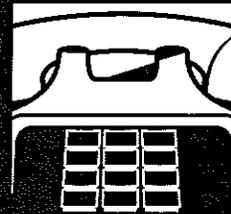


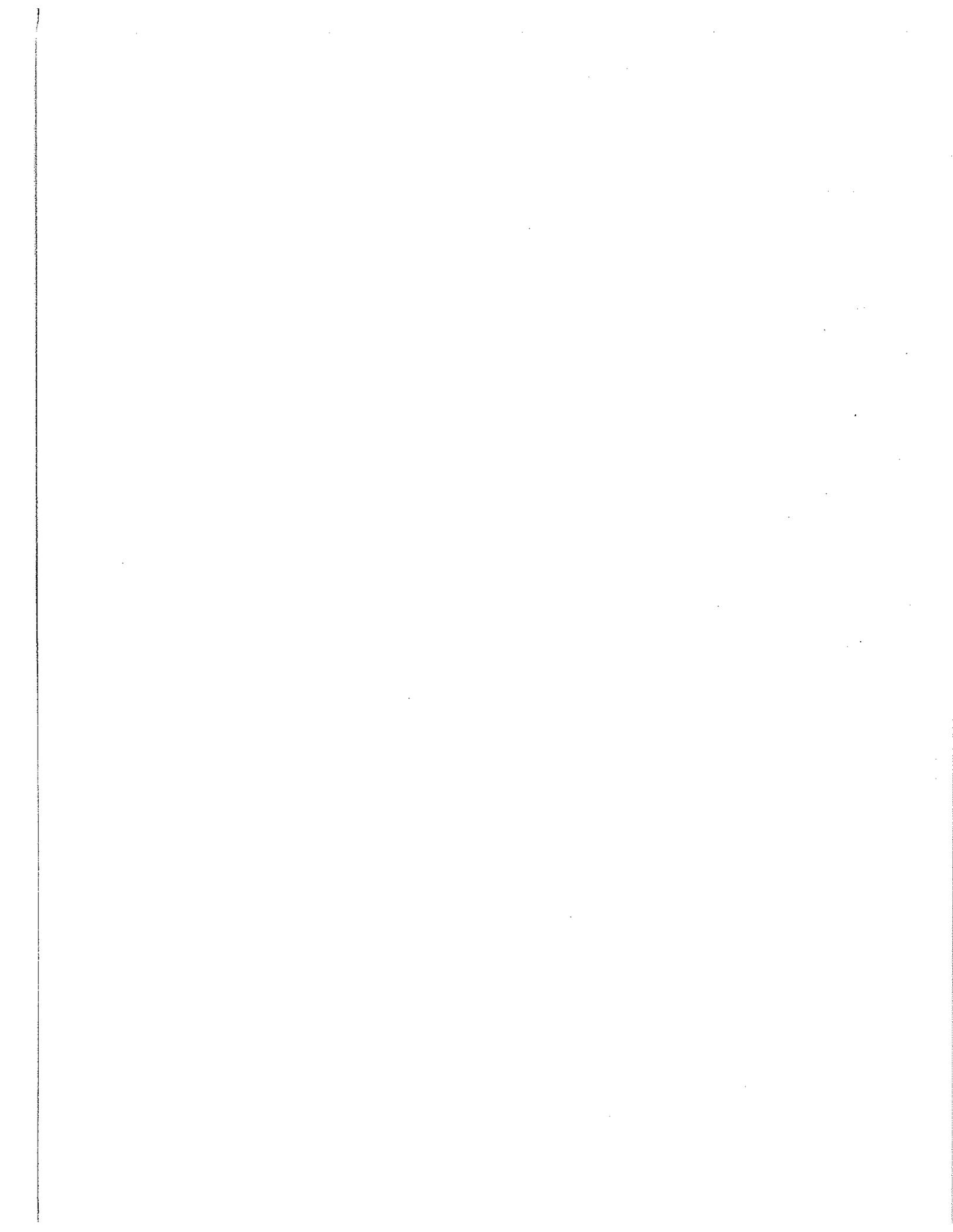
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Utility Consumer Activities Report and Evaluation

Telephone Utilities



Pennsylvania Public Utility Commission



**1996 Utility Consumer Activities Report
and Evaluation**

Telephone Utilities

Pennsylvania Public Utility Commission

The Pennsylvania Public Utility Commission



Commissioner David W. Rolka, Vice Chairman Robert K. Bloom,
Chairman John M. Quain, Commissioner Nora Mead Brownell and
Commissioner John Hanger

1996 Utility Consumer Activities Report and Evaluation *Telephone Utilities*

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To Our Report Readers:

The Commission is pleased to present the *1996 Utility Consumer Activities Report and Evaluation for Telephone Utilities* that was prepared by the Bureau of Consumer Services (BCS). Those of you who are familiar with the report from previous years will notice some significant changes. In recognition of Pennsylvania's emerging competitive environment for utilities, the Commission and the Bureau revamped the report format. You will see more changes in future reports because we designed the new format to adapt to and accommodate the changes that will accompany competition.

This year's report, while considerably different from prior reports, still meets the Bureau's goals: to satisfy the statutory reporting requirements of 66 Pa. Code §308 and to communicate to the Commission, the public and to utility management how utilities under the Commission's jurisdiction performed in 1996. The new report's user-friendly format should prove to be a valuable resource to consumers for it will allow them to review their local utility's customer service performance for 1995 and 1996. In addition, the report includes a glossary which defines terms and utility statistics used throughout the report. The Bureau of Consumer Services believes that top utility management will also value the year-to-year comparison of their utility's statistics. In addition, utility management should benefit from the comparisons between their utility and other utilities within their industry.

If you have read past Bureau reports, you will note that the new Bureau of Consumer Services' report graphically represents performance and industry rank rather than describing them in the narrative. The report presents industry tables rather than company profiles and simplifies data presentation to produce overall, a more user-friendly document. We hope that these formatting changes will incorporate inclusion of the new entrants that will be providing utility service to Pennsylvania's consumers. As a result of the changes associated with utility competition, the data and statistics on utility collections have been deleted.

It is important to note that the discussion and data in this report are based solely on consumer contacts to the BCS and as such, may or may not represent broad statistical trends. Furthermore, the level of activity for a particular utility or geographical area may be influenced by a number of factors such as increased marketing, media visibility, demographics, and regional activity. Therefore, for the first time, the report includes a review of certain consumer contacts to the BCS by geographic area. This information is valuable because it illustrates the areas in Pennsylvania that are responsible for generating the most consumer contacts about electric and telephone utilities. The electric and telephone industries are used

because the Commission has jurisdiction over the vast majority of the electric service and all telephone service in each county. Regulated gas and water service are not available in each county (Appendix G2-3). The report also includes Pennsylvania demographic data by county which indicates areas of poverty and low median incomes (Appendix G1).

It is also important to note that less than half of the consumer complaints that are brought to the attention of the BCS were mishandled by the subject utility. In other words, in spite of the fact that the utility had followed all the correct procedures and rules in handling the consumer's complaint, the customer remained dissatisfied and appealed to the Commission. In these instances, the Commission has upheld the utility's actions. In a survey of consumers who contact the BCS, the consumers have expressed satisfaction with the BCS' complaint handling.

Pennsylvania consumers face unprecedented changes within the utility arena. The Commission is committed to assuring that these transformations are in the public interest. Because the data in this report stems almost exclusively from the evaluation of consumer contacts to the Commission, the data has certain shortcomings. The Commission has plans to remedy these shortcomings in the future. We will be developing and implementing quality of service benchmark reporting from utilities. This benchmark reporting will be designed to capture a more comprehensive and accurate picture of the quality of service consumers receive from their utilities. Future reports will include findings from the Commission review of this additional information as it becomes available.

The Bureau of Consumer Services believes this year's report represents a first step in the process of providing an accurate picture of the quality of utility customer service delivered to the public. Because it is only the beginning step, we invite suggestions and comments about the report's strengths and weaknesses. The feedback we receive from those who use the report will be instrumental in its improvement and development.

Sincerely,
John M. Quain, Chairman
Mitch Miller, BCS Director
Pennsylvania Public Utility Commission

1. Consumer Contacts to the BCS

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 writing decisions on service termination cases in April 1977. Since then the Bureau has investigated 450,939 cases (informal complaints) and has received an additional 298,774 opinions and requests for information. The Bureau received 46,025 utility customer contacts that required investigation in 1996. It is important to note that more than half of these customer complaints had been appropriately handled by the subject utilities before the customers brought them to the Bureau. In spite of the fact that the utilities had followed all the correct procedures and rules in handling the complaints, the customers had remained dissatisfied and appealed to the Public Utility Commission for assistance in dealing with the utilities.

The Staff of the Bureau of Consumer Services



Case Handling

The handling of utility complaint cases is the foundation for a number of Bureau programs. The case handling process provides an avenue through which consumers can gain redress for errors and responses to inquiries. However, customers are required by Commission regulations to attempt to resolve problems directly with their utilities prior to filing a complaint or requesting a payment arrangement with the Commission. Although exceptions are permitted under extenuating circumstances, the BCS generally handles those cases in which the utility and customer could not find a mutually satisfactory resolution to the problem.

Once a customer contacts the Bureau with a case, the Bureau notifies the utility that a case has been filed. The utility then sends the Bureau all pertinent information regarding the case. After the case is reviewed and a decision is rendered, the case is closed. The BCS evaluates and codes the information from the closed cases about the utility and the customer's problem. This case information is entered on the consumer services information system data base where it is prepared for analysis. The analysis of case information is used by the Bureau to generate reports to the Commission, utilities and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policies.

Consumer Feedback Survey

In order to monitor its own service to consumers, the Bureau of Consumer Services surveys those customers who have contacted the Bureau with a utility-related problem or payment arrangement request. In the course of processing and investigating complaints from consumers, the BCS staff must operate under jurisdictional, legal and procedural constraints. As these constraints are not always entirely understood by consumers, they occasionally give rise to consumer frustration. The purpose of the survey is to collect information from the consumer's perspective about the quality of the Bureau's complaint handling service. The BCS mails a written survey form to a sample of consumers who have been served by the BCS field services staff.

Eighty-four percent of consumers reported that they would contact the PUC again if they were to have another problem with a utility that they could not settle by talking with the company. Over 82% rated the service they received from the PUC as "good" or "excellent".

Consumers' Rating of the BCS' Service

How would you rate the service you received from the PUC (BCS)?	1995-96 Fiscal Year	1996-97 Fiscal Year
Excellent	63%	56%
Good	20%	26%
Fair	8%	11%
Poor	9%	7%

Overall, 85% of consumers felt the BCS handled their complaint either very quickly or fairly quickly. In addition, more than 91% of consumers said that the information that the PUC gave them about the outcome of the problem was either "very easy to understand" or "fairly easy to understand". Further, 95% of consumers indicated that the BCS staff person who took their call was either "very" or "fairly polite" and 94% described the BCS contact person as "very" or "fairly interested" in helping with the problem.

