



Utility Consumer Activities Report and Evaluation

Pennsylvania Public Utility Commission



The Pennsylvania Public Utility Commission



(Left to right) Commissioner Kim Pizzigrilli, Vice Chairman Robert K. Bloom, Commissioner Glen R. Thomas, Chairman Terrance J. Fitzpatrick and Commissioner Wendell F. Holland

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1. Consumer Contacts to the Bureau of Consumer Services

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer contacts. Its responsibilities were clarified under Act 114 of 1986 in regard to deciding and reporting on customer complaints. In order to fulfill its mandates, the BCS began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then the BCS has investigated 1,065,121 cases (consumer complaints and payment arrangement requests) and has received 761,358 opinions and requests for information (inquiries). The BCS received 120,165 utility customer contacts that required investigation in 2003. It is important to note that 49% of these customer complaints had been appropriately handled by the subject utilities before the customers brought them to the BCS. In these instances, the Commission has upheld the utility's actions.

The Staff of the Bureau of Consumer Services



Case Handling

The handling of utility complaint cases is the foundation for a number of the BCS's 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 BCS with a complaint or payment arrangement request (PAR), the BCS notifies the utility that a complaint or PAR has been filed. The vast majority of consumers contact the BCS by telephone using the BCS's toll free numbers. In 2003, more than 97% of informal complaints were filed by telephone. The utility sends the BCS all records concerning the complaint, including records of its contacts with the customer regarding the complaint. The BCS investigator reviews the records, renders a decision and closes the case. The policy division then examines the case and, among other things, classifies the complaint into one of seven major problem areas as well as one of more than 100 specific problem categories. This case information is entered into the Consumer Services Information System database. The analysis from case information is used by the BCS to generate reports to the Commission, utilities, legislators and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

Consumer Feedback Survey

In order to monitor its own service to consumers, the Bureau of Consumer Services surveys those customers who have contacted the BCS with a utility-related problem or payment arrangement request. The purpose of the survey is to collect information from the consumer's perspective about the quality of the BCS's complaint handling service. The BCS mails a written survey form to a sample of consumers who have been served by the BCS staff.

The results of the survey for Fiscal Year 2003-04 show that 87% of consumers reported that they would contact the Commission again if they were to have another problem with a utility that they could not settle by talking with the company. Over 84% rated the service they received from the Commission as "good" or "excellent."

Consumer Rating of the BCS' Service

How would you rate the service you received from the PUC (BCS)?	2002-03 Fiscal Year	2003-04 Fiscal Year
Excellent	52%	65%
Good	27%	19%
Fair	13%	7%
Poor	8%	9%

Overall, 86% of consumers felt the BCS handled their complaint either very quickly or fairly quickly. In addition, 89% of consumers said that the information the Commission 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 polite” or “fairly polite,” and 94% described the BCS contact person as “very interested” or “fairly interested” in helping with their problem.¹

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

Databases

To manage and use its complaint data, the BCS maintains a computer-based Consumer Services Information System (CSIS) through a contract with the Pennsylvania State University. This system enables the BCS to aggregate and analyze complaints from the thousands of complaints that are reported to the Commission each year. In this way the BCS can address generic as well as individual problems.

The majority of the data presented in this report is from the BCS's CSIS. In addition, this report includes statistics from the BCS's Collections Reporting System (CRS), Local Exchange Carrier Reporting System (LECRS) and Compliance Tracking System (CTS). Both the CRS (for electric and gas) and the LECRS (for telecommunications) provide 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 apparent infractions attributable to the major utilities.

¹Consumer Feedback results as of July 2004.

Distinctions among 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 database. Although the BCS's regulatory authority is largely confined to residential accounts, they handled 3,455 cases from commercial customers in 2003. Of these cases, 461 were related to loss of utility service and 2,994 were consumer complaints. With respect to the 461 cases, BCS does not make payment arrangements for commercial accounts. Due to its limited jurisdiction, the BCS does not issue decisions regarding commercial disputes. Instead, they give the customer information regarding the company's position or attempt to mediate a mutually acceptable agreement regarding the disputed matter. All 2003 cases that involved commercial accounts were deleted from the analyses in subsequent chapters of this report. The table below shows the vast majority of cases handled by the BCS in 2003 involved residential utility service.

Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 2003

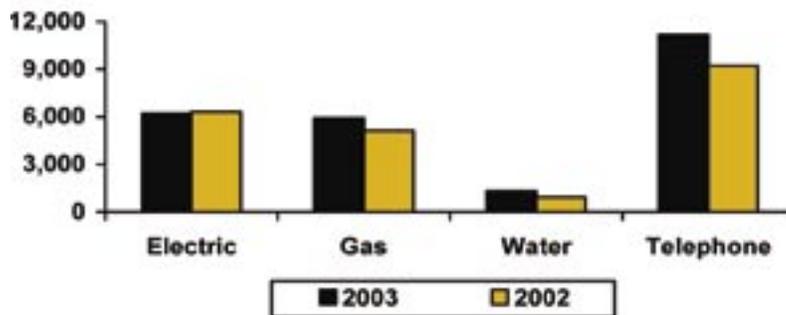
Industry	Consumer Complaints		Payment Arrangement Requests
	Residential	Commercial	Residential
Electric	5,226	978	49,945
Gas	5,352	568	36,353
Water	1,228	101	4,012
Telephone	9,847	1,342	4,719
Other	22	5	6
TOTAL	21,675	2,994	95,035

Generally, customer contacts to the BCS fall into three basic categories: consumer complaints, requests for payment arrangements, and inquiries. The BCS 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 do not require investigation on the part of the BCS.

Consumer Complaints

Most of the consumer complaints regarding the electric, gas, water, sewer and steam heat industries deal with matters covered under 52 Pa. Code, Chapter 56 *Standards and Billing Practices for Residential Utility Service*. For the telephone industry, most of the cases found in the consumer complaint category deal with matters covered by 52 Pa. Code, Chapter 64, *Standards and Billing Practices for Residential Telephone Service* and Chapter 63 telephone regulations for quality of service. For the most part, consumer complaints represent customer appeals to the Commission resulting from the inability of the utility and the customer to reach a mutually satisfactory resolution to a dispute.

**Consumer Complaints by Industry
2002-03**



The BCS investigated 24,669 consumer complaints in 2003. Overall, the number of consumer complaints to the BCS increased by 13% from 2002 to 2003. Consumer complaints about electric, gas, water, sewer and steam heat increased by seven percent from 2002 to 2003. Also, consumer complaints about the telephone industry showed an increase of 22% from 2002 to 2003. During 2003, electric and gas utilities accounted for 25% and 24%, respectively, of all consumer complaints investigated by the BCS. Water utilities accounted for five percent of consumer complaints while telephone utilities were the subject of 45% of all consumer complaints.

Justified Consumer Complaints

Once a BCS investigator finishes the investigation of a consumer's complaint and makes a decision regarding the complaint, the BCS reviews the utility's records to determine if the utility took appropriate action when handling the customer's contact and uses these records to determine the outcome of the case. There are three possible case outcome classifications: justified, inconclusive, and unjustified. This approach focuses strictly on the regulatory aspect of the complaint and evaluates utilities negatively only where, in the judgment of the BCS, appropriate complaint handling procedures were not followed or applicable regulations were not properly applied to the utility. Specifically, a case is considered "justified" in the appeal to the BCS if it is found that prior to the BCS intervention, the company did not comply with Commission orders, regulations, reports, Secretarial Letters, tariffs, etc. "Unjustified" complaints are those cases in which the company demonstrates correct procedures were followed prior to the BCS intervention. "Inconclusive" complaints are those with incomplete records, equivocal findings or uncertain regulatory interpretations, which make it difficult to determine whether or not the customer was justified in the appeal to the Commission.

Classification of Consumer Complaints

After a BCS investigator closes a case from a utility customer, the BCS policy division reviews the information on the case and translates it into a format so that it can be added to the BCS's information system (CSIS). One part of this process is that the policy staff categorizes each complaint into a specific problem category and enters it into the computerized system. The BCS data system then aggregates the data from all complaints to produce meaningful reports for analysis by and for the BCS, for the Commission, or utilities.

The BCS has categorized the 2003 residential consumer complaints into 13 categories for each of the electric, gas, water and telephone utilities. Tables that show the percent of complaints in each category in 2003 appear in each industry chapter. The percentages shown in the tables are for all of the cases that residential consumers filed with BCS, not just the cases that are determined to be justified in coming to the BCS. The BCS analyzes the categories that generate complaints or problems for customers, even if the utility records indicate that the utility followed Commission procedures and guidelines in handling the complaint. The BCS often discusses its findings with individual utilities so they can use the information to review their complaint-handling procedures in categories that seem to produce large numbers of consumer complaints to the Commission. The four tables in Appendix C show the actual number of cases that fell into each category in 2003.

Payment Arrangement Requests

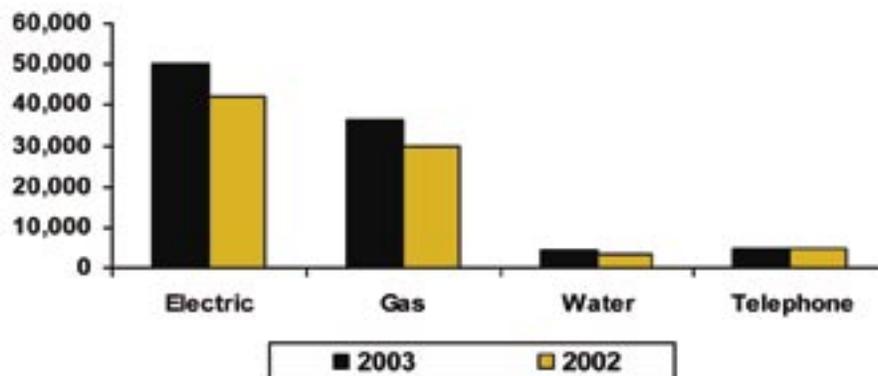
Payment arrangement requests (PARs) principally include contacts to the BCS or to utilities involving requests for payment terms in one of the following situations:

- Suspension/termination of service is pending;
- Service has been terminated and the customer needs payment terms to have service restored; or
- The customer wants to retire an arrearage.

All of the measures pertaining to PARs are based on assessments of contacts to the Bureau of Consumer Services from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to their contact to the BCS.

During 2003, the BCS handled 95,496 requests for payment arrangements from customers of the utilities under the Commission's jurisdiction. In approximately 16% of these cases, the customers had previously sought Commission help in establishing an arrangement to pay what they owe to the utility. Customers typically seek further assistance from the BCS if their incomes decrease or their financial circumstances change. These customers find they are unable to maintain the payment terms the BCS prescribed in response to their previous contact. The BCS reviews the customer's situation and may issue a new payment arrangement if it is warranted.

Payment Arrangement Requests by Industry 2002-03



Payment arrangement requests for electric, gas, water, sewer and steam heat increased by 21%, from 74,843 in 2002 to 90,761 in 2003. For the telephone industry, the volume of payment arrangement requests decreased by three percent. There were 4,735 requests in 2003 compared to 4,901 in 2002. As in past years, the majority of requests for payment arrangements in 2003 involved electric or gas companies. Fifty-three percent of the PARs (50,238 cases) were from electric customers and 38 percent (36,494 cases) were from gas customers. Also, four percent of the PARs (4,023 cases) came from customers of various water utilities.

Inquiries and Opinions

During 2003, the Bureau of Consumer Services and an independent call center received 71,138 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. The BCS classified these contacts as "inquiries." The inquiries for 2003 include contacts to the Competition Hotline as well as contacts to the BCS using other telephone numbers, mail service and email communication. Further discussion of the Competition Hotline appears later in this chapter.

In large part, the inquiries in 2003 involved requests for information that staff handled at the time of the initial contact, referrals to utility companies for initial action and referrals to other agencies. The BCS also classifies certain requests for payment arrangements as inquiries. For example, the BCS does not issue payment decisions on requests to restore or avoid suspension/termination of toll or nonbasic telephone service. When consumers call with these problems, the BCS classifies these requests as inquiries. Similarly, if a customer has recently been through the BCS payment arrangement process and calls again with a new request regarding the same account, the BCS does not open a new payment arrangement request case. In these instances, the BCS classifies the customer's contact as an inquiry.

As in past years, the BCS has also shifted some contacts that originated as consumer complaints and payment arrangement requests into the inquiry category because it was not appropriate to count these contacts as informal complaints. Examples of these contacts include complaints that were found to be duplicates, informal complaints filed against the wrong company, informal complaints that the 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. In all, these 336 cases accounted for less than one percent (0.5) of inquiries in 2003.

The BCS is able to expand its list of reasons for contact as customers' reasons grow and change. Currently, the list includes 48 reasons for contact from consumers. Possible actions by the BCS intake staff include: recording the consumer's opinion, giving information to the consumer, referring the consumer to a utility company, and referring the consumer to an agency or organization outside of the Commission. If the contact requires further action, the intake staff refers the contact to a BCS investigator and thus the contact becomes a consumer complaint or a payment arrangement request. The following table shows various selected reasons for contact for the 2003 inquiries.

Categories of 2003 Inquiries

Reason for Contact	Number	Percent
Termination or suspension of service	29,627	42%
Competition issues and requests for information	7,705	11%
Billing dispute	6,174	9%
Request for general information	5,631	8%
People-delivered company service	3,562	5%
PUC has no jurisdiction	3,136	4%
Rate complaint	992	1%
Service (company facilities)	724	1%
Rate protest	704	1%
Application/deposit issue	681	1%
Weather outage	322	<1%
Slamming	242	<1%
Cramming	39	<1%
Other miscellaneous reasons	8,703	12%
Reason for contact is not available	2,896	4%
TOTAL	71,138	100%

Calls to the Commission's Competition Hotline

The independent call center employees use the BCS computerized information system to record information from the consumer contacts about electric and gas competition. In 2003, 63% of calls to the Competition Hotline were related to the restructuring of the electric industry and 37% concerned the gas industry.

In 2003, the call center recorded information from 4,543 consumer contacts. Many calls came from consumers who called about various issues associated with the choice programs of the Electric Distribution Companies (EDCs) and the Natural Gas Distribution Companies (NGDCs). As electric and gas competition progressed in 2003, consumers called to request competition-related brochures and to seek information about competition in general.

In most instances, the BCS classified the contacts to the Competition Hotline as inquiries because they required no investigation or follow-up. The BCS or call center staff person took care of the consumer's request or question at the initial contact. However, some consumer contacts required further investigation and possibly action to resolve the consumer's concerns. In these cases, the BCS more appropriately classified the contacts as consumer complaints and BCS staff investigated the consumer's problem. For example, the BCS investigated consumer contacts in 2003 in which consumers alleged they were assigned to an electric generation supply company without their consent or knowledge (slamming). In most cases, these contacts were classified as consumer complaints. Appendix B-1 explains the types of competition complaints the BCS handles.

During the early phases of electric and gas competition, the BCS expected it would receive consumer complaints associated with the transition to customer choice. As expected, many customers experienced a variety of problems as they began choosing electric and gas suppliers. The BCS found that, after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, the BCS decided that it would be unfair to include competition complaints with consumer complaints about other issues when it calculates the performance measures it uses to evaluate and compare companies within the electric industry. Therefore, the BCS excluded 54 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 46 such complaints in the gas industry chapter.

Residential Consumer Complaints Not Included in Industry Chapters

In 2003, the BCS witnessed another increase in residential consumer complaints. More customers than ever before sought the BCS's assistance in solving problems, not only with their incumbent service providers, but also with the many new providers of utility service. Traditionally, the primary focus of the BCS's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. In past reports, the BCS did not include complaint statistics for the non-major utilities or for other providers of utility services in its annual assessment and evaluation of the electric, gas, water and telephone industries. However, the BCS does maintain a limited amount of complaint data for the non-major utilities and the other service providers in its comprehensive database. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow. Appendix A lists non-major companies having five or more residential consumer complaints in 2003. The table shows the company name and its number of residential consumer complaints for the year.

In 2003, BCS staff investigated a number of consumer complaints about problems related to billing and service that involved the non-major utility companies and other utility service providers. In addition, the BCS investigated complaints related to competition issues such as complaints about having been dropped from a company's choice program, savings delays, slamming and cramming.

With respect to slamming, the Commission has stated clearly, it "...will have zero tolerance for slamming by any means and in any form." Customer slamming is viewed as among the most serious violations of consumer regulations.

During the transition to customer choice in the electric and gas industries and with the many emerging choices in the telephone industry, the BCS uncovered a variety of new problems facing utility consumers. In previous years, given the complex nature of these problems, and the difficulty in determining who is at fault (the incumbent provider or the new provider), the BCS excluded many of these complaints from its evaluation of the major utilities in the industry chapters that follow. For the electric and gas industries, the BCS continues this policy with the 2003 statistics. However, for the telephone industry, the BCS made the decision to include complaints about competition-related complaints in this year's report. As a result, the analysis in Chapter 6, Telephone Industry, includes these types of complaints about the seven largest local telephone companies. A brief discussion of the complaints filed against small water companies appears in the water industry chapter.

The following tables present a summary of the complaints the BCS handled in 2003 that are not included in the tables and charts in the electric, gas and telephone industry chapters of this report. It is important to note that these tables include complaints that were filed about a major gas or electric utility company, complaints that were filed about smaller electric, gas or telephone companies such as Citizens Electric, T.W. Phillips or North Pittsburgh Telephone Company, as well as complaints filed about various other entities such as electric generation suppliers, long-distance service providers, resellers, competitive local exchange carriers and other business entities in today's marketplace. The gas tables include complaints filed against the Philadelphia Gas Works (PGW). For the first time, the telephone table does not include competition-related complaints filed against the seven major local telephone companies. These complaints are included in the tables and charts that appear in Chapter 6.

Three of the following tables show the number of customer complaints by "reason for call" within each of the three industries. Since it began tracking "reason for call," the BCS has used this variable early in the complaint process to identify why consumers are calling the BCS. The variable "reason for call" attempts to capture, from the consumer's perspective, the problem or issue the customer raises in the initial contact to the BCS. Because "reason for call" is entered into the computer database at the time of the consumer's initial contact to the BCS, this variable allows the BCS to do a preliminary analysis of emerging problems based on these initial customer contacts.

**2003 Residential Consumer Complaints
Electric Generation Suppliers***

Company	Number of Complaints
Allegheny Energy (EGS)	5
Dominion Peoples Plus (EGS)	5
Green Mountain Energy Resources (CDS)	5
TOTAL**	15

* Listing shows companies having five or more complaints in 2003 and includes Competitive Default Suppliers (CDS).

** The total in this table does not equal the industry total in the following table because this table excludes other non-major electric companies.

**2003 Consumer Complaints Not Included
in the Electric Industry Chapter
Presented by Customer's Reason for Call**

Reason for Call	Number of Consumer Complaints
Billing dispute	27
Slamming	8
People-delivered service	8
Choice enrollment information	4
Terms and conditions of supplier contracts	2
Other problems	5
Total	54

**2003 Residential Consumer Complaints
Natural Gas Suppliers and Philadelphia Gas Works***

Company	Number of Complaints
Agway Energy Services (NGS)	12
CNG Retail Services (NGS)	8
Energy America (NGS)	17
MxEnergy.com (NGS)	9
Philadelphia Gas Works (NGDC)	2,432
Shipley Oil (NGS)	12
Total**	2,490

* Listing shows companies having five or more complaints in 2003.

** The total in this table does not equal the industry total in the following table because this table excludes non-major NGDCs.

**2003 Consumer Complaints Not Included
in the Gas Industry Chapter
Presented by Customer's Reason for Call**

Reason for Call	Number of Consumer Complaints*
Billing dispute	1,776
People-delivered service	387
Credit/collection issues	188
Applicant/security deposit	174
Service (company facilities)	14
Terms and conditions of supplier contracts	13
Changing a supplier	12
Various other competition issues	8
Slamming	5
Delay in savings from participation in competition	3
Other problems not related to competition	37
Total	2,617

*Includes cases filed against Philadelphia Gas Works.

**2003 Residential Consumer Complaints
Interexchange Carriers and Competitive Local Exchange Carriers***

Company	Number of Complaints
ACN Communication Services	12
AT&T (IXC)	304
AT&T Local	74
CAT Communications Inc.	14
Cavalier Telephone Mid-Atlantic	96
Elect Comm (Essex Comm)	11
Excel Telecommunications	33
Full Service Network	26
Global Crossings Phone Company	13
IDT America Corp.	11
ILD Telecommunications Inc.	24
Integretel (Billing Service)	18
Metro Teleconnect	24
Quest Communications	18
RCN Telecom Services of PA	75
Sprint Communications Co. (CLEC)	93
Sprint (IXC)	115
Talk America (formerly Talk.com Holding Corp.)	28
Telecom USA	11
US Billing Inc.	31
Ustel Inc	12
Vartec Telecom, Inc	47
Verizon Long Distance	213
Worldcom Inc.	180
WorldxChange Communications	10
Z Tel Communications	46
Zero Plus Dialing	28
Total**	1,567

* Listing shows only companies having 10 or more complaints in 2003.

** The total in this table does not equal the industry total in the following table since the above table includes only carriers with 10 or more complaints. In addition, it does not include complaints against incumbent local telephone companies.

**2003 Residential Telephone Consumer Complaints
Not Included in the Telephone Industry Chapter
by Customer's Reason for Call**

Reason for Call	Number of Consumer Complaints
Billing dispute	1,256
People-delivered service	168
Service (company facilities)	116
Slamming	113
Competition quality of service	75
Suspension related disputes	58
Local slamming	28
Other problems not related to competition	21
Application/deposits	16
Cramming	9
Various other competition issues	7
Total	1,867

As noted earlier, the number of complaints to the BCS about entities other than the major EDCs, gas utilities or local telephone companies is growing. Appendix A lists the non-major incumbent local exchange carriers having five or more residential consumer complaints in 2003.

