

**Consumer Services
Activity Report
Electric, Gas and
Water Utilities
1992**

**Pennsylvania Public Utility Commission
*Bureau of Consumer Services***



CONSUMER SERVICES
ACTIVITY REPORT: 1992

JUNE 1993

PENNSYLVANIA PUBLIC UTILITY COMMISSION

BUREAU OF CONSUMER SERVICES
MITCHELL MILLER, DIRECTOR

*Any opinions or conclusions reached
are those of the Bureau of Consumer
Services and do not necessarily reflect
the opinion of the Pennsylvania Public
Utility Commission.*

with the assistance of

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(June 1993)

TABLE OF CONTENTS

		<u>Page</u>
I.	INTRODUCTION	1
II.	OVERALL BUREAU ACTIVITY	3
III.	COMPANY PROFILES	10
IV.	CONSUMER COMPLAINTS AND MEDIATION REQUESTS AMONG MAJOR COMPANIES	38
V.	CASE OUTCOME - JUSTIFIED PERCENT - JUSTIFIED RATE	43
VI.	RESPONSE TIME	55
VII.	COLLECTIONS	60
VIII.	COMPLIANCE	70
IX.	CONCLUSION	78

List of Tables

1.	Primary Problems - Consumer Complaints 1991-1992	8
2.	Residential Consumer Complaints - 1991-1992	40
3.	Residential Mediation Requests - 1991-1992	42
4.	Consumer Complaints-Justified Percent - 1991-1992	44
5.	Mediation Requests-Justified Percent - 1991-1992	46
6.	Justified Consumer Complaint Rate - Electric - 1991-1992	48
7.	Justified Consumer Complaint Rate - Gas - 1991-1992	49
8.	Justified Consumer Complaint Rate - Water - 1991-1992	50
9.	Justified Mediation Rate - Electric - 1991-1992	51
10.	Justified Mediation Rate - Gas - 1991-1992	52
11.	Justified Mediation Rate - Water - 1991-1992	53
12.	Consumer Complaint Response Time - 1991-1992	56
13.	Mediation Response Time - 1991-1992	58
14.	Percent of Customers in Debt 1990-1992	62
15.	Residential Customer Debt in Dollars 1990-1992	63
16.	Weighted Statistics for Arrearages and Agreements 1990-1992	65
17.	Number of Service Terminations 1990-1992	67
18.	Residential Billings Written Off as Uncollectible 1990-1992	68
19.	Informal Violations - Chapter 56 - Major Electric 1990-1992	73
20.	Informal Violations - Chapter 56 - Major Gas 1990-1992	74
21.	Informal Violations - Chapter 56 - Major Water 1990-1992	75
22.	Most Commonly Violated Sections of Chapter 56 - 1990-1992	76

Appendices

	<u>Page</u>
A. Distribution of Commercial Cases	82
B. BCS Complaints by Industry - Residential/Commercial	83
C. Monthly and Annual Volume - Mediations/Consumer Complaints	84
D. Inquiries and Opinions - Major Problem Categories	86
E. Type of Industry - Mediations/Consumer Complaints	87
F. Number of Residential Customers - Major Companies	88
G. Average Usage, Average Bills and Cost Per Unit	89
H. Net Total Write Offs	91
I. Number of Non-Termination Collections Related Mediation Requests	92
J. Justified Consumer Complaint Rate	93
K. Justified Mediation Rate	94
L. Number of Residential Customers in Debt	95

THE CONSUMER SERVICES ACTIVITY REPORT FOR 1992

I. INTRODUCTION

This report highlights the activities of the Pennsylvania Public Utility Commission's Bureau of Consumer Services. It is also an annual overview of the performance of the major electric, gas and water companies for the year 1992. This report compares the handling of consumer complaints and payment negotiations, compliance with Chapter 56 Regulations and utility collections in three industries and among individual companies within each industry. The results reported herein provide information that can be used by the Commission to evaluate company activities and to set policies and goals in the area of customer services.

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer complaints. Its responsibilities were clarified under Act 114 of 1986 in regard to reporting and deciding customer complaints. In order to fulfill its mandates, the Bureau began investigating utility consumer complaints and mediating service termination cases in April 1977. Since then the Bureau has investigated 310,603 cases and has received an additional 240,354 opinions and requests for information. To manage and use this complaint data the Bureau maintains a computer based consumer information system through a contract with the Pennsylvania State University. This system enables complaints to be aggregated and analyzed so that generic as well as individual problems can be addressed.

A number of studies have found that only a minority, often a small minority, of dissatisfied customers complain about unsatisfactory products or services. The Bureau's experience reflects this fact as it has frequently found that a seemingly small number of individual complaints from utility customers may represent management failures or other systemic problems in utility operations. Information for evaluating utilities is secured by aggregating data from the thousands of complaints that are reported to the Commission each year. This data base provides information about how effectively utilities meet consumers' needs and whether their activities comply with Commission standards. The results of this analysis are periodically communicated to companies so that they can act independently to resolve problems before a formal Commission action becomes necessary. In many cases, companies that have taken advantage of this information have been able to resolve problems and improve service. However, companies that fail to act responsibly to resolve problems have been subjected to fines and rate case adjustments of expenses and revenues.

The data in this report are aggregated in a manner which reflects natural regulatory distinctions. Cases involving termination of electric, gas and water service are

distinctly different from consumer complaints. For this reason the Bureau routinely analyzes the two groups of cases separately. All cases involving termination of electric, gas or water service have been classified as "mediation" cases. Cases involving electric, gas and water billing, service problems, etc. are classified as consumer complaints. In contrast, telephone companies which fall under unique regulations, are analyzed separately and reported in the annual Telephone Utilities Activity Report.

The bulk of the data presented in this report is from the Bureau's Consumer Services Information System (CSIS). In addition, this report includes statistics from the Bureau's Collections Reporting System (CRS) and Compliance Tracking System (CTS). The CRS provides a valuable resource for measuring changes in company collections performance while the CTS maintains data on the number and type of violations attributable to the major utilities.

The data and performance measures in this report have been in use for a number of years. The relative rate of mediation requests and consumer complaints for each company are the most basic problem indicators. Two qualitative measures of company performance, response time and percent of cases justified, are also included in this report. The Bureau provides feedback on these measures in the form of Quarterly Closing Automated Reports Formats (ARFS) to all major electric, gas and water companies. Therefore, all of the companies reviewed in this report are well acquainted with the measures used here, with the Bureau's approach to interpreting these measures, and with their performance on these measures in 1992. An explanation of these measures is included below for readers who encounter them for the first time.

Chapter VIII of this report focuses on company failures at complying with the Commission's regulations. This analysis appears in this report for the fourth consecutive year. It explains the Bureau's compliance process and discusses the highlights of compliance activity from 1990 to 1992.

A number of cases are eliminated from the data base for this report because they do not represent company behavior which is appropriate to evaluate. One treatment of the data involves the purging of complaints which do not involve residential service. The Bureau's regulatory authority is largely confined to residential accounts. Thus, all cases that involve commercial accounts are deleted from the analysis and from Tables 2 through 13. (Appendix A lists the distribution of commercial cases by company for the electric, gas and water industries. See Appendix B for the industry percentage of BCS cases defined as residential and commercial). Also, residential customer contacts which do not require investigation are excluded from the data base used here. These cases include problems over which the Commission has no jurisdiction, information requests which do not require investigation and most cases where the customers indicate that they did not contact the company prior to complaining to the Commission.

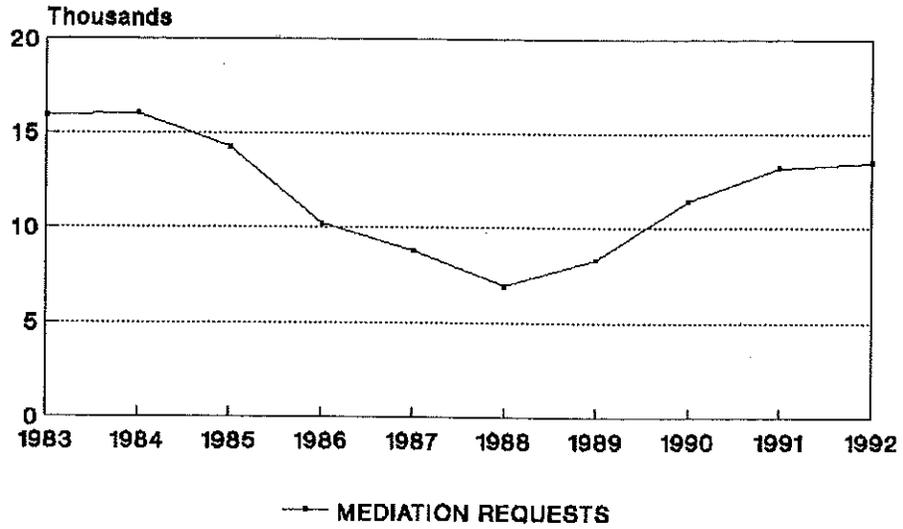
II. OVERALL BUREAU ACTIVITY

Customer contacts with the Bureau fall into three basic categories: consumer complaints, mediation requests and inquiries. These contacts may pertain to electric, gas, water and telephone service. The Bureau received 21,634 utility customer contacts that required investigation in 1992. The 8,152 consumer complaints were about utilities' actions related to billing, service delivery, repairs, etc. In 690 of these contacts the Bureau saved the customers money in billing adjustments. The total amount of money saved for these customers was \$248,036. Mediation requests, of which there were 13,482, came from customers who needed help in negotiating payment arrangements with their utility companies in order to avoid termination of service or to have service reconnected. (It is important to note that telephone suspension and termination cases are treated as consumer complaints). The monthly volume of mediation requests and consumer complaints for 1990, 1991 and 1992 is reported in Appendix C, Table 1. The Bureau also received 6,528 inquiries and information requests that did not require investigation.

Mediation Requests

Mediation requests increased by 2% from 13,221 in 1991 to 13,482 in 1992. This is the third consecutive annual increase in the number of mediation requests. The mediation volume peaked at 19,603 in 1982 and has dropped 31% since then (See Appendix C - Table 2 for annual volume). The Bureau is now less concerned with the absolute volume of mediation requests than it has been in the past. However, the Bureau is more concerned with the volume of justified mediations and places more emphasis on these numbers. This will be discussed in detail later in this report. The following graph depicts a ten-year trend for mediation requests.

MEDIATION REQUESTS TEN - YEAR TREND



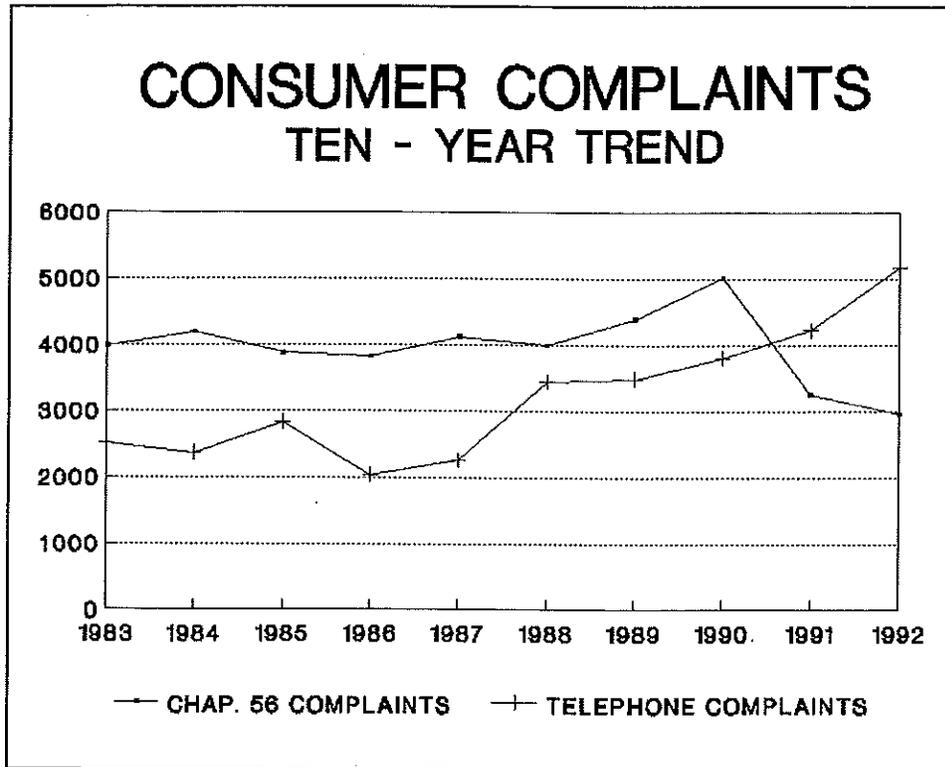
Consumer Complaints

Consumer complaints for all industries increased by 8% from 7,522 in 1991 to 8,152 in 1992. Overall, consumer complaints against the Chapter 56 covered industries (electric, gas and water) decreased by 9% to an aggregate share of 36% of the Bureau's total consumer complaint volume in 1992.

Commission regulations require that customers seek to resolve problems directly with their utilities prior to registering a complaint with the Commission. In view of this, the Bureau seeks to foster improvements in utility complaint handling operations so that complaints will be properly handled and customers will not find it necessary to appeal to the Commission. Since the Bureau receives complaints from only a fraction of dissatisfied customers, this effort has benefits which go far beyond reducing the Bureau's work load.

Overall, consumer complaints against the Chapter 56 covered utilities have declined somewhat in recent years except for the dramatic increase in non-termination collection complaints. These non-termination collection complaints are moved out of the consumer complaint category and into the mediation request classification since these cases more closely resemble mediation requests. The Bureau has shifted these cases since 1990.

The Bureau's goal to decrease consumer complaints can be achieved only if individual companies make significant improvements. In particular, companies with the worst performance in their respective industries will need to make significant progress in this area. The Bureau will target these problematic companies for close attention in 1993. The graph on page 6 presents a ten-year trend for both Chapter 56 and telephone consumer complaints.



Inquiries and Opinions

During 1992 there were 6,528 customer contacts which required no follow-up beyond the initial contact. These cases involved requests for information which were handled at the time of contact, protests or questions related to rates, and referrals to other Commission offices and to utility companies for initial action. The largest referral category in 1992 was to regulated utilities for initial action. Rate protests were received regarding proposed rate hikes for major companies such as Met-Ed, UGI-Luzerne, West Penn, Peoples Gas, Citizens Utilities Home Water, Dauphin Consolidated Water, Mechanicsburg Water, Pennsylvania-American Water, Pennsylvania Gas and Water-Water, Philadelphia Suburban Water and York Water (See Appendix D for the distribution of inquiries and opinions by major problem categories).