The BCS management frequently reviews the findings of the consumer feedback survey and promptly investigates any negative trends.

Data Bases

To manage and use its complaint data the Bureau maintains the computer based Consumer Services Information System (CSIS) through a contract with the Pennsylvania State University. CSIS enables the Bureau to aggregate and analyze complaints so that it can address generic as well as individual problems. 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.

The bulk of the data presented in this report is from CSIS. In addition, this report includes statistics from the Bureau's Local Exchange Carrier Collections Reporting System (LECCRS) and the Compliance Tracking System (CTS). The LECCRS provides a valuable resource for measuring changes in company collection performance including the number of residential service terminations, while the CTS maintains data on the number and type of infractions attributable to the major utilities.

Distinctions Between Cases

A number of cases were segregated from the analyses that appear later in this report because they did not fairly represent company behavior. One treatment of the data involved the removal of complaints about problems over which the Commission has no jurisdiction, information requests that did not require investigation and most cases where the customers indicated that they had not contacted the company prior to complaining to the Commission. Commercial customer contacts were also excluded from the data base. Although the Bureau's regulatory authority is largely confined to residential accounts, the Bureau handled 1,559 cases from commercial customers in 1996. Of these informal complaints, 458 were related to termination of electric, gas or water service and 60 were related to loss of telephone service. Due to its limited jurisdiction, the Bureau does not issue decisions regarding commercial disputes. Rather, the Bureau gives the customer information regarding the company's position or attempts to mediate a mutually acceptable agreement regarding the disputed matter. All 1996 cases that involved commercial accounts were deleted from the analysis and tables in the chapters that follow. The table below illustrates that the vast majority of cases handled by the BCS in 1996 involved residential utility service.

Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 1996

Industry	Consumer Complaints		Payment Arrangement Requests	
	Residential	Commercial	Residential	Commercial
Electric	2,150	225	23,142	390
Gas	1,091	67	8,827	60
Telephone	1,831	717	5,763	60
Water	523	30	1,125	8
Other	8	1	6	1
TOTAL	5,603	1,040	38,863	519

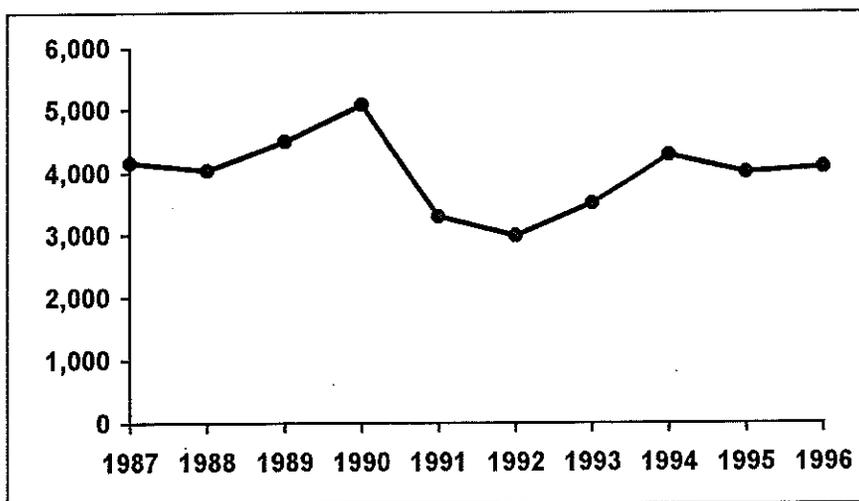
Ten Year Trends

Customer contacts to the Bureau fall into three basic categories: 1) consumer complaints; 2) requests for payment arrangements; and 3) inquiries. The Bureau classifies contacts regarding complaints about utilities' actions related to billing, service delivery, repairs, etc., as *consumer complaints* and contacts involving payment negotiations for unpaid utility service as *payment arrangement requests*. Consumer complaints and payment arrangement requests are often collectively referred to as

informal complaints. *Inquiries* include information requests and opinions from consumers, most of which did not require investigation on the part of the Bureau.

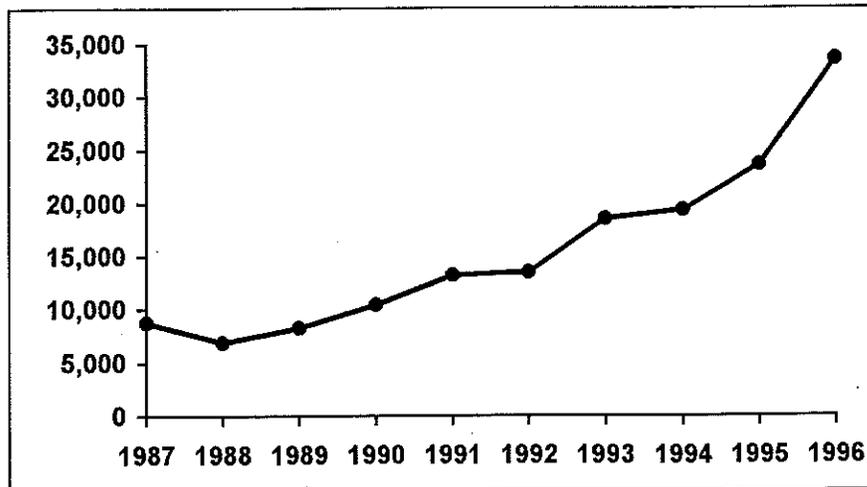
The graphs below show changes in the volume of cases to the BCS over the last ten years. Overall, the volume of all cases has increased since 1987. Again, Commission regulations require that customers seek to resolve problems directly with their utilities prior to registering a complaint with the Commission. The Bureau of Consumer Services has worked to foster improvements in utility complaint handling operations so that customers will not find it necessary to appeal to the Commission. Nevertheless, when a customer remains dissatisfied after working with a utility, the customer may file an informal complaint with the Bureau. Therefore, it is important to note that many of the cases filed with the BCS, and thus depicted in the graphs below, include cases that were "not justified". In other words, the company had followed all the correct procedures and rules in handling the complaint but the customer remained dissatisfied and appealed to the Commission.

Ten Year Trend: Consumer Complaints to BCS Electric, Gas & Water Utilities



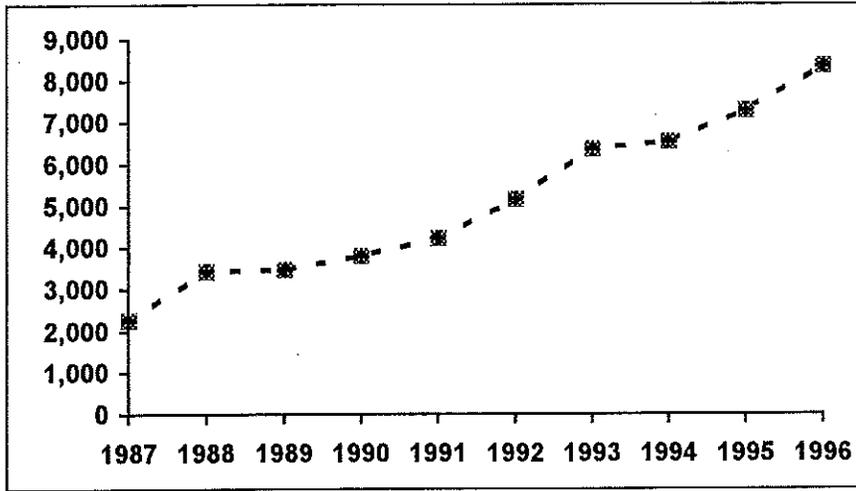
The graph below depicts the ten-year trend for payment arrangement requests to the Bureau of Consumer Services from customers of the electric, gas and water utilities. The volume of payment arrangement requests to the Bureau has been increasing steadily for eight years.

Ten Year Trend: Payment Arrangement Requests to BCS Electric, Gas & Water Utilities



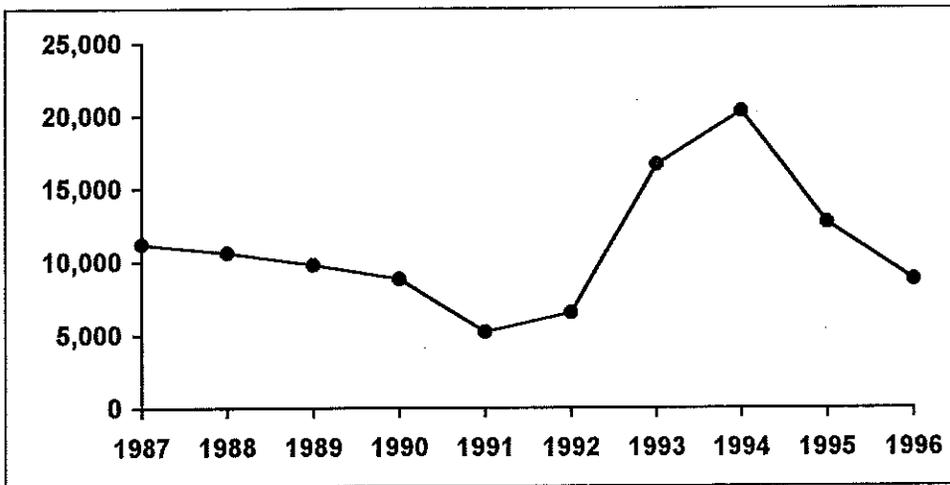
The graph on the following page shows the ten year trend for all informal complaints from customers of the telephone industry. Prior to 1995, the BCS classified all telephone cases as consumer complaints. After 1995, the Bureau began to separate telephone cases into the same two categories it uses for cases from electric, gas and water customers: consumer complaints and payment arrangement requests. In this way, the BCS can better track problems specifically involving payment arrangements and make clearer distinctions about the nature of customers' problems. However, because the Bureau did not make this distinction until recently, it is not possible to separately show a ten-year trend of consumer complaints and payment arrangements for telephone informal complaints. Therefore, for the following chart, the BCS has combined the two categories of cases to show an overall trend in informal complaints about the telephone industry. As indicated by the chart, the volume of all telephone cases to the BCS has grown steadily during the last ten years.

Ten Year Trend: Cases to BCS Telephone Industry



The following graph depicts the ten-year trend for the volume of inquiries to the Bureau. Inquiries to the BCS decreased in each of the last two years.