Informal Compliance Process & Infractions

The BCS's primary compliance effort remains its informal compliance process. This process gives each utility specific examples of apparent infractions of Chapters 56, 63 and 64. The 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, document and notify utilities of apparent deficiencies. The process begins by the BCS notifying a utility of an alleged infraction. 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 indicates the cause of the problem (i.e., employee error, procedures, a computer program, etc.). In addition, the utility informs the BCS of the action it took to correct this problem and the date the action was taken.

Corrective actions may entail: modifying a computer program; revising company procedures or the text of a notice, bill, or letter; or providing additional staff training to ensure the proper use of a procedure. If the utility states the information is inaccurate, they need to provide specific details and supporting data to disprove the allegation. The BCS always provides a final determination to the utility regarding the alleged infraction. For example, if the utility provides supporting data indicating that the information about the allegation is inaccurate, the BCS, after reviewing 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 the information forming the basis of the allegation is accurate or if the BCS does not find the data supports the utility's position that the information is inaccurate, the BCS would inform the company the facts reflect an infraction of a particular section of the regulations. The notification process allows utilities to receive written clarifications of Chapter 56, 63 or 64 provisions, Commission policies and BCS policies.

The significance of apparent infractions identified by the informal compliance process is frequently emphasized by the fact that some represent systematic errors that are widespread and affect many utility customers. Since the BCS receives only a small portion of the complaints that customers have with their utility companies, limited opportunities exist to identify such errors. Therefore, the informal compliance process is specifically designed to help utilities identify systematic errors. One example of a systematic error is a termination notice with text that does not comply with the requirements of Chapter 56. Each recipient of the notice is affected by this error. When such an error is discovered, the BCS encourages utilities to investigate the scope of the problem and take corrective action. Some utilities have developed their own information systems to identify problems by reviewing complaints before they come to the Commission's attention. The BCS encourages utilities to continue this activity and share their findings with BCS staff.

2. Performance Measures

For the most part, the Bureau of Consumer Services uses the complaints it receives from customers of the major electric, gas, water and telephone utilities to assess utilities' complaint handling performance. In nearly every case, the customer had already contacted the company about the problem prior to contacting the BCS. The BCS reviews the utility's record as to how the utility handled the complaint when the customer contacted the company. The review includes several classifications and assessments that form the basis of all the performance measures presented in this and the next four chapters, with the exception of the number of terminations and termination rate. The termination statistics for the electric and gas companies are drawn from reports required by Chapter 56 at §56.231(8), while telephone termination statistics are drawn from reports required by Chapter 64 at §64.201(7).

The sections that follow explain the various measures the BCS employs to assess utility performance.

Consumer Complaint Rate

The calculation of the consumer complaint rate (consumer complaints per 1,000 residential customers) permits the reader to make comparisons among utilities of various sizes. The BCS has found high consumer complaint rates and extreme changes in consumer complaint rates from one year to the next are often indicative of patterns and trends that it should investigate. However, many of the complaints in the consumer complaint rate are not "justified." The "justified consumer complaint rate" (justified consumer complaints per 1,000 residential customers) is a solid indication of a utility's complaint handling performance.

Justified Consumer Complaint Rate

The BCS 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 BCS. 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 Commission orders, 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 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 BCS. The majority of cases fall into either the "justified" or "unjustified" category.

The performance measure called “justified consumer complaint rate” reflects both volume of complaints and the percent of consumer complaints found justified. The justified consumer complaint rate is the number of justified consumer complaints for each 1,000 residential customers. By using this ratio, the reader can use the “justified” rate to compare utilities’ performance within an industry and across a period of time. The BCS perceives the justified consumer complaint rate to be the bottom line measure of performance that evaluates how effectively a company handles complaints from its customers.

The BCS monitors the complaint rates and justified rates of the major utilities, paying particular attention to the number of justified complaints that customers file with the Commission. Justified complaints indicate that subject utilities did not follow the Commission’s rules, procedures or regulations when they dealt with their customers. Justified complaints may indicate areas where the BCS should discuss complaint-handling procedures with a utility so that its customers receive fair and equitable treatment when they deal with the utility. When the BCS encounters company case handling performance (justified consumer complaint rate) that is significantly worse than average, there is reason to suspect that many customers who contact the utility are at risk of improper dispute handling by the utility. As part of the monitoring process, the BCS compares the “justified” rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, the BCS compares the consumer complaint rates and the justified consumer complaint rates of the major utilities within the electric, gas, water and telephone industries.

Response Time to Consumer Complaints

Once a customer contacts the BCS with a complaint about a utility, the utility is notified. The utility then sends the BCS its records of its contact with the customer regarding the complaint. Response time is the time span in days from the date of the BCS’s first contact with the utility regarding a complaint, to the date on which the utility provides the BCS with all of the information needed to resolve the complaint. Response time quantifies the speed of a utility’s response to BCS informal complaints. In the following chapters and in Appendix E, response time is presented as the average number of days that each utility took to supply the BCS with their complete complaint information.

Payment Arrangement Request Rate

The BCS normally intervenes at the customer's request only after direct payment negotiations between the customer and the company failed. The volume of payment arrangement requests (PARs) from a utility's customers may fluctuate from year to year or even from month to month depending upon the utility's collection strategy as well as economic factors. The calculation of the payment arrangement request rate (payment arrangement requests per 1,000 residential customers) permits the reader to make comparisons among utilities with differing numbers of residential customers. Nevertheless, unusually high or low rates and sizable changes in rates from one year to the next may reflect changes in company policies or bill collection philosophies, or they may be indicative of problems. The BCS views such variations as potential areas for investigation. Improved access to the BCS has impacted the number of consumers who are able to contact the BCS about payment arrangements. In addition, as utilities have become more aggressive in seeking to collect outstanding bills, the number of PARs to the BCS continues to increase. Many of the payment arrangement requests in the PAR rates are not "justified." The "justified payment arrangement request rate" (justified payment arrangement requests per 1,000 residential customers) is a truer indication of a utility's payment negotiation performance.

Justified Payment Arrangement Request Rate

Just as with consumer complaints, once a customer contacts the BCS with a payment arrangement request, the BCS notifies the utility. The company sends a report to the BCS that details the customer payments, usage and payment negotiation history. A BCS investigator considers the customer's record and makes a decision regarding the amortization of the amount owed and notifies the company and the customer of the decision. The BCS policy division reviews the record to determine if the utility negotiated properly with the customer and uses this record to determine the outcome of the case. There are three possible case outcome classifications: "justified," "inconclusive" and "unjustified." This approach evaluates companies negatively only when the BCS finds appropriate payment negotiation procedures were not followed or where the regulations have been misapplied. 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 Commission regulations, reports, Secretarial Letters, tariffs or guidelines. "Unjustified" payment arrangement requests are those in which the company demonstrates that correct procedures were followed prior to BCS intervention. "Inconclusive" PARs are those in which incomplete records or equivocal accounts make it difficult to determine whether or not the customer was justified in the appeal to the BCS.

Changes in company policy can influence not only the volume of PARs to the Commission but also the effectiveness of a utility's payment negotiations. The BCS uses the "justified payment arrangement request rate" to measure a utility's performance at handling payment arrangement requests from customers. The justified payment arrangement request rate is the ratio of the number of justified PARs for each 1,000 residential customers. The BCS monitors the justified PAR rates of the major utilities. For example, the BCS compares the "justified" rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, the BCS compares the PAR rates and the justified PAR rates of the major utilities within the electric, gas, water and telephone industries. Because the BCS receives a very large volume of requests for payment terms, it reviews a random sample of cases for the companies with the largest number of PARs. For these companies, justified payment arrangement request rate and response time are based on a statistically valid subset of the cases that came to the BCS.

Response Time to Payment Arrangement Requests

Once a customer contacts the BCS with a PAR, the BCS notifies the utility. The utility then sends the BCS records that include the customer's payment history, the amount owed, prior payment arrangements, and the results of the most recent payment negotiation with the customer. Response time is the number of days from the date the BCS first contacts the utility regarding a PAR to the date on which the utility provides the BCS with all of the information BCS needs to issue payment terms, to resolve any other issues raised by the customer and to determine whether or not the customer was justified in seeking a payment arrangement through the BCS. Response time quantifies the speed of a utility's response to BCS payment arrangement requests. In the following chapters and in Appendix G, response time is presented as the average number of days that each utility took to supply the BCS with the necessary information.

In 1999, the BCS made changes in the case processing of certain payment arrangement requests. These procedural changes made it necessary for the BCS to revise its method of calculating response time to PARs for the electric, gas and water industries. The BCS calculates response time for the major electric, gas and water companies using only their responses to payment arrangement requests from customers whose service has been terminated, who have a dispute with the company, or who have previously had a BCS payment arrangement for the amount that they owe.

Response time to PARs for the telephone companies is calculated in the same manner as it has been in prior years. In Chapter 6 and Appendix G, response time for the major local exchange carriers is the average number of days that each telephone company took to supply the BCS with all the information it needed for all categories of payment arrangement requests.

The Commission continues to work on a project to transfer data electronically from utilities to the BCS. When this project is successfully completed, utility response time may decrease.

Infraction Rate

During 2003, the BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential accounts. In order to compare utilities of various sizes within an industry, the BCS has calculated a measure called “infraction rate.” The infraction rate is the number of informally verified infractions for each 1,000 residential customers. The BCS has reported a compliance rate for the major telephone companies since 1989. It introduced “infraction rates” for the electric, gas and water utilities in its 1997 report.

Several considerations are important to keep in mind when viewing the infraction rate charts in the chapters that follow. First, the data does not consider the causes of the individual infractions. Second, some infractions may be more serious than others because of their systemic nature, and therefore may show ongoing or repetitive occurrences. Still other infractions may be more serious because they involve threats to the health and safety of utility customers.

The value of the infraction rate is to depict industry trends over time. The trend for 2003 is calculated using the BCS’ Compliance Tracking System’s (CTS) data as of June 2004. The 2003 trends may change if the total number of infractions increases. This would occur if new infractions are discovered from customer complaints that originated in 2003, but were still under investigation by the BCS when the data was retrieved from the CTS. Often, the total number of infractions for the year will be greater than the number cited in this report. The BCS will update the number of infractions found on 2003 cases in the report on 2004 complaint activity. Infraction rates for each major electric, gas, water, and telephone company are shown for 2001, 2002, and 2003 in the chapters that follow. Appendix H shows additional 2001-03 infraction statistics.

Termination Rate

Payment over time through a mutually acceptable payment arrangement is one possible outcome when a customer owes an outstanding balance to a utility company. Termination of the utility service is another. The BCS views termination of utility service as a utility's last resort when customers fail to meet their payment obligations. The calculation of a termination rate allows the reader to compare the termination activity of utilities with differing numbers of residential customers. The termination rate is the number of service terminations for each 1,000 residential customers. Any significant increase in a termination rate would indicate a trend or pattern the Commission may need to investigate. Water utilities do not report service termination statistics to the Commission. Thus, the water industry chapter does not include termination rate information.

BCS Performance Measures & Industry Chapters

The industry chapters that follow present charts that depict the performance of each of the major electric, gas, water and telephone utilities. Each chapter includes charts that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are charts that show the 2003 payment arrangement request rates and the justified payment arrangement request rates for each of the major utilities. The charts also reflect the average rates of the major utilities within the industry for each of these measures. In addition, each industry chapter presents charts and tables that show infraction rates for the major utilities, response time to both consumer complaints and payment arrangement requests, and termination rates for the major electric, gas and telephone utilities.

It is important to note that the industry chapters present only data from those utilities that have more than 100,000 residential customers. In the water industry chapter, data for the Class A water utilities that have less than 100,000 residential customers are presented together as a whole. The BCS has found that the inclusion of scores for the smaller utilities can skew the average of industry scores in ways that do not fairly represent industry performance. For this reason, the BCS has excluded the statistics involving smaller utilities when it calculated the 2003 averages of industry scores. In the future, the Commission may undertake a project in which it calculates and reports performance measure statistics for the smaller utilities and other utility service providers.

Universal Service and Energy Conservation Programs

The Commission has a long history of involvement in Universal Service and Energy Conservation programs that help utility consumers obtain and keep service and conserve energy. At the end of the water and telephone chapters that follow, readers will find highlights of the water and telephone programs that the Commission has supported and encouraged, not only in 2003, but in prior years as well.

The Commission's Bureau of Consumer Services monitors and evaluates the Universal Service and Energy Conservation programs of the electric and gas companies. The Commission's goal in monitoring these programs is to help the Commission fulfill its oversight responsibilities by increasing the effectiveness of utility collections while protecting the public's health and safety.

The electric and gas programs include: Customer Assistance Programs; the Low-Income Usage Reduction Programs; Utility Hardship Fund Programs; Customer Assistance and Referral Evaluation Services programs; and other programs to assist low-income customers. The BCS's reporting on these programs is no longer included in this report.

The BCS released its fourth-annual report on Universal Service programs and Collection Performance for the major electric distribution companies in September 2004. The major natural gas distribution companies are included for the second time. The final report will be based on 2003 data and is posted on the Commission's Website at www.puc.state.pa.us.

Treatment of FirstEnergy Companies

Beginning in 2003, FirstEnergy has directed BCS to report Metropolitan Edison (Met Ed) and Pennsylvania Electric (Penelec) as separate companies. Prior to 2003, BCS reported these two companies combined as a single company under the name GPU. The third FirstEnergy Company is Penn Power, and the BCS has always treated it separately.

Treatment of Philadelphia Gas Works (PGW)

The PGW restructuring proceedings concluded in 2003 and PGW will be treated as a major natural gas distribution company (NGDC) beginning with 2004 complaint activity reporting next year. At that time, PGW will appear as a major NGDC in all appropriate tables.

3. Electric Industry

In 2003, the Commission had jurisdiction over 16 electric distribution companies. However, the majority of the consumer complaints and payment arrangement requests involving the electric industry were from residential customers of the seven largest electric distribution companies (EDCs): Allegheny Power (Allegheny); Duquesne Light Company (Duquesne); Metropolitan Edison (Met Ed) – a FirstEnergy Company; PECO Energy (PECO); Pennsylvania Electric (Penelec) – a FirstEnergy Company; Pennsylvania Power Company (Penn Power) – a FirstEnergy Company; and PPL Utilities Inc. (PPL). This chapter will focus exclusively on those seven companies. Most of the complaints and payment arrangement requests dealt with matters covered under 52 Pa. Code, Chapter 56 *Standards and Billing Practices for Residential Utility Service*. For the most part, these consumer complaints and payment arrangement requests represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The tables and charts on the pages that follow depict the performance of each of the seven largest EDCs in 2003. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. The BCS investigated complaints in 2003 that were generated as a result of the Electric Choice programs that allowed customers to choose an electric generation supply company. However, as mentioned in the first chapter, the BCS removed these complaints from the database it used to prepare the tables and charts on consumer complaints and payment arrangement requests. Appendices C-H present the actual statistics that the BCS used to produce the charts in this chapter.

Consumer Complaints

During 2003, the BCS handled 5,177 consumer complaints from residential customers of the various electric distribution companies (EDCs). Of these residential complaints, 99% (5,129) were from customers of the seven largest EDCs. For the analysis in this chapter, the BCS excluded a total of 54 consumer complaints that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS policy division reviews the complaint, categorizes it into a specific problem category and enters it into the BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2003 complaints from residential customers of the seven largest EDCs in each of the 13 categories used by the



BCS policy division to categorize consumer complaints about electric, gas and water utilities. Appendix C, Table 1, provides the actual number of cases that fell into each category in 2003.

Consumer Complaint Categories: 2003 Major Electric Distribution Companies

Categories	Allegheny Power	Duquesne	Met Ed	PECO*	Penelec	Penn Power	PPL Utilities	Electric Majors
Service Interruptions	10%	12%	31%	20%	20%	30%	8%	16%
Metering	21%	6%	12%	11%	13%	8%	25%	16%
Billing Disputes	8%	15%	14%	15%	18%	28%	20%	15%
Credit and Deposits	23%	10%	1%	5%	3%	0%	11%	9%
Discontinuance/ Transfer	9%	11%	5%	4%	3%	2%	16%	8%
Service Quality	4%	4%	5%	12%	7%	4%	4%	6%
Service Extensions	5%	3%	9%	2%	12%	4%	2%	5%
Scheduling Delays	3%	4%	7%	9%	4%	6%	2%	5%
Damages	5%	5%	3%	6%	5%	10%	3%	5%
Personnel Problems	3%	8%	2%	6%	4%	6%	2%	4%
Other Payment Issues	2%	6%	1%	3%	2%	2%	4%	3%
Rates	<1%	1%	4%	<1%	4%	0%	1%	1%
All Other Problems	8%	15%	6%	8%	5%	0%	3%	7%
TOTAL - Percent**	101%	100%	100%	101%	100%	100%	101%	100%
TOTAL - Number***	330	186	301	434	234	50	513	2,048

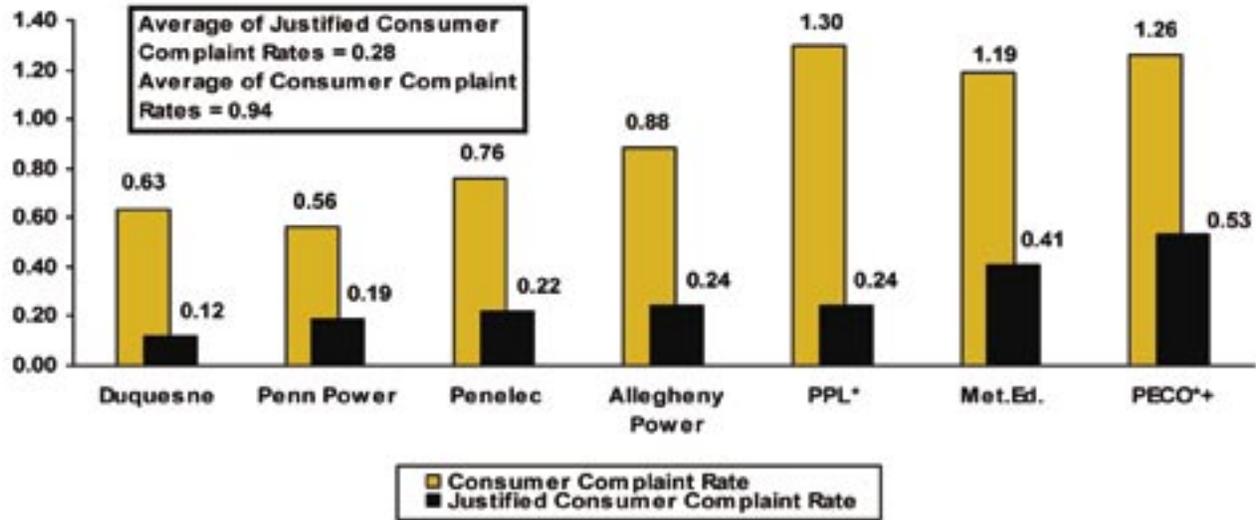
* PECO statistics include electric and gas.

** Columns may total more or less than 100% due to rounding.

*** Based on residential complaints evaluated by BCS as of June 18, 2004.

- Categories are for residential complaints filed with BCS: justified, inconclusive, and unjustified. See Appendix B-1 for an explanation of complaint categories and Appendix C-1 for the number of cases in each category.
- In 2003, service interruptions accounted for 16%, metering complaints amounted to 16%, while billing disputes comprised 15% of the consumer complaints about the major electric distribution companies.

2003 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies

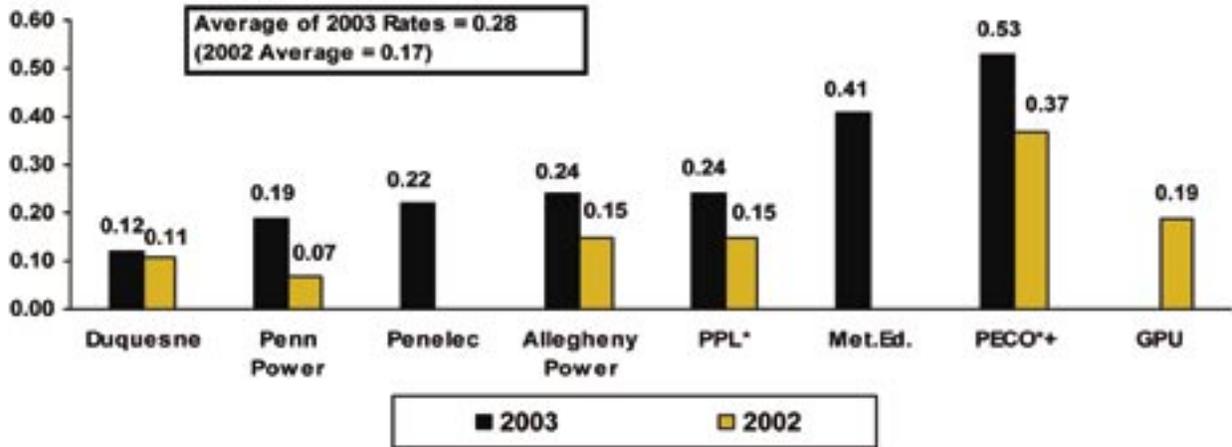


*Justified Consumer Complaint Rate based on a probability sample of cases.

+PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is more than three times greater than the average of the justified consumer complaint rates.
- Appendix D, Table 1, presents the number of consumer complaints and justified consumer complaints for each major EDC in 2003.