NATURE OF BCS CONSUMER COMPLAINTS

The Bureau classifies all consumer complaints into one of six major problem areas. However, for the purpose of this report the Bureau has expanded these six major categories into 14 specific problems. Table 1 presents a comparison of these 14 problem areas for 1991 and 1992. Telephone consumer complaints are excluded from this analysis. The most common complaints were billing disputes, non-termination collections, metering problems, service quality and service extensions.

The growth in non-termination collection complaints is the most significant change since 1989. These complaints are a result of the implementation of various soft dunning techniques in the collections area. Companies are more actively pursuing overdue bills by sending customers payment reminders and telephoning them instead of sending them termination notices. The customers contact the Commission only after they have been unsuccessful in establishing a mutually acceptable payment agreement with the company. Since these complaints more closely resemble mediation requests, the Bureau has moved them into the mediation request category.

TABLE 1

PROBLEM CATEGORIES FOR CONSUMER COMPLAINTS:1991-1992		
	1991	1992
Metering Problems	11.9%	11.7%
Billing Dispute	21.4%	22.6%
Discontinuance/Transfer	5.3%	5.9%
Collections	13.8%	15.2%
Billing - Other	1.0%	0.8%
Credit and Deposits	4.4%	3.9%
Rates/Rate Structure	2.1%	2.6%
Service Extensions	8.9%	7.4%
Service Interruptions	4.7%	4.6%
Service Quality	8.9%	7.6%
Damages	6.9%	6.7%
Scheduling Delays	1.7%	1.7%
Personnel Problems	3.3%	3.7%
All Other Problems	5.7%	5.6%

CUSTOMER CONTACTS BY TYPE OF UTILITY

Mediation Requests

As in past years, almost all mediation cases in 1992 involved electric (63%) or gas companies (30%) (see Appendix E). Meanwhile, six percent of the mediation requests stemmed from threatened termination of water service. These results for 1992 represent a change from last year. Electric companies accounted for a smaller proportion of BCS mediations in 1992 than in 1991 while the water industry showed an increase.

Consumer Complaints

All telephone complaints related to suspension and termination are classified by BCS as consumer complaints because they are not subject to arbitrated payment agreements based on the customer's ability to pay. Telephone companies were involved in 63% of consumer complaints in 1992. Electric and gas companies accounted for 20% and 10% respectively of all complaints. The most significant change since 1987 involved the telephone industry which experienced an increase of 128% in consumer complaints. This increase caused the telephone industry's proportion of consumer complaints to rise from 35% in 1987 to 63% in 1992. There will be no further discussion on the telephone industry because the remainder of this report focuses solely on the Chapter 56 related industries, electric, gas and water. Also, each of these three industries showed a decline in their number of consumer complaints from 1991 to 1992.

III. COMPANY PROFILES

For the second year in a row, the Consumer Services Electric, Gas and Water Activity Report includes a section which presents a brief synopsis of each company's performance. Each utility profile contains company specific information but not detailed descriptions of the performance measures. The Bureau developed the profiles to provide readers with a quick reference to the noteworthy findings of a given utility's customer service performance. Readers are encouraged to review the full report before drawing conclusions regarding utility company performance.

The first paragraph of each profile contains a narrative characterization of the company's overall customer service performance, as well as narrative characterizations related to consumer complaint, mediation request and collections performance. These characterizations place a company within an industry norm group based on statistically standardized scores. While the standardized score characterizations are precise, they may not have a direct relationship to the ranks presented in the accompanying tables for consumer complaints, mediation requests and collections. For example, a rank of four among an industry containing eight companies is close to the middle. However, because of the absolute values of the performance scores of the company and the industry, the standardized score characterization may reflect that the company's performance is significantly above or below the industry average. While the standardized score characterizations are a more precise rating, the Bureau will continue to present the rank information because of the positive feedback we have received from utilities regarding the usefulness of ranks.

The highlights in the company profiles that appear below the tables refer to performance measures that are described in detail in ensuing chapters of this report. However, there are two measures that are used in the analysis of both consumer complaint and mediation request performance that warrant a clarification at this time. Specifically, these measures are the justified rate and the response time. In the highlights of this chapter, "effectiveness" refers to the justified rate while "responsiveness" refers to the response time. For more details on these measures, see the Chapter V analysis of justified rates and the Chapter VI focus on response time.

DUQUESNE LIGHT

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, Duquesne's performance is significantly worse than average in the electric industry. In the first measure, consumer complaints, Duquesne's performance was significantly better than average. In the second measure, which focuses on mediation requests, Duquesne's performance was significantly worse than average. The third measure reflects residential collections and it also shows Duquesne to be significantly worse than average.

The following table lists Duquesne's ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: DUQUESNE

MEASURES	RANK	TREND
Consumer Complaints	4	Stable
Mediation Requests	7	Deteriorating
Collections	7	Deteriorating
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of Duquesne's performance in 1992. These are based both on the analysis of complaints the Bureau has received from Duquesne customers and on collections data that Duquesne has provided to the Bureau.

Consumer Complaints

Duquesne was one of the electric industry's three most effective companies at handling consumer complaints in 1992.

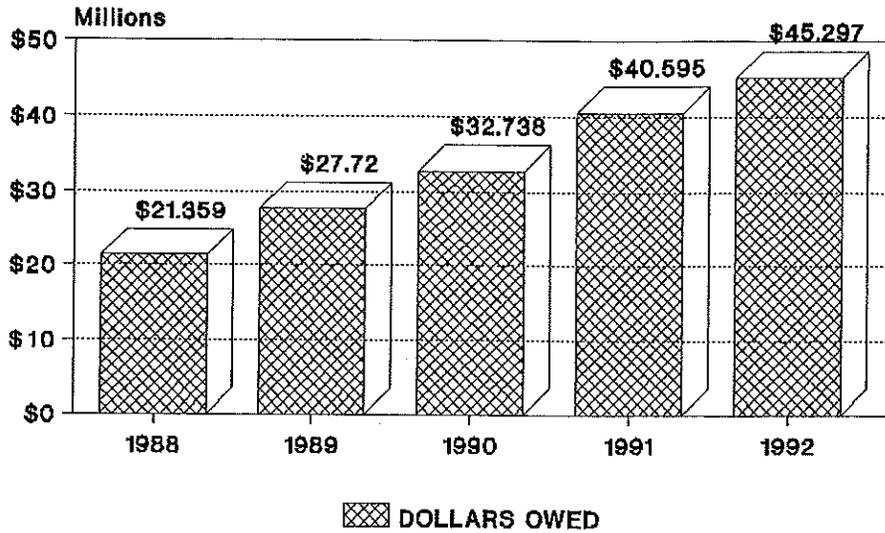
Mediation Requests

Duquesne was the least effective major electric company at payment negotiations in 1992. However, Duquesne was the most responsive electric company to BCS mediation cases.

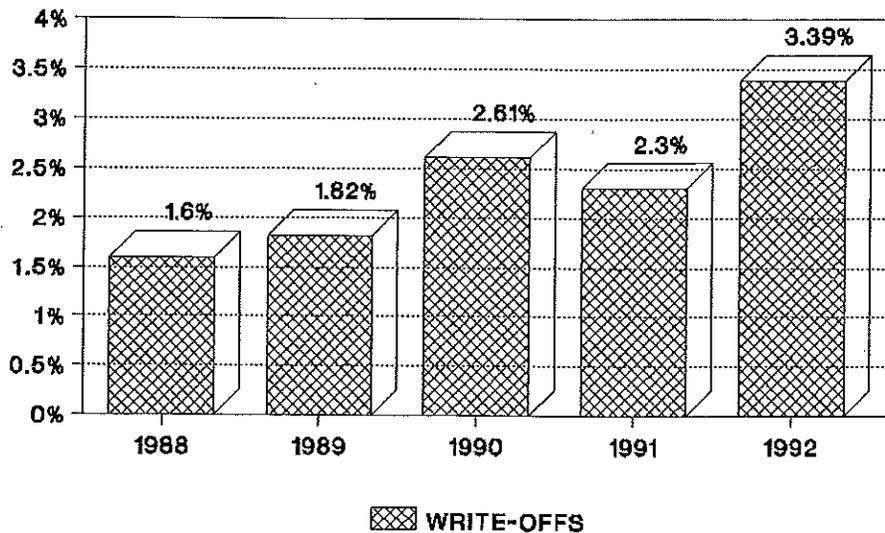
Collections

Duquesne's collections performance showed deterioration from 1990 to 1992. Specifically, Duquesne's total residential debt, weighted total score and gross residential write-offs worsened. The Bureau is concerned about Duquesne's collections performance and encourages the company to make improvements in 1993. The following tables illustrate Duquesne's growth in total residential debt and increase in gross residential write-offs.

DUQUESNE TOTAL DEBT



DUQUESNE GROSS RESIDENTIAL WRITE-OFFS



METROPOLITAN EDISON

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, Met-Ed's performance is better than average in the electric industry. In the first measure, consumer complaints, Met-Ed's performance was better than average. In the second measure, which focuses on mediation requests, Met-Ed's performance was worse than average. The third measure reflects residential collections and it shows Met-Ed to be significantly better than average.

The following table lists Met-Ed's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: MET-ED

MEASURES	RANK	TREND
Consumer Complaints	5	Deteriorating
Mediation Requests	5	Improving
Collections	3	Deteriorating
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of Met-Ed's performance in 1992. These are based on the analysis of complaints the Bureau has received from Met-Ed customers. In addition, a compliance highlight is presented below.

Consumer Complaints

Met-Ed was one of the electric industry's three most effective companies at handling consumer complaints in 1992. However, Met-Ed was one of the least responsive companies in the industry to consumer complaints in 1992.

Compliance

Met-Ed was one of the three major electric and gas companies that showed the best compliance performance in 1992.

PENNSYLVANIA ELECTRIC

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, Penelec's performance is one the two best in the electric industry. In the first measure, consumer complaints, Penelec's performance was significantly better than the average. In the second measure, which focuses on mediation requests, Penelec's performance was significantly better than average. The third measure reflects residential collections and it also shows Penelec to be significantly better than average.

The following table lists Penelec's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PENELEC

MEASURES	RANK	TREND
Consumer Complaints	2T	Improving
Mediation Requests	3	Stable
Collections	2	Stable
Scale: Rank: 1 = Best 8 = Worst T = Tie		

The following highlight of Penelec's performance in 1992 is based on the analysis of complaints that the Bureau has received from Penelec customers. In addition, a compliance highlight is presented below.

Consumer Complaints

Penelec was one of the electric industry's three most effective companies at handling consumer complaints in 1992.

Compliance

Penelec was one of the three major electric and gas companies that showed the best compliance performance in 1992.

PENNSYLVANIA POWER

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, Penn Power's performance is worse than average in the electric industry. In the first measure, consumer complaints, Penn Power's performance was significantly worse than average. In the second measure, which focuses on mediation requests, Penn Power's performance was worse than average. The third measure reflects residential collections and it shows Penn Power to be average.

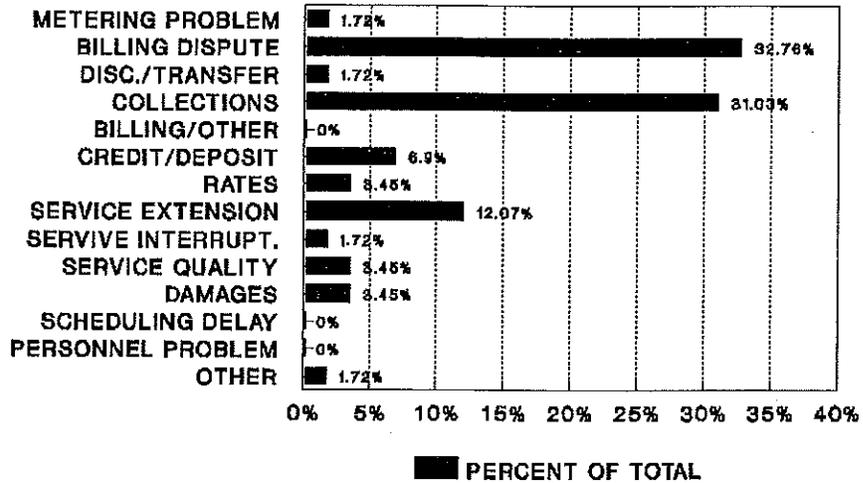
The following table lists Penn Power's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PENN POWER

MEASURES	RANK	TREND
Consumer Complaints	6	Deteriorating
Mediation Requests	6	Deteriorating
Collections	5	Deteriorating
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of Penn Power's performance in 1992. These are based both on the analysis of complaints the Bureau has received from Penn Power customers and on collections data that Penn Power has provided to the Bureau. The table on the next page provides a breakdown of 1992 consumer complaints into a number of generic problem categories.

PENN POWER CONSUMER COMPLAINTS



1992

Consumer Complaints

Penn Power's justified consumer complaint rate was the electric industry's worst in 1992. The Bureau's diagnostic review of Penn Power's complaints reveals a high number of billing disputes, collection and service extension problems. In addition, Penn Power did not effectively handle the collections problems.

Mediation Requests

Penn Power was one of the least effective major electric companies at payment negotiations in 1992. In contrast, Penn Power was very responsive to BCS mediation cases.

Collections

The collections performance of Penn Power has deteriorated significantly from 1990 to 1992. Specifically, total residential debt rose by 59% while the gross residential write-offs ratio increased by 76% during this time.

PENNSYLVANIA POWER & LIGHT

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, PP&L's performance is significantly better than average in the electric industry. In the first measure, consumer complaints, PP&L's performance was the best in the electric industry. In the second measure, which focuses on mediation requests, PP&L's performance was significantly better than average. The third measure reflects residential collections and it shows PP&L to be worse than average.

The following table lists PP&L's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PP&L

MEASURES	RANK	TREND
Consumer Complaints	1	Stable
Mediation Requests	2	Improving
Collections	6	Stable
Scale: Rank: 1 = Best 8 = Worst		

PHILADELPHIA ELECTRIC

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, PECO's performance is the worst in the electric industry. In the first measure, consumer complaints, PECO's performance was significantly worse than average. In the second measure, which focuses on mediation requests, PECO's performance was average. The third measure reflects residential collections and it shows PECO to be the worst in the industry.