Ten Year Trend: Inquiries To BCS

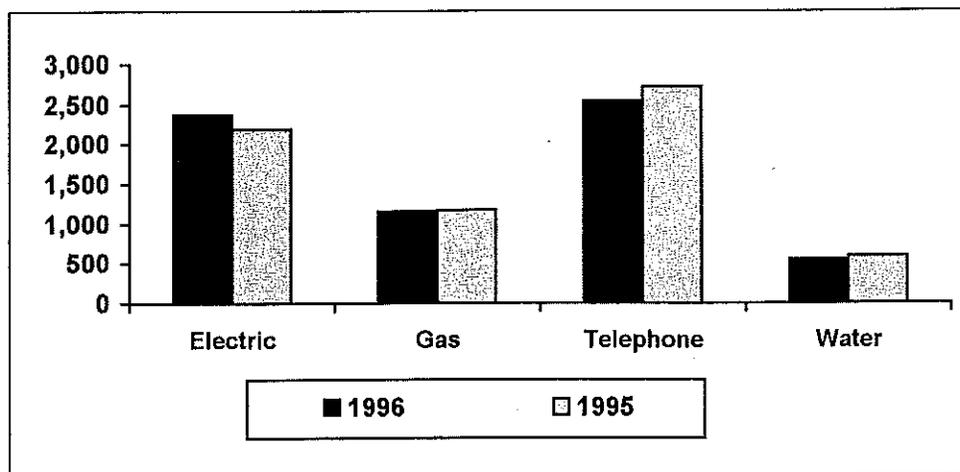


Overall Bureau Activity 1995-1996

Consumer Complaints

The Bureau investigated 6,643 consumer complaints in 1996. Overall, the volume of consumer complaints to the Bureau decreased by slightly more than 1% from 1995 to 1996. Consumer complaints for the Chapter 56-covered industries (electric, gas, water, sewer and steam heat) increased by 2% from 1995 to 1996. Meanwhile, consumer complaints about the telephone industry decreased by 6%. In 1996, electric and gas utilities accounted for 36% and 17%, respectively of all consumer complaints investigated by the Bureau. Water utilities accounted for 8% of consumer complaints and the telephone utilities were the subject of 38% of all consumer complaints.

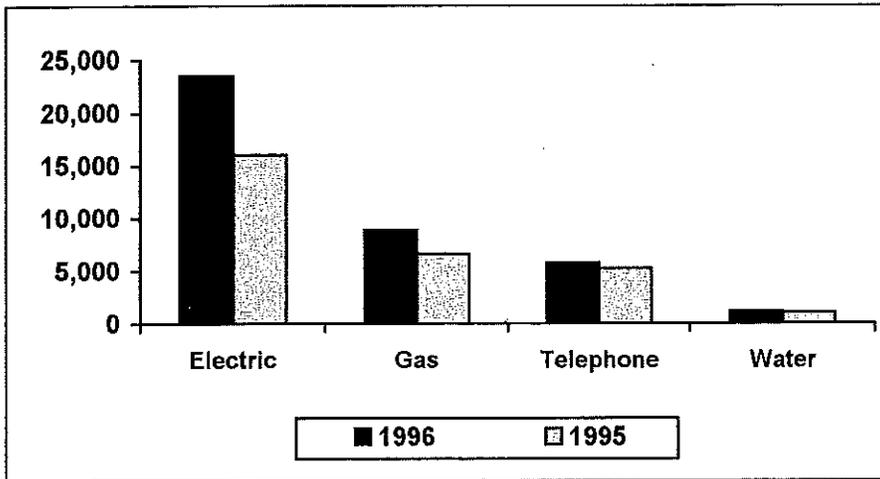
Consumer Complaints By Industry 1995-1996



Payment Arrangement Requests

In 1996, the Bureau received 39,382 payment arrangement requests from customers who needed help in negotiating payment arrangements with electric, gas, water and telephone utilities, an increase of 36% from 1995. Payment arrangement requests for the Chapter 56-covered utilities increased 42%, from 23,681 in 1995 to 33,559 in 1996. For the telephone industry, the volume of payment arrangement requests increased by 11%; there were 5,823 requests in 1996 compared with 5,251 in 1995. As in past years, almost all cases involving requests for payment arrangements in 1996 involved electric (60%) or gas companies (23%). Fifteen percent of the payment arrangement requests involved telephone service and 3% stemmed from customers of various water companies.

Payment Arrangement Requests By Industry 1995-1996



Inquiries and Opinions

During 1996, the Bureau of Consumer Services received 8,767 customer contacts that, for the most part required no follow-up investigation beyond the initial contact. The Bureau classifies these contacts as “inquiries”. In 1996, the number of inquiries decreased for the second year in a row. The Bureau attributes at least part of the decrease to its use of a voice processor that advises callers to call their companies if they have not already done so and informs callers about areas and companies over which the Bureau lacks jurisdiction.

The Bureau of Consumer Services classifies inquiries into categories based on the customer’s reason for contact and/or the Bureau’s response to the contact. The majority of these contacts involved referrals to other agencies, referrals to utility companies for initial action, and requests for information that the BCS staff handled at the time of contact. The Bureau shifted some contacts that originated as consumer complaints and payment arrangement requests into the inquiry category because it was not appropriate to count them as informal complaints. Examples of these contacts include informal complaints that were found to be duplicates, informal complaints filed against the wrong company, informal complaints that BCS handled in spite of the fact that the customers had not previously contacted their companies about their problems and cases that the investigators verbally dismissed. The following table shows the various categories of customer contacts that the Bureau classified as inquiries in 1996.

Categories for Inquiries to the BCS 1996

Category	Number	Percent
Referral to Other Agency	2,340	27%
Referral to Company	1,870	21%
Specific Information Request Answered	1,646	19%
Referral to Other BCS/Other Bureau	648	7%
Other or No Reason Listed	625	7%
Opinion-General	317	4%
Rate Protest and Opinion	160	2%
No Jurisdiction-Information Given	41	0%
Subtotal	7,647	87%
Company Changed*	450	5%
Informal Complaint-No Prior Co. Contact*	403	5%
Duplicate Action*	142	2%
Verbally Dismissed*	125	1%
Total	8,767	100%

*Customer contacts that originated as consumer complaints or payment arrangement requests. After its investigation, the Bureau reclassified the contacts as inquiries due to the nature of the contact.

Utility Consumer Activities Report and Evaluation: Telephone Utilities

Given the growing competitive telecommunications market, the BCS may handle cases against or inquiries about many different types of telecommunication service providers such as resellers, access providers, operator services, competitive local exchange carriers as well as local telephone utilities. During 1996, there were over 300 such providers doing business in Pennsylvania. Of this group of telecommunications providers, 35 were local telephone utilities. Thirty of the local telephone utilities are nonmajor utilities each serving less than 50,000 residential customers. The remaining five local telephone utilities are major utilities, each with over 100,000 residential customers. Collectively, the major telephone utilities serve over 4.8 million residential accounts. Most of the remainder of this report will focus exclusively on the five major telephone utilities. The Commission has issued a separate consumer activities and evaluation report that focuses on the electric, gas and water industries.

2. Consumer Complaints

As previously stated on page 10, the Bureau may handle consumer complaints regarding many different types of telecommunication providers. However, the problems consumers encounter with other entities are generally part of an informal complaint filed against either a local company or a long distance company. During 1996, the Bureau handled 1,922 consumer complaints from residential and commercial customers about problems they had with local telephone utilities. Within this universe of cases, 1,622 were residential consumer complaints against the five major telephone utilities: ALLTEL Pennsylvania, Inc. (ALLTEL), Bell Atlantic-Pennsylvania, Inc. (Bell), Commonwealth Telephone Company (Commonwealth), GTE North Incorporated (GTE) and United Telephone Company of Pennsylvania (United) d/b/a Sprint.

Most of the cases found in the consumer complaint category deal with matters covered under 52 Pa. Code Chapter 64, the "Standards and Billing Practices for Residential Telephone Service" and 52 Pa. Chapter 63, the "Quality of Service Standards for Telephone." Chapter 64 sets standards for how companies should handle residential account billing, payments, credit, security deposits, suspension, termination, collection, etc. While Chapter 63 deals with service installations, local dial service, operator handled calls, and Automatic Dialing Announcing Devices (ADADs). There are other consumer complaints that are not addressed by either the Chapter 63 or Chapter 64 regulations. These include complaints about the conduct of company personnel, unsatisfactory telephone numbers, problems with phone directories and the lack of equal access to the toll network.

Classification of Consumer Complaints

When a customer initially files an informal complaint (case) with the Bureau, it is considered to be an open case. At this time, the Bureau codes the initial case information about the type of problem and the utility involved. Once a case is closed, there is more information available to identify specific types of problems. The Bureau examines closed cases and codes many variables designed to classify specific problems. As previously mentioned, the Bureau maintains the Consumer Services Information System (CSIS) where information coded from closed cases is prepared for analysis. The Bureau uses this information by aggregating data for selected companies, industries or problem categories.

The Bureau classifies all consumer complaints first into one of six major problems areas (billing /payment, credit & deposit, rates, service-goods, people

delivered service, and terminations) and then puts them into one of 200 distinct problem categories. However, for the purposes of this report, the Bureau expanded the primary problem classification into 12 specific categories. These complaint categories are explained below.

Consumer Complaint Categories: 1996
Major Telephone Utilities

Billing Disputes: Complaints about bills from the utility; high bills, inaccurate bills or balances, installation charges, customer charges, service charges, repair charges, late payment charges, frequency of bills and the misapplication of payment on bills.

Discontinuance/Transfer: Complaints related to responsibility for or the amount of bills after discontinuance or transfer of service; company failure to finalize the account as requested or the company transferred a balance to a new or existing account from the account of another person or location.

Non Recurring Charges: Complaints about one time charges for installation of basic and/or nonbasic services.

Toll Services: Complaints about charges for local toll and/or long distance toll services.

Credit & Deposits: Complaints about a company's requirements to provide service: applicant payment of another person's bill, completion of an application, provision of identification, or payment of a security deposit. This category also includes complaints about the amount of or the amortization of a deposit, the payment of interest on a deposit or the failure of a company to return a deposit to the customer.

Rates: General or specific complaints about a utility's rates; general or specific rates are too high; or the customer is being billed on the incorrect rate.

EAS (Extended Area of Service): Complaints about availability of EAS in local service area. This includes complaints about expanding local calling areas, company failure to do EAS studies and fairness of toll charges.

Unsatisfactory Service: Complaints about poor service quality or poor service: this includes problems with the assignment of phone numbers, incorrect information in phone directories, lack of directories, equal access to toll network and service interruptions and outages.

Service Delivery: Complaints about delays in service installations or disconnections of service and failures to keep scheduled appointments. This also includes the lack of facilities to provide service, unauthorized transfer of service, unavailability of special services and the rudeness of business office personnel.