2002-03 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies

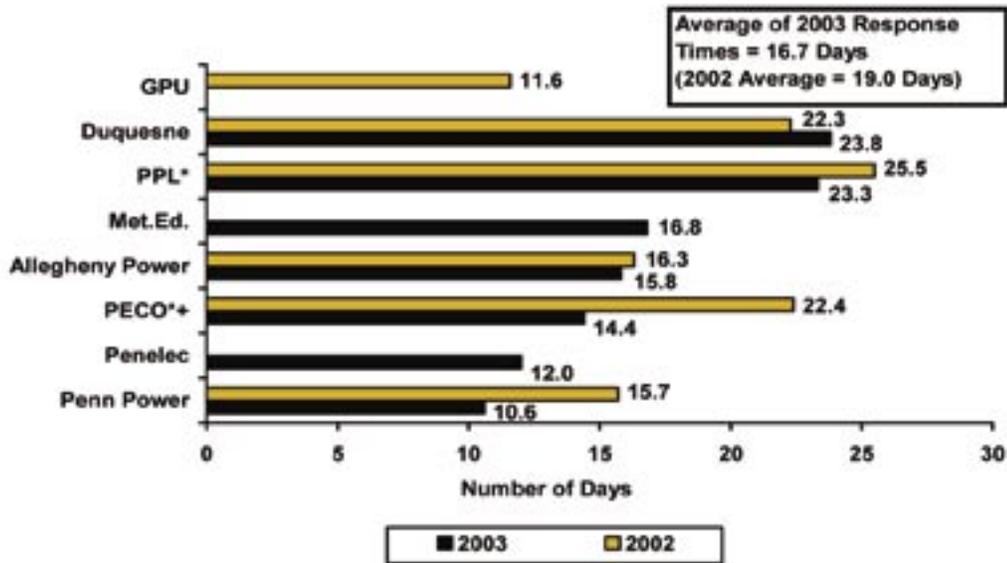


*Based on a probability sample of cases.

+PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the major electric distribution companies increased from 0.17 in 2002 to 0.28 in 2003.
- Appendix D, Table 1, presents the number of justified consumer complaints for each major EDC in 2002 and 2003.

2002-03 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies



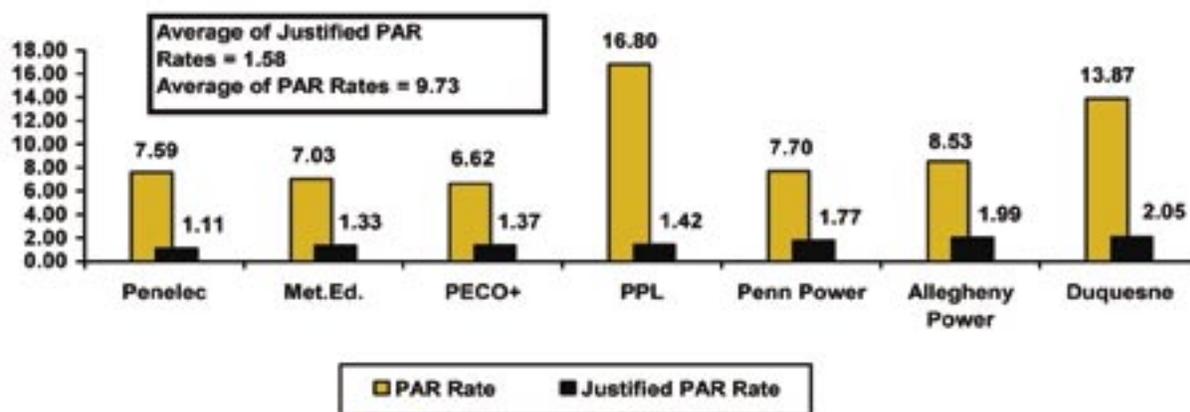
*Based on a probability sample of cases.
+PECO statistics include electric and gas.

- Overall, the average response time declined from 19 days in 2002 to 16.7 days in 2003.
- Appendix E shows the 2002 and 2003 response times to consumer complaints for each of the major EDCs as well as for the major gas, water and telephone utilities.

Payment Arrangement Requests

In 2003, the Bureau of Consumer Services handled 49,935 payment arrangement requests (PARs) from residential customers of the electric distribution companies. Ninety-eight percent (49,061) of the residential PARs were from customers of the seven largest EDCs. In 2003, the BCS reviewed a representative sample of the PARs for each of the seven largest EDCs: Allegheny, Duquesne, Met. Ed., PECO, Penelec, Penn Power and PPL. Thus, the calculations for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of these utilities. The BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix F, Table 1, provides additional statistics regarding the payment arrangement requests from residential customers of the major EDCs.

2003 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates* Major Electric Distribution Companies

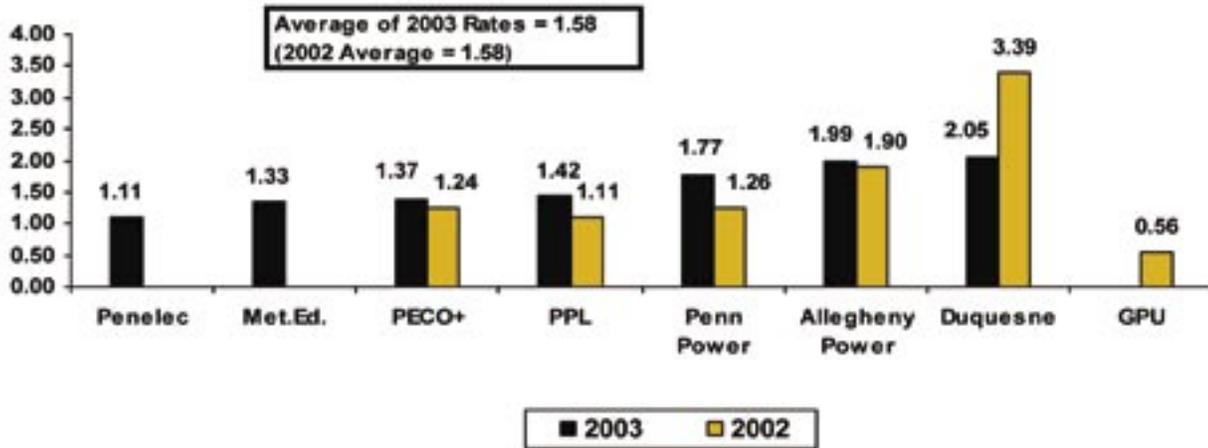


*Justified PAR Rates based on a probability sample of cases.

+PECO statistics include electric and gas.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- On average, there were slightly less than ten payment arrangement requests to the BCS for each 1,000 residential customers of the major EDCs in 2003. There were less than two justified PARs for each 1,000 residential customers.
- Appendix F, Table 1, presents the number of payment arrangement requests and justified payment arrangement requests for each major EDC in 2003.

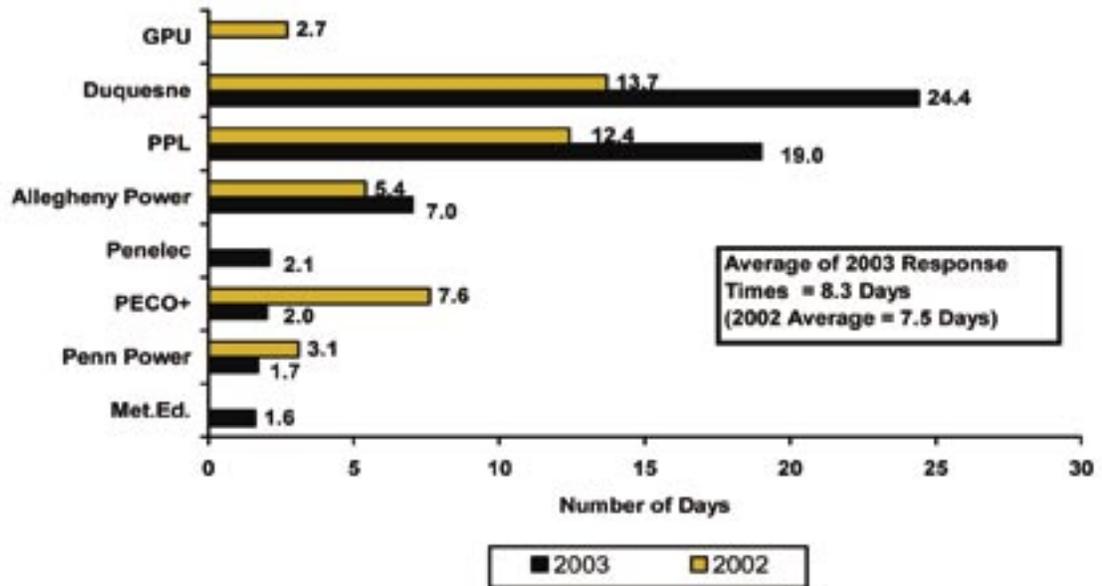
2002-03 Justified Residential Payment Arrangement Request Rates* Major Electric Distribution Companies



*Based on a probability sample of cases.
+PECO statistics include electric and gas.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major EDCs remained the same from 2002 to 2003.
- Appendix F, Table 1, presents the number of justified payment arrangement requests for each major EDC in 2002 and 2003.

2002-03 Response Time* to BCS Residential Payment Arrangement Requests Major Electric Distribution Companies



*Based on a probability sample of cases.
+PECO statistics include electric and gas.

- From 2002 to 2003, the average response time for the seven major EDCs increased by nearly one day. The 2003 average response time was 8.3 days.
- Appendix G shows the 2002 and 2003 response times to payment arrangement requests for each of the major EDCs as well as for the major gas, water and telephone companies.

Termination of Service

Each month the electric companies report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. Some EDCs maintain a fairly consistent pattern of termination behavior while others fluctuate from year to year. The table below indicates the annual number of residential accounts each of the seven largest EDCs terminated in 2001, 2002 and 2003. The table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Electric Distribution Companies

Company Name	Residential Service Terminations				Termination Rates		
	2001	2002	2003	% Change in # 2002-03	2001	2002	2003
Allegheny Power	5,808	8,777	9,941	13%	9.82	14.76	16.63
Duquesne	5,788	9,307	9,138	-2%	11.01	17.70	17.36
GPU	12,631	9,268	N/A	N/A	13.42	9.77	N/A
Met Ed	N/A	N/A	3,552	N/A	N/A	N/A	7.86
PECO*	34,957	46,040	42,529	-8%	25.32	33.22	30.18
Penelec	N/A	N/A	5,247	N/A	N/A	N/A	10.43
Penn Power	1,460	1,483	1,110	-25%	10.94	10.93	8.14
PPL Utilities	8,082	7,736	8,174	6%	7.17	6.80	7.12
Major Electric	68,726	82,611	79,691	-4%			
Average of Rates					12.95	15.53	13.96

*PECO statistics include electric and gas.

N/A = Not Applicable.

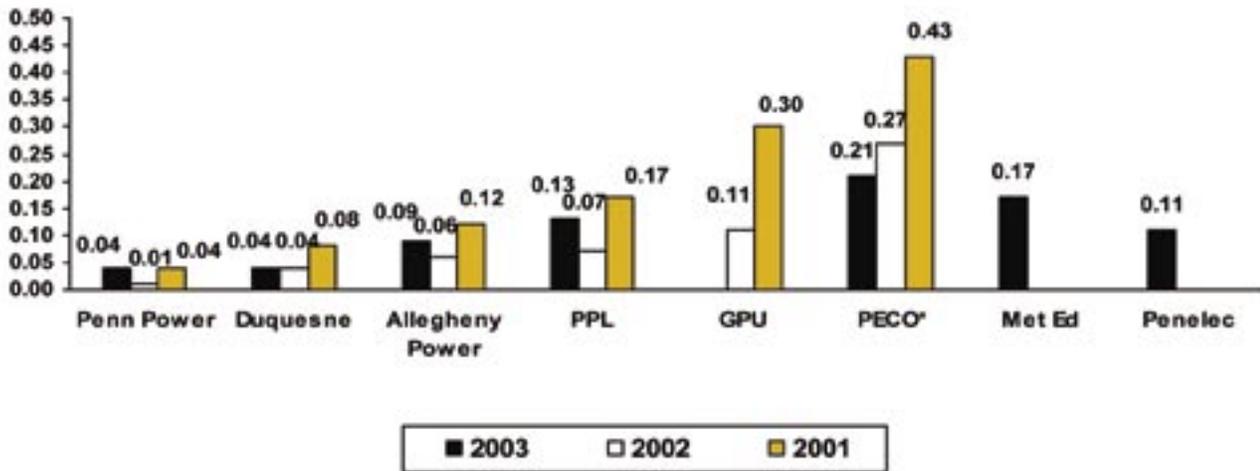
- Termination rate is the number of service terminations for each 1,000 residential customers.
- Overall, the seven major EDCs terminated four percent fewer residential accounts in 2003 than in 2002.

Compliance

The use of “infraction rate” in this report is intended to help the Commission monitor the duty of electric distribution companies at 66 Pa. C.S. §2807(d) to, at a minimum, maintain customer services under retail competition at the same level of quality.

During 2001, 2002 and 2003, the BCS determined that the seven major EDCs together logged 2,482 infractions of regulations. The chart that follows and the infraction statistics in Appendix H, Table 1, are drawn from all informal complaints that residential consumers filed with the BCS from 2001 through 2003. Infractions identified on complaints involving competition issues are included in the infraction statistics.

Commission Infraction Rates Major Electric Distribution Companies



*PECO statistics include electric and gas.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, the number of informally verified infractions attributed to the major EDCs increased from 2002 to 2003.
- Appendix H, Table 1, presents the actual number of infractions for each major EDC in 2001, 2002 and 2003.

4. Natural Gas Industry

In 2003, the Commission had jurisdiction over 34 gas utilities. However, the majority of the consumer complaints and payment arrangement requests involving the gas industry came from residential customers of the six major gas utilities: Columbia Gas of Pennsylvania (Columbia); Dominion Peoples (Dominion); Equitable Gas (Equitable); National Fuel Gas Distribution Corporation (NFG); PG Energy; and UGI-Gas. This chapter will focus exclusively on those six utilities. As with the electric industry, most of the complaints and payment arrangement requests dealt with matters covered under 52 Pa. Code, Chapter 56 *Standards and Billing Practices for Residential Utility Service*. These consumer complaints and payment arrangement requests, for the most part, represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

As of September 1, 2003, the Philadelphia Gas Works (PGW) completed the transition to full PUC regulation. The Commission now expects the company to comply fully with Chapter 56 and all applicable statutes and regulations. The BCS has begun compiling performance and compliance data on PGW, and this information will be included in next year's UCARE report.



The BCS continues to meet regularly with PGW to monitor the performance of the customer service and collection call centers. On numerous occasions BCS staff has monitored their performance through observations of phone calls to the call centers. The BCS is also monitoring the company's progress in implementing the recommendations of previous performance reviews.

Finally, due to the number of complaints filed against PGW, the BCS has increased the staff devoted to handling consumer complaints and payment arrangement requests from PGW customers.

The tables and charts on the pages that follow depict the performance of each of the six major gas utilities in 2003 exclusive of PGW. Appendices C-H present the actual statistics that the BCS used to produce the charts in this chapter.

Consumer Complaints

During 2003, the BCS handled 5,301 consumer complaints from residential customers of the various natural gas distribution companies (NGDCs). Of these residential complaints, 52% (2,733) were from customers of the six largest NGDCs, and 46% (2,432) were from customers of the PGW. For the analysis of the six major gas companies that appears in this chapter, the BCS excluded a total of 46 consumer complaints that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS policy division reviews the complaint, categorizes it into a specific problem category and enters it into the BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2003 complaints from residential customers of the six major gas utilities in each of the 13 categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. The percentages shown in the table are for all the cases residential customers of the major gas utilities filed with the BCS, not just cases determined to be justified in coming to the BCS. Appendix C, Table 2, provides the actual number of cases that fell into each category in 2003.

Consumer Complaint Categories: 2003 Major Natural Gas Distribution Companies

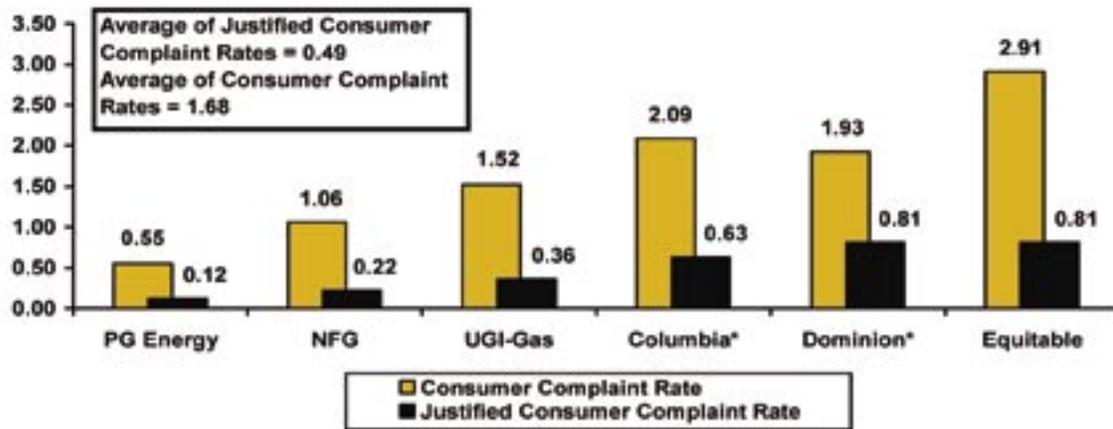
Categories	Columbia	Dominion Peoples	Equitable	NFG	PG Energy	UGI-Gas	Gas Majors
Metering	37%	34%	18%	27%	16%	40%	30%
Billing Disputes	9%	6%	14%	16%	18%	14%	12%
Discontinuance/ Transfer	8%	7%	10%	15%	16%	9%	9%
Credit and Deposits	3%	2%	18%	1%	3%	8%	8%
Other Payment Issues	1%	11%	13%	4%	11%	3%	7%
Personnel Problems	7%	6%	9%	7%	2%	5%	7%
Service Quality	6%	9%	3%	4%	5%	2%	5%
Damages	8%	3%	1%	2%	2%	3%	4%
Scheduling Delays	5%	5%	2%	2%	2%	2%	3%
Service Extensions	6%	3%	1%	7%	2%	1%	3%
Service Interruptions	4%	4%	2%	1%	2%	1%	2%
Rates	1%	1%	<1%	0%	0%	<1%	1%
All Other Problems	4%	9%	9%	13%	22%	13%	9%
TOTAL-Percent*	99%	100%	100%	99%	101%	101%	100%
TOTAL-Number**	359	274	419	136	62	277	1,527

* Columns may total more or less than 100% due to rounding.

** Based on residential complaints evaluated by the BCS as of June 18, 2004.

- Categories are for all residential complaints filed with the BCS: justified, inconclusive, and unjustified. See Appendix B-1 for an explanation of complaint categories and Appendix C-2 for the number of cases in each category.
- In 2003, metering complaints generated 30% of the complaints about the major gas utilities followed by billing disputes (12%) and discontinuance/transfer complaints (nine percent).

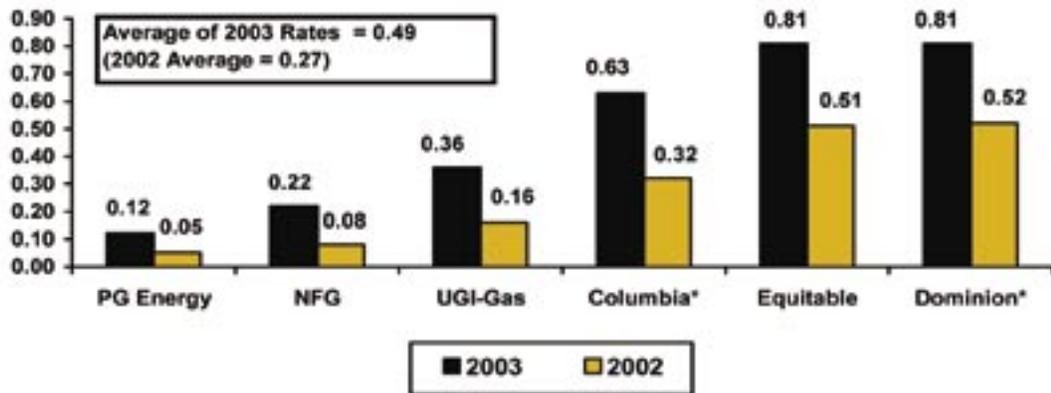
2003 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Natural Gas Distribution Companies



* Justified Consumer Complaint Rate based on a probability sample of cases for Columbia in 2003 and for Dominion in 2002 and 2003.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- For the major gas companies, the average of the consumer complaint rates is 3.4 times greater than the average of the justified rates.
- Appendix D, Table 2, presents the number of consumer complaints and justified consumer complaints for each major gas company in 2003.