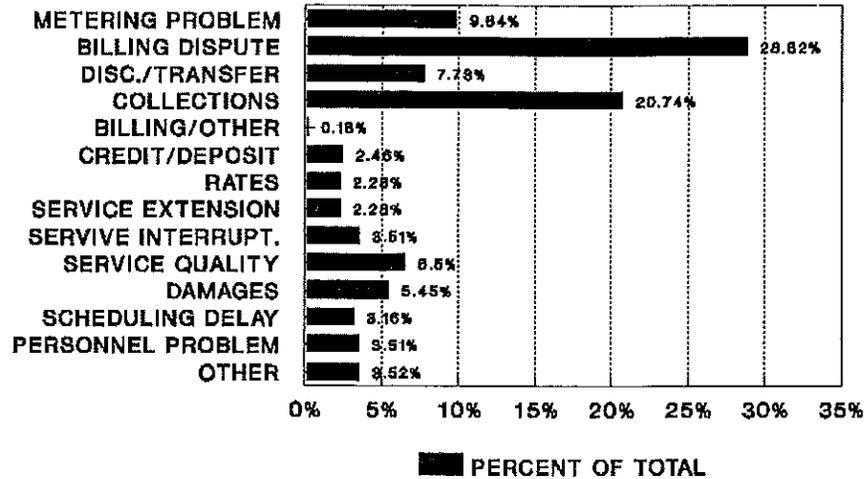
The following table lists Philadelphia Electric's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PHILADELPHIA ELECTRIC

MEASURES	RANK	TREND
Consumer Complaints	7	Stable
Mediation Requests	4	Improving
Collections	8	Deteriorating
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of PECO's performance in 1992. These are based both on the analysis of complaints the Bureau has received from PECO customers and on collections data that PECO has provided to the Bureau. In addition, a compliance highlight is included. The first table provides a breakdown of 1992 consumer complaints into a number of generic problem categories.

PECO CONSUMER COMPLAINTS



1992

Consumer Complaints

PECO's consumer complaint justified rate was the electric industry's worst in 1992. The Bureau's diagnostic review of PECO's complaints reveals a high number of billing disputes, collections problems, and metering problems. In addition, PECO did not effectively handle complaints in the areas of discontinuance/transfer of service, collections, service extensions, and metering problems.

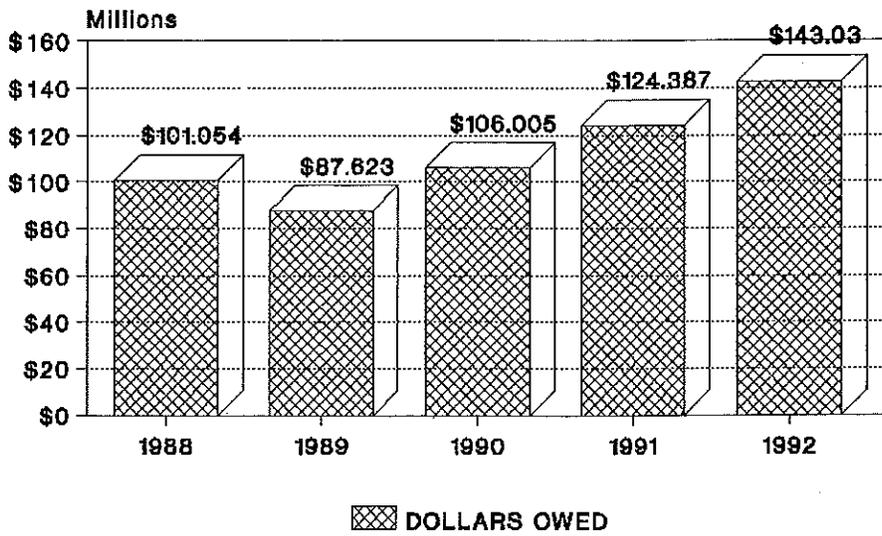
Collections

The following tables highlight the growing residential customer debt that PECO is facing. PECO's residential debt rose from \$87 million in 1989 to \$143 million in 1992. This collections problem is compounded by the increase in gross residential write-offs during this time, from 2.4% to 3.2% of gross residential revenues. The Bureau is concerned because PECO has a serious collections problem that is getting worse.

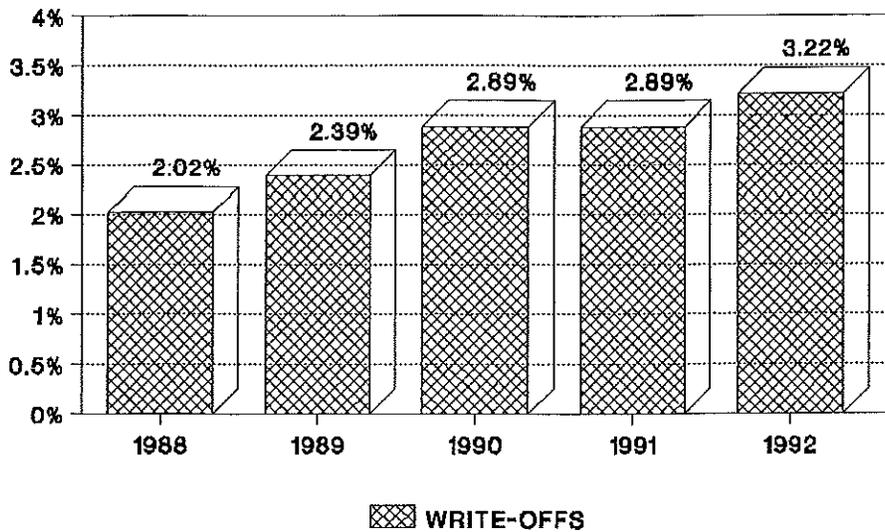
Compliance

In 1992, PECO had a disproportionately high number of apparent violations for its number of residential customers.

PECO TOTAL DEBT



PECO GROSS RESIDENTIAL WRITE-OFFS



UGI - LUZERNE

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, UGI's performance is significantly worse than average in the electric industry. In the first measure, consumer complaints, UGI's performance was the worst in the electric industry. In the second measure, which focuses on mediation requests, UGI's performance was also the industry's worst. The third measure reflects residential collections and it shows UGI to be the best in the industry.

The following table lists UGI's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: UGI-LUZERNE

MEASURES	RANK	TREND
Consumer Complaints	8	Stable
Mediation Requests	8	Deteriorating
Collections	1	Stable

Scale: Rank: 1 = Best 8 = Worst

The following are some of the highlights of UGI's performance in 1992. These are based both on the analysis of complaints the Bureau has received from UGI-Luzerne customers and on collections data that UGI has provided to the Bureau. In addition, a compliance highlight is presented below.

Consumer Complaints

UGI-Luzerne's 1992 consumer complaint response time of 26.3 days is unacceptable. This is particularly disturbing because a review of UGI's data shows that the company is slow to respond to all different types of customer problems.

Mediation Requests

UGI-Luzerne's 1992 mediation response time of 18 days far exceeds the Bureau's informal standard of five days. The Bureau encourages UGI to target this area for improvement in 1993.

Collections

Overall, UGI-Luzerne's collections performance has been among the electric's industry's best according to the Bureau's standards.

Compliance

In 1992, UGI-Luzerne had a disproportionately high number of apparent violations for its number of residential customers.

WEST PENN POWER

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, West Penn's performance is one of the two best in the electric industry. In the first measure, consumer complaints, West Penn's performance was significantly better than average. In the second measure, which focuses on mediation requests, West Penn's performance was the best in the industry. The third measure reflects residential collections and it shows West Penn to be better than average.

The following table lists West Penn's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: WEST PENN

MEASURES	RANK	TREND
Consumer Complaints	2T	Stable
Mediation Requests	1	Deteriorating
Collections	4	Deteriorating
Scale: Rank: 1 = Best 8 = Worst T = Tie		

The following are some of the highlights of West Penn's performance in 1992. These are based both on the analysis of complaints the Bureau has received from West Penn customers and on collections data that West Penn has provided to the Bureau. In addition, a highlight of West Penn's compliance performance is included.

Mediation Requests

West Penn was the most effective major electric company at payment negotiations in 1992. This was primarily due to an extremely low number of mediation requests in 1992.

Collections

Despite an increase of nearly \$1,000,000 written-off from 1990 to 1992, West Penn continued to maintain a relatively low level of gross residential write-offs in 1992, 1.00% compared to the industry average of 1.82%.

Compliance

As a result of an informal investigation in March 1990, a settlement agreement between West Penn Power Company and Commission staff (Docket M-910182) was approved on January 30, 1992. The agreement, in part, required payment of a civil penalty in the amount of \$25,000 and a contribution of \$75,000 to the Dollar Energy Fund.

COLUMBIA GAS

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, Columbia's performance is better than average in the gas industry. In the first measure, consumer complaints, Columbia's performance was significantly better than average. In the second measure, which focuses on mediation requests, Columbia's performance was worse than average. The third measure reflects residential collections and it shows Columbia to be better than average.

The following table lists Columbia's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: COLUMBIA GAS

MEASURES	RANK	TREND
Consumer Complaints	3	Improving
Mediation Requests	4	Improving
Collections	4	Stable
Scale: Rank: 1 = Best 6 = Worst		

The following highlight of Columbia's performance in 1992 is based on the analysis of complaints the Bureau has received from Columbia customers.

Mediation Requests

Despite substantial improvement from 1991 to 1992, Columbia's justified mediation rate continued to be significantly worse than the industry average in 1992.

EQUITABLE GAS

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, Equitable's performance is the worst in the gas industry. In the first measure, consumer complaints, Equitable's performance was the worst in the industry. In the second measure, which focuses on mediation requests, Equitable's performance was better than average. The third measure reflects residential collections and it also shows Equitable to be the worst in the industry. The Bureau notes that Equitable's performance ratings are often unsatisfactory and not likely to change dramatically in the short term. However, Equitable is aware of their relative position and appears to be making sincere efforts to address their deficiencies. This effort is noteworthy and reflected in encouraging trends in several customer service measures.

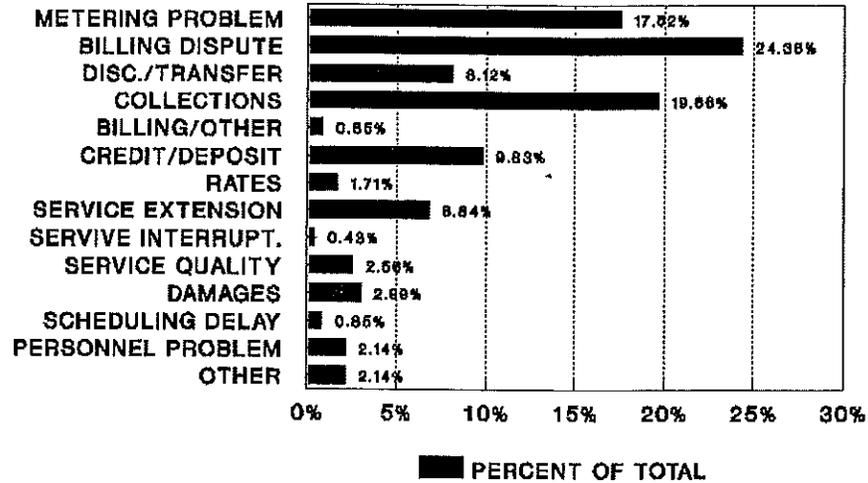
The following table lists Equitable's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: EQUITABLE

MEASURES	RANK	TREND
Consumer Complaints	6	Stable
Mediation Requests	3	Improving
Collections	6	Improving
Scale: Rank: 1 = Best 6 = Worst		

The following are some of the highlights of Equitable's performance in 1992. These are based both on the analysis of complaints the Bureau has received from Equitable customers and on collections data that Equitable has provided to the Bureau. The first table provides a breakdown of 1992 consumer complaints into a number of generic problem categories.

EQUITABLE CONSUMER COMPLAINTS



1992

Consumer Complaints

Despite significant improvement in its justified consumer complaint rate, Equitable remained the industry's worst at consumer complaint handling in 1992. In addition, Equitable's consumer complaint response time of two weeks was the industry's worst in 1992.

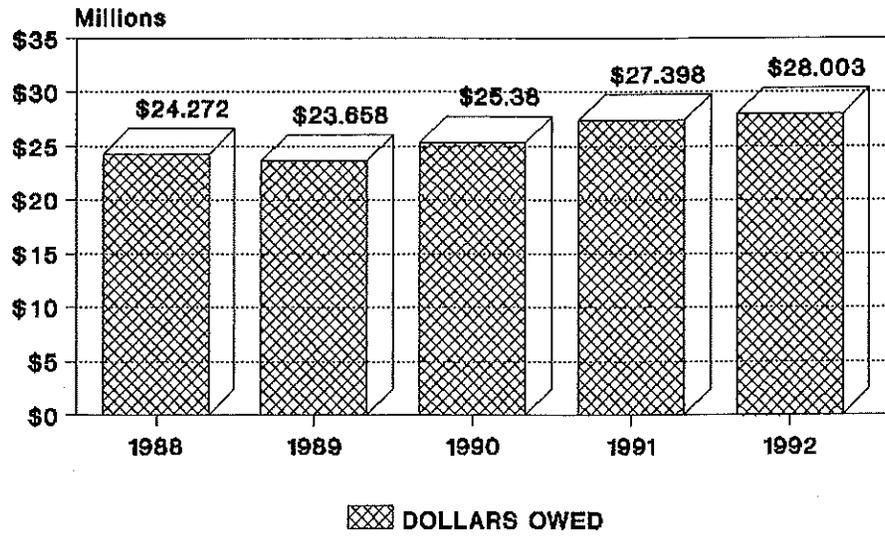
Equitable's high justified consumer complaint rate is caused by a high volume of complaints, in particular, metering problems, collections and billing disputes.

Equitable's slow response time is largely caused by inefficient handling of metering problems, billing disputes and discontinuance/transfer complaints.

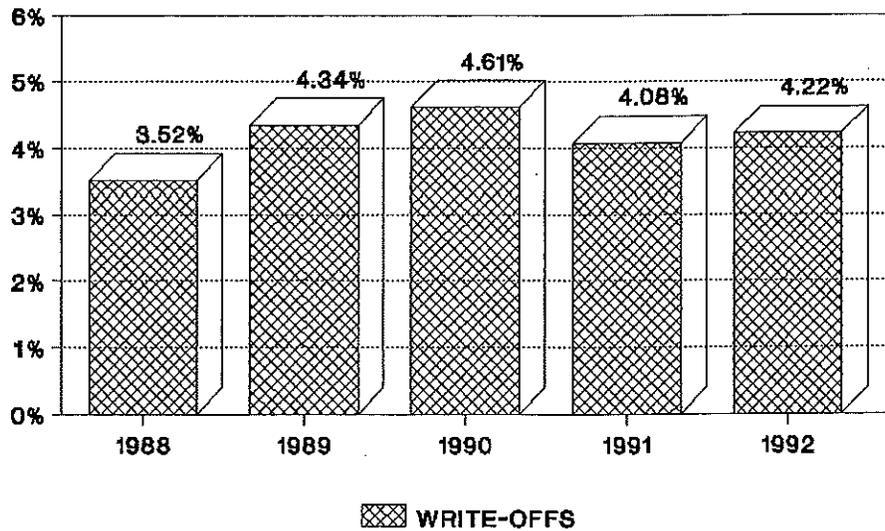
Collections

Equitable is faced with an enormous collections task. Equitable's overdue population, as indicated by the total overdue percent, is the industry's largest while the residential customer debt and residential write-offs remain extremely high. The Bureau remains concerned with Equitable's collections problems and encourages the company to focus on collections in 1993.