Annoyance Calls: Complaints about the company's failure to resolve problems related to receiving unsolicited sales calls or harassing calls. This includes the company's failure to change the phone number, initiate an investigation and problems with auto dialers and fax machines.

Coin Phones: Complaints about excessive rates from access providers or poor service.

Disputes Related to Suspension/Termination: Complaints about suspension or termination procedures when there is no need for a payment arrangement.

Consumer Complaint Categories*: 1996 Major Telephone Utilities

Categories**	ALLTEL	Bell	Commonwealth	GTE	United	Telephone Majors
			22%	20%	33%	21%
Billing Disputes	22%	21%	4%	2%	5%	4%
Discontinuance/Transfer	2%	5%	4%	2%	5%	5%
Non -Recurring Charges	10%	5%	4%	2%	5%	14%
Toll Services	10%	13%	26%	18%	16%	4%
Credit & Deposits	10%	3%	4%	4%	3%	1%
Rates	2%	2%	0%	1%	0%	1%
EAS	2%	1%	4%	1%	5%	1%
Unsatisfactory Service	23%	20%	11%	31%	21%	21%
Service Delivery	15%	26%	21%	16%	9%	23%
Annoyance Calls	3%	3%	0%	1%	3%	3%
Coin Phone	3%	3%	0%	1%	0%	1%
Disputes Related to Suspensions/Terminations	0%	1%	4%	1%	0%	2%
	1%	1%	0%	4%	0%	
TOTAL***	100%	101%	100%	101%	100%	100%

* Categories are for all complaints filed with BCS (justified, unjustified and inconclusive).

** See pages 12-13 for an explanation of complaint categories.

***Columns may total more or less than 100% due to error caused by rounding

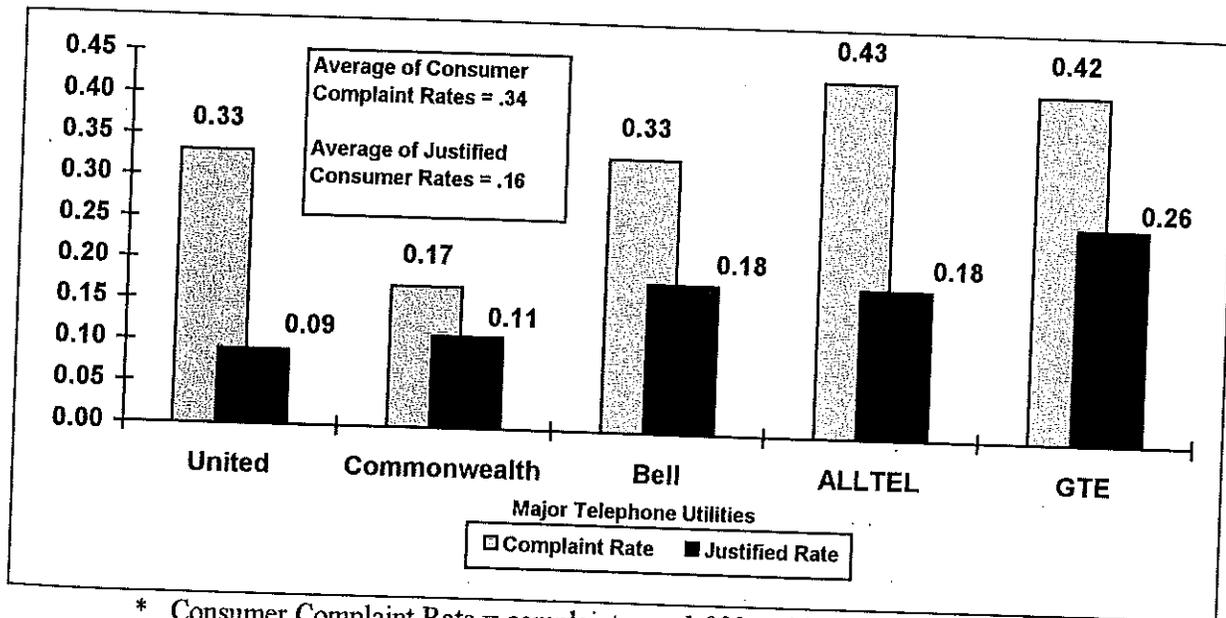
The "Consumer Complaint Categories" presents the percentage of consumer complaints found in each of the 12 complaint categories for all major telephone utilities and the telephone industry (see Appendix B for raw numbers). It is important to note that the percentages shown in the tables are for all the cases that customers filed with BCS, including unjustified cases. Nearly two-thirds of all consumer complaints for the telephone industry are in three categories. The table shows that 23% of all the consumer complaints filed against the telephone industry are about service delivery. Each of the other two categories, billing disputes and unsatisfactory

service, accounts for 21% of the total number of consumer complaints. With the exception of toll services, (14%) the remaining complaint categories account for 5% or less of the total.

Consumer Complaint Rate

Wide differences in the number of residential customers served by the major telephone utilities make comparison of these companies based on raw numbers of complaints difficult. The need to compare the volume of complaints has led to the development of the consumer complaint rate, a quantitative indicator. Consumer complaint rate is the number of complaints per one thousand residential customers. The calculation of complaint rate is based on two components, the number of consumer complaints filed with the BCS and the monthly average number of residential customers. It is also important to note that many of the complaints in the consumer complaint rate are not "justified". In other words, in spite of the fact that the company followed all the correct procedures and rules in handling the complaint, the customer remained dissatisfied and appealed to the Commission. For this reason, the "justified consumer complaint rate" is a truer indicator of a utility's complaint handling performance (see Appendix C for supporting data). Generally, complaint rates are used to identify patterns trends in the volume of complaints over time.

1996 Residential Consumer Complaint* and Justified Complaint** Rates



* Consumer Complaint Rate = complaints per 1,000 residential customers. This includes justified, unjustified and inconclusive cases.

** Justified Consumer Complaint Rate = justified complaints per 1,000 residential customers.

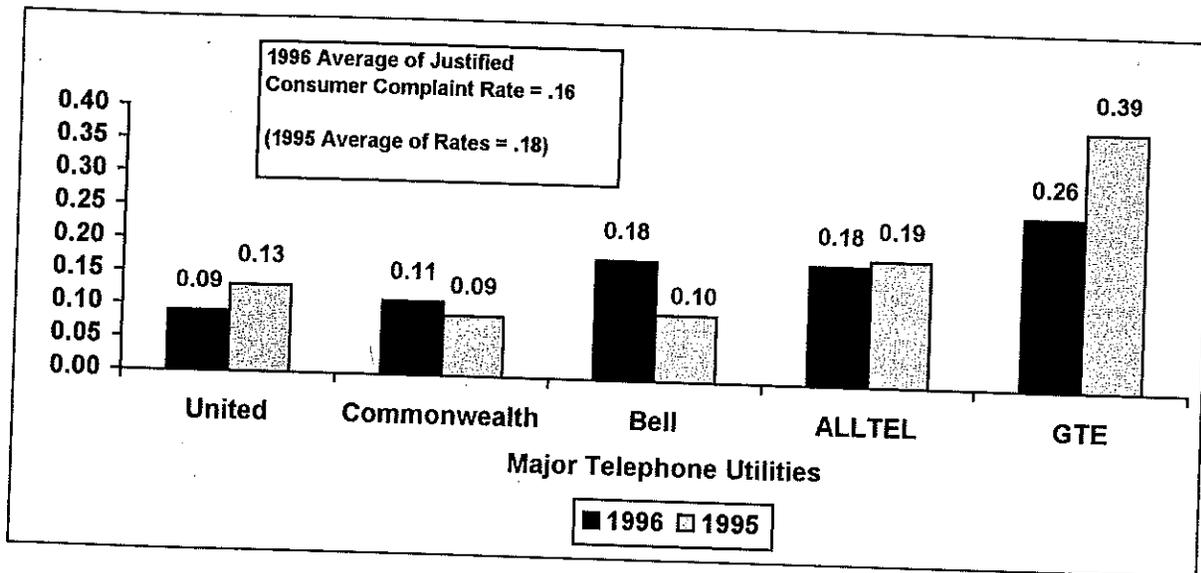
- The Bureau received fewer complaints from customers about the telephone industry in 1996. As a result of this decrease in complaints, the telephone industry average improved from 1995 to 1996.
- Generally, the justified consumer complaint rate is less than the complaint rate. For 1996, the industry average for consumer complaint rate is more than twice the justified consumer complaint rate.

Justified Consumer Complaint Rate

The Bureau uses case evaluation to identify whether or not correct procedures were followed by the utility in responding to the customer's complaint prior to the intervention of the Bureau. In other words, case evaluation is used to determine whether a case is "justified." A customer's case is considered "justified" if it is found that, prior to BCS intervention, the company did not comply with PUC orders or policies, regulations, reports, Secretarial Letters or tariffs in reaching its final position. In the judgment of the BCS, a case that is "justified" is a clear indication that the company did not handle a dispute properly or effectively, or in handling the dispute, the company violated a rule, regulation or law. There are two additional complaint resolution categories. "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 insufficient records or equivocal findings make it difficult to determine whether or not the customer was justified in the appeal to the Bureau. However, inconclusive findings should not restrict companies from reviewing these cases carefully since they may be a source of both present and future problems. The majority of cases fall into either the "justified" or "unjustified" category (see Appendix C for supporting data).

Changes in company policy can affect both the volume of consumer complaints and the percent of justified ("mishandled") complaints. In response to this problem, the Bureau uses a performance measure called "justified complaint rate," which is both a quantitative and qualitative indicator of company effectiveness. This measure reflects the number of justified cases. In addition, this measure takes into consideration the number of residential customers of the utility so that a company can be compared with the other companies within its industry and across time. Justified complaint rate is the most important performance measure of customer complaint handling. It is a critical indicator of company effectiveness at handling consumer complaints.

