service requirement changes. ENSTAR can, and does, provide email notices of impending service

¹ Credit and debit cards are now the most used form of payment by ENSTAR’s customers.

² Electronic notification revisions were set out in TA 287-4, which were approved in Letter Order L1600450 dated September 16, 2016.

disconnections for customers that have elected that service, to which most recipients respond by email. By spring 2019, ENSTAR plans to roll-out an update to the “MyENSTAR” portal that will better accommodate mobile device usage, and will include a mobile app.

This summer, ENSTAR installed 24-hour outdoor payment kiosks at all of its business office locations. The kiosks accept cash, e-check, credit and debit card payments, as well as provides receipts. Customers may also use ENSTAR’s website customer portal to make payments anywhere at any time via credit card, debit card and electronic fund transfer.

The reduction in lobby hours allows ENSTAR to reduce overtime rates and provide better phone and email service by moving additional employees to the higher demand area. In fact, since the pilot program began in August 2018,³ ENSTAR has experienced an increase in the call handle rate⁴ and its call abandonment rate has declined. Overtime has also dropped more than 30% in the affected departments.

During 2017, approximately 10% of all payments received were received in the lobby. In 2018, the percentage of lobby payments dropped below 10% and is currently running at 7%. With this information, ENSTAR started the lobby hour change so that it could increase the number of employees working in the higher demand areas, such as phone and email assistance. Since the pilot program began in August, no complaints have been filed with the Commission related to ENSTAR’s lobby hours.

ENSTAR requests that the tariff revision be effective at end of the statutory notice period. Please feel free to contact me at 334-7661 if you have any questions.

Sincerely,

ENSTAR Natural Gas Company



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Attachments

³ ENSTAR advised the Commission of its reduced customer lobby hour pilot program in letters dated July 25, 2018 and August 27, 2018 (attached).

⁴ Handle rate is defined as the ability to for a Customer Service Representative to assist a phone call within 60 seconds of receiving the call.