EQUITABLE TOTAL DEBT



EQUITABLE GROSS RESIDENTIAL WRITE-OFFS



NATIONAL FUEL GAS

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, NFG's performance is worse than average in the gas industry. In the first measure, consumer complaints, NFG's performance was worse than average. In the second measure, which focuses on mediation requests, NFG's performance was also worse than average. The third measure reflects residential collections and it shows NFG to be average.

The following table lists NFG's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: NATIONAL FUEL GAS

MEASURES	RANK	TREND
Consumer Complaints	5	Deteriorating
Mediation Requests	5	Deteriorating
Collections	5	Stable

Scale: Rank: 1 = Best 6 = Worst

PENNSYLVANIA GAS & WATER COMPANY - GAS

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, Pennsylvania Gas & Water Company's (PG&W) performance is one of the two best in the gas industry. In the first measure, consumer complaints, PG&W's performance was significantly better than average. In the second measure, which focuses on mediation requests, PG&W's performance was the best in the industry. The third measure reflects residential collections and it shows PG&W to be significantly better than average.

The following table lists PG&W's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PG&W

MEASURES	RANK	TREND
Consumer Complaints	2	Improving
Mediation Requests	1	Stable
Collections	3	Stable

Scale: Rank: 1 = Best 6 = Worst

The following highlights of PG&W's performance in 1992 are based on the analysis of complaints the Bureau has received from PG&W customers.

Consumer Complaints and Mediation Requests

PG&W was the most responsive major gas company to both consumer complaints and mediation requests in 1992.

PEOPLES GAS

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, Peoples' performance is one of the two best in the gas industry. In the first measure, consumer complaints, Peoples' performance was the best in the industry. In the second measure, which focuses on mediation requests, Peoples' performance was significantly better than average. The third measure reflects residential collections and it shows Peoples Gas to be the best in the industry.

The following table lists Peoples' industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PEOPLES GAS

MEASURES	RANK	TREND
Consumer Complaints	1	Improving
Mediation Requests	2	Stable
Collections	1	Stable
Scale: Rank: 1 = Best 6 = Worst		

The following highlight of Peoples' performance in 1992 is based on the analysis of complaints the Bureau has received from Peoples customers. In addition, a compliance highlight is presented below.

Consumer Complaints

Peoples was the most effective major gas company at consumer complaint handling in 1992.

Compliance

Peoples was one of the three major electric and gas companies that showed the best compliance performance in 1992.

UGI - GAS

The Bureau's comprehensive evaluation of a company's performance is summarized in three standardized measures which reflect 13 separate statistics in the report. In terms of these measures, UGI's performance is worse than average in the gas industry. In the first measure, consumer complaints, UGI's performance was worse than average. In the second measure, which focuses on mediation requests, UGI's performance was the industry's worst. The third measure reflects residential collections and it shows UGI - Gas to be significantly better than average.

The following table lists UGI's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: UGI - GAS

MEASURES	RANK	TREND
Consumer Complaints	4	Stable
Mediation Requests	6	Deteriorating
Collections	2	Stable
Scale: Rank: 1 = Best 6 = Worst		

The following highlight of UGI's performance in 1992 is based on the analysis of complaints the Bureau has received from UGI customers.

Mediation Requests

UGI was the least effective major gas company at payment negotiations in 1992. This was a result of both a high volume of mediation requests and a high justified percent.

PENNSYLVANIA-AMERICAN WATER (PAWC)

The Bureau's comprehensive evaluation of a water company's performance is summarized in two standardized measures which reflect eight separate statistics in the report. In terms of these measures, PAWC's performance is worse than average in the water industry. In the first measure, consumer complaints, PAWC's performance was average. In the second measure, which focuses on mediation requests, PAWC's performance was significantly worse than average.

The following table lists PAWC's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PAWC

MEASURES	ASSESSMENT	TREND
Consumer Complaints	Average	Stable
Mediation Requests	Significantly worse than average	Deteriorating

The following are some of the highlights of PAWC's performance in 1992. These are based on the analysis of complaints that the Bureau has received from PAWC customers. In addition, a compliance highlight is presented below.

Consumer Complaints

PAWC was the most responsive major water company to BCS consumer complaints in 1992.

Mediation Requests

PAWC was the least effective major water company at payment negotiations in 1992. A high volume of mediations as well as a high justified percent both contributed to PAWC's ineffectiveness.

Compliance

BCS staff monitored actions of PAWC until July 1992 to assure compliance with the two year settlement agreement approved by the Commission in June, 1990. In 1990, PAWC paid an initial fine and made a contribution to the Dollar Energy Fund. PAWC made additional contributions totaling \$5,000 (\$1,000 in 1990, \$2,000 in 1991, and \$2,000 in 1992) for violating specific sections of the regulations which were defined in the settlement agreement. Since 1989, PAWC has shown significant improvement in its compliance with Chapter 56.

PG&W - WATER

The Bureau's comprehensive evaluation of a water company's performance is summarized in two standardized measures which reflect eight separate statistics in the report. In terms of these measures, PG&W's performance is better than average in the water industry. In the first measure, consumer complaints, PG&W's performance was worse than average. In the second measure, which focuses on mediation requests, PG&W's performance was significantly better than average.

The following table lists PG&W's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PG&W-WATER

MEASURES	ASSESSMENT	TREND
Consumer Complaints	Worse than average	Improving
Mediation Requests	Significantly better than average	Stable

PHILADELPHIA SUBURBAN WATER

The Bureau's comprehensive evaluation of a water company's performance is summarized in two standardized measures which reflect eight separate statistics in the report. In terms of these measures, Philadelphia Suburban's performance is average in the water industry. In the first measure, consumer complaints, Philadelphia Suburban's performance was worse than average. In the second measure, which focuses on mediation requests, Philadelphia Suburban's performance was better than average.

The following table lists Philadelphia Suburban's industry ranking and the trend for each measure.

CUSTOMER SERVICES PERFORMANCE: PHILA. SUBURBAN

MEASURES	ASSESSMENT	TREND
Consumer Complaints	Worse than average	Deteriorating
Mediation Requests	Better than average	Stable

The following highlight of Philadelphia Suburban's performance in 1992 is based on the analysis of complaints the Bureau has received from Philadelphia Suburban customers.

Consumer Complaints and Mediation Requests

Philadelphia Suburban's response time to both BCS consumer complaints and mediation requests was unacceptable in 1992.

IV. CONSUMER COMPLAINTS AND MEDIATIONS AMONG MAJOR COMPANIES

The remainder of this report focuses on the customer services performance of the major electric, gas and water utilities that are regulated by the Pennsylvania Public Utility Commission. This chapter presents statistics on the relative number of consumer complaints and mediation requests brought to the attention of the BCS by customers of the various utilities. Subsequent chapters will address individual utility performance regarding the timeliness and adequacy of complaint handling, collections performance and compliance with the Commission's customer service regulations.

This report presents several measures which evaluate different aspects of utility performance as they relate to consumer complaints and mediation requests. All of the measures are based on assessments of utility consumer complaints or mediation requests which were presented to the Bureau of Consumer Services by individual customers. Given the condition that in almost all cases presented to the Bureau, the customer has already contacted the utility about the problem, the Bureau takes the opportunity to review the utility's record as to how the case was handled when the customer contacted the company. Several assessments and classifications are included in the review. The data from these assessments form the basis of the measures presented in this report.

In this and subsequent chapters each utility will receive several comparative ratings on consumer complaints and mediation requests. Comparisons of the volume of BCS cases will be made using the consumer complaint rate and the mediation rate. The effectiveness of a utility's consumer complaint or mediation handling will be measured using the percent of cases which are justified. A third set of measures, the justified consumer complaint rate and the justified mediation rate combine the quantitative measure of consumer complaint rate or mediation rate with the qualitative measure of effectiveness reflected in the justified percent. Finally, the measure of response time is presented.

The meaning of each of these measures is discussed in a narrative that precedes the presentation of the statistics. What may not be readily apparent from the discussion of the consumer complaint and mediation rates, the percent of justified cases and the justified rate is their interrelationship and relative importance to the Bureau. Because the justified consumer complaint rate and justified mediation rate are a function of two other measures (complaint/mediation rates and justified percent), they are the most comprehensive and important to the Bureau. The Bureau's perspective is that a utility's performance will not be viewed as deficient because the Bureau receives a moderate number of consumer complaints or mediation requests from the utility's customers as long as the vast majority of these cases are not justified.

Consumer Complaints

Consumer complaints include all complaints regarding billing, rates, deposits and service. The Commission has established a process in which the companies play the primary role in handling consumer complaints until negotiations between the customer and the company fail. Thus, a high rate of complaints to the Bureau may indicate that a company is unable to effectively resolve consumer problems. In addition, significant decreases in the frequency of problems over time may indicate that a company is improving.

The wide variation in the number of residential customers served by the major utilities makes comparisons which use raw numbers of complaints insupportable. The need to compare and contrast individual company performance has led to the calculation of uniform measures based on the rate of cases per thousand residential customers (see Appendix F for the number of residential customers for the major electric, gas and water companies). Unusually high mediation and consumer complaint rates¹ often indicate situations which require investigation. Thus, information on consumer complaint rates and mediation rates is used to reveal patterns and trends which help to focus BCS research and compliance activities. Table 2 reports consumer complaint volume and consumer complaint rates for the major companies for 1991 and 1992.

¹ Formulas for Mediation and Complaint Rates

$$\text{Mediation Rate} = \frac{\text{Total Number of Mediation Cases}/12}{\text{Monthly Average Number of Overdue Residential Customers}/1000}$$

$$\text{Complaint Rate} = \frac{\text{Total Number of Consumer Complaints}}{\text{Monthly Average Number of Residential Customers}/1000}$$

TABLE 2

RESIDENTIAL CONSUMER COMPLAINTS					
Company	1991		1992		1991-1992
	No.	Complaint Rate	No.	Complaint Rate	Percent Change in Number
Duquesne	180	.35	128	.25	-29%
Met-Ed	79	.21	79	.20	No Change
Penelec	148	.31	136	.28	-8%
Penn Power	62	.52	60	.50	-3%
PP&L	205	.20	209	.20	2%
PECO	566	.44	618	.47	9%
UGI-Luzerne	30	.57	20	.38	-33%
West Penn	205	.37	178	.32	-13%
Major Electric	1,475	.37	1,428	.33	-3%
Columbia	119	.38	90	.28	-24%
Equitable	342	1.51	253	1.11	-26%
NFG	87	.46	93	.49	7%
PG&W-Gas	52	.44	31	.25	-40%
Peoples	114	.37	94	.30	-18%
UGI-Gas	134	.66	127	.62	-5%
Major Gas	848	.64	688	.51	-19%
PG&W-Water	68	.57	45	.38	-34%
Phila. Suburban	30	.13	35	.15	17%
PA-American*	127	.38	125	.37	-2%
Other Class "A"	29	.30	36	.37	24%
Major Water	254	.35	241	.32	-5%

*Pennsylvania-American = PAWC

Mediation Requests

The Commission's service termination procedures protect utility customers' rights. The Bureau normally intervenes at the customer's request only after direct negotiations between the customer and the company have failed. In 1993, the Bureau continues to focus on having companies improve payment negotiations.

As with consumer complaints, differences in the number of customers served by each utility make comparisons between utilities based on raw numbers of mediations invalid. In order to account for these differences, the Bureau uses the number of mediation requests per 1,000 overdue residential customers - the mediation rate - to permit comparisons among companies. The mediation rate can be used as a preliminary evaluation of companies' effectiveness in making payment arrangements. Unusually high or low rates, or sizeable changes in rates can reflect company performance. The Bureau views significant increases in the number of justified mediation cases or high justified mediation rates as error signals. Table 3 shows the mediation volume and mediation rates for the major companies for 1991 and 1992.

Several companies have recently escalated the use of soft dunning techniques in the collection of overdue bills. This is a departure from past collection practices which primarily involved the issuance of termination notices. This new approach has resulted in a number of informal complaints to the Bureau. Because these complaints are collection related, they are classified by BCS as mediation requests, even though the company did not send a termination notice. The number of these complaints for each major company for 1990, 1991 and 1992 is shown in Appendix I.

TABLE 3

RESIDENTIAL MEDIATION REQUESTS					
Company	1991		1992		1991-1992
	No.	Mediation Rate	No.	Mediation Rate	Percent Change in Number
Duquesne	1,072	1.13	2,246	2.81	110%
Met-Ed	658	1.25	632	1.12	-4%
Penelec	467	.65	501	.66	7%
Penn Power	344	1.21	498	1.78	45%
PP&L	1,937	1.17	698	.44	-64%
PECO	3,438	1.05	2,954	.98	-14%
UGI-Luz.	59	.77	78	.99	32%
West Penn	269	.22	314	.26	17%
Major Electric	8,244	.93	7,921	1.13	-4%
Columbia	932	3.39	679	2.31	-27%
Equitable	843	2.38	808	2.42	-4%
NFG	337	1.25	369	1.34	10%
PG&W-Gas	170	.93	152	.83	-11%
Peoples	929	2.05	999	2.20	8%
UGI-Gas	545	1.83	777	2.59	43%
Major Gas	3,756	1.97	3,784	1.95	1%
PG&W-Water	53	.44	80	.67	51%
Phila. Suburban	89	.40	133	.58	49%
PA-American	251	.75	436	1.29	74%
All Other "Class A"	70	.73	82	.85	17%
Major Water	463	.58	731	.85	58%

V. CASE OUTCOME - JUSTIFIED PERCENT - JUSTIFIED RATE

Commission regulations require that electric, gas and water customers contact their utilities to resolve a complaint prior to seeking PUC intervention. Although exceptions are permitted under extenuating circumstances, the Bureau's policy is to accept complaints only from customers who have been unable to work out their problems with the company. One of the Bureau's primary concerns is that utilities handle customer contacts effectively before they are brought to the Bureau's attention. This will have two desirable effects. First, proper case handling minimizes customer dissatisfaction, thereby negating the need for customers to seek complaint resolution with the Bureau. Second, proper case handling guarantees that customer complaints that do reach the Bureau will be resolved in the same manner the company recommended.

Informal complaints to the Bureau represent customer appeals to the Commission regarding disputes with utilities. These cases are a result of the inability of the utility and the customer to reach a mutually satisfactory resolution to a dispute. Once the Bureau is contacted, there are three possible case outcome classifications: complaint "justified", "inconclusive" and complaint "unjustified". This approach focuses strictly on the regulatory aspect of the complaint and evaluates companies negatively only where appropriate complaint handling procedures were not followed or where the regulations have been violated. Specifically, a case is considered "justified" in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with PUC orders, regulations, reports, Secretarial Letters, tariffs, etc. "Unjustified" complaints are those cases in which the company demonstrates that correct procedures were followed prior to BCS intervention. "Inconclusive" complaints are those in which incomplete records, equivocal findings or uncertain regulatory interpretations make it difficult to determine whether or not the customer was justified in the appeal to the Bureau. It is anticipated that the vast majority of cases will fall into either the "justified" or "unjustified" category.