1995-1996 Justified Residential Consumer Complaint Rate*



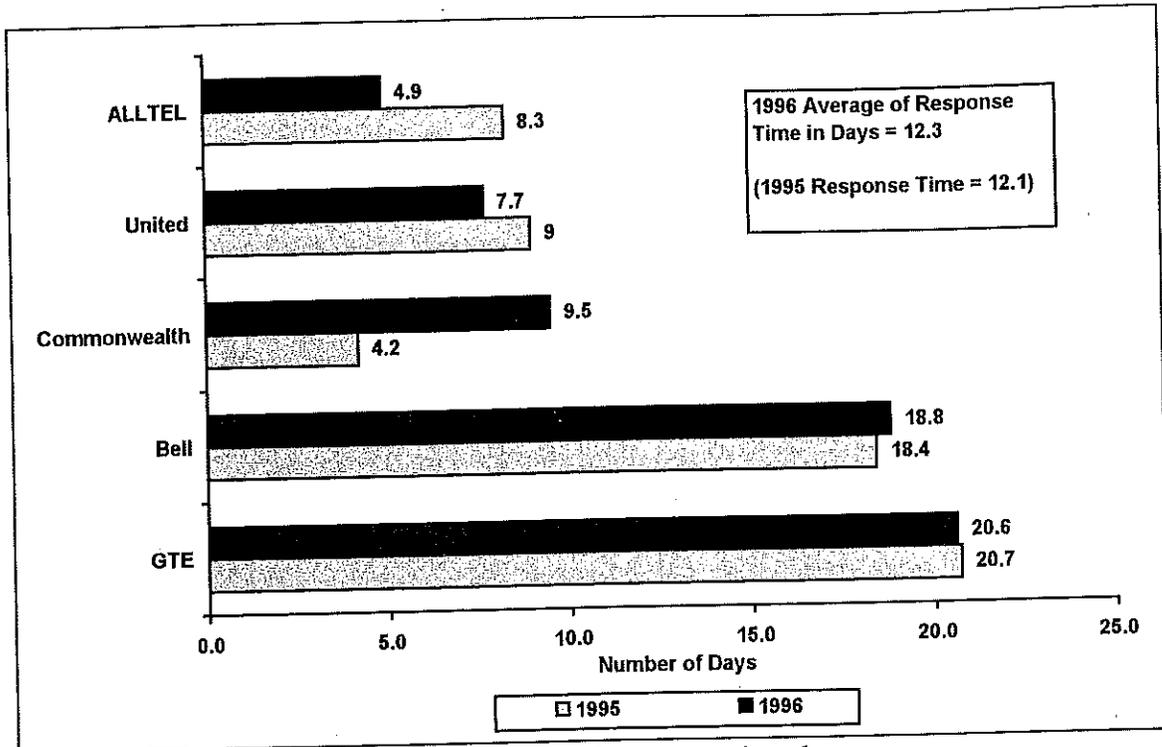
* Justified Consumer Complaint Rate = justified complaints per 1,000 residential customers.

- As a group, the major telephone utilities' overall effectiveness at handling consumer complaints improved from 1995 to 1996. However, the degree of improvement varied from company to company.

Response Time

Response time is the time span in days from the date of the BCS 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") in resolving BCS complaints. In this report, response time is presented as the mean number of days that it took the utility to supply the BCS with complete information. Response time is important because a short response time may indicate that a company has easy access to complete records and is able to present these records to the BCS in an organized and understandable format.

1995-1996 Response Time to BCS Consumer Complaints Major Telephone Utilities



See Appendix F for supporting data.

3. Payment Arrangement Requests

This chapter focuses on the performance of the major telephone utilities at handling requests for payment arrangements from their customers. Prior to 1995, these cases were classified as "consumer complaints." However, this label is not specific enough to describe the numerous contacts related to the suspension/termination of service. "Payment arrangement requests" more clearly characterize the nature of the customer problem. Payment arrangement requests principally include contacts to the Bureau or to utilities involving a request for payment terms in one of the following situations: (1) suspension or termination of service is pending; (2) service has been suspended or terminated and the customer needs payment terms to have service restored; or (3) the customer wants to make payment on an overdue bill before a suspension or termination notice is issued.

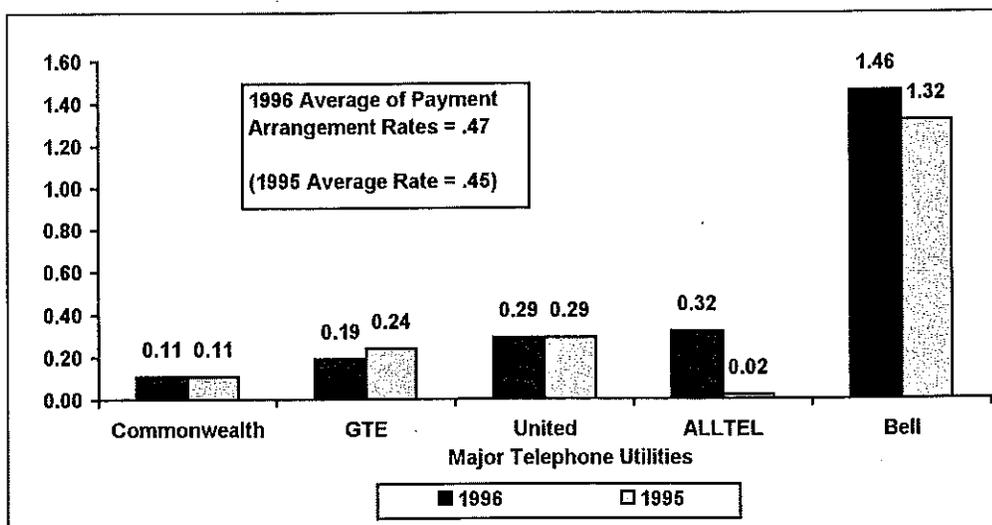
Changes in company policy, economic factors and, in recent years, access to the Bureau, can affect the volume of payment arrangement requests. Beginning in 1993, improved access to the Bureau of Consumer Services clearly impacted the number of consumers who are able to contact the Bureau about payment arrangements. However, changes in company policies have also affected the volume of these requests. As companies have become more aggressive in their efforts to collect outstanding customer bills, the number of payment arrangement requests to the Bureau continues to increase. During 1996, the Bureau handled 5,796 payment arrangement requests from residential and commercial customers who were unable to make payment arrangements with their local telephone utilities. Of these cases, 5,701 were residential payment arrangement requests from customers of the five major telephone utilities: ALLTEL, Bell, Commonwealth, GTE and United.

A combination of factors came into play for 1996 payment arrangement requests that resulted in the Bureau being unable to fairly assess major telephone utilities' effectiveness at handling such requests. The factors included the separation of payment arrangement requests from consumer complaints, a computer programming conversion and a relatively low volume of payment arrangement requests for some companies. The result of these factors is that the report will not contain justified payment arrangement request rates or response time for the companies. While some of these figures are available for some companies, it would not be fair to report performance for some utilities and not others. This report does contain information about the volume of payment arrangement requests (see Appendix D) and the Bureau is hopeful that justified payment arrangement request rate and response time figures will be included in future reports.

Payment Arrangement Request Rate

As in the chapter on consumer complaints, similar measures are used to identify patterns and trends related to changes to the volume of payment arrangement requests. The Bureau uses the performance measure “payment arrangement rate” to analyze trends and patterns in the volume of payment arrangement requests. The payment arrangement rate is a quantitative measure that is based on the number of payment arrangement requests per one thousand residential customers. The payment arrangement request rate is a measure that adjusts for the differences in company size so it can be used to compare companies. More importantly, payment arrangement requests can be used to track the impact of changes to utility collection policies over time.

1995-1996 Residential Payment Arrangement Request (PARs) Rate*



* PAR Rate = payment arrangement requests per 1,000 residential customers.
See Appendix D for supporting data.

- Most customers in 1996 had already contacted their utility prior to contacting the BCS regarding a payment arrangement request. The payment arrangement request rate for the major telephone utilities increased from 1995 to 1996. This means that more customers sought the Commission’s assistance in making payment arrangements with their local telephone utilities.

Termination of Service

In Chapter 64, suspension is defined as a temporary cessation of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent cessation of service after a suspension without the consent of the customer. Most payment

arrangement requests are cases relating to the cessation of telephone service and are registered during the suspension phase. Under Chapter 64, a customer contact in response to a suspension notice is a dispute (as the term is defined in §64.2) only if the contact includes a disagreement with respect to the application of a provision of Chapter 64. Where telephone cases involving telephone service suspension are concerned, failure to negotiate a payment arrangement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve payment arrangement requests have been separated from telephone cases that also involve a dispute.

Termination Rate

Many customers who have their basic service suspended are able to make payment arrangements and avoid termination. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. If customers who have their service terminated wish to reestablish service, they must apply for service as new applicants with rights that are more limited than when they were established customers. This requirement makes it important for the Commission to monitor the termination of basic service. The termination rate allows the Bureau to monitor changes in basic service terminations across time. The termination rate is based on the number of basic service terminations per one thousand residential customers. Shifts in terminations can signal potential problems with maintaining universal telephone service.

Residential Service Terminations/Termination Rate* Major Telephone Utilities

Company Name	Terminations				Termination Rates		
	1994	1995	1996	% Change in # 1995-1996	1994	1995	1996
ALLTEL	3,252	3,096	3,780	22%	19.54	18.49	22.28
Bell	87,480	118,596	114,336	-4%	23.89	32.07	30.51
Commonwealth	2,772	2,628	3,048	16%	16.33	15.19	17.32
GTE	8,988	6,108	5,844	-4%	19.80	13.42	12.79
United	5,928	5,652	5,448	-4%	22.61	21.13	20.07
Major Telephone	108,420	136,080	132,456	-3%			
Average of Rates					20.43	20.06	20.60

*Termination Rate = terminations per 1,000 residential customers
based on data from company §64.201 reports.

- Overall, major telephone utilities reported fewer basic service terminations in 1996. However, the average termination rate remained stable from 1995 to 1996.

4. Compliance

The activities of the Bureau of Consumer Services (BCS) include efforts to ensure that public utilities' practices and procedures conform to the standards and billing practices for residential service established in statute and regulation, particularly 52 Pa. Code, Chapter 64. The purpose of Chapter 64 as stated in Section 64.1, is to "...establish and enforce uniform, fair, and equitable residential telephone service standards governing account payment and billing, credit and deposit practices, suspension, termination and customer complaint procedures." During 1996, the BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential telephone accounts.

Informal Compliance Process

The Bureau's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Chapter 64 regulations. Utilities can use the information to pinpoint and voluntarily correct deficiencies in their customer service operations. The informal compliance process uses consumer complaints to identify and document apparent deficiencies. In late July 1995, BCS changed the process by which it notifies utilities of allegations. A utility that receives notification of an allegation has an opportunity to affirm or deny the information. If the information about the allegation is *accurate*, the utility should show the cause of the problem (i.e., employee error, procedures, a computer program, etc.). In addition, the utility should inform BCS of what action it took to correct the problem and the date the action was taken. Corrective actions might entail modifying a computer program; revising the text of a notice, bill, or letter; modifying company procedures; or providing additional training to staff to ensure that they follow a procedure correctly. If the utility states that the information regarding the allegation is *inaccurate*, the utility provides specific details and supporting data that refutes the allegation. The BCS always provides a letter to the utility regarding the outcome of an allegation that the utility indicates in its response is based on inaccurate information. For example, if the utility provides supporting data indicating that the information about the allegation is inaccurate, the BCS after reviewing all the information, would inform the utility that, in this instance, the facts do not reflect an infraction of the regulations. On the other hand, if the company agrees that the information forming the basis of the allegation is accurate and indicates the cause of the problem to be other than an employee error, or if the BCS does not find that the data supports the utility's position that the information is inaccurate, the BCS would inform the company that the facts reflect an infraction of a particular section of the regulations. Often, through the informal notification process, the

BCS provides utilities with written clarifications or explanations of Chapter 64 provisions and Bureau policies.