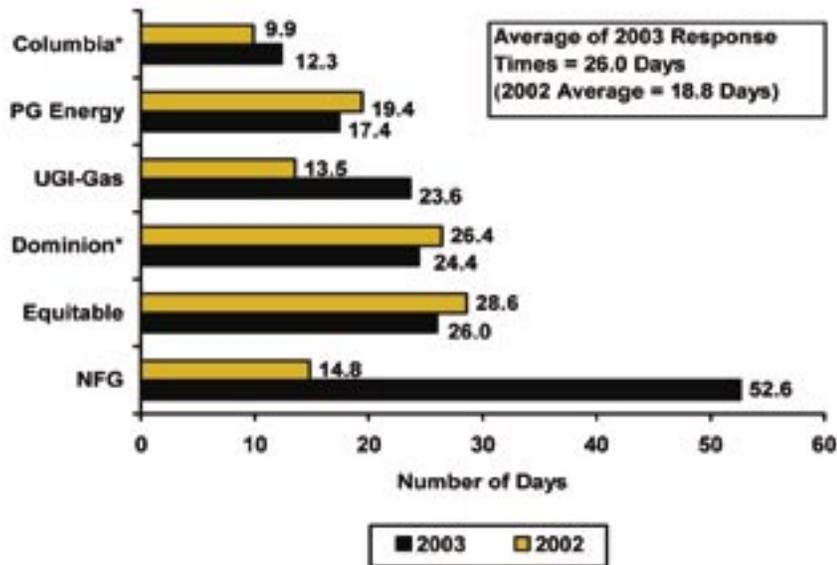
2002-03 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies



*Based on a probability sample of cases for Columbia in 2003 and for Dominion in 2002 and 2003.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates of the major gas companies increased from 0.27 in 2002 to 0.49 in 2003.
- Appendix D, Table 2, shows the number of justified consumer complaints for each major gas company in 2002 and 2003.

2002-03 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies



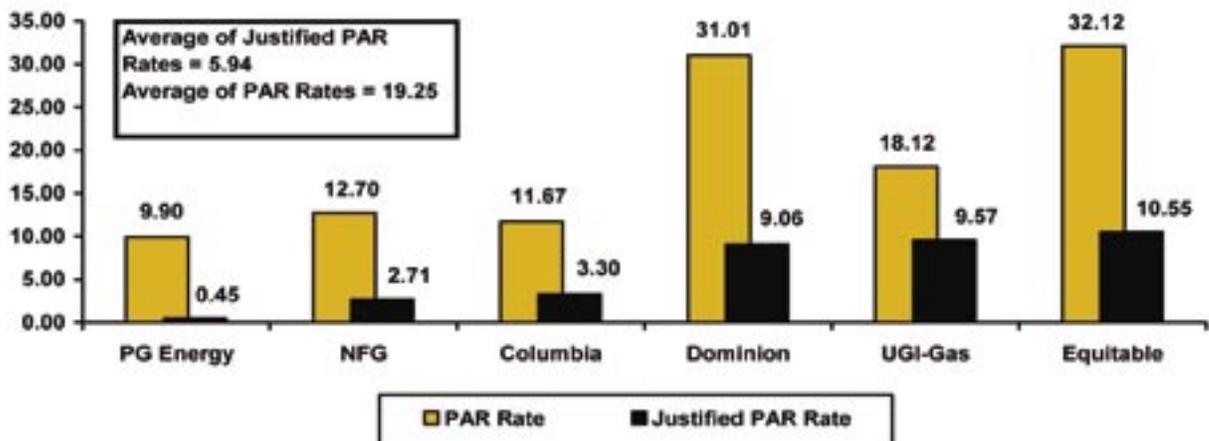
*Based on a probability sample of cases for Columbia in 2003 and for Dominion in 2002 and 2003.

- The average response time for the major gas companies increased by seven days from 2002 to 2003.
- Appendix E shows the 2002 and 2003 response times to consumer complaints for each of the major gas companies as well as for the major electric, water and telephone utilities.

Payment Arrangement Requests

In 2003, the BCS handled 36,343 payment arrangement requests (PARs) from residential customers of the natural gas distribution companies. Eighty-three percent (30,328) of the residential PARs were from customers of the six major natural gas distribution companies and 13% (4,834) were from customers of the PGW. In 2003, the BCS reviewed a representative sample of the PARs for case outcome for the following gas companies: Columbia, Dominion, Equitable, NFG, PG Energy, and UGI-Gas. Thus, the calculations for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of these utilities. The BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix F, Table 2, provides additional statistics regarding the payment arrangement requests from residential customers of the major natural gas distribution companies.

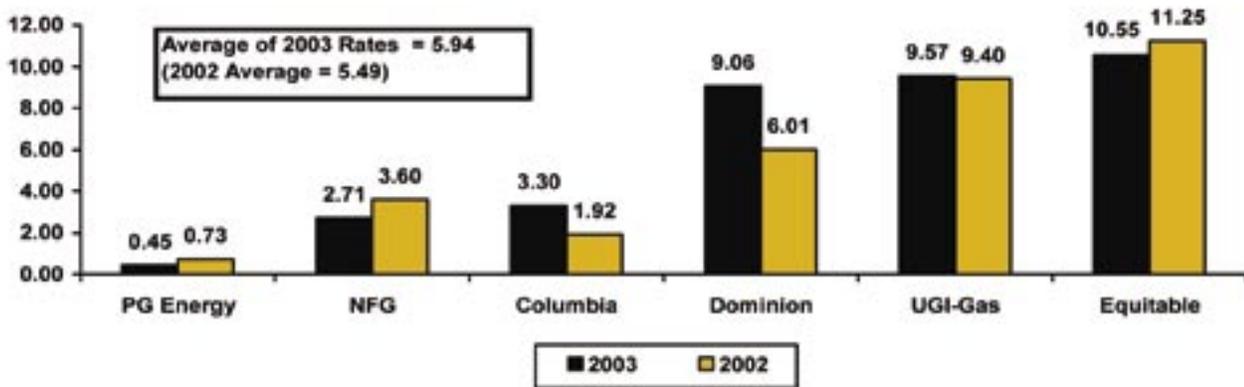
2003 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates* Major Natural Gas Distribution Companies



* Justified PAR rates based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- In 2003, the average of the PAR rates is 3.2 times the average of the justified PAR rates.
- Appendix F, Table 2, presents the number of payment arrangement requests and justified payment arrangement requests for each major gas company in 2003.

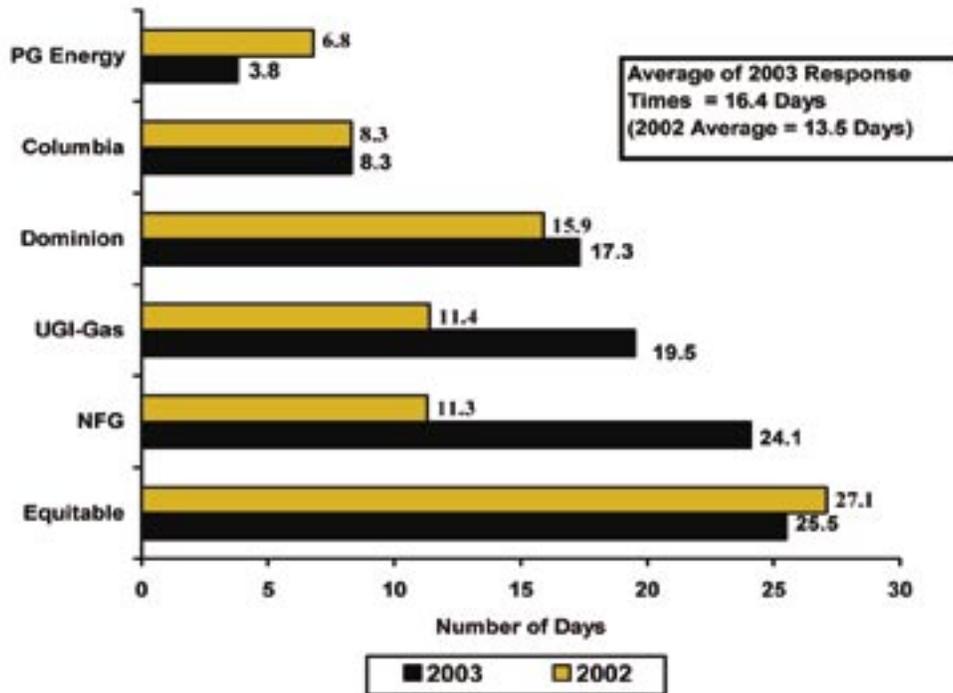
2002-03 Justified Residential Payment Arrangement Request Rates* Major Natural Gas Distribution Companies



* Based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average of the justified PAR rates for the six major gas utilities increased slightly from 5.49 in 2002 to 5.94 in 2003.
- Appendix F, Table 2, presents the number of justified payment arrangement requests for each major gas company in 2002 and 2003.

2002-03 Response Time* to BCS Residential Payment Arrangement Requests Major Natural Gas Distribution Companies



* Based on a probability sample of cases.

- From 2002 to 2003, the average response time to BCS payment arrangement requests increased by nearly three days. The gas industry average response time to BCS PARs was 16.4 days in 2003.
- Appendix G shows the 2002 and 2003 response times to payment arrangement requests for each of the major gas companies as well as for the major electric, water and telephone companies.

Termination of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The table that follows indicates the annual number of residential accounts each of the six largest gas utilities terminated in 2001, 2002 and 2003. The table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Natural Gas Distribution Companies

Company Name	Residential Service Terminations				Termination Rates		
	2001	2002	2003	% Change in # 2002-03	2001	2002	2003
Columbia	7,453	5,832	6,153	6%	21.60	16.72	17.41
Dominion Peoples	1,230	5,169	6,183	20%	3.83	16.05	19.15
Equitable	6,092	11,012	11,106	1%	26.02	46.05	47.11
NFG	7,398	5,880	6,051	3%	37.90	30.12	30.98
PG Energy	4,967	4,041	4,547	13%	35.87	29.11	32.62
UGI-Gas	9,063	7,824	10,409	33%	36.37	30.59	39.61
Major Gas	36,203	39,758	44,449	12%			
Average of Rates					26.93	28.11	31.15

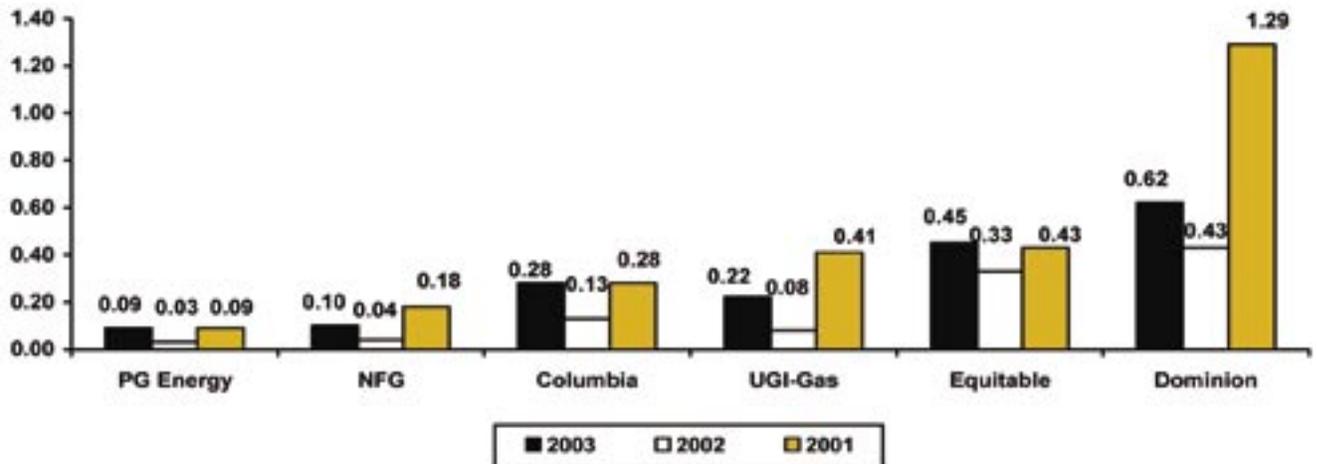
- Overall, the six major gas companies terminated 31 out of every 1,000 residential gas customers during 2003.
- Overall, the six major gas companies terminated 12% more residential accounts in 2003 than in 2002.

Compliance

The BCS's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Commission regulations. Often, through the informal notification process, the BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

During 2001, 2002 and 2003, the BCS determined that the six major gas utilities together logged 1,554 infractions of regulations. The chart that follows and the infraction statistics in Appendix H, Table 2, are drawn from all informal complaints that residential consumers filed with the BCS from 2001 through 2003. Infractions identified on complaints involving competition issues are included in the infraction statistics.

Commission Infraction Rates Major Natural Gas Distribution Utilities



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, the number of informally verified infractions attributed to the major gas distribution utilities increased from 2002 to 2003.
- Appendix H, Table 2, presents the actual number of infractions for each major gas utility in 2001, 2002 and 2003.

5. Water Industry

In 2003, the Commission had jurisdiction over 140 water utilities, including 31 municipal water companies. The Commission categorizes the non-municipal water utilities into one of three classifications: A, B and C. These three classifications are based on the amount of the utility's annual revenues.

The non-municipal water utilities with the largest annual revenues are classified as Class A water utilities. Class A water companies must have annual revenues of \$1,000,000 or more for three years in a row. In 2003, there were seven Class A water companies that served residential water customers. The number of residential customers for these companies ranged from 2,307 for Audubon Water Company to 562,255 residential customers for Pennsylvania-American Water Company. In 2003, the Class A water companies were Audubon Water Company, Columbia Water Company, Newtown Artesian Water Company, Pennsylvania-American Water Company (PA-American), Philadelphia Suburban Water Company (currently known as Aqua Pennsylvania), United Water of Pennsylvania Inc. and York Water Company. The tables and charts in this chapter present individual statistics for the two largest water companies, PA-American and Philadelphia Suburban, and for the "Other Class A" companies as a whole.

The other classes of water companies have lower annual revenues and, typically, fewer residential customers. In 2003, there were 16 Class B companies. Class B water companies have annual revenues between \$200,000 and \$999,999. In 2003, the number of residential customers for the Class B companies ranged from 491 to 1,587. There were 87 Class C companies in 2003. Class C water companies have annual revenues of less than \$200,000. The number of residential customers for the Class C companies ranged from five to 1,432 in 2003.

A black and white photograph showing a close-up of a person's face as they drink from a glass. The person's mouth is open, and the glass is tilted, with water being consumed. The background is plain white.

The municipal water companies are companies owned by municipalities that serve customers outside their boundaries. The Commission's jurisdiction is limited to regulating the rates and service of customers outside the municipalities. The Commission does not keep records of the number of residential customers each municipal company serves. Overall, the total number of customers served by the municipal water companies that were outside the boundaries of a particular municipality ranged from three to 26,242 in 2003.

As would be expected, the majority of the residential consumer complaints and payment arrangement requests to the BCS came from customers of the Class A water utilities. Most of the complaints and payment arrangement requests from water customers dealt with matters covered by 52 Pa. Code, Chapter 56 *Standards and Billing Practices for Residential Utility Service*. These consumer complaints and payment arrangement requests, for the most part, represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The table and charts on the pages that follow depict the performance of the Class A water utilities in 2003. Appendices C through H present the actual statistics that the BCS used to produce the charts in this chapter.

Consumer Complaints

During 2003, the BCS handled a total of 1,228 consumer complaints from residential customers of the various water companies. Of those complaints, 91% (1,123) were from customers of the Class A companies. The remaining nine percent were from customers of smaller water companies. In spite of the fact that the vast majority of consumer complaints involved the Class A water utilities in 2003, the Commission devoted a significant amount of attention to the smaller water utilities. Sometimes the amount of time that the BCS spends on a few complaints from customers of a smaller company exceeds the amount of time it spends dealing with the larger number of complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and payment arrangement requests as compared to smaller water companies with limited resources.

In 2003, customers of the small water companies logged complaints with the BCS for a variety of reasons. However, of the 105 consumer complaints filed about the non-Class A water companies, 37% involved a billing dispute (39 cases) and 28% were related to people-delivered service complaints (29 cases).

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS policy division reviews the complaint, categorizes it into a specific problem category and enters it into the BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2003 complaints from residential customers of the Class A water utilities in each of the categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. The percentages shown in the table are for all the cases residential customers of these water utilities filed with BCS, not just cases determined to be justified in coming to the BCS. Appendix C, Table 3, provides the actual number of cases that fell into each category in 2003.

Consumer Complaint Categories: 2003 Major Water Utilities

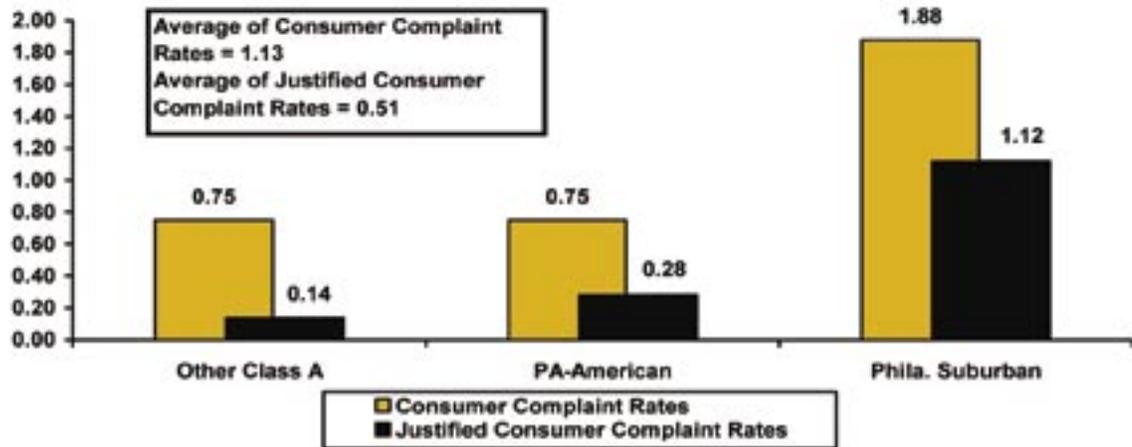
Categories	PA-American	Philadelphia Suburban	Other "Class A" Water	All "Class A" Water
Metering	14%	44%	11%	29%
Billing Disputes	29%	18%	19%	23%
Discontinuance/ Transfer	9%	6%	11%	8%
Service Quality	10%	3%	20%	7%
Scheduling Delays	6%	4%	4%	5%
Personnel Problems	4%	5%	9%	5%
Damages	8%	2%	7%	5%
Service Interruptions	3%	<1%	9%	2%
Service Extensions	2%	1%	1%	1%
Other Payment Issues	2%	1%	1%	1%
Credit and Deposits	0%	2%	1%	1%
Rates	1%	<1%	3%	1%
All Other Problems	12%	14%	3%	12%
TOTAL-Percent*	100%	100%	99%	100%
TOTAL-Number**	337	382	70	789

*Columns may total more or less than 100% due to rounding.

**Based on residential complaints evaluated by BCS as of June 18, 2004.

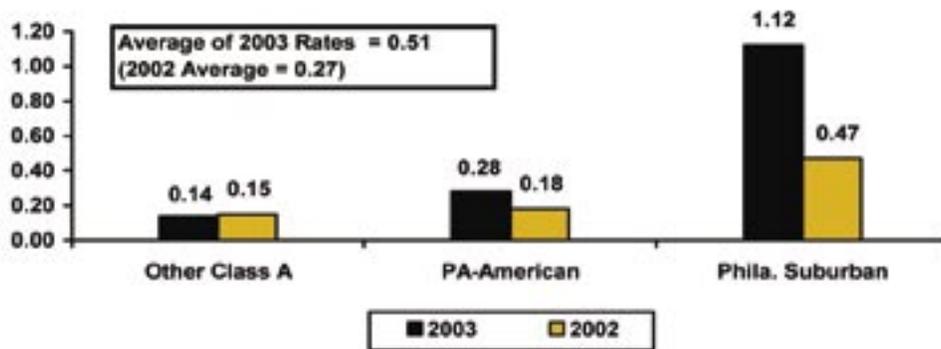
- Categories are for all residential complaints filed with the BCS: justified, inconclusive, and unjustified. See Appendix B-1 for an explanation of the various complaint categories and Appendix C-3 for the number of cases in each category.
- A little more than half of the consumer complaints about the Class A water utilities involved either metering complaints or billing disputes.
- The percentage of complaints about metering and scheduling delays increased from 2002 to 2003. Meanwhile, the percentage of complaints about billing disputes and service quality declined from 2002 to 2003.

2003 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Water Utilities



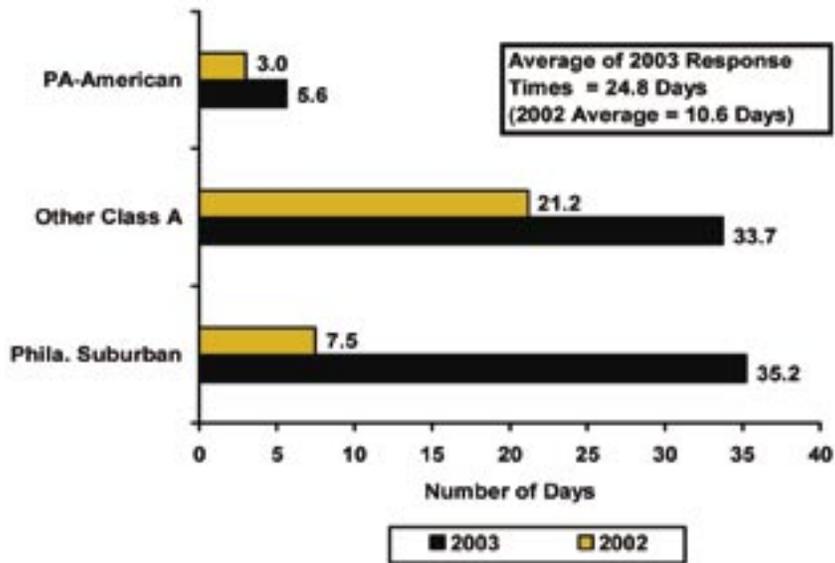
- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- The average of the consumer complaint rates is 2.2 times greater than the average of the justified rates for the Class A water companies.
- Appendix D, Table 3, presents the actual number of consumer complaints and justified consumer complaints for Philadelphia Suburban, PA-American and the Other Class A water companies in 2002 and 2003.