Consumer Complaint Justified Percent

Historically, substantially more consumer complaints than mediation cases were found to be "justified". There are several reasons for this. First, consumer complaints are very different from mediation requests in that they involve a number of very diverse problems and their resolution requires considerable expertise. In contrast, mediation cases involve a portion of the regulations which is procedurally less complex. However, current BCS data indicates that the electric, gas and water companies have successfully made improvements in consumer complaint handling. In fact, the 1992 statistics indicate that these companies are more effective in consumer complaint handling than in payment negotiations. See Table 4 for justified consumer complaints in 1991 and 1992.

TABLE 4

JUSTIFIED CONSUMER COMPLAINTS			
Company	1991	1992	Net Change 1991 to 1992
Duquesne	19%	18%	-1%
Met-Ed	18%	27%	9%
Penelec	26%	17%	-9%
Penn Power	18%	38%	20%
PP&L	30%	29%	-1%
PECO	39%	37%	-2%
UGI-Luzerne	17%	32%	15%
West Penn	22%	24%	2%
Major Electric	24%	28%	4%
Columbia	21%	20%	-1%
Equitable	22%	23%	1%
NFG	35%	35%	No Change
PG&W-Gas	39%	36%	-3%
Peoples	20%	16%	-4%
UGI-Gas	23%	23%	No Change
Major Gas	27%	25%	-2%
PG&W-Water	36%	28%	-8%
Philadelphia Suburban	41%	50%	9%
PA-American	30%	26%	-4%
All Other "Class A"	29%	10%	-19%
Major Water	34%	29%	-5%

Mediation Justified Percent

Company effectiveness at negotiating payment arrangements when service termination is threatened is a major concern of the Bureau. In monitoring utility performance, the Bureau uses the percent of mediation cases that are "justified" to measure a company's effectiveness in negotiating with its customers. When a company's negotiations prior to a customer's appeal to BCS are found to have failed to conform to long-standing regulatory requirements, the case is said to be "justified". The following analysis focuses on the effectiveness of the major electric, gas and water companies in this area.

TABLE 5

JUSTIFIED MEDIATION REQUESTS			
Company			Net Change 1991 to 1992
	1991	1992	
Duquesne	30%	25%	-5%
Met-Ed	52%	42%	-10%
Penelec	34%	31%	-3%
Penn Power	27%	31%	4%
PP&L	67%	50%	-17%
PECO	60%	39%	-21%
UGI-Luzerne	54%	48%	-6%
West Penn	39%	44%	5%
Major Electric	45%	35%	-10%
Columbia	40%	40%	No Change
Equitable	29%	25%	-4%
NFG	57%	58%	1%
PG&W-Gas	32%	34%	2%
Peoples	29%	29%	No Change
UGI-Gas	45%	50%	5%
Major Gas	39%	39%	No Change
PG&W-Water	38%	26%	-12%
Philadelphia Suburban	46%	33%	-13%
PA-American	36%	44%	8%
All Other "Class A"	46%	34%	-12%
Major Water	42%	34%	-8%

Summary

Case outcome, measured in terms of the percentage of cases "justified", is the central measure of the quality of program services. Justified cases represent company failures at complying with the Commission regulations and rules or with Commonwealth statutes. When the Bureau encounters company case handling performance which is significantly worse than average, then there is reason to suspect that customers who contact the company are at risk of improper dispute handling by the company.

Justified Rate - An Improved Measure

In the past, the Bureau has presented two measures of company performance in both consumer complaints and mediation cases. Comparisons of the volume of BCS cases are made using the consumer complaint and mediation rates. The effectiveness of a utility's complaint handling or payment negotiations is measured using the percent of cases which are justified. Each of these indicators supports meaningful analysis of company performance. However, both indicators can be affected by changes in company policy. In practice, it is possible for a company to improve in just one of the measures and draw praise from the Bureau. Thus, a separate and independent analysis of these two measures does not provide the most accurate picture of a company's overall performance.

In response to this problem, a performance measure called "justified rate", which reflects both the volume and percent of cases justified, is presented in this report. (See Appendices J and K for an historical comparison of justified mediation and consumer complaint rates). Justified rates are applicable to both mediation requests and consumer complaints. The formulas for justified rates are:

$$\text{Justified Consumer Complaint Rate} = \text{Consumer Complaint Rate} \\ \text{X Consumer Complaint Justified Percent}$$

$$\text{Justified Mediation Rate} = \text{Mediation Rate X Mediation} \\ \text{Justified Percent}$$

These evaluative measures combine the quantitative measure of consumer complaint rate or mediation rate with the qualitative measure of justified percent. The Bureau perceives this to be a bottom line measure of performance that evaluates either company complaint handling or payment negotiations as a whole, and as such, allows for general comparisons to be made among companies and across time. See Tables 6, 7 and 8 for justified consumer complaint rates while Tables 9, 10 and 11 report justified mediation rates.

Justified Consumer Complaint Rate

TABLE 6

JUSTIFIED CONSUMER COMPLAINT RATE MAJOR ELECTRIC COMPANIES (1991-1992)			
			Net Change 1991 to 1992
Company	1991	1992	
Duquesne	.07	.05	-.02
Met-Ed	.04	.05	.01
Penelec	.08	.05	-.03
Penn Power	.09	.19	.10
PP&L	.06	.06	No Change
PECO	.17	.18	.01
UGI-Luzerne	.10	.12	.02
West Penn	.08	.08	No Change
Major Electric	.09	.10	.01

Among the highlights of Table 6:

- * The electric industry took a slight step backward in 1992 in effectively handling consumer complaints. This year ended a long term trend of improvement in this statistic.
- * Penn Power reversed its pattern of improvement and was the least effective major electric company at consumer complaint handling in 1992.
- * Penelec and Duquesne both improved their performance and tied with Met-Ed as the most effective major electric companies at complaint handling in 1992.

TABLE 7

JUSTIFIED CONSUMER COMPLAINT RATE MAJOR GAS COMPANIES (1991-1992)			
Company	1991	1992	Net Change 1991 to 1992
Columbia	.08	.06	-.02
Equitable	.33	.25	-.08
NFG	.16	.17	.01
PG&W-Gas	.17	.09	-.08
Peoples	.07	.05	-.02
UGI-Gas	.15	.14	-.01
Major Gas	.16	.13	-.03

Among the highlights of Table 7:

- * All but one of the major gas companies improved at consumer complaint handling in 1992. However, there is still room for improvement as the gas companies as a whole are less effective than the electric companies at handling consumer complaints.
- * Although Equitable showed improvement in consumer complaint handling for the second year in a row, the company remained the least effective major gas company at handling consumer complaints in 1992.
- * Columbia and Peoples continued their trends of improving performance in consumer complaint handling. These companies again led the industry at effectively handling consumer complaints.

TABLE 8

JUSTIFIED CONSUMER COMPLAINT RATE MAJOR WATER COMPANIES (1991-1992)			
Company	1991	1992	Net Change
			1991 to 1992
PG&W-Water	.21	.11	-.10
Philadelphia Suburban	.05	.08	.03
Pennsylvania-American	.11	.10	-.01
All Other "Class A"	.09	.04	-.05
Major Water	.12	.08	-.04

Among the highlights of Table 8:

- * The water industry improved its performance in effectiveness at consumer complaint handling for the seventh year in a row. As a result, the water industry's performance was more effective than that of either the electric or the gas industries in 1992.
- * Although PG&W-Water ranked as the least effective major water company, the company made significant improvement in 1992. The Bureau is pleased that the company has continued its steady trend toward more effective consumer complaint handling.
- * Despite deteriorating performance in 1992, Philadelphia Suburban was once again the most effective major water company at consumer complaint handling. The Bureau encourages the company to carefully monitor its performance so that its consumer complaint handling performance does not deteriorate any further. In particular, the company should focus on its high justified percent.

Justified Mediation Rate

TABLE 9

JUSTIFIED MEDIATION RATE MAJOR ELECTRIC COMPANIES (1991-1992)			
			Net Change 1991 to 1992
Company	1991	1992	
Duquesne	.34	.71	.37
Met-Ed	.65	.47	-.18
Penelec	.22	.21	-.01
Penn Power	.33	.56	.23
PP&L	.78	.22	-.56
PECO	.63	.38	-.25
UGI-Luzerne	.42	.47	.05
West Penn	.09	.12	.03
Major Electric	.43	.39	-.04

Among the highlights of Table 9:

- * Although there was wide variation in the payment negotiation performance among the individual major electric companies, the electric industry as a whole improved its performance from 1991 to 1992.
- * Duquesne and Penn Power were the least effective major companies at payment negotiations in 1992. Duquesne's marked deterioration is a source of concern to the Bureau.
- * PECO, PP&L and Met-Ed showed significant improvement in payment negotiation performance from 1991 to 1992. The Bureau hopes that each of these companies continue to improve in this area.
- * Despite a slight deterioration in effectively negotiating payment arrangements, West Penn once again ranked as the most effective major electric company at payment negotiations.

TABLE 10

JUSTIFIED MEDIATION RATE MAJOR GAS COMPANIES (1991-1992)			
			Net Change 1991 to 1992
Company	1991	1992	
Columbia	1.36	.93	-.43
Equitable	.69	.61	-.08
NFG	.71	.78	.07
PG&W-Gas	.30	.28	-.02
Peoples	.59	.64	.05
UGI-Gas	.82	1.30	.48
Major Gas	.75	.76	.01

Among the highlights of Table 10:

- * The major gas companies were significantly less effective at payment negotiations in 1992 than the major electric companies. The gas industry's performance showed a slight deterioration from 1991 to 1992 and the Bureau is concerned that the gas industry was unable to improve its problematic behavior and negotiate payment arrangements more effectively.
- * Columbia improved its performance from 1991 to 1992. However, the company has a long way to go before it can equal its performance of earlier years when it was the most effective of the major gas companies at negotiating payment arrangements.
- * PG&W-Gas slightly improved its effectiveness from 1991 to 1992 and was the most effective major gas company at effectively negotiating payment arrangements for the second year in a row.
- * UGI-Gas showed significant deterioration in effective payment negotiations. UGI should assess its performance and take steps to reverse this negative trend.

TABLE 11

JUSTIFIED MEDIATION RATE ¹ MAJOR WATER COMPANIES (1991-1992)			
			Net Change 1991 to 1992
Company	1991	1992	
PG&W-Water	.17	.18	.01
Philadelphia Suburban	.18	.19	.01
Pennsylvania-American	.27	.56	.29
All Other "Class A"	.34	.29	-.05
Major Water	.24	.31	.07

Among the highlights of Table 11:

- * The water industry's effectiveness at payment negotiations declined from 1991 to 1992. PAWC's deterioration in its justified mediation rate is mainly responsible for this decline.
- * Pennsylvania American's performance at effective payment negotiations is by far the worst of the major water companies. PAWC needs to assess its payment negotiation procedures in order to remedy the situation before it deteriorates further.

¹ Water companies are not required to provide the Commission with their number of overdue customers. As a result, their mediation rates are calculated in the same manner as their consumer complaint rates. Because of this, the water companies' justified mediation rates are calculated differently from electric and gas companies and cannot be compared to those industries.

Summary

Justified rates combine the quantitative measure of consumer complaint or mediation rate and the qualitative measure justified percent. The Bureau believes that this combined measure will enable companies to focus on how effectively they are handling consumer complaints and mediation requests. While it may be difficult for companies to control the volume of complaints coming to the Commission, companies can influence the number of complaints that BCS evaluates as justified by following proper procedures, rules and regulations when investigating consumer complaints and negotiating payment arrangements.

Overall, the effectiveness of consumer complaint handling showed improvement from 1991 to 1992. However, gas and water companies negotiated payment arrangements less effectively in 1992 than in 1991. Gas companies continue to negotiate payment arrangements significantly less effectively than electric companies. This is a source of concern to the Bureau in light of the current attention to uncollectible accounts. The Bureau's report to the Commission encouraged more aggressive collection practices but not at the expense of breaching Commission regulations, rules and policies. The Bureau expects companies to target this area for improvement in 1993.

VI. RESPONSE TIME

Response time is the time span in days from the date of the Bureau's first contact with the company regarding a complaint to the date on which the company provides the Bureau with all of the information needed to resolve the complaint. Response time quantifies the speed of a utility's response ("responsiveness") to BCS informal complaints. In this report, response time is presented as the mean number of days for each company. Mediation requests and consumer complaints are reviewed separately.

Response time is important for two reasons. First, a short response time means that a company has moved quickly to supply BCS with the required information to address the customer's problem. Second, a short response time is a clear indication that a company maintains adequate records. These records are required by Commission regulations and their routine presence indicates that companies generally have the resources on hand which are necessary to resolve a dispute before it becomes necessary for the Bureau to become involved. For these reasons, significant improvements or declines in response time performance, as well as failure to improve on conspicuously bad performance, are the focus of the analysis here.

Consumer Complaint Response Time

Slow response to complaints registered with BCS is an indication of inadequate complaint handling procedures. If a company is unresponsive to a BCS complaint, there is an indication that it is also unresponsive in handling the large majority of customer disputes which never reach the Bureau. Detailed investigations have verified the existence of the relationship between poor response time to the Bureau and unresponsiveness to customers. Responsiveness is thus an important index of the quality of utility complaint handling. See Table 12 for the consumer complaint response times for the major electric, gas and water companies for 1991 and 1992.

TABLE 12

RESPONSE TIME CONSUMER COMPLAINTS			
Company	Average Time in Days		Change in Days 1991 to 1992
	1991	1992	
Duquesne	9.5	14.5	5.0
Met-Ed	12.3	17.8	5.5
Penelec	13.1	13.7	0.6
Penn Power	10.8	10.4	-0.4
PP&L	13.5	11.1	-2.4
PECO	12.5	13.7	1.2
UGI-Luzerne	28.3	26.3	-2.0
West Penn	8.1	8.0	-0.1
Major Electric	13.5	14.4	0.9
Columbia	6.9	7.0	0.1
Equitable	12.2	14.0	1.8
NFG	6.3	7.4	1.1
PG&W-Gas	6.4	3.8	-2.6
Peoples	5.6	6.3	0.7
UGI-Gas	9.2	9.9	0.7
Major Gas	7.8	8.1	0.3
PG&W-Water	11.2	6.2	-5.0
Philadelphia Suburban	19.9	18.5	-1.4
Pennsylvania-American	3.8	3.8	No Change
All Other "Class A"	18.1	11.3	-6.8
Major Water	13.3	10.0	-3.3

Among the highlights:

- * Consumer complaint response time for the major electric and gas industries was relatively stable from 1991 to 1992. The water industry improved and, along with the gas industry, attained the Bureau's informal ten day standard for response time. However, many of the individual major companies need to focus on improving their responsiveness to consumer complaints.
- * Although there was a slight improvement from 1991 to 1992, UGI-Luzerne had an unacceptable consumer complaint response time in 1992. UGI-Luzerne must work to improve its response time in 1993.
- * West Penn, PG&W-Gas and Pennsylvania American were the most responsive companies in their respective industries to consumer complaints in 1992. PG&W-Gas has worked steadily to improve its performance and should serve as an example to other companies that it is possible to improve responsiveness.