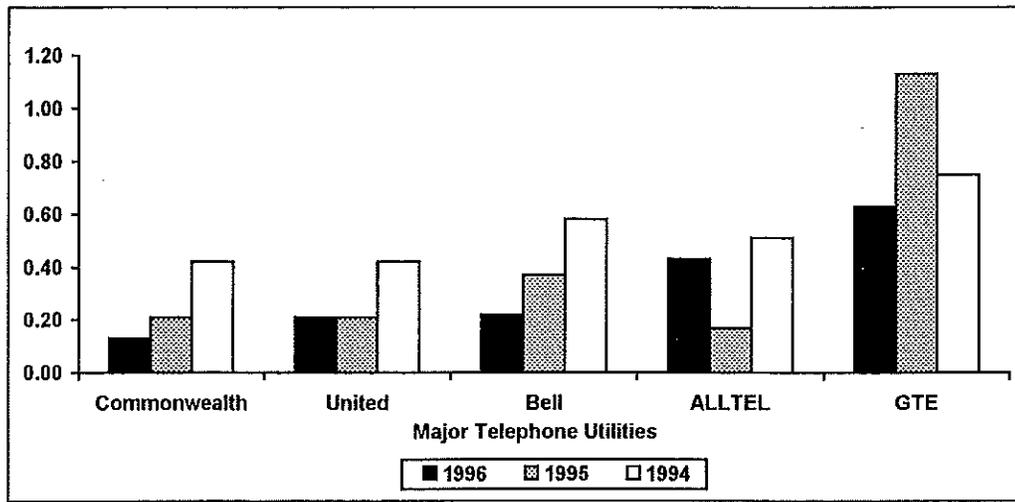
During 1994, 1995 and 1996, the Bureau determined that the five major local telephone utilities under the PUC's jurisdiction together logged 5,993 informally verified infractions of the Chapter 64 standards and billing practices. The informal compliance process is specifically designed to identify systematic errors. Utilities can then investigate the scope of the problem and take corrective action.

Infraction Rate

The infraction rate is the number of verified infractions per 1,000 residential customers. The infraction rate takes into consideration the number of infractions in conjunction with the number of customers for each utility and therefore is a useful measure for making standard comparisons among utilities of unequal sizes. However, because the infraction rate cannot distinguish systematic infractions, the Bureau prefers to use the infraction rate for each company as a general gauge of that company's compliance performance from year to year rather than for comparison to an industry average.

The following data come from the informal complaints filed with the PUC by residential customers during 1994, 1995 and 1996. The informally verified infraction statistics for the five major telephone utilities are presented by company and year on page 24. It is important to keep in mind that the figures presented in this table are viewed by the BCS along with other information that is case specific. The value of the aggregate figures is to depict apparent trends over time and point out extreme deviations. The data used for this chapter was retrieved from the BCS' Compliance Tracking System as of June 7, 1997.

PUC Infraction Rate



Infraction Rate = number of infractions per 1,000 residential customers
See Appendix E for supporting data.

- Overall, the number of informally verified infractions reported by BCS for the five major local exchange companies declined 37% from 1995 to 1996.
- Overall, compliance performance for the telephone industry improved from 1995 to 1996 based on the number of informally verified infractions.
- The majority of the companies show a continual decrease in the infraction rate from 1994 through 1996.

5. Universal Service Programs

Universal service programs include Link-Up America (Link-Up), Lifeline and Universal Telephone Assistance Program (UTAP). In 1989, the Commission approved the implementation of the Link-Up America program. Since that time, as part of its ongoing responsibilities, the Bureau has monitored the universal service programs of local telephone utilities. At the end of 1996, the Commission directed all telecommunications providers of local service to file lifeline plans with the Commission. The Commission expects that all local exchange carriers will file lifeline plans by September 30, 1997 and that lifeline will be available statewide in 1998. Bell Atlantic-Pennsylvania (Bell) administers two additional programs that assist low income customers. The discussion below describes the universal service programs that were available to low income customers in 1996.

Link-Up America

During 1996, 34 local telephone utilities, including the five major local telephone utilities, participated in the Link-Up America (Link-Up) program. Link-Up helps make telephone service more affordable for low income customers who apply for new telephone service or who transfer telephone service. Link-Up provides qualified customers with a 50% discount, up to \$30, on line connection charges for one telephone line. Link-Up targets those customers who have incomes at or below 150% of the federal poverty guidelines or who participate in certain Pennsylvania Department of Welfare programs.

Bell's Universal Service Programs Lifeline & Universal Telephone Assistance Program (UTAP)

On August 3, 1995, the Commission approved a Settlement Agreement that provided for Bell to implement two universal service programs to help low income customers receive and maintain telephone service. Under the terms of the settlement agreement, Bell would implement a Lifeline program and a Universal Telephone Assistance Program (UTAP). In 1996, the BCS assisted Bell with its outreach efforts and monitored the progress of these programs.

Bell's Lifeline program provides qualified low income customers or applicants with a 50% reduction on their line connection charge and a \$5.00 credit on their basic monthly phone charges. Lifeline targets those customers who have incomes at or below 100% of the federal poverty guidelines or who participate in certain Pennsylvania Department of Welfare programs. The Salvation Army administers UTAP for Bell. UTAP helps customers to restore basic service or to pay basic phone charges to maintain service. A customer must be a Lifeline customer or a qualified Lifeline applicant before receiving UTAP benefits.

6. Other Consumer Activities of the PUC

This section of the report presents highlights of the Commission's two consumer panels and a Bureau that is also involved with coordinating the Commission's other consumer services functions and activities. These are the Pennsylvania Relay Service Advisory Board (PRSAB), the Consumer Advisory Council (CAC), and the Bureau of Public Liaison's (BPL) Consumer Education Division .

Pennsylvania Relay Service Advisory Board

The Commission established the Pennsylvania Relay Service Advisory Board (PRSAB) on May 24, 1990, with its order to establish a statewide Telecommunications Relay Service, (TRS)¹. The purpose of the PRSAB is to review the success of TRS and identify improvements that should be implemented. The PRSAB functions primarily as a user group by providing guidance to the TRS provider regarding communication assistant training, problem solving and service enhancements.

The PRSAB meets four times a year to advise the TRS provider on service issues and to discuss policy issues related to TRS. At each meeting the TRS provider gives the PRSAB a status report of its activities which includes training, technological upgrades and outreach activities.

The ten members of the PRSAB are appointed by the Commission and serve two-year terms. The Commission requires that PRSAB consist of one representative from the Pennsylvania Telephone Association, Office for the Deaf and Hearing Impaired, the TRS provider (AT&T of Pennsylvania), two representatives from the Commission and five representatives from the speech and hearing-impaired community. During the 1995-1996 term, the members from the speech and hearing impaired community included representatives from the following organizations: Pennsylvania Society for Advancement of the Deaf, Self Help for the Hard of Hearing, and Pittsburgh Deaf/Blind Lions Club. See Appendix I for the PRSAB membership listing.

¹ TRS is a telecommunications service that allows people with hearing and/or speech disabilities to communicate with others by phone. TRS centers are staffed with communications assistants who relay conversation verbatim between people who use text telephone (TTY) or telebraille and people who use standard phones. Pennsylvania's TRS center is located in Wayne, Pennsylvania and is operated by AT&T of Pennsylvania. The total volume of calls through the Pennsylvania TRS increased 18% from 1995 to 1996. AT&T reported that it handled over 1,552,794 relay calls in 1996.

As a user group, the PRSAB gives the TRS provider feedback primarily on quality of service issues and makes recommendations for improvement. Much of this discussion in 1996 focused on improving the performance of the TRS communication assistants (CAs). PRSAB recognized that assistants needed additional training in certain aspects of customer service as well as technical training on TRS equipment. PRSAB also discussed concerns about how using out-of-state CAs would affect service for Pennsylvania TRS users. In addition, the PRSAB made recommendations for improving the various types of TRS calls, such as voice carry over (VCO) for the deaf or hard of hearing user who wants to speak instead of type, hearing carry over (HCO) for the speech-disabled user who prefers listening to reading, etc. The PRSAB presented concerns about the limitations in teleconferencing for hearing impaired TRS users. After discussing this issue with AT&T, the PRSAB requested that AT&T develop a written procedure using the proper protocol so hearing impaired customers can participate in teleconference calls.

The PRSAB also expressed concerns about AT&T's outreach efforts to educate potential users about TRS. Through its recommendations, the PRSAB helped AT&T with expanding outreach partnerships with deaf and hard of hearing organizations. During 1996, the PRSAB urged AT&T to target the hearing community since many are not familiar with TRS.

Since the establishment of the PRSAB, it has advised the Commission on many critical policy issues that affect TRS users. A major policy issue that was of great concern to PRSAB involved the Telecommunications Device Distribution Program (TDDP). The PRSAB requested that the program administrator, Office of Vocational Rehabilitation (OVR), give the PRSAB a presentation on the program. During October 1996, the PRSAB sent a letter to OVR and requested that OVR give consideration to include VCO phones as an equipment option for hard of hearing persons. Another policy issue that the PRSAB addressed in 1996 was the use of public pay TTY phones. The PRSAB focused on the inaccessibility of TRS from certain public pay TTY phones located at Pennsylvania Turnpike Plazas. PRSAB worked with the Commission and the pay phone provider to resolve this problem. Other policy issues discussed by the PRSAB included Customer Choice and Wireless Technology.

For more information about the Pennsylvania Relay Service Advisory Board contact Louise Fink Smith, PUC Liaison and Legal Advisor at (717) 787-8866. To learn more about TRS, contact Colleen Conway-Danielson, AT&T Outreach Manager, by using the TRS at 1-800-654-5988, then (908) 231-6104-TTY.

The PUC Consumer Advisory Council*

The purpose of the Consumer Advisory Council (CAC) is to represent the public in advising the Commissioners on matters relating to the protection of consumer interests which are under the jurisdiction of the Commission, or which, in the opinion of the Council, should be brought under the jurisdiction of the Commission. The Council acts as a source of information and advice for the Commissioners. Interactions between the Council and the Commissioners occur through periodic meetings with the Commissioners and in writing via minutes of meetings and formal motions. Council meetings are held on the fourth Tuesday of the month in PUC Executive Chambers starting at 10:00 a.m. and are open to the public. Meetings that conflict with holiday travel or other schedule conflicts are usually held on the second or third Tuesday of the month, depending on the availability of Council members. The Council is administratively assigned to the Bureau of Consumer Services.