2002-03 Justified Residential Consumer Complaint Rates Major Water Utilities



- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the “Class A” water utilities increased from 0.27 in 2002 to 0.51 in 2003.
- Appendix D, Table 3, shows the number of justified consumer complaints for Philadelphia Suburban, PA-American and the Other Class A water companies in 2002 and 2003.

2002-03 Response Time to BCS Residential Consumer Complaints Major Water Utilities

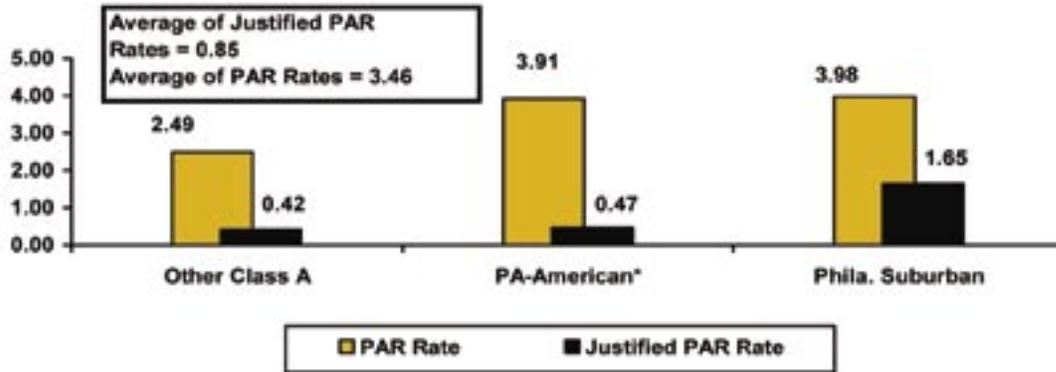


- The average response time for the major (Class A) water utilities increased from 10.6 days in 2002 to 24.8 days in 2003.
- Appendix E shows the 2002 and 2003 response times to consumer complaints for the Class A water utilities as well as for the major electric, gas and telephone companies.

Payment Arrangement Requests

In 2003, the BCS handled 4,012 payment arrangement requests (PARs) from residential customers of the water industry. Ninety-five percent (3,814) of the residential PARs were from customers of the Class A water utilities. As in past years, for the companies with the largest volume of requests, the BCS policy division reviewed a representative sample of PARs for case outcome. In 2003, the BCS reviewed a sample of the PARs for PA-American. Thus, the calculations for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of PA-American. The BCS believes the size of the sample gives a reasonable indication of the performance of this company. Appendix F, Table 3, provides additional statistics regarding the payment arrangement requests from residential customers of the Class A water utilities.

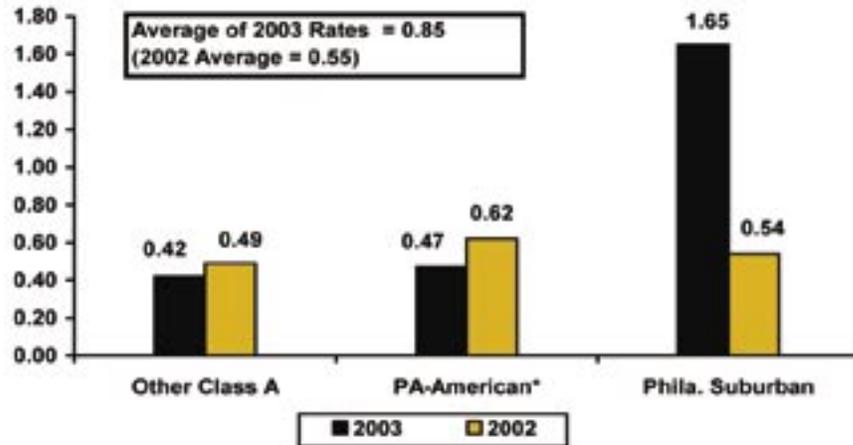
2003 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Water Utilities



*Justified PAR Rate based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- The average PAR rate is four times the average justified PAR rate.
- Appendix F, Table 3, presents the number of payment arrangement requests and justified payment arrangement requests for PA-American, Philadelphia Suburban and the Other Class A water companies in 2002 and 2003.

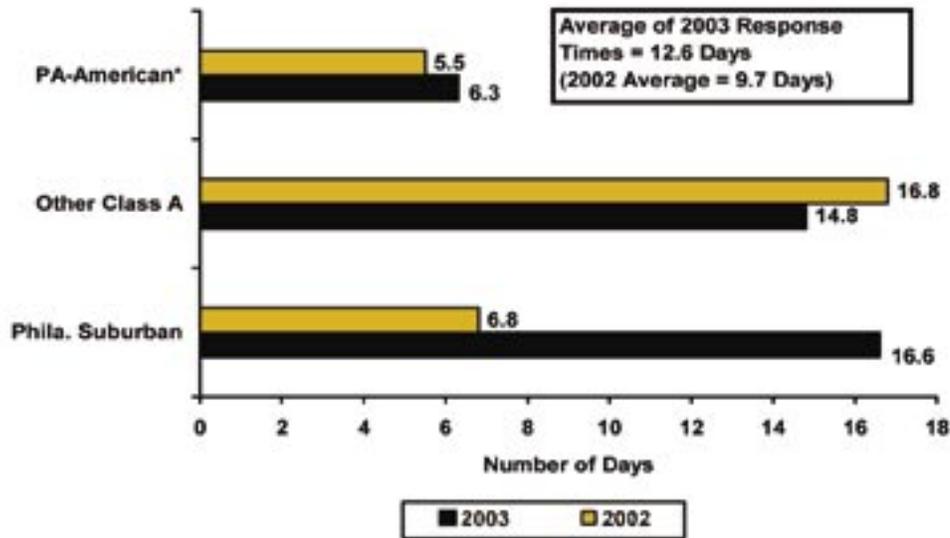
2002-03 Justified Residential Payment Arrangement Request Rates Major Water Utilities



* Based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average justified PAR rate for the major water utilities increased from 0.55 in 2002 to 0.85 in 2003.
- Appendix F, Table 3, presents the number of payment arrangement requests and justified payment arrangement requests for Class A water companies in 2002 and 2003.

2002-03 Response Time to BCS Residential Payment Arrangement Requests Major Water Utilities



* Based on a probability sample of cases.

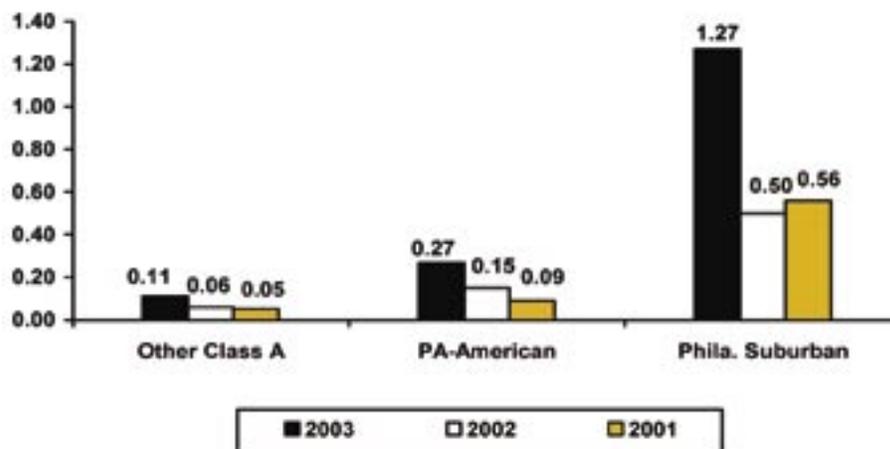
- The average response time for the major water utilities increased from 9.7 days in 2002 to 12.6 days in 2003.
- Appendix G shows the 2002 and 2003 response times to payment arrangement requests for PA-American, Philadelphia Suburban and the Other Class A water companies. It also shows the response times for the major electric, gas and telephone companies.

Compliance

The BCS's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Commission regulations. Often, through the informal notification process, the BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

During 2001, 2002 and 2003, the BCS informally verified 1,040 infractions of regulations for the Class A water utilities. The chart that follows and the infraction statistics in Appendix H, Table 3, are drawn from the informal complaints that residential consumers filed with the BCS from 2001 through 2003.

Commission Infraction Rates Major Water Utilities



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, the number of informally verified infractions for the Class A water companies increased from 2002 to 2003.
- Appendix H, Table 3, presents the actual number of infractions for PA-American, Philadelphia Suburban and the other Class A water companies in 2001, 2002 and 2003.

Universal Service Programs that Assist Low-Income Customers

Philadelphia Suburban Water Company and Pennsylvania American Water Company administer programs to assist low-income customers maintain utility service. Both utilities voluntarily initiated these programs in response to an apparent need of their low-income customers rather than in response to requests from the BCS or the Commission.

Philadelphia Suburban Water Company - In 1994, the Philadelphia Suburban Water Company (PSW) requested and received Commission approval to implement a pilot program that combines several of the elements of energy universal service programs with those of conservation programs. PSW calls this program “A Helping Hand.” In 1996, PSW made “A Helping Hand” a permanent part of its collection strategy. In 1997, PSW expanded “A Helping Hand” to all four counties in its service territory, Bucks, Chester, Delaware and Montgomery counties. The program offers a water usage audit and includes an arrearage forgiveness component. PSW targets “A Helping Hand” to low-income customers who are payment troubled and have high water bills. In 2003, customers contributed \$13,041 to assist with the arrearage forgiveness component. Community agencies administer the program.

Each household enrolled in “A Helping Hand” receives a water usage audit that includes conservation education. A participating household also receives water conservation improvements as necessary - PSW will pay up to \$100 for minor plumbing repairs. As an incentive to encourage regular bill payment, PSW forgives a percentage of a participant’s arrearage if the participant makes regular monthly payments toward the arrearage.

At the end of 2003, PSW’s program had 277 active participants. During the year, PSW spent \$16,535 to complete eligibility interviews and household audits. In addition, the company granted \$3,270 in forgiveness credits to 168 program participants.

Pennsylvania American Water Company - By order dated October 2, 1997, the Commission approved Pennsylvania American Water Company’s (PA-American) request to establish a Low-Income Rate. At the end of 2003, there were 2,816 active participants in the Low-Income Rate. PA-American targets the program to customers whose incomes meet the low-income criteria published by the BCS. BCS defines low-income households as those households whose incomes are below 150% of the federal poverty income guidelines. Customers agree to make monthly payments in exchange for a 20% discount on the service charge. Customers who miss more than two payments in a six-month period lose their eligibility in the program. Customers who are ineligible because of nonpayment remain so for one year.

PA-American also partners with the \$1 Energy Fund. The \$1 Energy Fund is a hardship fund that provides cash assistance to utility customers who “fall through the cracks” of other financial programs or to those who still have a critical need for assistance after other resources have been exhausted. In 2002-03, PA-American’s shareholders and customers provided a total of \$117,100 in hardship fund benefits to 703 customers for an average benefit of \$167.

6. Telephone Industry

During 2003, the BCS handled consumer complaints, payment arrangement requests (PARs) and inquiries from the customers of a variety of telecommunications service providers, including incumbent local exchange carriers, competitive local exchange carriers (CLECs), long-distance companies and resellers. As a result of the growing competitive telecommunications market, there were over 500 providers of telecommunications services doing business in Pennsylvania in 2003. Of this group of telecommunications providers, 37 were incumbent local exchange carriers (ILECs). Thirty-two of these ILECs were non-major utilities each serving fewer than 50,000 residential customers. The remaining five ILECs were major companies, each with more than 50,000 residential customers. Collectively, these five major telephone companies served nearly 5 million residential customers in 2003.

This chapter will focus exclusively on the five major incumbent local exchange carriers -- ALLTEL Pennsylvania Inc. (ALLTEL); Commonwealth Telephone Company (Commonwealth); United Telephone Company of Pennsylvania (United) d/b/a Sprint; Verizon North Inc. (Verizon North) f/k/a GTE North Incorporated; and Verizon Pennsylvania (Verizon PA) f/k/a Bell Atlantic-Pennsylvania Inc. -- and the two largest CLECs -- MCImetro Access Transmission Services, LLC (MCI Local) and Comcast Phone of Pennsylvania, LLC d/b/a Comcast Digital Phone (Comcast). Both MCI Local and Comcast served more than 50,000 residential customers in Pennsylvania during 2003.

For the first time, the analyses of the seven companies, (ALLTEL, Comcast, Commonwealth, MCI Local, United, Verizon North, and Verizon PA) that appear in this chapter include complaints about competition-related issues such as slamming, competition-related service complaints and billing problems. The 2002 telephone data that appear in the charts and tables of this chapter and in the appendices at the end of the report have been revised from the 2002 UCARE Report to include 2002 competition-related consumer complaints and PARS. The revision of the 2002 data allows for a uniform comparison between 2002 and 2003.

Consumer Complaints

As stated above, the BCS handled consumer complaints about different types of telecommunication service providers in 2003. However, the complaints predominantly came from the residential customers of the five major ILECs and the two largest CLECS. Overall, the BCS handled 9,847 consumer complaints from residential customers in 2003. Of these complaints, 6,951 were from residential customers of all of Pennsylvania's ILECs, while 6,883 were from customers of the five major ILECS. Meanwhile, 1,637 consumer complaints were from customers of the CLECS operating in Pennsylvania, with 1,097 of the CLEC complaints from customers of MCI Local and Comcast. Finally, the BCS investigated 1,259 consumer complaints from other telecommunications providers such as long-distance carriers and resellers.

Consumer Complaint Categories

Most of the cases found in the consumer complaint categories deal with matters covered under 52 Pa. Code Chapters 63 and 64. The following table shows the percentage of 2003 consumer complaints from residential customers of the major telephone companies in each of the 12 categories used by the BCS policy unit to categorize consumer complaints about telephone companies.

Consumer Complaint Categories: 2003 Major Local Telephone Companies

Categories	ALL-TEL	Comcast	Commonwealth	MCI Local	United	Verizon North (GTE)	Verizon PA	Telephone Majors
Unsatisfactory Service	43%	14%	16%	7%	13%	25%	33%	26%
Service Delivery	29%	22%	22%	30%	14%	35%	24%	25%
Billing Disputes	14%	27%	15%	18%	30%	18%	19%	20%
Competition	2%	14%	5%	26%	5%	4%	4%	8%
Toll Services	7%	12%	20%	4%	18%	5%	7%	8%
Discontinuance/Transfer	1%	1%	2%	12%	6%	2%	6%	6%
Credit & Deposits	3%	0%	5%	1%	4%	7%	2%	2%
Non-Recurring Charges	0%	2%	1%	0%	2%	1%	3%	2%
Annoyance Calls	0%	0%	3%	0%	1%	0%	1%	1%
Service Terminations	0%	1%	2%	1%	1%	0%	0%	1%
Sales Nonbasic Services	0%	1%	1%	1%	1%	0%	0%	0%
Other	0%	4%	9%	1%	4%	2%	2%	2%
Total-Percent*	99%	98%	101%	101%	99%	99%	101%	101%
Total-Number**	209	279	108	634	276	303	2,572	4,381

*Columns may total more or less than 100% due to rounding.

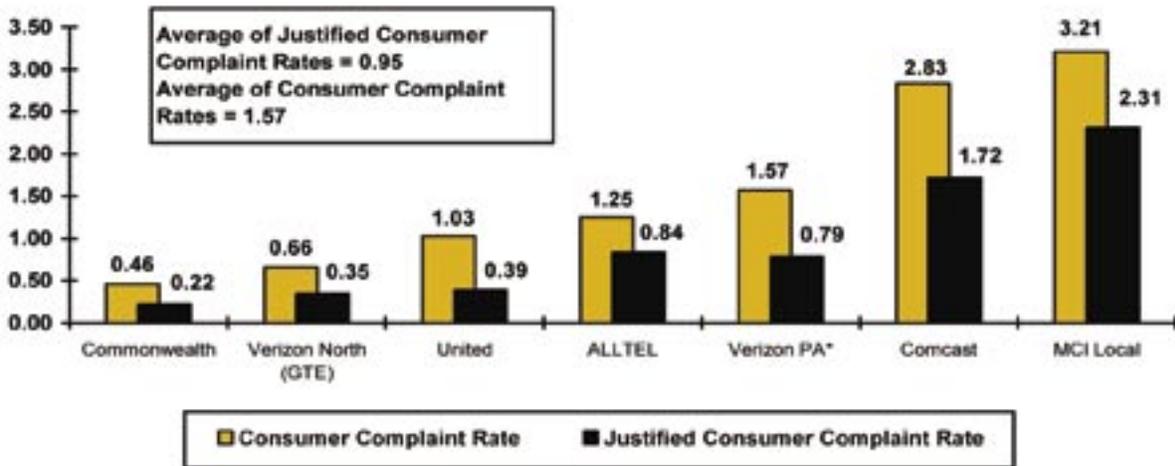
**Based on complaints evaluated by BCS as of June 18, 2004

- It is important to note that the percentages shown in the table include justified, inconclusive, and unjustified cases. See Appendix B-2 for an explanation of complaint categories and Appendix C-4 for the number of cases in each category.
- Seventy-one percent of all complaints for the major telephone companies fall into one of three complaint categories: unsatisfactory service, service delivery or billing disputes. Examples of unsatisfactory service complaints allege poor service quality, problems with phone numbers or telephone directories and problems with access to the toll network. Service delivery complaints include complaints about delays in service installation or disconnection, company failure to keep scheduled appointments, the unavailability of special service and poor performance by company personnel. Billing disputes include any problems that customers have with their bill such as bills that seem too high or are inaccurate.
- The table shows that 26% of all the consumer complaints filed against the seven major companies are about unsatisfactory service while 25% are about service delivery.
- Billing disputes account for 20% of the total number of consumer complaints. Competition issues and toll services each account for eight percent of the 2003 consumer complaints. Discontinuance and transfer of service comprise six percent of the 2003 complaints. Each of the remaining complaint categories account for two percent or less of the total number of residential complaints about the major local telephone companies.
- In prior reports, complaints about rates and audiotex were presented separately. In 2003, the number of complaints about these issues is so small that they are included in the “other” category.

The 2002 and 2003 consumer complaint figures for consumer complaint rates, justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages. Appendix D, Table 4, and Appendix E provide additional statistics about the consumer complaints from residential customers of the seven major local telephone companies.



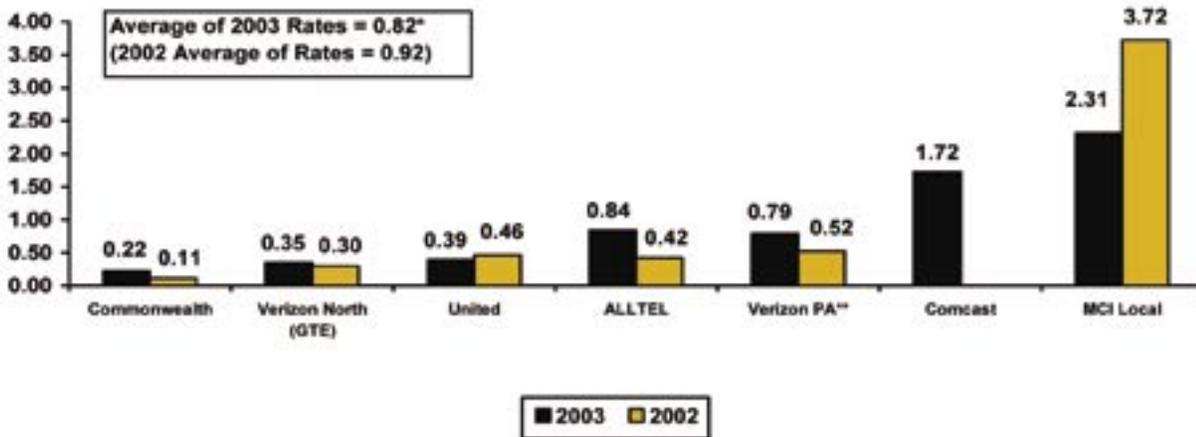
2003 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies



* Justified consumer complaint rate based on a probability sample of cases in 2003.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- In 2003, the BCS received more complaints from customers about the telephone industry than it did in 2002. Consumer complaint rates increased for all of the major companies except MCI Local. BCS did not calculate a consumer complaint rate for Comcast in 2002.
- For 2003, the industry average for consumer complaint rate is 1.57 while the justified consumer complaint rate is 0.95.
- Appendix D, Table 4, shows the number of consumer complaints and justified consumer complaints for each major telephone company in both 2002 and 2003.