Mediation Response Time

For every day that a mediation case remains open and unresolved the customer may continue to accumulate a larger debt to the company. As a result, there is a strong, inherent economic incentive for the company to process mediation requests expeditiously so that a final disposition of the complaint can be determined. The statistics below seem to reflect this logic for electric, gas and water companies as performance improved from 1991 to 1992.

TABLE 13

RESPONSE TIME MEDIATION REQUESTS			
Company	Average Time in Days		Change in Days 1991 to 1992
	1991	1992	
Duquesne	1.8	1.1	-0.7
Met-Ed	3.2	3.3	0.1
Penelec	5.0	4.2	-0.8
Penn Power	2.1	1.7	-0.4
PP&L	11.8	2.8	-9.0
PECO	12.5	2.8	-9.7
UGI-Luzerne	15.8	18.0	2.2
West Penn	3.3	4.1	0.8
Major Electric	6.9	4.8	-2.1
Columbia	3.9	3.0	-0.9
Equitable	6.8	3.2	-3.6
NFG	2.9	4.1	1.2
PG&W-Gas	1.6	1.7	0.1
Peoples	3.3	2.2	-1.1
UGI-Gas	3.6	3.6	No Change
Major Gas	3.7	3.0	-0.7
PG&W-Water	3.0	2.6	-0.4
Philadelphia Suburban	15.4	12.4	-3.0
Pennsylvania-American	1.9	2.2	0.3
All Other "Class A"	13.4	11.5	-1.9
Major Water	8.4	7.2	-1.2

Among the highlights:

- * The mediation response time for each of the three industries improved from 1991 to 1992.
- * PP&L and PECO were two of the companies that the Bureau monitored during 1992. The Bureau is pleased with the vast improvement both of these companies made in responding to mediation requests.
- * UGI-Luzerne was the least responsive major company to BCS mediation requests in 1992. The fact that this company also had the worst response time to consumer complaints may reflect inadequate procedures and/or record keeping associated with dispute handling.
- * Although it improved from 1991 to 1992, Philadelphia Suburban needs to continue to decrease the time it takes to respond to BCS mediation requests. The Bureau will continue to monitor Philadelphia Suburban's performance in this area.

Summary

Response time is an important indicator of a company's responsiveness at handling disputes. A quick response time indicates that a company generally has the resources on hand necessary to resolve a dispute before it comes to BCS. Overall, mediation response time improved in all three industries. Meanwhile, consumer complaint response time was stable from 1991 to 1992 for the electric and gas industries. The response time for the water industry improved in 1992.

VII. COLLECTIONS

The status of utility collections is measured by the Bureau through statistics on the number of customers who owe utilities money, the amounts owed, how long the money has been owed, and finally, amounts owed that have been written off by the companies. The primary indicators of collection performance are the amounts owed and the amounts that have been written off as uncollectible.

The Bureau has historically tracked money owed to utilities through arrearages. An arrearage is an unpaid balance which is not covered by a payment agreement. The longer a customer goes without paying and the greater the amount owed, the greater the pressure the company applies to secure payment. Initial payment reminder notices are followed by collections letters and, if these fail, by a threat of service termination. Most delinquent customers succumb to this pressure and either pay their bill or make arrangements to pay over time. Once a customer makes a payment agreement with the company, and as long as scheduled payments are made, the amount owed is removed from the "arrearage" category. However, the primary distinction between money that is owed as arrearages and money that is owed in payment agreements is no longer made by BCS as these are now presented as a combined figure.

In order to accurately portray the total amount of money owed to utilities, arrearages as well as money owed in payment arrangements must be considered. In the past, the Bureau had not always obtained information from utilities about the amount of money owed in payment arrangements. This situation was rectified in 1986 and the material below is the fourth analysis of collections which includes the amount owed to utilities by customers on payment agreements.

Overview

The significant variations among companies in the amount of debt in arrearages and agreements appear to be reflective, in part, of different collection policies. The Bureau is aware of these variations and is currently proposing standard collection policies to be implemented by the major gas and electric utilities. These policies emphasize more timely collections practices.

From the Commission's perspective, one of the keys to effective collections is identifying whether the customers who owe the utility money are low-income. The debt owed by non low-income customers may be less at risk because middle and upper income customers are more likely to have the income and/or assets to pay off their utility debt. Additionally, the cost to the utility for carrying this debt may be offset by the assessment and collection of late payment charges.

On the other hand, the debt owed by low-income customers may be at more risk because of income levels or assets that are grossly inadequate to address the debt. In these cases, the assessment of late payment charges may further threaten the utility's ability to recover billings.

If a utility is in a position of knowing which customers that owe money are low-income (through application information, the receipt of energy assistance or income reporting related to payment agreements), the utility can pursue collections and make referrals to assistance programs before the debt reaches an unmanageable level.

Percent of Residential Customers Who Owe Money

In past reports, the statistic Percent of Customers Overdue has been used in order to make direct comparisons among companies. Having shown that overdue customers represent only part of the problem, it is more accurate to substitute the combined percentage of customers who are either in arrears or have an agreement. This data is presented in Table 14. In addition, the number of customers in debt is reported in Appendix L.

TABLE 14

PERCENT OF CUSTOMERS IN DEBT				
Company	1990	1991	1992	Percent Change From 1990 to 1992
Duquesne	19.2%	19.9%	19.4%	1%
Met-Ed	13.3%	12.5%	14.5%	9%
Penelec	16.6%	16.0%	16.7%	1%
Penn Power	21.1%	23.0%	24.5%	16%
PP&L	17.0%	17.8%	18.2%	7%
PECO	27.6%	28.4%	29.0%	5%
UGI-Luzerne	13.0%	12.9%	13.6%	5%
West Penn	18.8%	21.1%	21.3%	13%
Electric-Avg.	18.3%	19.0%	19.6%	7%
Columbia	14.2%	11.2%	11.9%	-16%
Equitable	20.3%	21.6%	21.4%	5%
NFG	16.9%	15.8%	16.0%	-5%
PG&W-Gas	15.9%	15.5%	15.2%	-4%
Peoples	16.2%#	13.4%	13.4%	-17%
UGI-Gas	14.1%	14.2%	14.1%	No Change
Gas - Avg.	16.3%	15.3%	15.3%	-6%

Overstated - Includes delinquent finaled accounts.

Among the highlights from Table 14:

- * Overall, one out of every five residential customers was overdue in paying utility bills in 1992. This represents a slight increase from 1991.
- * PECO, Penn Power, West Penn and Equitable face the highest levels of customer accounts at risk and, as such, have a larger collections task than the other major electric and gas companies.

Amount of Money at Risk

The percent of customers in debt reflects the general state of collections. However, the risk of loss is better determined through a review of the amount and aging of the money involved. Table 15 shows a combined total of the money that is owed by customers in arrears and by those with agreements. The total amount of money owed by customers is the most important collections figure reported herein.

TABLE 15

RESIDENTIAL CUSTOMER DEBT				
Company	1990 (\$000) Total Debt	1991 (\$000) Total Debt	1992 (\$000) Total Debt	Percent Change in Total 1990-1992
Duquesne	\$ 32,738	\$ 40,595	\$ 45,297	38%
Met-Ed	10,424	8,072	13,248	27%
Penelec	11,348	11,667	12,558	11%
Penn Power	2,898	3,956	4,956	59%
PP&L	46,481	44,120	46,931	1%
PECO	106,005	124,387	143,031	35%
UGI-Luzerne	700	741	946	35%
West Penn	10,254	15,648	15,805	54%
Electric-Total	\$220,848	\$249,186	\$282,412	28%
Columbia	10,988	9,769	9,687	-12%
Equitable	25,380	27,398	28,004	10%
NFG	7,098	5,965	5,057	-29%
PG&W - Gas	3,535	3,098	2,724	-23%
Peoples	14,137#	8,893#	9,556	-32%
UGI - Gas	3,319	3,389	3,574	8%
Gas - Total	\$ 64,457	\$ 58,512	\$ 58,602	-9%
TOTAL	\$285,305	\$307,698	\$341,013	20%

Overstated - Includes delinquent finaled accounts.

Among the highlights from Table 15:

- * Residential customer debt grew by 20% from \$285 million in 1990 to \$341 million in 1992. In view of a relatively stable overdue customer population, it appears that the arrearage for a typical overdue customer was significantly higher in 1992 than in 1990. The Bureau is concerned about this worsening collection problem.
- * Columbia, NFG and PG&W-Gas were the only major electric and gas companies to show reductions in residential customer debt from 1990 to 1992.

Weighted Measures - A Tool For Comparison

Notwithstanding the divergent collections performance as presented above, some comparisons between companies based on either arrearages or agreements can be misleading because of differences in bills. For this reason, a weighted statistic is calculated so that the effect of different average bills is taken into consideration.

The "Total Score" below represents the total aging of all residential customer debt. It is calculated by dividing the average monthly customer bill into average monthly customer arrearage. (See Appendix G, Table 1 and Table 2, for monthly average bills for heating and non-heating customers for the major companies).

TABLE 16

WEIGHTED STATISTICS FOR ARREARAGES AND AGREEMENTS			
Company	1990 Weighted Total Score	1991 Weighted Total Score	1992 Weighted Total Score
Duquesne	5.5	5.6	6.6
Met-Ed	2.4	2.6	3.6
Penelec	3.0	3.0	3.1
Penn Power	1.6	1.7	2.0
PP&L	4.1	3.5	3.5
PECO	4.2	4.3	5.0
UGI-Luzerne	2.1	2.1	2.4
West Penn	2.3	2.8	2.8
Electric-Avg.	3.2	3.2	3.6
Columbia	4.4	5.0	4.3
Equitable	7.9	7.4	7.1
NFG	3.5	3.3	2.8
PG&W-Gas	3.4	2.9	2.6
Peoples	4.5#	3.5	3.5
UGI-Gas	2.8	2.6	2.5
Gas-Avg.	4.4	4.1	3.8
OVERALL - AVG.	4.3	4.0	3.7

Overstated - Includes delinquent finaled accounts.

Among the highlights of Table 16:

- * The interpretation of these scores is straightforward. Higher scores represent greater risk, and therefore, indicate less effective overall management of accounts. Companies with the highest total scores, such as Equitable, Duquesne and PECO, raise concerns about their long term ability to keep collection costs under control.

Termination of Service

Service termination is expensive in many regards. It costs a great deal to make pre-termination contacts, to terminate service, and to then attempt to collect the final bill. Further, the non-economic costs of termination are difficult to quantify, but are obviously important. Alternately, the cost of not terminating customers who are delinquent in their payments can also be very significant.

Given the rise in the amount of debt owed by residential customers and the possible relationship of these costs to collection strategies, including termination, the Commission and utilities need to reexamine the value of termination as a collection tool. This assessment should include consideration of the appropriateness and value of termination for willful nonpayment, as well as provisions for maintaining utility service for those customers who, despite their best efforts at paying their bills, fall short in the ability to cover the entire cost of their utility service. Towards this end, the Bureau is no longer viewing termination as a negative performance indicator. Termination will be stressed as an acceptable outcome for customers who do not negotiate in good faith with the companies. See Table 17 for the number of residential terminations from 1990 to 1992.

TABLE 17

NUMBER OF RESIDENTIAL SERVICE TERMINATIONS				
Company	1990	1991	1992	Percent Change 1990-1992
Duquesne	3,003	3,454	8,507	183%
Met-Ed	1,251	1,794	2,288	83%
Penelec	3,492	3,508	4,477	28%
Penn Power	883	1,125	1,251	42%
PP&L	4,372	6,683	5,453	25%
PECO#	12,318	18,778	27,723	125%
UGI-Luzerne	345	743	635	84%
West Penn	4,568	3,941	4,288	-6%
Electric - Total	30,232	40,026	54,622	81%
Columbia	2,864	1,487	3,539	24%
Equitable	4,314	4,371	3,646	-15%
NFG	3,597	4,444	3,358	-7%
PG&W - Gas	1,182	1,733	1,847	56%
Peoples	3,138	4,502	4,514	44%
UGI - Gas	3,902	4,657	4,795	23%
Gas - Total	18,997	21,194	21,699	14%
TOTAL	49,229	61,220	76,321	
PERCENT CHANGE				55%

Combined electric and gas

Uncollectible Accounts

The most commonly used long-term measure of collections system performance is the proportion of revenues written off as uncollectible, the "write-offs ratio". In order to report a statistic that is easier to comprehend and compare, BCS changes the ratio of write-offs to revenues to the percentage of residential billings written off as uncollectible. The statistics in Table 18 use residential gross write-offs. Write-offs and revenues can be traced to both residential and non-residential service. With the focus of this report being residential accounts, a percentage of residential billings written off as uncollectible is used as the best available measure of performance in collecting bills. (Appendix H provides a listing of net total write-offs as a percentage of total revenues from 1990 to 1992).

TABLE 18

PERCENTAGE OF GROSS RESIDENTIAL BILLINGS WRITTEN OFF AS UNCOLLECTIBLE				
Company	1990	1991	1992	Percent Change 1990-1992
Duquesne	2.61%	2.30%	3.39%	30%
Met-Ed	1.52%	1.54%	1.69%	11%
Penelec	1.18%	1.20%	1.32%	12%
Penn Power	0.67%	1.08%	1.18%	76%
PP&L	2.27%	2.35%	1.90%	-16%
PECO	2.89%	2.89%#	3.22%#	18%
UGI-Luzerne	0.80%	0.86%	0.88%	10%
West Penn	0.80%	0.89%	1.00%	25%
Electric - Total	1.59%	1.64%	1.82%	14%
Columbia	2.47%	2.80%	2.45%	-1%
Equitable	4.61%	4.08%	4.22%	-8%
NFG	2.31%	2.66%	2.58%	12%
PG&W - Gas	1.51%	1.65%	1.85%	23%
Peoples	1.32%	1.40%	1.33%	1%
UGI - Gas	1.98%	2.01%	2.06%	4%
Gas - Total	2.37%	2.43%	2.42%	2%

Excludes CAP (Customer Assistance Program)

Among the highlights of Table 18:

- * Overall, the electric industry wrote off a significantly higher percentage of residential billings in 1992 than in 1990. Meanwhile, the gas industry remained stable during this time. The companies with the worst write-offs in 1992 were Duquesne, PECO and Equitable. Other companies with poor performance were Columbia and NFG. The Bureau is concerned about both the high write-off levels and the rapid growth in write-offs.