Agenda items

The Council considers matters which arise from consumer inquiry or request, Commissioner inquiry or request, or the proceedings, deliberations or motions of the Council itself. The Council solicits matters for review from these sources and establishes an agenda for action. In considering matters within its jurisdiction, the Council, or members of the Council acting under direction of the Council, may conduct investigations and solicit and receive comments from interested parties and the general public. PUC staff are made available to brief the Council on relevant matters and provide necessary support for the Council to complete its agenda. The monthly meeting agenda is available prior to each meeting from the PUC Press Office (717) 787-5722.

Qualifications and appointment of Council members

The following elected officials may appoint a representative to the PUC Consumer Advisory Council: the Governor, the Lieutenant Governor, the Republican and Democratic Chairpersons of the Senate Consumer Protection and Professional Licensure Committee, and the Republican and Democratic Chairpersons of the House Consumer Affairs Committee. Additional At-Large representatives are appointed by the Commission, as appropriate, to ensure that the group reflects a reasonable geographic representation of the Commonwealth, including low-income individuals, members of minority groups and various classes of consumers. A person may not serve as a member

*The information in this section was provided by the Commission support staff to the Council.

of the Council if the individual occupies an official relation to a public utility or holds or is a candidate for a paid appointive or elective office of the Commonwealth. Members of the Council serve a two year term, but may be reappointed thereafter without limit. Officers of the Council serve for two year terms. A Chairperson may not act for more than two consecutive terms.

The CAC met eleven times in 1996. William Farally served as Chairman and Valeria Bullock served as Vice Chairman. During 1996, the Council was comprised of six positions allocated to elected officials, and eleven Commission-at-Large appointments.

PUC Consumer Advisory Council - 1996 Telecommunications Highlights

Ideas for suggested agenda items are solicited from the Commissioners for the Council's review and consideration. Through a consensus process, the Council decided to focus on the areas of competition and restructuring; consumer education; residential customer service issues, such as proposed revisions to PUC regulations (Chapter 64) and universal service; and other telecommunications issues including the Telecommunications Education Fund (TEF). The Council remains concerned about the implementation of local competition for telephone service and the need for effective consumer education.



Seated (left to right): Crystal Hollis; William Farally, Chairman; Valeria Bullock, Vice Chairman; Alan Jennings; Standing: George Emmons; Andrea Fitting; Dennis Manown; Katherine Newell; Elliott Lengel; J. D. Dunbar; Julio Trio; Cynthia Datig

Rate Rebalancing

The Council requested a briefing by Bell Atlantic-PA and the Office of Consumer Advocate so that they would understand the changes being proposed in Bell's Rate Rebalancing Tariff. The Council also reviewed the Public Input Hearing notice (R-963550) and unanimously adopted the following recommendations:

- The Commission should educate the public about the issues in this proceeding so that meaningful public input is provided. The Bureau of Public Liaison should take appropriate steps to maximize awareness and public participation in the public input hearings.
- Meaningful public notice should be provided. Due to the time constraints involved, the minimum public information should be public service announcements, press releases, and paid newspaper advertisements. Whenever possible, a plain language explanation should be used for public input hearing notices, with more detailed information available upon request. This was done for the Bell Atlantic-Pa, Inc. Chapter 30 proceeding and the Electric Power Competition Investigation.

Proposed Revisions to Chapter 64, Residential Customers Service Regulations

The Council also discussed proposed changes to Chapter 64, Residential Telephone Service Regulations, as well as implementation of the Telecommunications Act of 1996. Council member Dr. Daniel Paul presented information on the use of telecommunications technology for educational purposes by schools, libraries and museums, including video conferencing, internet access, and two-way tele-teaching.

Readers may contact Dan Mumford of the Bureau of Consumer Services at (717) 783-1957 for more information about the PUC's Consumer Advisory Council. The utility consumer activities report that focuses on electric, gas and water utilities discusses the CAC's work in those areas during 1996.

Consumer Education*

The Bureau of Public Liaison's (BPL) consumer education division, is primarily responsible for the Commission's consumer education, information and outreach efforts. Throughout 1996, BPL's Consumer Education Division had a staff of four which consisted of a Community Relations Liaison, two Outreach Specialists and an Information Specialist.

* The information in this section was provided by the PUC's Division of Consumer Education



Maureen Mulligan, Division Manager; Verna Edmonds; Shari Williams and Grace Cunningham.

The Community Relations Liaison supervises the division and is responsible for program development and oversight. Two Outreach Specialists travel throughout the state to help educate consumer leaders and consumers on the workings of the Commission and on Commission and utility actions. They also conduct utility fairs in several areas and speak on utility issues at different functions. The Information Specialist writes and produces written consumer information materials for the Commission and for outreach workers to distribute in communities and fairs.

The following is a discussion of the operational goals of the Commission's consumer education division. It also presents highlights of the division's telecommunications activities for 1996. Highlights of the consumer education division's activities for other utilities are presented in the utility consumer activities report on electric, gas and water utilities.

The Public Utility Commission's consumer education program has four interrelated, operational goals:

- **Consumer Information:** Disseminating consumer information about regulatory matters.
- **Outreach:** Establishing the Commission's presence and increasing its visibility as a consumer education agent.

- **Regulatory Review:** Monitoring utility company performance in consumer education.
- **Feedback:** Obtaining information from the utility industry and consumers about consumer education needs and the success of existing programs.

Consumer Information

The consumer education staff set up the consumer education 800 number and advertising campaign to respond to requests for speakers, publications, meeting schedules and tips on key utility issues. Staff produced four quarterly *Utility Consumer Line* newsletters and distributed at least 5,000 copies of each. These newsletters were also placed on the PUC's Electronic Bulletin Board. In addition, staff developed and distributed *Action Alerts* on various topics such as the Telecommunications Act of 1996, rate rebalancing and Chapter 30 public input hearings.

During 1996 the staff produced several brochures and pamphlets on various telecommunications issues. Staff worked with the Bureau of Consumer Services to produce and publish a consumer Caller ID brochure featuring privacy issues. A select group of consumer brochures were made available on the Internet via Pennsylvania State University's Home Page. Other publications included *Consumer's Guide to Utility Rate Cases* and a 58-page report on the 1996 Strategy Session for PUC Consumer Education and Marketing under the Act titled *Toward a Unified Strategy for Telecommunications Consumer Education and Marketing*. These publications were produced with the assistance the Pennsylvania State University.

Outreach and Leadership Training

Consumer education staff was involved in many outreach activities. The consumer education division staffed the Disaster Relief Centers in areas hit by the flood of January 1996. Staff participated in numerous senior citizen, community, government and legislative sponsored fairs throughout Pennsylvania. In addition, staff organized, promoted and conducted "Be Winterwise Utility Fairs" in Chambersburg, Harrisburg, Philadelphia, Pittsburgh, Reading, Sayre, Uniontown, Wilkes-Barre and York that several thousand people attended. In cooperation with the Telecommunications Education Fund, staff organized four public forums to educate consumer leaders about the Telecommunication Act of 1996. These forums were held in Pittsburgh, Philadelphia, Harrisburg and Scranton. A tape was made by PA Cable Network and distributed to local cable stations. Staff also conducted numerous outreach seminars, workshops, and gave speeches throughout Pennsylvania. Cable, broadcast television and radio shows were used to inform the public about the PUC and the regulated industries.

In 1996, staff conducted an all day strategy session for key community leaders, utility and government representatives to develop marketing guidelines to assist consumers in understanding the changes as result of the passage of the Telecommunications Act of 1996.

Regulatory Review and Protection

The Community Relations Liaison served as the Commission's representative on the Board of the Telecommunications Education Fund (TEF) dispersing money to not-for-profit community organizations educating Pennsylvania consumers about telecommunications issues.

Consumer education staff participated in a pre-hearing conference for the Frontier Telephone Company concerning their filing for an alternative form of regulation. The staff reviewed and suggested outreach plans for their public input hearings including notices, radio spots and a plain language "statement of reasons" for public distribution.

Staff participated in an Annoyance Call Task Force and prepared a report and recommendations for the Commission's consideration.

During 1996, staff completed numerous plain language reviews of telephone utilities' customer materials. These reviews covered bill formats, customer notices and bill messages for various topics. Some of the topics were billing changes, customer choice of interlata and intralata long distance service carriers, TRS funding, universal service programs, Caller ID, area code options, etc. As part of its review, the staff makes recommendations to the utilities regarding the language, content and layout of the materials so they are accurate and readily understood by residential consumers. The staff uses the Commission's plain language guidelines as a basis for its recommendations.

Feedback

Members of the division staff evaluated the utility fairs held in nine cities across the state. Fair planning committee members and attendees completed fair evaluations which the consumer education staff used to develop recommendations for future fairs and fair events.

The staff solicited informal feedback from consumer leaders and the PUC's Advisory Council on the Commission's education efforts. The Division used the feedback to develop appropriate education methods for various consumer groups and geographic areas throughout Pennsylvania.

Toll-Free Number

The toll-free telephone number for reaching the PUC's Consumer Education Division is **1-800-PUC-8685**.

7. Quality of Service Benchmarking

Historically, the consumer services annual report for telephone utilities has presented information based in large part on customer contacts to the PUC's Bureau of Consumer Services. This has been and still is the case for consumer complaint, payment arrangement and compliance information. As such, the discussion may or may not represent broad statistical trends. The Commission recognizes that this approach has certain shortcomings. For example, most customer contacts to utilities do not result in contacts to the PUC and thus, the BCS and the Commission have had no opportunity to evaluate the quality of the majority of customer contacts with their utilities. The measures that the Bureau of Consumer Services has traditionally used focus on only a portion of the customer service performance of utilities.

In order to capture a more accurate and complete picture of the quality of customer service experienced by customers of telephone companies, this report will evolve over the next several years to include additional measures. The development of the report will coincide with the Commission's efforts to develop quality of service measurement and reporting on the part of utilities and other telecommunications providers as appropriate. Some of the expanded areas of measurement may include service reliability, business office access, complaint resolution time, service installation time, kept appointments with customers, and customer satisfaction as measured through surveys. One distinguishing feature of the new approach is that it will measure customer service performance from a variety of perspectives. It is expected that this overall expanded approach to measuring the quality of customer service will take time to evolve but will result in an improved assessment that will provide a well-rounded profile of customer service performance.