2002-03 Justified Residential Consumer Complaint Rates Major Local Telephone Companies

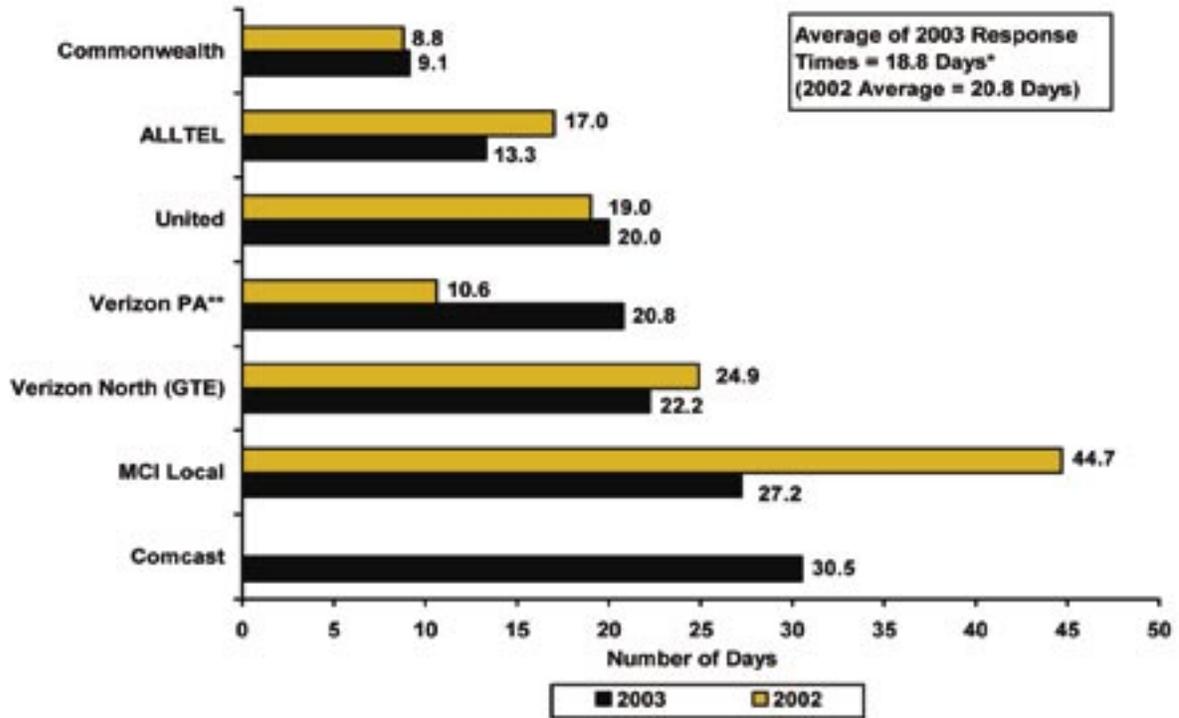


* This average excludes Comcast to allow for a uniform multi-year comparison.

** Based on a probability sample of cases for 2003.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The 2002 consumer complaint rates have been recalculated from the 2002 UCARE Report to include competition consumer complaints.
- Considering only the six major companies that were tracked in both 2002 and 2003 (Comcast was not tracked in 2002), the industry's average justified consumer complaint rate decreased from 2002 to 2003.
- For the individual companies, the justified consumer complaint rate increased for all but two of the major companies from 2002 to 2003.
- Appendix D, Table 4, shows the number of justified consumer complaints and the justified consumer complaint rates for each major telephone company in 2002 and 2003.

2002-03 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies



* This average excludes Comcast to allow for a uniform multi-year comparison.

** Based on a probability sample of cases for 2003.

- The 2002 response times have been recalculated from the 2002 UCARE Report to include competition consumer complaints.
- For the six companies included in last year's report, the average of response times decreased by two days from 2002 to 2003. Individually, three of the six companies decreased their average response times while three increased.
- Including Comcast in the calculation of the 2003 average of company response times would increase the average to 20.4 days.
- Appendix E shows the 2002 and 2003 response times to consumer complaints for each of the major telephone companies as well as for the major electric, gas and water utilities.

Payment Arrangement Requests

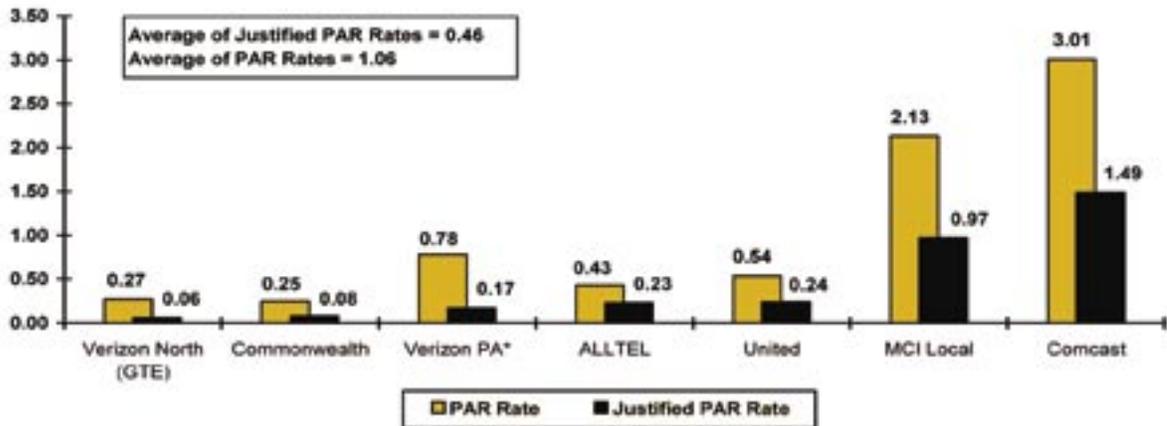
Telephone service consists of three components: basic service, nonbasic service and toll service. The BCS does not handle customer requests for payment arrangements that involve toll or nonbasic services. For the telephone industry, payment arrangement requests (PARs) are principally contacts to the BCS or to companies involving a request for payment terms for arrearages associated with basic service. Most PARs are cases relating to the suspension of telephone service for nonpayment. Suspension of telephone service involves the temporary cessation of service without the consent of the customer and occurs when the customer owes the local telephone company money. If the customer does not pay or make arrangements to pay the amount owed, the company proceeds to terminate the customer's service, which is the permanent cessation of service. Most customers contact the BCS to request payment arrangements 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 PARs have been separated from telephone PARs that also involve a dispute. During 2003, the BCS handled 4,719 PARs from residential customers of local telephone companies. Of these cases, 4,227 PARs were from residential customers of the seven major telephone companies: ALLTEL, Comcast, Commonwealth, MCI Local, United, Verizon North (GTE), and Verizon PA.

As previously mentioned, the BCS has used sampling over the years to evaluate the large volume of cases it receives from the largest major companies. Given the large volume of PARs from Verizon PA customers, the BCS evaluated a representative sample of the company's PARs to determine justified rate and response time. The BCS believes that the size of the sample gives a reasonable indication of the company's performance.

The 2002 and 2003 payment arrangement request figures for justified payment arrangement request rates and response times for the major telephone companies are presented in the tables that follow.

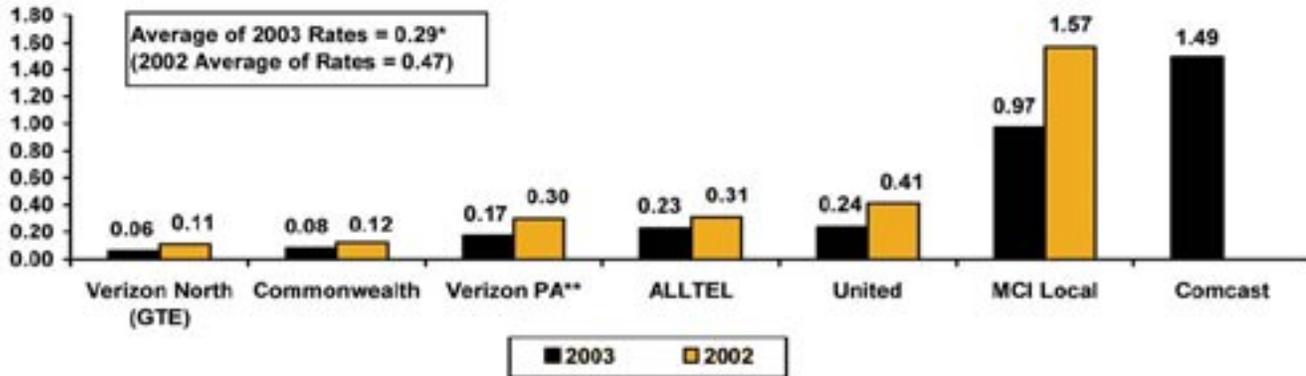
2003 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Local Telephone Companies



* Justified PAR rate based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- For 2003, the industry average for payment arrangement request rate is 1.06 while the justified payment arrangement request rate is 0.46. The 2002 PAR rate for the six major telephone companies was 0.81. The 2003 PAR rate for these same six major companies (without Comcast) is 0.73.
- Appendix F, Table 4, presents the number of payment arrangement requests, the payment arrangement request rates, and justified payment arrangement requests for each major telephone company in 2002 and 2003.

2002-03 Justified Residential Payment Arrangement Request Rates Major Local Telephone Companies

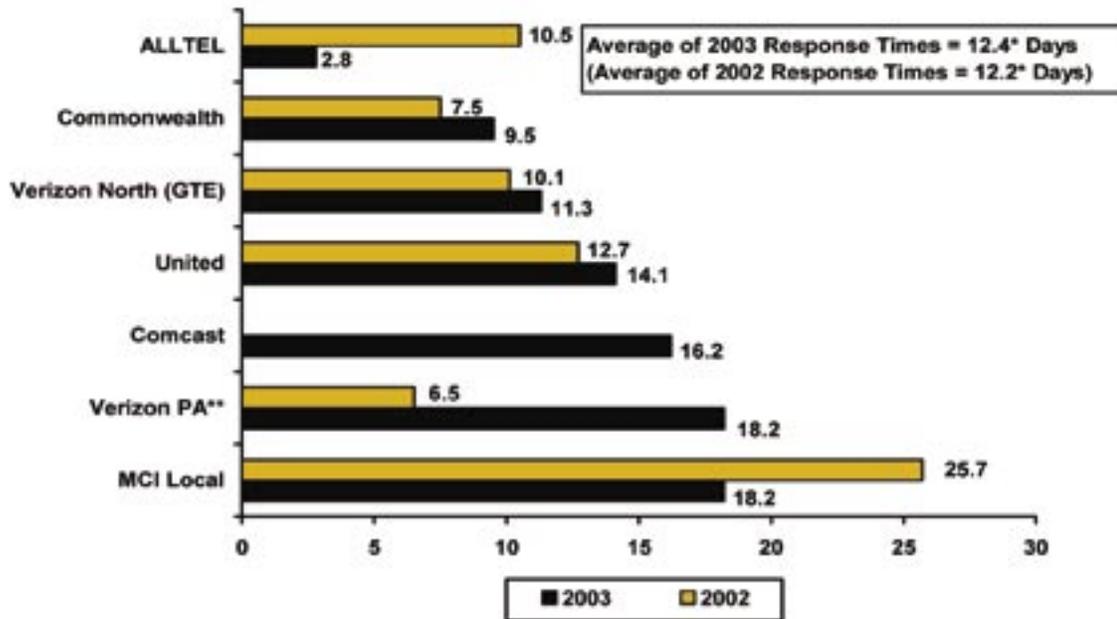


* This average excludes Comcast to allow for a uniform multi-year comparison.

** Based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The 2002 justified payment arrangement request rates have been recalculated to include competition PARS.
- For the six major telephone companies presented in both the 2002 and 2003 reports, the industry average justified PAR rate declined from 2002 to 2003. The rates also declined for each of the six individual companies.
- Including Comcast in the calculation of the 2003 average justified PAR rate would increase the rate to 0.46.
- Appendix F, Table 4, shows the number of justified payment arrangement requests and the justified payment arrangement request rate for each major telephone company in 2002 and 2003.

2002-03 Response Time to BCS Residential Payment Arrangement Requests Major Local Telephone Companies



* This average excludes Comcast to allow for a uniform multi-year comparison.

** Based on a probability sample of cases.

- The 2002 response times have been recalculated to include competition PARs.
- For the six companies reviewed in both the 2002 and 2003 reports, the industry average response time to PARs was stable from 2002 to 2003.
- Including Comcast in the calculation of the 2003 average response time to PARs, the average is 12.9 days.
- Appendix G shows the 2002 and 2003 response times to payment arrangement requests for each of the major telephone companies as well as for the major electric, gas and water utilities.

Termination of Service

Chapter 64 defines suspension as a temporary termination of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent end of service after a suspension without the consent of the customer. Most payment arrangement requests are cases relating to the termination of telephone service and are registered during the suspension phase. Many customers who have their basic service suspended are able to make payment arrangements and avoid shut-offs. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. For the telephone industry, termination rate is based on the number of basic service terminations per 1,000 residential customers. Shifts in terminations can signal potential problems with customers maintaining basic telephone service and reflect the impact of Universal Service programs.

Residential Service Terminations/Termination Rates Major Local Telephone Companies

Company Name	Residential Service Terminations				Termination Rates		
	2001	2002	2003	% Change in # 2002-03	2001	2002	2003
ALLTEL	4,068	3,912	7,164	83%	23.18	21.93	27.92
Comcast	N/A	N/A	10,500	N/A	N/A	N/A	97.26
Commonwealth	4,416	5,352	5,628	5%	17.91	21.49	22.76
MCI Local	14,136	18,696	29,040	55%	93.19	95.49	118.02
United	6,852	8,148	5,976	-27%	23.89	28.46	20.99
Verizon North (GTE)	18,600	21,996	22,236	1%	37.57	43.99	44.75
Verizon PA	151,236	146,664	143,388	-2%	38.14	38.63	37.90
Major Telephone	199,308	204,768	223,932	9%			
Average of Rates					38.98	41.67	45.39*

N/A = Not Available

*This average excludes Comcast to allow for a uniform multi-year comparison.

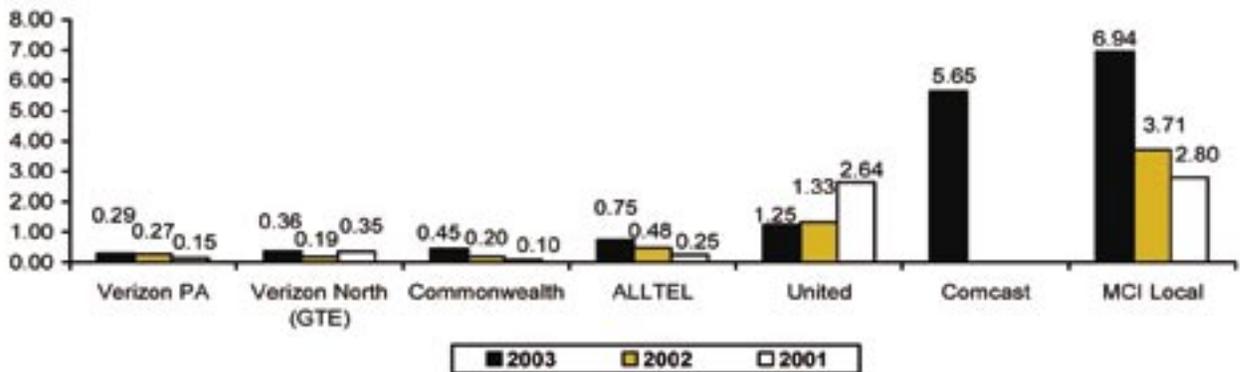
- Comcast's termination statistics are not available for 2001-2002.
- Overall, the basic service termination rate for major telephone companies increased from 2002 to 2003.

Compliance

The BCS's primary compliance effort is the informal compliance process. Through informal compliance notifications, this process provides companies with specific examples of apparent problems that may reflect infractions of the Commission's *Standards and Billing Practices for Residential Telephone Service* (Chapter 64) and the telephone regulations for quality of service (Chapter 63). The informal notification process also enables the BCS to provide companies with written clarifications and explanations of Chapter 64 and Chapter 63 provisions and BCS policies. The informal compliance process is specifically designed to identify systematic errors. Companies can then investigate the scope of the problem and take corrective action. Appropriate corrective action usually involves modifying a computer program, revising the text of a notice, a billing or a letter, changing a company procedure, or providing additional staff training to ensure the proper implementation of a sound procedure.

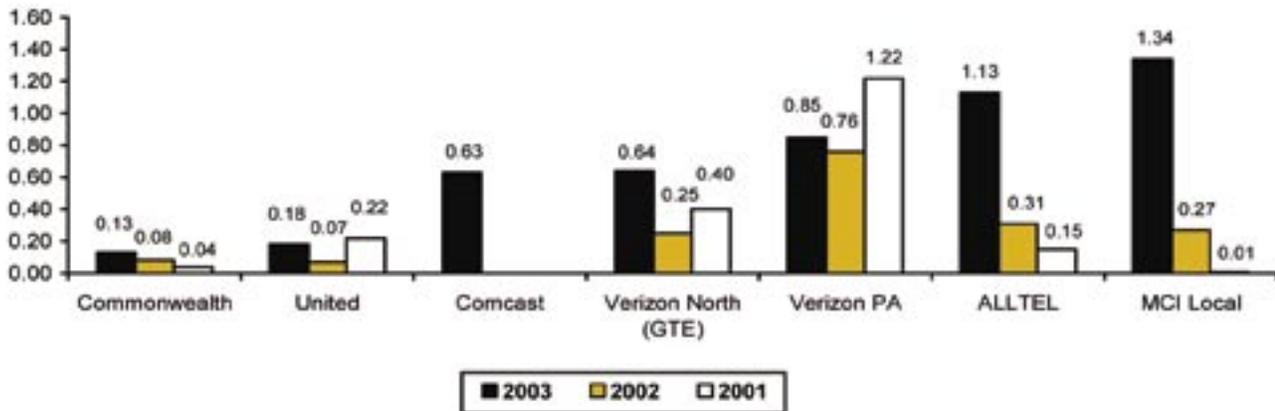
The infraction statistics are drawn from all informal complaints that residential consumers filed with the BCS from 2001 through 2003. The data for the Chapter 63 and Chapter 64 infraction information was retrieved from the BCS Compliance Tracking System as of June 2004. The chart that follows and the infraction statistics in Appendix H, Table 4, present Chapter 64 infraction statistics for the seven major telephone companies.

Commission Chapter 64 Infraction Rate Major Local Telephone Companies



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Comcast's Chapter 64 infraction statistics are not available for 2001 and 2002.
- The number of informally verified infractions of 52 Pa. Code Chapter 64 *Standards and Billing Practices for Residential Telephone Service* reported by the BCS for the six major local exchange carriers that appear in both the 2002 and 2003 UCARE Reports increased by 50 percent from 2002 to 2003. This increase is attributed to the rise in infractions by five of the major companies.

Commission Chapter 63 Infraction Rate Major Local Telephone Companies



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Comcast's Chapter 63 infraction statistics are not available for 2001 and 2002.
- The number of informally verified infractions of telephone regulations for quality of service for the six major local exchange carriers that appear in both the 2002 and 2003 UCARE Reports increased by 31 percent from 2002 to 2003. All six of these major companies had more verified infractions of Chapter 63 in 2003 than they had in 2002.

Telephone Universal Service Programs

As part of its ongoing responsibilities, the BCS monitors the universal service programs of local telephone companies. For the telephone industry, universal service programs include Link-Up America (Link-Up), Lifeline Service (Lifeline) and the Universal Telephone Assistance Program (UTAP). In 1989, the Commission approved the implementation of Pennsylvania's first universal service program for telephone companies, Link-Up America. At the end of 1996, the Commission directed all telecommunications providers of local service to file Lifeline service plans. By May 1997, the Federal Communications Commission's (FCC) Universal Service Order stated that all eligible telecommunications carriers should be required to provide Lifeline service to qualified low-income customers regardless of whether states provide matching funds. On July 31, 1997, the Commission mandated that all telephone companies offering residential service file Lifeline service plans. By December 1997, the Commission approved Lifeline service plans for 44 telephone companies. January 1998 marked the statewide implementation of telephone companies' Lifeline programs. The discussion below describes the universal service programs for the telephone industry in 2003.

Lifeline and Lifeline 150 Service

The Lifeline program was implemented to help low-income customers maintain basic telephone service by providing a monthly credit for basic service. The 1999 Lifeline program targeted those customers who had incomes at or below 100% of the federal poverty guidelines, who received Supplemental Security Income or who participated in certain Pennsylvania Department of Welfare programs. Lifeline service provided eligible customers a credit toward their basic monthly phone charges with the option of choosing one-party residence unlimited service or local measured service (if it was available). Lifeline service did not permit customers to subscribe to call waiting or other optional services. However, Lifeline customers were permitted to subscribe to call trace service (at the appropriate charge) under special circumstances.

On September 30, 1999, the Commission approved a "Global Telecommunication Order" (Global Order) that among other things created the Lifeline 150 program. All companies except Verizon PA f/k/a Bell Atlantic PA were directed to discontinue the Lifeline program and implement the Lifeline 150 program. Customers with incomes up to 150% of the federal poverty guidelines and who participate in certain assistance programs¹ are eligible for this program. Under the Lifeline 150 program, customers are allowed to subscribe to one optional service such as voice mail or call waiting at cost.

¹ These programs are as follows: General Assistance (GA); Supplemental Security Income (SSI); Temporary Assistance for Needy Families (TANF); Food Stamps, Low Income Home Energy Assistance Program (LIHEAP); Medicaid, Federal Public Housing Assistance; and State Blind Pension.

In addition, the Global Order permitted the continuation of Bell Atlantic PA's 1999 Lifeline program along with the creation of the company's Lifeline 150 program. Therefore, Verizon PA's original 1999 Lifeline Service is still available to eligible customers. However, these customers also have the option of selecting Verizon PA's Lifeline 150 program, which would provide them with a credit and allow them to have one optional service. As a result of the Commission's order addressing the merger of Bell Atlantic PA and GTE North, Verizon North f/k/a GTE North is also required to offer Lifeline service under the same terms and conditions as Verizon PA.

As of July 2003, the monthly credit¹ was \$7.84 for the Lifeline 150 program and \$11.59 for the Verizon companies' Lifeline program.

Lifeline/Lifeline 150 Service Activity 2002-03

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2002	2003	2002	2003
ALLTEL	4,586	5,186	3,902	4,106
Comcast	N/A	421	N/A	329
Commonwealth	1,516	1,866	1,195	1,485
MCI Local	669	809	434	555
United	1,569	1,918	1,563	1,913
Verizon North (GTE)*	7,809	7,968	6,890	6,763
Verizon PA*	157,840	189,588	95,969	118,987
Total	173,989	207,756	109,953	134,138

*The 2002-2003 figures for both Verizon PA and Verizon North include statistics for both the Lifeline and Lifeline 150 programs.