Summary

Some of the material presented above represents a significant departure from the analytical perspective taken in past Bureau reports. The availability of a more complete range of data facilitates this expanded view of collections. As still more data is accumulated it will be possible to enhance the statistical strength of the analyses offered above. Also, the conclusions to which the new analyses point will be based on firmer ground as increasingly accurate data comes to reflect the details of actual company operations.

The state of residential collections has deteriorated somewhat from 1990 to 1992. The aging of the residential debt appears to have stabilized. However, for an increasing number of customers owing the companies, the aggregate size of the debt has increased. As these accounts become even more difficult for companies to manage, it is expected to cause the rising gross residential write-offs to increase to even higher levels. Payment problems have clearly become more serious in recent years and both the Commission and the utilities have a major task ahead of them in trying to offer solutions to this problem. The BCS report on the investigation into uncollectible accounts emphasized more timely collection practices.

The overall goals reflected in the Bureau's recommendations are to achieve a balance between protecting health and safety and limiting utility collection costs. The recommendations seek to enable needy low income households to maintain utility service through affordable payments and cost effective CAP programs. For those customers who have the resources to pay their bills, the Bureau recommends minimizing utility costs through aggressive collections.

VIII. COMPLIANCE

The activities of the Bureau of Consumer Services include efforts to insure that public utilities' customer services conform with the standards of conduct codified in the Commission's regulations. The focus here is on the Chapter 56 residential utility service regulations. These regulations, adopted in June 1978, govern residential electric, gas, water, steam heat, and sewage service. The purpose of Chapter 56, as stated in Section 56.1, is to ". . . establish and enforce uniform, fair, and equitable residential utility service standards governing eligibility criteria, credit and deposit practices, and account billing, termination, and customer complaint procedures".³

The Bureau of Consumer Services has developed three complementary methods to secure utility compliance with Chapter 56 regulations. These methods are 1) the informal compliance notification process; 2) the consumer services review program; and 3) formal complaints. Both the consumer services review program and formal complaints are used as needed to focus on a specific utility. Alternately, the informal notification process, in conjunction with the automated compliance tracking system, serves to guide the Bureau in the selection of companies for the review program and formal complaints.

The informal compliance notification process is the keystone of the Bureau's compliance efforts. The process provides utilities with specific examples of apparent violations of Chapter 56 so that they can use the information to pinpoint and voluntarily correct deficiencies in their customer service operations. The informal compliance notification process uses consumer complaints to identify, document, and notify utilities of apparent violations. A utility which receives notification of an apparent violation has an opportunity to refute the facts which support the allegation of a violation. Failing a satisfactory refutation, appropriate corrective action is to be taken to prevent further occurrences. Corrective actions generally entail modifying a computer program; revising the text of a notice, bill, letter or company procedure; or providing additional staff training to insure the proper implementation of a sound procedure. The notification process also affords utilities the opportunity to receive written clarifications of Chapter 56 provisions and Commission and Bureau policies.

During 1990, 1991, and 1992 the Bureau determined that there were 2,670 informally verified violations of Chapter 56 by the fixed utilities under the PUC's jurisdiction. The significance of these informally verified violations is frequently underscored by the fact that many of the informally verified violations represent systematic errors which are widespread and affect numerous utility customers. However, because the Bureau receives only a small fraction of the complaints customers have with

³ Informally verified violations of the Chapter 64 residential telephone standards are not presented in this report. A separate BCS report will include evaluations of telephone company compliance activity.

their utility companies, the Bureau has only limited opportunities to identify such systematic errors. Therefore, the informal compliance notification process is specifically designed to identify systematic errors and press utilities to investigate the scope of the problem and then take corrective action.

Utilities that wish to avoid BCS compliance actions have several options. First, they may take advantage of the Bureau's informal notification process. They can also develop their own complaint/compliance information systems to identify compliance problems before they come to the Commission's attention. Companies that analyze their mistakes and take appropriate corrective action can prevent the ill will generated when customers are denied their rights. Additionally, by tracking violations and complaints and treating them as potential error signals, utilities can pinpoint problematic procedures and employee errors which give rise to violations and complaints. Company operations can then be improved to the satisfaction of the PUC, utility customers, and the utility management. A more detailed description of the Bureau's compliance activities can be found in the BCS report of August 1987, entitled Consumer Services Compliance Report 1985-1986.

Informal Compliance Findings

The data analyzed in this section have been gleaned from the informal complaints filed with the PUC by residential customers during 1990, 1991, and 1992. The informally verified violation statistics for the major electric, gas and water companies are presented by company and year in Tables 19-21.

The data in Table 22 indicate the sections of Chapter 56 which are most commonly violated by the fixed utilities based on compliance findings for the past three years.

Opposing viewpoints regarding the meaning of the aggregate figures for informally verified violations have been expressed at various times in the past. Some utilities view the data as reflecting an extremely small number of errors given the massive number of customer contacts routinely handled by utilities. They suggest that BCS' informally verified violations represent no more than the occasional mistakes that are inevitable in an operation the size of a public utility. Instead of viewing the aggregate violation data as indicative of poor compliance performance, some companies suggest that the statistics actually demonstrate utilities' good faith efforts to comply with these residential service regulations. They argue that, if this were not the case, the violation data would be much higher.

The Bureau of Consumer Services views the informally verified violation figures quite differently. The Bureau's perspective is that each informally verified violation is an error signal. A single infraction can be indicative of a system-wide misapplication of a

particular section of the regulations. Because consumers are reluctant to complain, and because the PUC gets involved with only a small fraction of the total number of complaints to utilities, there is sufficient reason to believe that there are numerous violations occurring which will go undetected by the PUC. Therefore, the apparent violations which do come to the attention of the Bureau warrant careful analysis and consideration by the target utility. The informal notification process is intended to assist utilities in their identification of deficiencies and consideration of corrective action. Additionally, findings from the other two methods used by BCS to effect compliance with Chapter 56 support the perspective that informally verified violations often represent larger compliance problems.

Several considerations are important to keep in mind when viewing the aggregate informally verified violation figures. First, the data pertaining to the number of violations do not take into consideration the causes of the individual violations. Some violations may be more serious because of their systematic nature, and therefore may be indicative of ongoing or repetitive violations. Other violations may be more serious because they involve threats to the health and safety of utility customers.

Another set of considerations to keep in mind when viewing aggregate violation measures is that, as a performance measure, they are most important because they indicate infractions of PUC regulations. Therefore, while a utility may take note of a significant decrease in an aggregate figure, it should be kept in mind that the criterion for good performance is zero violations.

For these reasons, the aggregate figures presented in Tables 19-21 are considered by BCS along with other information which is case specific. The value of the aggregate figures is in depicting apparent gross trends over time and pointing out extreme deviations.

TABLE 19

INFORMALLY VERIFIED VIOLATIONS OF CHAPTER 56 MAJOR ELECTRIC COMPANIES					
Company	1990	1991	1992 Total*	1992 Total Verified	1992 Total Pending
Duquesne	40	15	31	24	7
Met-Ed	9	10	15	12	3
Penelec	23	20	15	15	0
Penn Power	5	18	12	11	1
PP&L	65	98	74	61	13
PECO	179	241	340	285	55
UGI-Luz.	29	9	17	14	3
West Penn	82	27	27	27	0
TOTAL	432	438	531	449	82

* The total number of apparent violations for 1992 (column 3) is comprised mostly of informally verified violations (column 4) and in some cases, a smaller proportion of pending violations (column 5). The total number of violations for 1992 may increase as new violations are discovered and cited from customer complaints which originated in 1992 but are still under investigation by the Bureau. In most instances, the actual total number of apparent violations for 1992 will be equal to or greater than the number reported in column 3. This note also applies to Tables 20 and 21.

The electric industry from 1991 to 1992 has shown a slight increase in the number of informally verified violations.

* Duquesne and UGI-Luzerne experienced large increases (60% and 56% respectively) in informally verified violations from 1991 to 1992, which causes great concern. UGI-Luzerne also has a disproportionate high number of apparent violations for its number of residential customers.

- * Penn Power and PP&L each decreased the number of informally verified violations by approximately 40% from the previous year. These improvements in compliance conduct are encouraging.
- * PECO experienced a 35% increase in informally verified violations from 1990 to 1991; and an 18% increase from 1991 to 1992. In fact PECO's 1992 informally verified violations represents 58% of the total violations reported for the major electric companies. PECO's sizeable number of informally verified violations (285 with an additional 55 pending) reflects unacceptable conduct relative to compliance with Chapter 56.

TABLE 20

INFORMALLY VERIFIED VIOLATIONS OF CHAPTER 56 MAJOR GAS COMPANIES					
Company	1990	1991	1992 Total*	1992 Total Verified	1992 Total Pending
Columbia	25	46	28	27	1
Equitable	58	42	29	25	4
NFG	37	27	16	13	3
PG&W-Gas	14	11	14	13	1
Peoples	36	24	16	12	4
UGI - Gas	46	34	33	28	5
TOTAL	216	184	136	118	18

The gas industry has once again shown improvement with Chapter 56 compliance. The industry reduced the overall number of informally verified violations by 36% from 1991 to 1992.

- * PG&W experienced an 18% increase over the previous year's figures. This makes PG&W the only major gas company that did not reduce the number of informally verified violations.

- * Peoples and NFG each reduced the number of informally verified violations for 1992 by approximately 50%.
- * Columbia and Equitable also each experienced a substantial decrease (approximately 40%) in the number of informally verified violations.

TABLE 21

INFORMALLY VERIFIED VIOLATIONS OF CHAPTER 56 MAJOR WATER COMPANIES					
Company	1990	1991	1992 Total*	1992 Total Verified	1992 Total Pending
PA-American (PAWC)	80	38	49	40	9
PG&W-Water	18	13	17	17	0
Philadelphia Suburban	31	47	38	37	1
All Other "Class A" Companies	44	10	20	15	5
TOTAL	173	108	124	109	15

Water utilities as an industry have maintained their compliance activity from 1991 to 1992. There has been no significant increase or decrease in the total number of verified violations for "Class A" water companies.

*PAWC had an increase of 5% in the number of informally verified violations from 1991 to 1992. PAWC's 1992 verified violations represents the third highest among all of the major companies analyzed in this report. This high volume occurred while the settlement agreement which monitored violations was in effect until July of 1992.

* Philadelphia Suburban has reduced the number of verified violations from 1991 to 1992 by 21%. However, the number of informally verified violations is 19% greater than in 1990.

TABLE 22

MOST COMMONLY VIOLATED AREAS OF CHAPTER 56 MAJOR ELECTRIC, GAS AND WATER COMPANIES						
Sections	1990		1991		1992	
	No.	%	No.	%	No.	%
56.11 Billing Frequency	10	1	14	2	10	1
56.12 Meter Reading	125	15	81	11	60	9
56.14 Make-up Bill	41	5	30	4	18	3
56.16 Transfer of Accounts	32	4	35	5	31	5
56.32-37 Credit Standards	18	2	17	2	28	4
56.81-83 Termination Grounds	53	6	54	7	47	7
56.91-97 Termination Procedures	98	12	108	15	96	14
56.121-126 Landlord-Ratepayer Termination Procedures	39	5	46	6	53	8
56-141-152 Dispute Handling	275	34	201	28	219	32
56.163 Informal Complaint	38	5	44	6	25	4
All Other Sections	92	11	100	14	89	13
TOTAL	821	100	730	100	676	100

The most common compliance problem continues to be failure by utilities to treat customer complaints in full accord with the explicit standards of conduct set forth in the Chapter 56 dispute handling provisions (Section 56.141 - Section 56.152). This remains troubling since these provisions are intended to insure basic due process rights to consumers.

Failure by companies to obtain appropriate meter readings within prescribed periods is part of the informally verified violations of Section 56.12. However, obtaining meter readings through telephone lines and the installation of remote meters continue to attribute to the reduction in violations of this section in 1992.

Informally verified violations of the Chapter 56 provisions relating to termination of service (Section 56.81 through Section 56.126) account for 27% of the apparent violations by the major utilities over the past three years. This indicates that utilities have not established and/or properly implemented procedures which insure day-to-day compliance with these important Chapter 56 standards.

Overall, the number of informally verified violations gleaned by BCS investigators from informal complaints has decreased 7% from 1991 to 1992. Although any drop is encouraging, it is tempered by the previously noted fact that the criterion for good performance is zero violations. Moreover, Chapter 56 has been in effect for many years. Utilities have had ample time to adjust their operations to comply with these residential service standards. Thus, the 2,227 apparent violations by the major electric, gas and water companies which BCS gathered over the past three years indicate utilities have not fully incorporated Chapter 56 into their daily customer service operations.

IX. CONCLUSION

The discussion above has fulfilled the Bureau's responsibility to make assessments of utility customer services performance generally available. This report provides an overview and a general analysis of BCS handling of complaints against electric, gas and water companies during 1992. The consumer complaint and mediation rates used here are quantitative problem indicators related to utility company performance in various customer services areas. Response time, percent of complaints "justified", and justified rate are qualitative performance measures which reflect a company's responsiveness and effectiveness in handling customer complaints. These measures support the Bureau's emphasis on improvement in all areas of complaint handling. In addition, the analysis of collection statistics provides a basis for comparing company performance at managing unpaid accounts. Finally, a review of compliance statistics shows which companies are least successful at operating in conformity with Commission regulations.

Most importantly, effectiveness in consumer complaint and mediation handling is measured through justified rates. This evaluative measure combines the quantitative measure of consumer complaint or mediation rate with the qualitative measure justified percent. The Bureau perceives this to be a bottom line measure of performance that evaluates either company complaint handling or payment negotiations as a whole and, as such, allows for general comparisons to be made among companies and across time. Overall, electric, gas and water companies have shown improvement at consumer complaint handling from 1991 to 1992. Nevertheless, the worst companies in each industry will be closely monitored by the Bureau in 1993. In contrast, the effectiveness of the gas and water industries at payment negotiations showed deterioration from 1991 to 1992. Again, the companies which show evidence of poor negotiations will be targeted for close scrutiny in 1993. The Bureau continues to urge ineffective companies to study their own problems and to identify ways to address these problems.

Responsiveness to Bureau cases is measured by response time. From 1991 to 1992, three out of the 17 major companies became more responsive to BCS consumer complaints. Once again, the gas industry maintained its position as the most responsive industry. Also, mediation response time improved for each of the three industries. Overall, the gas industry responded faster than the electric industry and more than two times faster than the water industry to mediations.

The utility collections picture in Pennsylvania has deteriorated somewhat from 1990 to 1992. On the negative side, the overdue population, total residential debt and the percentage of residential billings written off as uncollectible increased. Total debt increased at a greater rate than the overdue population. Thus, the potential financial risk overdue customers pose has increased. The Bureau is concerned about the collections performance of some major gas and electric companies in 1992 and urges companies to carefully study their collections policies so that improvements can be made in 1993.