Appendices

Appendix A

Glossary

1. **Consumer Complaint Rate** - The number of consumer complaints per 1,000 residential customers.
2. **Consumer Complaints** - Cases to the Bureau of Consumer Services involving billing, service and all other non-payment related issues.
3. **Infraction** - A misapplication or infringement of a Commission regulation, particularly the standards and billing practices for residential utility service.
4. **Infraction Rate** - The number of informally verified infractions per 1,000 residential customers (includes violations drawn from both consumer complaints and payment arrangement requests).
5. **Inquiries** - Consumer contacts to the Bureau of Consumer Services that, for the most part, require no follow-up investigation beyond the initial contact.
6. **Justified Consumer Complaint Rate** - The number of justified consumer complaints per 1,000 residential customers.
7. **Payment Arrangement Request Rate** - The number of payment arrangement requests per 1,000 residential customers.
8. **Payment Arrangement Requests** - Consumer requests for payment arrangements principally include contacts to the PUC's Bureau of Consumer Services involving a request for payment terms in one of the following situations: suspension/termination of service is pending, service has been suspended/terminated and the customer needs payment terms to have service restored, or to make payment on an overdue bill even before a termination notice is issued.
9. **Consumer Complaint Problem Categories** - A breakdown of residential consumer complaints by specific problem categories such as billing, credit and deposits, service quality, rates, etc.

10. Response Time in Days - Response time is the time span in days from the date of the Bureau's first contact with the company regarding a consumer complaint and/or request for payment arrangements to the date on which the company provides the Bureau with all of the information needed to resolve the case. Response time quantifies the speed of a utility's response ("responsiveness") in resolving BCS cases. In this report, response time is presented as a mean number of days for each company.

11. Termination Rate - The number of residential customers whose service was terminated per 1,000 residential customers.

Appendix B
Consumer Complaint Categories*: 1996
Major Telephone Utilities

Categories**	ALLTEL	Bell	Commonwealth	GTE	United	Telephone Majors
Billing Disputes	13	199	6	32	25	275
Discontinuance/Transfer	1	46	1	3	4	55
Non -Recurring charges	6	46	1	4	4	61
Toll Services	6	124	7	29	12	178
Credit & Deposits	6	30	1	7	2	46
Rates	1	16	0	1	0	18
EAS	1	8	1	2	4	16
Unsatisfactory Service	14	187	3	51	16	271
Service Delivery	9	252	6	27	7	301
Annoyance Calls	3	32	0	1	2	38
Coin Phone	0	11	1	1	0	13
Disputes Related to Suspensions/Terminations	1	13	0	6	0	20
TOTAL	61	964	27	164	76	1292

* Categories are for all complaints evaluated by BCS as of May 12, 1997. The case outcome may have been justified, inconclusive or unjustified.

** An explanation of the various complaint categories appears at the beginning of Chapter 2.

Appendix C

1995-1996 Residential Consumer Complaints/Consumer Complaint Rate* Major Telephone Utilities

Company Name	1996 Residential Customers	Residential Consumer Complaints to BCS		Consumer Complaint Rates ¹		Justified Consumer Complaints Numbers ² and Rates ³				
		1995	1996	% Change in #	1995	1996	1995	1996		
ALLTEL	169,631	101	73	-28%	.60	.43	31	.19	31	.18
Bell	3,747,853	1,259	1,239	-2%	.34	.33	361*	.10*	686	.18
Commonwealth	175,965	35	30	-14%	.20	.17	15	.09	19	.11
GTE	456,877	301	190	-37%	.66	.42	177	.39	121	.26
United	271,397	111	90	-19%	.42	.33	35	.13	24	.09
Major Telephone	4,821,723	1,807	1,622	-10%			619		881	
Average of Rates					.44	.34		.18		.16

¹ Consumer Complaint Rate = consumer complaints per 1,000 residential customers. This section includes both justified, unjustified and inconclusive complaints.

² Estimated based on the number of cases on CSIS as of May 12, 1997

³ Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers

* Based on a probability sample of cases

Appendix D
1995-1996 Residential Payment Arrangement
Requests (PARs)/PAR Rate*

Telephone Utilities

Company Name	1996 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		% Change in #	Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests Numbers ² and Rates ³			
		1995	1996		1995	1996	1995	1996**		
ALLTEL	169,631	45	54	20%	.27	.32	17	.68	N/A	N/A
Bell	3,747,853	4,895	5,462	12%	1.32	1.46	785*	.76*	N/A	N/A
Commonwealth	175,965	19	20	5%	.11	.11	10	.25	N/A	N/A
GTE	456,877	109	88	-19%	.24	.19	71	.54	N/A	N/A
United	271,397	77	77	0%	.29	.28	21	.37	N/A	N/A
Major Telephone	4,821,723	5,145	5,701	11%			904			
Average of Rates					.45	.47		.51		

¹ Payment Arrangement Request Rate = payment arrangement requests per 1,000 residential customers. This includes both justified, unjustified and inconclusive complaints.

² Estimated based on the number of cases on CSIS as of May 12, 1997

³ Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers
 * Based on a probability sample of cases

**Justified Payment Arrangement Request data is not available for 1996. See page 19 for explanation.

Appendix E

Verified PUC Infractions/PUC Infraction Rate Major Telephone Utilities

Company Name	1996 Residential Customers	Infractions				Infraction Rates		
		1994	1995	1996	% Change in 1995-1996 #	1994	1995	1996
ALLTEL	169,631	86	28	73	161%	0.51	0.17	0.43
Bell	3,747,853	2,124	1,361	823	-40%	0.58	0.37	0.22
Commonwealth	175,965	72	37	23	-38%	0.42	0.21	0.13
GTE	456,877	341	512	286	-44%	0.75	1.13	0.63
United	271,397	112	57	58	2%	0.42	0.21	0.21
Major Telephone	4,821,723	2,735	1,995	1,263	-37%			

Infraction Rate = number of infractions per 1,000 residential customers

Appendix F

1995-1996 Response Time Residential Consumer Complaints Major Telephone Utilities

Company Name	Response Time in Days to BCS		
	1995	1996	Change in Days
ALLTEL	8.3	4.9	-3
Bell	18.4	18.8	.4
Commonwealth	4.2	9.5	5.3
GTE	20.7	20.6	-.1
United	9	7.7	-1.3
Average Days	12.1	12.3	.2

Appendix G-1

1990 Census Pennsylvania Counties Households, Income, and Poverty

County	Total No. of Households	Median Household Income	% and # of Households Below Poverty
Pennsylvania	4,495,966	\$29,069	11.58
Adams	28,067	\$30,210	6.87
Allegheny	541,261	\$22,623	12.41
Armstrong	28,309	\$22,372	13.37
Beaver	71,939	\$23,962	13.64
Bedford	18,038	\$21,591	14.33
Berks	127,649	\$31,712	8.32
Blair	50,332	\$22,890	14.61
Bradford	22,492	\$23,977	13.70
Bucks	190,507	\$42,867	4.41
Butler	55,325	\$28,860	10.70
Cambria	62,004	\$21,309	15.19
Cameron	2,395	\$20,775	12.65
Carbon	21,989	\$25,103	10.88
Centre	42,683	\$25,873	17.77
Chester	133,257	\$42,215	4.61
Clarion	14,990	\$21,750	18.11
Clearfield	29,808	\$21,513	14.93
Clinton	13,844	\$21,954	15.03
			520,633

County	Total No. of Households	Median Household Income	% and # of Households Below Poverty
Pennsylvania	4,492,958	29,069	11.58 520,633
Columbia	23,478	\$23,984	11.23
Crawford	32,185	\$22,749	14.98
Cumberland	73,452	\$34,119	5.80
Dauphin	95,264	\$30,593	10.35
Delaware	201,374	\$36,901	7.51
Elk	13,131	\$24,392	11.77
Erie	101,564	\$26,331	12.94
Fayette	56,110	\$18,939	21.05
Forest	1,908	\$19,309	13.21
Franklin	45,675	\$28,566	8.56
Fulton	5,139	\$23,421	14.03
Greene	14,624	\$19,704	21.59
Huntingdon	15,527	\$23,058	14.38
Indiana	31,710	\$22,454	18.53
Jefferson	17,608	\$21,727	14.93
Juniata	7,598	\$25,328	10.70
Lackawanna	84,528	\$24,339	12.41
Lancaster	150,956	\$33,013	7.37
Lawrence	36,350	\$22,142	14.01
Lebanon	42,688	\$29,443	7.64
Lehigh	112,887	\$32,268	7.67
Luzerne	128,483	\$23,343	12.77
Lycoming	44,949	\$25,254	12.09
McKean	17,837	\$23,021	15.04
Mercer	45,591	\$24,133	13.17
Mifflin	17,697	\$22,667	14.01

County	Total No. of Households	Median Household Income	% and # of Households Below Poverty
Pennsylvania	4,492,958	29,069	11.58 520,633
Monroe	34,206	\$32,572	7.47
Montgomery	254,995	\$43,204	4.24
Montour	6,543	\$27,210	8.05
Northampton	90,955	\$32,416	7.72
Northumberland	38,736	\$21,941	13.29
Perry	14,949	\$29,692	7.83
Philadelphia	603,075	\$23,941	19.51
Pike	10,536	\$30,265	7.33
Potter	6,246	\$21,380	15.98
Schuylkill	60,773	\$22,640	12.84
Snyder	12,764	\$26,097	10.58
Somerset	29,574	\$21,524	15.06
Sullivan	2,280	\$20,112	17.24
Susquehanna	14,898	\$24,269	13.24
Tioga	14,974	\$22,542	14.37
Union	11,689	\$27,552	9.30
Venango	22,408	\$22,463	14.17
Warren	17,244	\$26,021	9.71
Washington	78,533	\$25,251	13.83
Wayne	14,638	\$24,761	11.67
Westmoreland	144,080	\$25,307	12.02
Wyoming	10,002	\$27,038	12.17
York	128,666	\$32,322	6.70

Appendix H

1995-1996 Pennsylvania Relay Service Advisory Board

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Appendix I

1995-97 PUC Consumer Advisory Council

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Consumer Access to the Public Utility Commission

The Pennsylvania Public Utility Commission provides access to consumers through several toll-free telephone numbers:

- ✓ Consumer Education Hotline: 1-800-PUC-8685
- ✓ Termination Hotline: 1-800-692-7380
- ✓ Complaint Hotline: 1-800-782-1110
- ✓ Competition Hotline: 1-888-782-3228
- ✓ General Information Line: 717-783-1740 (not toll-free)

Consumers can also reach the Commission by mail at the following address:

Pennsylvania Public Utility Commission
PO BOX 3265
Harrisburg PA 17105-3265

Information about the PA PUC is also available on the internet at the sites listed below:

http://www.state.pa.us/PA_Exec/public_utility (state government servers)
puc.paonline.com (commercial servers)