

In the Community to Serve'

8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166 TELEPHONE 509-734-4500 FACSIMILE 509-737-7166 www.cngc.com

March 29, 2013

Mr. Steven V. King Acting Executive Director and Secretary Washington Utilities & Transportation Commission P.O. Box 47250 Olympia, WA 98504-9022

RE: Customer Service Quality Report for 2012

Dear Mr. King:

In accordance with Commitment 22 of the Cascade Natural Gas/MDU Resources merger docket (UG-061721), enclosed for filing is Cascade's Annual Customer Service Quality report for 2012.

If there are any questions regarding this report, please contact me at (509) 734-4593

Sincerely,

Michael Parvinen

Director, Regulatory Affairs

Attachment

Cascade Natural Gas Corporation 2012 Customer Service Quality Report

a) Cascade will separately report the number of customer complaints (i) received by Cascade and (ii) filed with the Commission

During 2012, the company received a total of 139 complaints. Ten complaints were filed with the Commission and Cascade was found at fault on four of the complaints.

The number of complaints reported in 2011 increased over previous years due to a change in a new implemented tracking system. The new complaint mechanism is used to summarize best practices and good performance measures as well as training and support for incoming new agents. Efficiency and quality is also taken into consideration in this complaint mechanism and used to improve technique and skill.

A large percentage of the tracked complaints are basic concerns and issues that escalate to a lead resulting in resolution. In 2012 the reduction of complaints is a result of analyzing the areas of concern and implementing training and process changes.

b) Cascade will report the average time from a customer call to the arrival of field technicians in response to a gas emergency.

During 2012, the average response time from the time of the customer order to the arrival of the field technician was 39 minutes and 52 seconds based on 8,502 emergency calls. The average emergency call time from the time the call was received until the emergency order was placed was 2 minutes and 43 seconds.

c) Cascade will report the number of missed customer appointments. A customer appointment is defined as a mutually agreed appointment time between a customer and Cascade for service to be provided either when the customer needs to be present or when the customer needs not be present. A missed customer appointment occurs when Cascade falls to keep a customer appointment.

During 2012, Cascade had 0 missed appointments.

d) Cascade will separately report the percentage of customer disconnects due to non-payment for (i) residential customers (schedule 503) and (ii) commercial customers (schedule 504).

During 2012, the percentage of disconnects for non-payment were 2.6% for residential customers and 1.6% for commercial customers.

e) For calendar year 2007, Cascade will report the percentage of calls answered live within sixty (60) seconds by its customer call center. For calendar year 2008, Cascade will report the percentage of calls answered live within fifty (50) seconds by its customer call center. For calendar year 2009, Cascade will report the percentage of calls answered live within forty (40) seconds by its customer call center.

The continued reporting of the service level for live calls answered is based on the company goal and target for customer satisfaction. The goal is to answer 80 % of all calls within 60 seconds. In 2012 the average service level was 85.92%.