The BCS, as part of the Commission's investigation of uncollectible balances, will be putting renewed emphasis on collections. The Bureau will request all companies to perform a thorough review of their collection policies and practices. In addition, BCS will recommend that companies be required to justify noncompliance with past Commission secretarial letters from the 1985 payment troubled customers' proceeding; particularly, the requirement that companies identify low income accounts as part of tracking and referral and monthly collections. This identification is a core requirement for utilities to implement the tailored collection systems the Commission has previously ordered.

In this report, the Bureau continues to recommend that utilities implement tailored, aggressive collection systems. Seriously delinquent non-low income accounts should be aggressively pursued and, if payment is not made, termination may be the only recourse. Low income accounts should also be pursued in a timely manner. For low income customers who have an ability to pay their utility bills, good faith payment negotiations should be pursued. If these efforts fail to produce customer payments, then termination may be a reasonable recourse. However, utilities must also recognize that some low income customers have a negative ability to pay and that CAP programs are the option of choice for maximizing customer payments and minimizing collection related expenses.

The report finds a wide disparity in performance in collections. More importantly, the trend shows an overall deterioration. However, a number of utilities have demonstrated that improved collection performance can be maintained and the case of Penelec is a positive example. Utility management should not accept collections deterioration as an unavoidable part of doing business.

Utility compliance with the Commission's regulations continues to improve. This continuing improvement is largely due to the higher priority placed on compliance with Chapter 56 by the major companies. The BCS is particularly pleased to see some major companies taking corrective action not only from feedback provided through the informal compliance process, but also as a result of the companies' internal systems designed to track compliance activity.

Throughout this report there are numerous examples of results which point to opportunities for companies to make significant improvements in customer services. Individual company performance varied greatly in 1992. Some companies have done a better job of effectively managing and running their customer services operations. These companies include West Penn, Penelec, PP&L, Peoples and PG&W. The efforts of the better companies warrant careful study by those companies which did not perform well. At the same time, no company came close to being the best in all areas. Thus, even the better companies can resolve to improve their performance with a reasonable expectation of success. On the other hand, the Bureau is very concerned about those companies that the statistics reported here show have generally ineffective customer services. These companies are PECO and Equitable. Once again, the Bureau will be closely monitoring these companies in the current year and requests that these companies target their own individual problem areas for improvement in 1993.

There is ample evidence to show that companies which make a sincere effort to improve complaint handling have been successful. To foster this approach, the Bureau attempts to assist company efforts at self-monitoring. In addition to periodic reviews of company procedures, the Bureau provides most of the data used in the preparation of this report to companies on a quarterly basis. Companies which seek to improve performance and confront problems can determine causes for problems and respond appropriately long before BCS becomes involved. The Bureau will continue to criticize those companies which show declines in the measures of customer services performance that are presented in this report. The objective of the criticism is to encourage companies to undertake efforts which will insure that customers with problems or complaints receive the best possible response.

APPENDICES

APPENDIX A

DISTRIBUTION OF COMMERCIAL CASES				
Company	1991		1992	
	Mediations	Consumer Complaints	Mediations	Consumer Complaints
Duquesne	47	31	50	18
Met-Ed	80	15	65	10
Penelec	32	34	26	28
Penn Power	1	8	8	8
PP&L	82	18	70	24
PECO	142	60	383	76
UGI-Luzerne	1	1	2	1
West Penn	18	16	16	15
Columbia	13	9	9	11
Equitable	9	21	8	10
NFG	2	8	3	6
PG&W-Gas	1	4	0	1
Peoples	4	89	7	9
UGI-Gas	11	11	12	13
PA-American	9	16	6	10
PG&W-Water	0	4	3	15
Phila. Suburban	1	6	0	2

APPENDIX B

BCS COMPLAINTS - 1992 RESIDENTIAL - COMMERCIAL					
MEDIATIONS					
Industry	Total Mediations	Residential Mediations	Percent Residential Mediations	Commercial Mediations	Percent Commercial Mediations
Electric	8,558	7,937	93%	621	7%
Gas	4,048	4,004	99%	44	1%
Water	828	815	98%	13	2%
Other	48	48	100%	0	0%
TOTAL	13,482	12,804	95%	678	5%
CONSUMER COMPLAINTS					
Industry	Total C.C.	Residential C.C.	Percent Residential	Commercial C.C.	Percent Commercial
Electric	1,619	1,437	89%	182	11%
Gas	820	764	93%	56	7%
Telephone	5,166	4,472	87%	694	13%
Water	515	479	93%	36	7%
Other	32	32	100%	0	0%
TOTAL	8,152	7,184	88%	968	12%

APPENDIX C

Table 1

MONTHLY VOLUME						
Company	Mediation Requests			Consumer Complaints		
	1990	1991	1992	1990	1991	1992
January	223	360	348	762	714	689
February	276	285	374	641	601	667
March	451	611	750	797	633	642
April	1,215	1,582	1,419	656	535	482
May	1,296	1,813	1,383	810	600	570
June	1,234	1,489	1,495	773	603	646
July	1,102	1,509	1,418	830	790	701
August	1,382	1,430	1,375	888	734	654
September	1,085	1,258	1,514	690	563	681
October	1,140	1,528	1,608	676	631	727
November	765	1,053	1,303	730	539	745
December	247	303	495	639	579	948
TOTAL	10,416	13,221	13,482	8,892	7,522	8,152

APPENDIX C

Table 2

BCS ACTIVITY				
Year	Mediations	Consumer Complaints	Inquiries	Total
1978	11,749	11,441	7,095	30,285
1979	14,976	10,207	42,000*	67,183
1980	15,006	7,454	15,229	37,689
1981	16,599	6,762	20,636	43,997
1982	19,603	7,084	23,553	50,240
1983	15,896	6,563	20,128	42,587
1984	16,014	6,603	18,808	41,425
1985	14,272	6,738	26,144	47,154
1986	10,181	5,896	14,663	30,740
1987	8,782	6,433	11,187	26,402
1988	6,913	7,478	10,581	24,972
1989	8,290	7,978	9,784	26,052
1990	10,416	8,892	8,820	28,128
1991	13,221	7,522	5,198	25,941
1992	13,482	8,152	6,528	28,162
TOTAL	195,400	115,203	240,354	550,957
Avg.	13,027	7,680	16,023	36,730

* Includes 27,000 TMI Protests

APPENDIX D

MAJOR PROBLEM CATEGORIES FOR INQUIRIES AND OPINIONS 1992		
Category	Number	%
Referral to Company	2,325	36%
Referral to Other BCS/Other Bureau	545	8%
Referral to Other Agency	1,673	26%
Specific Information Request	1,110	17%
Rate Protest and Opinion	486	7%
Opinion - General	133	2%
Other	256	4%
TOTAL	6,528	100%

APPENDIX E

TYPE OF INDUSTRY				
Industry	Mediation Requests		Consumer Complaints	
	1991	1992	1991	1992
Electric	66%	64%	22%	20%
Gas	30%	30%	13%	10%
Telephone	---	---	56%	63%
Water	4%	6%	8%	6%
Other	0%	0%	1%	1%

APPENDIX F

MONTHLY AVERAGE NUMBER OF RESIDENTIAL CUSTOMERS - 1992	
Duquesne	512,465
Met-Ed	390,520
Penelec	482,520
Penn Power	120,547
PP&L	1,038,880
PECO	1,305,908
UGI-Luzerne	52,576
West Penn	556,723
Major Electric - Total	4,455,139
Columbia	319,324
Equitable	227,358
NFG	191,274
PG&W - Gas	121,788
Peoples	312,064
UGI - Gas	206,169
Major Gas - Total	1,377,977
Pennsylvania-American	339,115
PG&W - Water	119,577
Philadelphia Suburban	230,734
All Other "Class A" Companies	96,276
"Class A" Water - Total	785,702

APPENDIX G

TABLE 1

HEATING CUSTOMERS* IN 1992			
Company	Monthly Averages		Cost Per Unit (\$/KWH or MCF)
	Usage	Bills	
Duquesne	1030 KWH	\$100.40	.0975
Met-Ed	1517 KWH	108.10	.0713
Penelec	1250 KWH	89.48	.0716
Penn Power	1543 KWH	118.95	.0771
PP&L	1441 KWH	112.43	.0780
PECO-Electric	1377 KWH	146.00	.1060
UGI-Luzerne	1635 KWH	110.47	.0676
West Penn	1501 KWH	84.92	.0566
Columbia	10.1 MCF	61.58	6.10
Equitable	10.3 MCF	82.46	8.01
NFG	10.9 MCF	60.10	5.51
PG&W - Gas	12.6 MCF	63.24	5.02
Peoples	11.1 MCF	66.63	6.00
PECO - Gas	9.5 MCF	64.00	6.74
UGI - Gas	9.1 MCF	67.01	7.36

* Source: Data reported by companies - Figures used are for average bills and usage for each company, not typical bills.

APPENDIX G

TABLE 2

NON-HEATING CUSTOMERS* IN 1992			
Company	Monthly Averages		Cost Per Unit (\$/KWH or MCF)
	Usage	Bills	
Duquesne	465 KWH	\$67.25	.1446
Met-Ed	611 KWH	54.33	.0889
Penelec	534 KWH	45.72	.0856
Penn Power	667 KWH	74.68	.1120
PP&L	599 KWH	52.39	.0875
PECO-Electric	514 KWH	73.00	.1420
UGI-Luzerne	486 KWH	42.92	.0883
West Penn	690 KWH	41.93	.0608
Columbia	2.0 MCF	20.23	10.12
Equitable	1.8 MCF	20.52	11.40
NFG	5.2 MCF	34.98	6.73
PG&W - Gas	1.7 MCF	13.39	7.88
Peoples	2.3 MCF	21.54	9.37
PECO - Gas	2.5 MCF	22.00	8.80
UGI - Gas	1.7 MCF	17.32	10.19

* Source: Data reported by companies - Figures used are for average bills and usage for each company, not typical bills.

APPENDIX H

NET TOTAL WRITE-OFFS AS A PERCENTAGE OF TOTAL REVENUES*				
Company	1990	1991	1992	Percent Change 1990-1992
Duquesne	0.99%	0.93%	1.33%	34%
Met-Ed	0.62%	0.62%	0.66%	6%
Penelec	0.38%	0.39%	0.41%	8%
Penn Power	0.28%	0.74%	3.18%x	1,036%x
PP&L	0.95%	1.03%	0.75%	-21%
PECO#	1.19%	1.34%	1.54%	29%
UGI-Luzerne	0.39%	0.48%	0.52%	33%
West Penn	0.27%	0.32%	0.37%	37%
Electric-Avg.	0.63%	0.73%	1.09%	73%
Columbia	1.52%	1.80%	1.63%	7%
Equitable	2.68%	2.60%	2.78%	4%
NFG	1.63%	1.91%	1.79%	10%
PG&W - Gas	0.96%	1.04%	1.14%	19%
Peoples	0.99%	1.13%	1.06%	7%
UGI - Gas	0.94%	0.86%	1.03%	10%
Gas - Avg.	1.45%	1.56%	1.57%	8%
Overall Avg.	0.98%	1.09%	1.30%	
Overall Change				33%

* Source: Company reported data

Electric and gas combined

x Includes industrial write-offs of \$7,251,444. This amount is unusually high.

APPENDIX I

NUMBER OF NON-TERMINATION COLLECTIONS RELATED MEDIATION REQUESTS			
Company	1990	1991	1992
Duquesne	192	99	165
Met-Ed	25	52	73
Penelec	33	29	24
Penn Power	10	10	17
PP&L	51	71	77
PECO	338	331	231
UGI - Luzerne	2	1	4
West Penn	13	10	16
Columbia	28	26	40
Equitable	216	80	85
NFG	11	4	7
PG&W - Gas	5	6	2
Peoples	40	31	24
UGI - Gas	29	19	26
PA American	9	11	5
PG&W - Water	5	0	2
Phila. Suburban	0	3	2
Other "A"	0	0	2
TOTAL	1,007	783	802

APPENDIX J

JUSTIFIED CONSUMER COMPLAINT RATE			
Company	1990	1991	1992
Duquesne	.08	.07	.05
Met-Ed	.04	.04	.05
Penelec	.09	.08	.05
Penn Power	.11	.09	.19
PP&L	.06	.06	.06
PECO	.16	.17	.18
UGI - Luzerne	.29	.10	.12
West Penn	.13	.08	.08
Major Electric	.12	.09	.10
Columbia	.08	.08	.06
Equitable	.49	.33	.25
NFG	.15	.16	.17
PG&W - Gas	.17	.17	.09
Peoples	.11	.07	.05
UGI - Gas	.24	.15	.14
Major Gas	.21	.16	.13
PA American	.18	.11	.10
PG&W - Water	.25	.21	.11
Phila. Suburban	.05	.05	.08
Other "A"	.14	.09	.04
Major Water	.16	.12	.08

APPENDIX K

JUSTIFIED MEDIATION RATE			
Company	1990	1991	1992
Duquesne	.40	.34	.71
Met-Ed	.22	.65	.47
Penelec	.17	.22	.21
Penn Power	.23	.33	.56
PP&L	.20	.78	.22
PECO	.36	.63	.38
UGI - Luzerne	.46	.42	.47
West Penn	.20	.09	.12
Major Electric	.28	.43	.39
Columbia	.08	1.36	.93
Equitable	2.09	.69	.61
NFG	.19	.71	.78
PG&W - Gas	.29	.30	.28
Peoples	.52	.59	.64
UGI - Gas	.70	.82	1.30
Major Gas	.65	.75	.76
PA American	.17	.27	.56
PG&W - Water	.14	.17	.18
Phila. Suburban	.14	.18	.19
Other "A"	.52	.34	.29
Major Water	.24	.24	.31

APPENDIX L

NUMBER OF RESIDENTIAL CUSTOMERS IN DEBT			
Company	1990 Total	1991 Total	1992 Total
Duquesne	97,601	101,569	99,296
Met-Ed	50,361	48,198	56,574
Penelec	78,917	76,353	80,455
Penn Power	24,926	27,470	29,538
PP&L	172,659	182,800	189,504
PECO	356,420	368,482	378,319
UGI-Luzerne	6,725	6,763	7,131
West Penn	102,594	116,103	118,468
Electric - Total	890,203	927,738	959,285
Columbia	44,472	35,517	37,982
Equitable	45,870	48,843	48,584
NFG	31,652	30,040	30,541
PG&W - Gas	18,611	18,519	18,517
Peoples	49,767	41,450	41,779
UGI - Gas	27,944	28,736	29,115
Gas - Total	218,316	203,105	206,518
TOTAL	1,108,519	1,130,843	1,165,803