N/A = Not Available

Link-Up

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 residential telephone line. The program targets those customers who have incomes at or below 150% of the federal poverty guidelines, who receive Supplemental Security Income or who participate in certain Pennsylvania Department of Welfare assistance programs. The following table presents the number of Link-Up connections reported by major local companies.

¹ The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

Link-Up Connections 2002-03

Company	Number of Connections 2002	Number of Connections 2003
ALLTEL	932	464
Comcast	N/A	21
Commonwealth	502	985
MCI Local	14	2
United	34	27
Verizon North (GTE)	750	1,397
Verizon PA	59,583	52,659
Total	61,815	55,555

N/A = Not Available

Universal Telephone Assistance Program (UTAP)

Verizon PA implemented a Universal Telephone Assistance Program (UTAP) along with its Lifeline service program as part of a settlement agreement that was approved by the Commission in 1995. Verizon PA is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a pre-existing basic service arrearage) to restore their basic telephone service. The Salvation Army manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2003 was \$104. Overall, UTAP distributed \$1,237,395 in financial assistance to 11,951 of Verizon PA's Lifeline customers in 2003.

For more information about the telephone universal service programs, readers may contact Lenora Best in the PUC's Bureau of Consumer Services at (717) 783-9090 or by e-mail at lebest@state.pa.us.

7. Other Consumer Activities of the Commission

Office of Communications

The Office of Communications is a 10-member team focused on informing Pennsylvanians about PUC activities and utility issues. PUC Communications accomplishes this goal through its three primary functions: media relations, public outreach and employee communications. The office works to promote the Commission and its mission to the public, while enhancing media and consumer understanding of critical energy, telecommunications, water and transportation services.

Media relations personnel distribute Commission information and decisions to the media, the public, utility customers, and state, local and federal officials and agencies.

Public outreach personnel develop educational materials for consumers and speak to consumers about special awareness campaigns. They also review utilities' local consumer-education materials to ensure they meet the Commission's plain-language guidelines.

Employee communications personnel provide information and communications services to Commission staff; coordinate quarterly reports on telecommunications and energy competition and industries; prepare the monthly employee newsletter; and maintain and update the Commission Website, www.puc.state.pa.us.

Staff serves on the Council for Utility Choice (CUC); the Small Water Company Task Force; and the Demand Side Response, Interconnection Standards and Telecommunications Quality of Service working groups. Staff administers the Consumer Advisory Council.

Outreach Summary

The Commission's public outreach team plays a vital role in educating consumers about important utility issues. By traveling across the state to conduct workshops and participate in statewide roundtable discussions, public events, and senior events, the outreach specialists are able to better understand the issues and problems that consumers face on a daily basis. The Consumer Information Specialists' territory covers all 67 counties in the Commonwealth.

In 2003, the Consumer Information Specialist for Central and Western Pennsylvania coordinated and participated in eight utility and aging roundtable discussions, led and participated in 24 workshops, 18 senior fairs, two national conferences and 61 consumer-education planning meetings. Through these efforts, more than 18,000 individuals were directly reached in the Central and Western regions of the Commonwealth. In addition, Utility Choice and other informational brochures

were distributed in public housing communities, apartment complexes, and senior daycare and community centers.

Also in 2003, two major “Be UtilityWise” events were held in Pittsburgh and Harrisburg promoting consumer awareness and providing utility-related education to health and social service agencies, which in turn promote access, awareness and outreach to consumers in need. The events were created and coordinated by the Consumer Information Specialist, staff and representatives from local utility companies and community-based organizations.

The Central and Western Pennsylvania Consumer Information Specialist chairs the Tri-Region and Pittsburgh “Be UtilityWise” advisory committees, is a Board member of the Pennsylvania Energy, Utilities and Aging Consortium, and a member of various consumer-education forums and committees.

In 2003, the Consumer Information Specialist for Eastern Pennsylvania participated in 25 workshops, five energy fairs, four expos, two conferences, eight statewide roundtable discussions, 25 planning committee meetings, and one train-the-trainer session. Through these efforts, more than 19,000 individuals were directly reached in the Eastern region of the Commonwealth. In addition, more than 25,000 pieces of literature were distributed to Pennsylvania consumers through visits to various public schools, libraries, community and senior centers, neighborhood energy offices, as well as churches throughout Eastern Pennsylvania.

The Eastern Pennsylvania Consumer Information Specialist is the lead member or participant in the Pennsylvania Energy, Utilities and Aging Consortium, the Philadelphia “Be UtilityWise” Advisory Committee, the Council of Women in Leadership, and various other consumer-oriented councils and committees.

Utility Choice

In 2003, the Utility Choice program focused on educating Pennsylvanians and stimulating general market awareness in the areas where utility competition is greatest. The combined program efforts, including brochures, materials, earned media and grassroots activities reached more than 3.8 million consumers.

As of December 2003, the Utility Choice Website, www.utilitychoice.org, reached 17.5 million hits. The Website focuses on three utility industries -- electric, natural gas and local telephone -- and features information on how to shop for each service, including detailed questions to ask potential providers and suppliers, an online calculator to determine possible savings, a list of consumer protections, lists of providers by county, and glossaries of commonly used terms.

The grassroots team reached out to approximately 58,000 limited-income audience members and more than 150 community-based organization caseworkers, and distributed more than 110,000 Utility Choice brochures through events, workshops

and mailings. They also distributed 17,000 brochures and reached nearly 180,000 members of the African-American community and 85,000 members of the Latino community through grassroots events, including outreach to barbershops and hair salons.

Consumer surveys in 2003 revealed nearly 80% of Pennsylvanians are aware they can choose a local telephone provider and nearly 26% have shopped for local service. In addition, 86% of African-Americans and 80% of Latinos are aware they have a choice for their local telephone provider. Also, 55% of Pennsylvanians are aware they can choose their natural gas supplier.

Staff of the Office of Communications



Staff of the Office of Communications (front row, left to right): Eric Levis, Press Secretary; Tom Charles, Manager of Communications; and Shari Williams, Information Specialist. Back row, left to right: Jill Helsel, Information Specialist; Lori Shumberger, Clerk Typist 2; Karen Chevarria, Special Projects Coordinator; Cyndi Page, Web Site Coordinator; Lynn Williams, Information Specialist; Christina Chase-Pettis, Information Specialist; and Sharon Wilmarth, Information Specialist.

The PUC Consumer Advisory Council

The purpose of the Consumer Advisory Council (CAC) is to advise the Commission upon matters relating to the protection of consumer interests under the jurisdiction of the Commission. The Council acts as a source of information and advice for the Commission. Interactions between the Council and the Commission occur through periodic meetings and in writing, via minutes of meetings, formal motions, and letters. Council meetings are generally held on the fourth Tuesday of the month in the Commonwealth Keystone Building in Harrisburg, at 10 a.m., and are open to the public. See Appendix I for a complete list of CAC members.

Qualifications and Appointment of Council Members

The following elected officials may each appoint one representative to the Commission 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. The Commission appoints additional “At-Large” representatives, 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 consumers. A person may not serve as a member 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, and may be re-appointed thereafter. Council officers serve for two-year terms. The Chairperson may not act for more than two consecutive terms.

2003 Consumer Advisory Council



Photo (from left to right): Hon. Joseph Capozzolo; Carl Kahl; Edward Burns; John Detman; and Chairman Harry Geller, Esq. Absent from photo: Cynthia Datig; Joseph Dudick, Jr.; Marcia Finisdore; Ivonne Bucher; Renardo Hicks, Esq.; Thomas Leach; Cheryl McAbee, Esq.; L. Brooks Mountcastle; Dr. Daniel Paul; Liz Robinson; Linda Roth; Howard Shakespeare.

2003 Consumer Advisory Council Activities

In 2003, the Consumer Advisory Council of the Pennsylvania Public Utility Commission continued to focus on issues arising from the restructuring of the electric, gas and telecommunications industries. Matters the Council addressed included the following:

- The Council was briefed on the loss of electric service in Central Pennsylvania as a result of unexpected winter storm events. A recommendation was made regarding the future communications process among company, county and state emergency personnel.
- The Council received a briefing and made a recommendation for the implementation of a test program in conjunction with the 711 relay program for those with hearing or speech loss.
- The Council approved and forwarded to the Commission a motion in support of ubiquitous availability of universal broadband services throughout the Commonwealth, including residential service, at comparable rates, at the earliest possible opportunity, but in no event later than January 1, 2009, with focus on those areas that are unserved or underserved.
- The Council, in regard to the Lifeline telephone assistance program, expressed its support for concepts and policies concerning the automatic enrollment of eligible consumers, the nondiscriminatory availability of other telecommunications services and independent income eligibility criteria to the members of the Commission with a recommendation that they support such concepts and policies.
- The Council wrote a letter to the Commission requesting a review of the heat-wave emergency procedures employed by Commission staff and utility company personnel to assist vulnerable populations and requested that where appropriate those policies be made current.
- The Council received periodic reports concerning CUC supported educational activities. The CAC encouraged and supported the efforts of the CUC to conduct grassroots educational programs regarding competition, Lifeline and Link-Up, conservation awareness, as well as informational alerts to consumers to prepare for expected rises in natural gas costs.
- During the course of the year, the CAC received a report on the Low Income Usage Reduction Program and began a review of conservation policies and initiatives.

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 Board is to review the success of TRS and identify improvements that should be implemented. The Board functions primarily as a TRS consumer group by providing feedback and guidance to the TRS provider regarding communication assistant training, problem solving and service enhancements.

The Board 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 Board a status report of its activities which include call volumes, new service offerings, complaint handling and outreach plans.

Pennsylvania Relay Service Advisory Board Members



Board Members -- Seated (left to right): Gary Bootay; Diana Bender (Chairman) and Donald R. Lurwick (Vice Chairman). Standing (left to right) Mitchell Levy; Eric Jeschke; Teresa Nellans (Guest); and Steve Samara. Absent from photo: Lenora Best; Douglas Hardy; Robert Kennedy; Lois Steele and Kenneth Puckett.

¹ TRS is a telecommunications service that allows people that are deaf or hard of hearing, or persons with speech and language disorders 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 centers are located in Scranton and New Castle, and are operated by AT&T of Pennsylvania.

The 12 members of the Board are appointed by the Commission and serve two-year terms. The Commission requires that the Board consist of one representative from the Pennsylvania Telephone Association, the Office for the Deaf and Hard of Hearing (ODHH), and the TRS provider (AT&T of Pennsylvania); two representatives from the Commission and seven representatives from the deaf, hard of hearing and speech disabled communities. During 2003, board members from the deaf, hard of hearing, and speech disabled communities included representatives from the following organizations: Pennsylvania Society for Advancement of the Deaf, Self-Help for Hard of Hearing, Central Pennsylvania Association for the Deaf & Blind, and Pennsylvania State Grange. See Appendix J for the Board membership listing.

As a user group, the Board meeting agenda items are primarily related to quality of service issues for improving relay service. However, since the establishment of the PRSAB, the Board has advised the Commission on many critical policy issues that affect TRS users. The below highlights are some of the issues addressed by the Board in 2003.

2003 Highlights

As with previous years, much of the Board's discussions in 2003 focused on outreach, the full implementation of 711, and on ways to improve the TRS¹.

- An ongoing concern for the Board is public awareness of TRS. The Board's discussion in 2003 centered on the development of a two-year consumer education outreach campaign to increase the hearing community's awareness of TRS. The Public Education Advisory Committee² evaluated proposals and presented its recommendation to the Commission for a \$500,000 per-year consumer outreach campaign. On June 5, 2003, the Commission issued a Secretarial Letter that directed AT&T to implement a two-year consumer education outreach campaign.

¹ The total volume of calls through the Pennsylvania TRS decreased 7 percent from 2002 to 2003. AT&T reported that it handled 1,806,539 relay calls in 2003. TRS callers used the relay services to make 1,653,072 intrastate calls, 152,884 interstate calls and 583 international calls.

² On July 18, 2002, the Commission issued a Secretarial Letter that established the Public Education Advisory Committee to evaluate proposals for the outreach campaign and make a recommendation for the Commission's approval. The Committee included the Commission's Manager of Communications, an AT&T representative and three members of the 2002 Board.

- At its January 16, 2003, meeting the Board adopted a motion to request that the Commission permit Ultratec® to conduct a nine-month trial of its CapTel telephone service. CapTel¹ is a form of relay service that uses a captioning service, voice recognition technology and a special telephone that connects to the captioning service. It is designed to be used by individuals who experience some degree of hearing loss who can speak. With the Commission's approval the CapTel trial began in May 2003 with 156 participants.
- Board members discovered that not all payphones provide 711 access to the relay service. The Federal Communications Commission (FCC)² requires that all payphones provide TRS users with 711 access. However, if the payphone is not programmed TRS users cannot make calls from the payphone. Given this concern, the BCS contacted the Central Atlantic Payphone Association (CAPA) and several large payphone providers about this problem. In addition, BCS conducted inspections of payphones throughout the state to determine which payphones were in compliance with the FCC rules. CAPA notified its members to make sure all phones provide access to 711. BCS advised Board members that payphone access problems should be reported to BCS with the location of the payphone, the payphone number and name of the company or owner. BCS will inspect payphones for 711 access as part of its routine inspections of payphones.
- The Telecommunications Device Distribution Program (TDDP) provides qualified people who are deaf, hard of hearing, deaf-blind or have speech disorders with devices to help them use telecommunications services. As of December 2003, TDDP spent \$200,991 to distribute 858 pieces of communications equipment.
- Other TRS service-related issues were also discussed in 2003. These issues included the cost of translating American Sign Language (ASL) to English, the availability of video relay, Internet relay service, speech to speech, wireless service and TRS funding.

For more information about the Pennsylvania Relay Service Advisory Board, contact Kathryn Sophy, PUC Liaison and Legal Adviser at (717) 346-2615. To learn more about TRS, call 1-800-682-8706 or go to the PA Relay Website at www.parelay.net or the Commission's Website at www.puc.state.pa.us.

¹ A CapTel user's call is automatically connected to the captioning service. The CapTel operator transcribes the other party's conversation using a voice recognition system that produces written captions that are displayed on the user's CapTel phone.

² FCC 00-257 Second Report and Order July 21, 2000.

Glossary of Terms

Competitive Local Exchange Carrier (CLEC) - A competitive local exchange carrier (LEC) that provides basic local telephone and/or toll services as a reseller, a facilities-based carrier, or a combination reseller/facilities-based provider.

Consumer Complaint Rate - The number of consumer complaints per 1,000 residential customers.

Consumer Complaints - Cases to the Bureau of Consumer Services involving billing, service, rates and other issues not related to requests for payment terms.

Cramming - The submission or inclusion of unauthorized, misleading or deceptive charges for products or services on an end-user customer's local telephone bill.

Customer Assistance Program (CAPs) - Alternative collection programs set up between a utility company and a customer that allow low-income, payment troubled customers to pay utility bills that are based on household size and gross household income. CAP participants agree to make regular monthly payments, which are usually less than the current bill, in exchange for continued utility service.

Electric Distribution Company (EDC) - Owner of the power lines and equipment necessary to deliver purchased electricity to the customer.

Electric Generation Supplier (EGS) - A person or corporation, generator, broker, marketer, aggregator or other entity, that sells electricity, using the transmission or distribution facilities of an electric distribution company (EDC).

Hardship Funds - Utility-sponsored funds that provide cash assistance to low-income utility customers to help them pay their utility bills.

Incumbent Local Exchange Carriers (ILEC) - Currently, there are 37 facilities-based local telephone companies that provide basic local telephone service and/or toll services.

Infraction - A misapplication or infringement of a Commission regulation, particularly the standards and billing practices for residential utility service.

Infraction Rate - The number of informally verified infractions per 1,000 residential customers (includes infractions drawn from both consumer complaints and payment arrangement requests).

Inquiries - Consumer contacts to the Bureau of Consumer Services that, for the most part, require no follow-up investigation beyond the initial contact.

Justified Consumer Complaint Rate - The number of justified consumer complaints per 1,000 residential customers.

Justified Payment Arrangement Request Rate - The number of justified payment arrangement requests per 1,000 residential customers.

Local Exchange Carrier (LEC) - A public utility which provides basic telephone service either exclusively or in addition to toll service.

Natural Gas Distribution Company (NGDC) - A natural gas utility regulated by the PUC that owns the gas lines and equipment necessary to deliver natural gas to the consumer.

Natural Gas Supplier (NGS) - An entity other than an NGDC that sells or arranges to sell natural gas to customers using the distribution lines of an NGDC.

Payment Arrangement Request Rate - The number of payment arrangement requests per 1,000 residential customers.

Payment Arrangement Requests (PARs) - Consumer requests for payment arrangements principally include contacts to the Commission'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 the customer wants to retire an arrearage.

Problem Categories - A breakdown of residential consumer complaints by specific problem categories such as billing, credit and deposits, service quality, rates, etc.

Response Time in Days - Response time is the time span in days from the date of the BCS'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 BCS with all of the information needed to resolve the case and determine whether or not the customer was justified in seeking a payment arrangement through the BCS. Response time quantifies the speed of a utility's response in resolving BCS cases. In this report, response time is presented as a mean number of days for each company.

Slamming - The unauthorized switching of a customer's service provider. In telecommunications, slamming refers to changing a customer's local exchange carrier or primary long-distance service provider without the customer's consent. In electric and gas, slamming refers to changing the customer's supply provider without customer authorization.

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

Appendices

Appendix A
2003 Residential Consumer Complaints
Non-Major Companies

Company	Number of Complaints
Electric	
Other Non-Major Electric Companies	6
TOTAL NON-MAJOR ELECTRIC	6
Gas	
PPL Utilities (NGDC)	36
T.W. Phillips (NGDC)	74
Other Non-Major Gas Companies	26
TOTAL NON-MAJOR GAS	136
Telephone*	
Conestoga Telephone & Telegraph Company	9
D&E Telephone Company	6
Frontier Communications of Breezewood	6
Frontier Communications of Pennsylvania	5
North Pittsburgh Telephone Company	7
Palmerton Telephone Company	6
Other Non-Major ILECs	34
TOTAL NON-MAJOR TELEPHONE	73

* Incumbent Local Exchange Carriers (ILECs)

Appendix B-1

Classification of Consumer Complaints Electric, Gas & Water

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.

Competition - Complaints about issues that are directly related to competition: enrollment/eligibility; application and licensing; supplier selection; changing/switching suppliers, which includes slamming; advertising and sales; billing; contracts; and credit and deposits. This category also includes any complaints about more general competition issues such as consumer education, pilot programs and restructuring.

Credit & Deposits - Complaints about a company's requirements to provide service: applicant must pay another person's bill, applicant must complete an application, applicant must provide identification, or applicant must pay 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.

Damages - Complaints about a company's lack of payment or lack of restored property related to damages to equipment, appliances or property due to service outages, company construction or repair, and improperly delivered or transferred service.

Discontinuance/Transfer - Complaints related to the responsibility for or the amount of bills after discontinuance or transfer of service: the customer requested discontinuance of service and the company failed 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.

Metering - Billing complaints directly related to the reading of or the failure to read the customer's meter and the accuracy of the meter readings (company reading, customer supplied reading, misreading).

Other Payment Issues - Complaints about the amount of budget bills or the transfer of a customer's debt to a collection agency.

Personnel Problems - Complaints about performance by company personnel: a company representative did not finish job correctly; a meter reader entered a customer's home to read the meter without knocking; company personnel will not perform a requested service; business office personnel treated the customer rudely; and overall mismanagement of a utility. This category also includes any complaints about sales such as appliance sales by the utility.

Rates - General or specific complaints about a utility's rates: general or specific rates are too high, the company's rates are being used to recover advertising costs, or the customer is being billed on the incorrect rate.

Scheduling Delays - Complaints about problems with a company's scheduling: delays in scheduling or repairing service or relocating poles, failures to keep scheduled meetings or appointments, and lack of accessibility to customers.

Service Extensions - Complaints about line extensions or installation of service: the responsibility for line extensions; the cost and payment for line extensions; inspection requirements; delay in installation; connection or disconnection of service; and denial of service extensions.

Service Interruptions - Complaints about service interruptions: the frequency of service interruptions, the duration of interruptions or the lack of prior notice regarding interruptions.

Service Quality - Complaints about a utility's product: The quality of the product is poor (water quality, voltage, pressure); the company's equipment is unsatisfactory or unsafe; the company fails to act on a complaint about safety; the company plans to abandon service; the company does not offer needed service; the company wants to change location of equipment; or the company providing service is not certified by the Commission (defactos).

Other - All other complaints that do not fit into the above categories including, but not limited to, complaints about termination procedures when there is no need for payment arrangements and complaints about delivered service from the utility.

Appendix B-2

Classification of Consumer Complaints Telephone

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 or initiate an investigation, and problems with auto dialers and fax machines.

Audiotex - Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services.

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.

Competition - Complaints about changing/switching service providers, slamming, cramming, competition-related billing problems, contracts, competition-related service problems and all other problems associated with competition in the telecommunications marketplace.

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.

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.

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.

Sales Nonbasic Services - Complaints related to the sale of nonbasic services including the availability of certain services.

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

Service Termination - Complaints about suspension or termination procedures when there is no need for a payment arrangement.

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

Unsatisfactory Service - Complaints about poor service quality, 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.

Other - All other complaints that do not fit into the above categories, including, but not limited to, complaints about extended area of service and the expansion of local calling areas, excessive rates from operator services that provide phone service to hospitals and hotels, and excessive coin phone rates.

Appendix C - Table 1
Consumer Complaint Categories: 2003*
Major Electric Distribution Companies

Categories**	Allegheny Power	Duquesne	Met Ed	PECO***	Penelec	Penn Power	PPL Utilities	UGI-Elec.	Electric Majors
Service Interruptions	33	23	94	87	46	15	39	0	337
Metering	69	11	37	48	31	4	127	6	333
Billing Disputes	25	27	41	65	41	14	104	5	322
Credit and Deposits	75	19	4	20	7	0	55	3	183
Discontinuance/Transfer	29	20	16	16	7	1	80	4	173
Service Quality	13	8	15	53	16	2	19	1	127
Service Extensions	18	5	26	7	28	2	13	0	99
Scheduling Delays	9	7	20	41	10	3	9	0	99
Damages	17	10	10	25	12	5	14	1	94
Personnel Problems	9	15	6	26	10	3	9	3	81
Other Payment Issues	6	12	4	11	4	1	19	0	57
Rates	1	2	11	2	9	0	6	0	31
All Other Problems	26	27	17	33	13	0	19	5	140
TOTAL*	330	186	301	434	234	50	513	28	2,076

*Categories are for residential complaints evaluated by the BCS as of June 18, 2004.
The case outcome may have been justified, inconclusive or unjustified.

**An explanation of the various complaint categories appears in Appendix B-1.

***PECO statistics include electric and gas.

Appendix C - Table 2

Consumer Complaint Categories: 2003* Major Natural Gas Distribution Companies

Categories**	Columbia	Dominion Peoples	Equitable	NFG	PG Energy	UGI-Gas	Gas Majors
Metering	133	93	76	37	10	111	460
Billing Disputes	32	17	60	22	11	39	181
Discontinuance/Transfer	29	20	40	21	10	24	144
Credit and Deposits	11	5	76	2	2	21	117
Other Payment Issues	5	29	53	5	7	8	107
Personnel Problems	26	17	37	10	1	14	105
Service Quality	23	25	11	6	3	5	73
Damages	29	9	6	3	1	9	57
Scheduling Delays	17	15	9	3	1	5	50
Service Extensions	22	7	3	9	1	2	44
Service Interruptions	15	11	8	1	1	2	38
Rates	3	2	2	0	0	1	8
All Other Problems	14	24	38	17	14	36	143
TOTAL*	359	274	419	136	62	277	1,527

*Categories are for residential complaints evaluated by BCS as of June 18, 2004.

The case outcome may have been justified, inconclusive or unjustified.

**An explanation of the various complaint categories appears in Appendix B-1.

Appendix C - Table 3
Consumer Complaint Categories: 2003*
Major Water Utilities

Categories**	PA-American	Philadelphia Suburban	Other "Class A" Water	All "Class A" Water
Metering	47	169	8	224
Billing Disputes	97	69	13	179
Discontinuance/Transfer	31	24	8	63
Service Quality	33	11	14	58
Scheduling Delays	19	17	3	39
Personnel Problems	14	18	6	38
Damages	26	7	5	38
Service Interruptions	11	1	6	18
Service Extensions	8	2	1	11
Other Payment Issues	7	3	1	11
Credit and Deposits	0	7	1	8
Rates	4	1	2	7
All Other Problems	40	53	2	95
TOTAL*	337	382	70	789

*Categories are for residential complaints evaluated by the BCS as of June 18, 2004. The case outcome may have been justified, inconclusive or unjustified.

**An explanation of the various complaint categories appears in Appendix B-1.

Appendix C - Table 4

Consumer Complaint Categories: 2003* Major Local Telephone Companies

Categories**	ALLTEL	Comcast	Common-wealth	MCI Local	United	Verizon North (GTE)	Verizon PA	Telephone Majors
Unsatisfactory Service	90	40	17	42	37	77	838	1,141
Service Delivery	61	60	24	189	40	106	627	1,107
Billing Disputes	29	76	16	112	84	56	488	861
Competition	4	40	5	167	14	12	98	340
Toll Services	14	34	22	24	51	15	173	333
Discontinuance/Transfer	3	4	2	73	16	6	156	260
Credit & Deposits	7	1	5	6	11	21	44	95
Non-Recurring Charges	1	6	1	1	6	3	75	93
Annoyance Calls	0	0	3	3	3	1	17	27
Service Terminations	0	4	2	9	2	0	9	26
Sales Nonbasic Services	0	3	1	4	2	1	7	18
Other	0	11	10	4	10	5	40	80
TOTAL*	209	279	108	634	276	303	2,572	4,381

* Categories are for residential complaints evaluated by BCS as of June 18, 2004.

The case outcome may have been justified, inconclusive or unjustified.

** An explanation of the various complaint categories appears in Appendix B-2.

Appendix D - Table 1
2002-03 Residential Consumer Complaint Statistics
Major Electric Distribution Companies

Company Name	2003 Residential Customers	Residential Consumer Complaints to BCS		Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2002	2003	% Change in #	2002	2003	2002	2003	
Allegheny Power	597,706	361	528	46%	0.61	0.88	91	146	0.24
Duquesne	526,288	384	332	-14%	0.73	0.63	56	61	0.12
GPU	N/A	742	N/A	N/A	0.78	N/A	176	N/A	N/A
Met Ed	452,026	N/A	536	N/A	N/A	1.19	N/A	187	0.41
PECO	1,409,261	1,825	1,782	-2%	1.32	1.26	506	741	0.53
Penelec	503,269	N/A	384	N/A	N/A	0.76	N/A	112	0.22
Penn Power	136,429	64	77	20%	0.47	0.56	9	26	0.19
PPL Utilities	1,148,302	1,264	1,490	18%	1.11	1.30	167	273	0.24
UGI-Electric	53,872	32	42	31%	0.59	0.78	7	6	0.11
Major Electric	4,827,153	4,672	5,171	11%	0.84⁴	0.94⁴	1,012	1,552	0.28⁴
Average of Rates									

¹Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers.

The case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 18, 2004.

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

⁴Does not include UGI-Electric.

Appendix D - Table 2

2002-03 Residential Consumer Complaint Statistics
Major Natural Gas Distribution Companies

Company Name	2003 Residential Customers	Residential Consumer Complaints to BCS		Consumer Complaint Rates ¹	Justified Consumer Complaints		
		2002	2003		2002	2003	
Columbia	353,348	545	740	1.56	2.09	110	221
Dominion Peoples	322,795	519	622	1.61	1.93	168	261
Equitable	235,736	531	687	2.22	2.91	123	192
NFG	195,306	160	208	0.82	1.06	16	43
PG Energy	139,384	81	76	0.58	0.55	7	17
UGI-Gas	262,816	327	400	1.28	1.52	41	94
Major Gas	1,509,385	2,163	2,733			465	828
Average of Rates				1.35	1.68		0.27

¹Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers.

The case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 18, 2004.

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

Appendix D - Table 3

2002-03 Residential Consumer Complaint Statistics Major Water Utilities

Company Name	Residential Consumer Complaints to BCS				Consumer Complaint Rates ¹		Justified Consumer Complaints	
	2003 Residential Customers	2002	2003	% Change in #	2002	2003	Numbers ² /Rates ³ 2002	Numbers ² /Rates ³ 2003
PA-American	562,255	524	424	-19%	0.94	0.75	102	157
Phila. Suburban	312,020	355	587	65%	1.13	1.88	149	349
Other Class A	149,642	90	112	24%	0.61	0.75	22	21
Major Water	1,023,917	969	1,123	16%			273	527
Average of Rates					0.89	1.13		0.27
								0.51

¹Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers.
The case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 18, 2004.

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

Appendix D - Table 4

2002-03 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2003 Residential Customers	Residential Consumer Complaints to BCS		Consumer Complaint Rates ¹		Justified Consumer Complaints		
		2002	2003	% Change in #	2002	2003	2002	2003
ALLTEL	175,758	116	220	90%	0.65	1.25	75	148
Comcast	107,960	N/A	306	N/A	N/A	2.83	N/A	186
Commonwealth	247,252	69	114	65%	0.28	0.46	27	54
MCI Local	246,058	881	791	-10%	4.50	3.21	729	569
United	284,644	267	292	9%	0.93	1.03	133	112
Verizon North (GTE)	496,914	217	329	52%	0.43	0.66	149	175
Verizon PA	3,783,367	4,108	5,928	44%	1.08	1.57	1,983	2,985*
Major Telephone	5,341,953	5,658	7,980	41%	1.31	1.57	3,096	4,229
Average of Rates								0.95

¹Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers.

The case outcome may have been justified, inconclusive or unjustified. The 2002 numbers and rates have been revised from the 2002 UCARE Report to include competition consumer complaints.

²Estimated based on the number of cases on CSIS as of June 18, 2004.

³Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers. The 2002 numbers and rates have been revised from the 2002 UCARE to include competition consumer complaints.

*Based on a probability sample of cases.

N/A = Not Available.

Appendix E

2002-03 Response Time: BCS Consumer Complaints

Company	Average Time in Days		Change in Days 2002 to 2003
	2002	2003	
Allegheny Power	16.3	15.8	-0.5
Duquesne	22.3	23.8	1.5
GPU	11.6	N/A	N/A
Met Ed	N/A	16.8	N/A
PECO	22.4	14.4	-8.0
Penelec	N/A	12.0	N/A
Penn Power	15.7	10.6	-5.1
PPL Utilities	25.5	23.3	-2.2
UGI-Electric	24.5	20.7	-3.8
Major Electric¹	19.0²	16.7²	-2.3²
Columbia	9.9	12.3	2.4
Dominion Peoples	26.4	24.4	-2.0
Equitable	28.6	26.0	-2.6
NFG	14.8	52.6	37.8
PG Energy	19.4	17.4	-2.0
UGI-Gas	13.5	23.6	10.1
Major Gas¹	18.8	26.0	7.2
PA-American	3.0	5.6	2.6
Phila. Suburban	7.5	35.2	27.7
Other Class A	21.2	33.7	12.5
Major Water¹	10.6	24.8	14.2
ALLTEL	17.0 ³	13.3	-3.7
Commonwealth	8.8 ³	9.1	0.3
Comcast	N/A	30.5	N/A
MCI Local	44.7 ³	27.2	-17.5
United	19.0 ³	20.0	1.0
Verizon North (GTE)	24.9 ³	22.2	-2.7
Verizon PA	10.6 ³	20.8*	10.2
Major Telephone¹	20.8³	20.4	-0.4

¹Average of response times.

²Does not include UGI-Electric.

³The 2002 response time has been revised from the 2002 UCARE Report to include competition consumer complaints.

*Based on a probability sample of cases.

N/A = Not Available.

Appendix F - Table 1

2002-03 Residential Payment Arrangement Request Statistics Major Electric Distribution Companies

Company Name	2003 Residential Customers		Residential Payment Arrangement Requests (PARs) to BCS		Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests*	
	2002	2003	2002	2003	2002	2003	2002	2003
Allegheny Power	597,706	5,099	4,497	5,099	7.56	8.53	1,130	1,192
Duquesne	526,288	7,298	7,762	7,298	14.76	13.87	1,784	1,077
GPU	N/A	N/A	5,333	N/A	5.62	N/A	533	N/A
Met Ed	452,026	3,178	N/A	3,178	N/A	7.03	N/A	599
PECO	1,409,261	9,327	8,546	9,327	6.17	6.62	1,712	1,934
Penelec	503,269	3,818	N/A	3,818	N/A	7.59	N/A	559
Penn Power	136,429	1,050	1,189	1,050	8.76	7.70	171	242
PPL Utilities	1,148,302	19,291	13,705	19,291	12.04	16.80	1,267	1,625
UGI-Electric	53,872	865	646	865	11.93	16.06	357	553
Major Electric	4,827,153	49,926	41,678	49,926	9.15⁴	9.73⁴	6,954	7,781
Average of Rates							1.58⁴	1.58⁴

¹Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers.

Case outcome may have been justified, inconclusive or unjustified.

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 18, 2004.

³Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

⁴Does not include UGI-Electric.

*Each company's figures are based on a probability sample of cases except for UGI-Electric.

N/A= Not Available.

Appendix F - Table 2

2002-03 Residential Payment Arrangement Request Statistics Major Natural Gas Distribution Companies

Company Name	2003 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		% Change in #	Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests*		
		2002	2003		2002	2003	Numbers ² /Rates ³ 2002	Numbers ² /Rates ³ 2003	
Columbia	353,348	3,022	4,124	36%	8.67	11.67	670	1,166	3.30
Dominion Peoples	322,795	7,569	10,010	32%	23.50	31.01	1,936	2,923	9.06
Equitable	235,736	6,612	7,573	15%	27.65	32.12	2,690	2,486	10.55
NFG	195,306	2,140	2,480	16%	10.96	12.70	703	530	2.71
PG Energy	139,384	1,149	1,380	20%	8.28	9.90	102	63	0.45
UGI-Gas	262,816	3,848	4,761	24%	15.05	18.12	2,404	2,514	9.57
Major Gas	1,509,385	24,340	30,328	25%			8,505	9,682	
Average of Rates					15.69	19.25		5.49	5.94

¹Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers.

Case outcome may have been justified, inconclusive or unjustified.

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 18, 2004.

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

Appendix F - Table 3

2002-03 Residential Payment Arrangement Request Statistics Major Water Utilities

Company Name	2003 Residential Customers		Residential Payment Arrangement Requests (PARs) to BCS		Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests	
	2002	2003	2002	2003	2002	2003	2002	2003
PA-American	562,255	2,198	2,029	2,198	3.65	3.91	346*	263
Phila. Suburban	312,020	1,243	555	1,243	1.76	3.98	171	514
Other Class A	149,642	373	374	373	2.52	2.49	73	63
Major Water	1,023,917	3,814	2,958	3,814	2.64	3.46	590	840
Average of Rates							0.55	0.85

¹Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers.
Case outcome may have been justified, inconclusive or unjustified.

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 18, 2004.

³Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

*Based on a probability sample of cases.

Appendix F - Table 4

2002-03 Residential Payment Arrangement Request Statistics Major Local Telephone Companies

Company Name	2003 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests		
		2002	2003	% Change in #	2002	2003	Numbers ² /Rates ³ 2002	Numbers ² /Rates ³ 2003	
ALLTEL	175,758	65	76	17%	0.36	0.43	55	41	0.23
Comcast	107,960	N/A	325	N/A	N/A	3.01	N/A	161	1.49
Commonwealth	247,252	48	62	29%	0.19	0.25	30	19	0.08
MCI Local	246,058	529	523	-1%	2.70	2.13	308	238	0.97
United	284,644	163	153	-6%	0.57	0.54	118	68	0.24
Verizon North (GTE)	496,914	121	136	12%	0.24	0.27	56	32	0.06
Verizon PA	3,783,367	3,111	2,952	-5%	0.82	0.78	1,147**	632**	0.17**
Major Telephone	5,341,953	4,037	4,227	5%			1,714	1,191	
Average of Rates					0.81	1.06			0.47

¹Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers. The 2002 numbers and rates have been revised from the 2002 UCARE Report to include competition PARS. Case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 18, 2004.

³Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers. The 2002 numbers and rates have been revised from the 2002 UCARE Report to include competition PARS.

**Based on a probability sample of cases.

N/A = Not Available.

Appendix G

2002-03 Response Time: BCS Payment Arrangement Requests

Company	Average Time in Days		Change in Days 2002 to 2003
	2002	2003	
Allegheny Power	5.4*	7.0*	1.6
Duquesne	13.7*	24.4*	10.7
GPU	2.7*	N/A	N/A
Met Ed	N/A	1.6*	N/A
PECO	7.6*	2.0*	-5.6
Penelec	N/A	2.1*	N/A
Penn Power	3.1*	1.7*	-1.4
PPL Utilities	12.4*	19.0*	6.6
UGI-Electric	3.1	17.2	14.1
Major Electric¹	7.5²	8.3²	0.8²
Columbia	8.3*	8.3*	No Change
Dominion Peoples	15.9*	17.3*	1.4
Equitable	27.1*	25.5*	-1.6
NFG	11.3*	24.1*	12.8
PG Energy	6.8	3.8*	-3.0
UGI-Gas	11.4*	19.5*	8.1
Major Gas¹	13.5	16.4	2.9
PA-American	5.5*	6.3*	0.8
Philadelphia Suburban	6.8	16.6	9.8
Other Class A	16.8	14.8	-2.0
Major Water¹	9.7	12.6	2.9
ALLTEL	10.5 ⁴	2.8	-7.7
Comcast	N/A	16.2	N/A
Commonwealth	7.5 ⁴	9.5	2.0
MCI Local	25.7 ⁴	18.2	-7.5
United	12.7 ⁴	14.1	1.4
Verizon North (GTE)	10.1 ⁴	11.3	1.2
Verizon PA	6.6 ⁴	18.2*	11.6
Major Telephone¹	12.2³	12.9	0.7

¹ Average of response times.

² Does not include UGI-Electric.

³ Does not include Comcast.

⁴ The 2002 response time has been revised from the 2002 UCARE Report to include competition PARs.

*Based on a probability sample of cases.

N/A = Not Available.

Appendix H - Table 1
2001-03 Infraction Statistics
Major Electric Distribution Companies

Company	2003 Residential Customers	Infractions			% Change 2002-03	Infraction Rates ¹		
		2001	2002	2003		2001	2002	2003
Allegheny Power	597,706	73	35	55	57%	0.12	0.06	0.09
Duquesne	526,288	41	19	21	11%	0.08	0.04	0.04
GPU	N/A	286	100	N/A	N/A	0.30	0.11	N/A
Met Ed	452,026	N/A	N/A	75	N/A	N/A	N/A	0.17
PECO	1,409,261	599	369	296	-20%	0.43	0.27	0.21
Penelec	503,269	n/a	n/a	57	N/A	N/A	N/A	0.11
Penn Power	136,429	6	1	6	500%	0.04	0.01	0.04
PPL Utilities	1,148,302	195	80	148	85%	0.17	0.07	0.13
UGI-Electric	53,872	11	3	6	100%	0.20	0.06	0.11
Major Electric	4,827,153	1,211	607	664	9%			

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.
N/A= Not Available.

Appendix H - Table 2
2001-03 Infraction Statistics
Major Natural Gas Distribution Companies

Company	2003 Residential Customers	Infractions			% Change 2002-03	Infraction Rates ¹		
		2001	2002	2003		2001	2002	2003
Columbia	353,348	97	47	98	109%	0.28	0.13	0.28
Dominion Peoples	322,795	415	139	201	45%	1.29	0.43	0.62
Equitable	235,736	100	79	105	33%	0.43	0.33	0.45
NFG	195,306	35	7	19	171%	0.18	0.04	0.10
PG Energy	139,384	13	4	12	200%	0.09	0.03	0.09
UGI-Gas	262,816	103	21	59	181%	0.41	0.08	0.22
Major Gas	1,509,385	763	297	494	66%			

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.

Appendix H - Table 3

2001-03 Infraction Statistics
Major Water Utilities

Company	2003 Residential Customers	Infractions			% Change 2002-03	Infraction Rates ¹		
		2001	2002	2003		2001	2002	2003
PA-American	562,255	47	85	149	75%	0.09	0.15	0.27
Phila. Suburban	312,020	171	158	397	151%	0.56	0.50	1.27
Other "Class A"	149,642	7	9	17	89%	0.05	0.06	0.11
Major Water	1,023,917	225	252	563	123%			

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.

Appendix H - Table 4
2001-03 Chapter 64 Infraction Statistics
Major Local Telephone Companies

Company	2003 Residential Customers	Infractions			% Change 2002-03	Infraction Rates ¹		
		2001	2002	2003		2001	2002	2003
ALLTEL	175,758	44	86	131	52%	0.25	0.48	0.75
Comcast	107,960	N/A	N/A	610	N/A	N/A	N/A	5.65
Commonwealth	247,252	24	50	112	124%	0.10	0.20	0.45
MCI Local	246,058	425	726	1,708	135%	2.80	3.71	6.94
United	284,644	757	381	356	-7%	2.64	1.33	1.25
Verizon North (GTE)	496,914	173	97	180	86%	0.35	0.19	0.36
Verizon PA	3,783,367	582	1,040	1,089	5%	0.15	0.27	0.29
Major Telephone	5,341,953	2,005	2,380	4,186	76%	1.05	1.03	2.24

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.
N/A = Not Available.

Appendix H - Table 5
2001-03 Chapter 63 Infraction Statistics
Major Local Telephone Companies

Company	2003 Residential Customers	Infractions			% Change 2002-03	Infraction Rates ¹		
		2001	2002	2003		2001	2002	2003
ALLTEL	175,758	26	56	199	255%	0.15	0.31	1.13
Comcast	107,960	N/A	N/A	68	N/A	N/A	N/A	0.63
Commonwealth	247,252	9	19	31	63%	0.04	0.08	0.13
MCI Local	246,058	2	53	329	521%	0.01	0.27	1.34
United	284,644	63	20	51	155%	0.22	0.07	0.18
Verizon North (GTE)	496,914	196	127	316	149%	0.40	0.25	0.64
Verizon PA	3,783,367	4,849	2,893	3,211	11%	1.22	0.76	0.85
Major Telephone	5,341,953	5,145	3,168	4,205	33%	0.34	0.29	0.70

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.

N/A= Not Available.

Appendix I

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Appendix J

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Consumer Access to the Public Utility Commission

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

Termination Hotline:	1-800-692-7380
Complaint Hotline:	1-800-782-1110
Utility Choice 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
P.O. Box 3265
Harrisburg PA 17105-3265**

Information about the PA PUC is available on the internet:

www.puc.state.pa.us

Information about Utility Choice is available on the internet:

www.utilitychoice.org

Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
www.puc.state.pa.us