



# 2004

## Utility Consumer Activities Report and Evaluation

Pennsylvania Public Utility Commission



# The Pennsylvania Public Utility Commission



Front row, left to right: Chairman Wendell F. Holland, Vice Chairman James H. Cawley and Commissioner Kim Pizzingrilli. Back row, left to right: Commissioner Terrance J. Fitzpatrick and Commissioner Bill Shane.

# Table of Contents

1.	<b>Consumer Contacts to the Bureau of Consumer Services (BCS)</b> .....	1
	<i>Charts and Tables</i>	
	Consumer Rating of the BCS's Service.....	3
	Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 2004.....	4
	Consumer Complaints by Industry 2003-04.....	5
	Payment Arrangement Requests by Industry 2003-04.....	7
	Categories of 2004 Inquiries.....	9
	Calls to the Commission's Competition Hotline.....	10
	Residential Consumer Complaints Not Included in Industry Chapters.....	11
	Informal Compliance Process & Infractions.....	16
2.	<b>Performance Measures</b> .....	18
	Consumer Complaint Rate.....	18
	Justified Consumer Complaint Rate.....	18
	Response Time to Consumer Complaints.....	19
	Payment Arrangement Request Rate.....	20
	Justified Payment Arrangement Request Rate.....	20
	Response Time to Payment Arrangement Requests.....	21
	Infraction Rate.....	22
	Termination Rate.....	22
	BCS Performance Measures & Industry Chapters.....	23
	Universal Service and Energy Conservation Programs.....	24
3.	<b>Electric Industry</b> .....	25
	Consumer Complaints.....	25
	Payment Arrangement Requests.....	30
	Termination of Service.....	33
	Compliance .....	34
4.	<b>Gas Industry</b> .....	36
	Consumer Complaints.....	37
	Payment Arrangement Requests.....	42
	Termination of Service.....	45
	Compliance.....	46

- 5. **Water Industry**.....47
  - Consumer Complaints..... 48
  - Payment Arrangement Requests.....52
  - Compliance..... 56
  - A Helping Hand and Low Income Rate.....57
  
- 6. **Telephone Industry** .....59
  - Consumer Complaints.....59
  - Payment Arrangement Requests..... 65
  - Termination of Service.....69
  - Compliance..... 70
  - Universal Service Programs.....72
    - Lifeline Service.....72
    - Lifeline 150..... 72
    - Link-Up .....73
  - Universal Telephone Assistance Program (UTAP).....74
  
- 7. **Other Consumer Activities of the Commission**.....75
  - Office of Communications/Outreach Summary..... 76
  - The PUC Consumer Advisory Council.....78
  - Pennsylvania Relay Service Advisory Board .....80
  
- Glossary of Terms**..... 83

## Appendices

A.	<b>2004 Residential Consumer Complaints</b>	
	Non-Major Companies.....	86
B.	<b>Classification of Complaints</b>	
	1. Electric, Gas & Water.....	87
	2. Telephone.....	89
C.	<b>Consumer Complaint Categories: 2004</b>	
	Table 1 - Major Electric.....	91
	Table 2 - Major Gas.....	92
	Table 3 - Major Water.....	93
	Table 4 - Major Telephone.....	94
D.	<b>2003-04 Residential Consumer Complaint Statistics</b>	
	Table 1 - Major Electric.....	95
	Table 2 - Major Gas.....	96
	Table 3 - Major Water.....	97
	Table 4 - Major Telephone.....	98
E.	<b>2003-04 Response Time: BCS Consumer Complaints</b>	99
F.	<b>2003-04 Residential Payment Arrangement Request Statistics</b>	
	Table 1 - Major Electric .....	100
	Table 2 - Major Gas.....	101
	Table 3 - Major Water.....	102
	Table 4 - Major Telephone.....	103
G.	<b>2003-04 Response Time: BCS Payment Arrangement Requests</b>	104
H.	<b>2002-04 Infraction Statistics</b>	
	Table 1 - Major Electric.....	105
	Table 2 - Major Gas.....	106
	Table 3 - Major Water.....	107
	Table 4 - Chapter 64 - Major Telephone.....	108
	Table 5 - Chapter 63 - Major Telephone.....	109
I.	<b>Consumer Advisory Council Members</b>	110
J.	<b>Pennsylvania Relay Service Advisory Board Members</b>	111
	<b>Consumer Access to the PUC</b> .....	Inside Back Cover

# 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 1,185,815 cases (consumer complaints and payment arrangement requests) and has received 853,899 opinions and requests for information (inquiries). The BCS received 120,694 utility customer contacts that required investigation in 2004. It is important to note that 50% 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' 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' toll free numbers. In 2004, slightly less 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' 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 2004-05 show that 84% 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 80% rated the service they received from the Commission as "good" or "excellent."

## Consumer Rating of the BCS's Service

How would you rate the service you received from the PUC (BCS)?	2003-04 Fiscal Year	2004-05 Fiscal Year
Excellent	65%	55%
Good	19%	25%
Fair	7%	12%
Poor	9%	8%

Overall, 76% of consumers felt the BCS handled their complaint either very quickly or fairly quickly. In addition, 84% 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, 91% of consumers indicated that the BCS staff person who took their call was either "very polite" or "fairly polite," and 90% described the BCS contact person as "very interested" or "fairly interested" in helping with the problem.<sup>1</sup>

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.

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<sup>1</sup>Consumer Feedback results as of June 2005.

## 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 3,701 cases from commercial customers in 2004. Of these cases, 493 were related to loss of utility service and 3,208 were consumer complaints. With respect to the 493 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 2004 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 2004 involved residential utility service.

### Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 2004

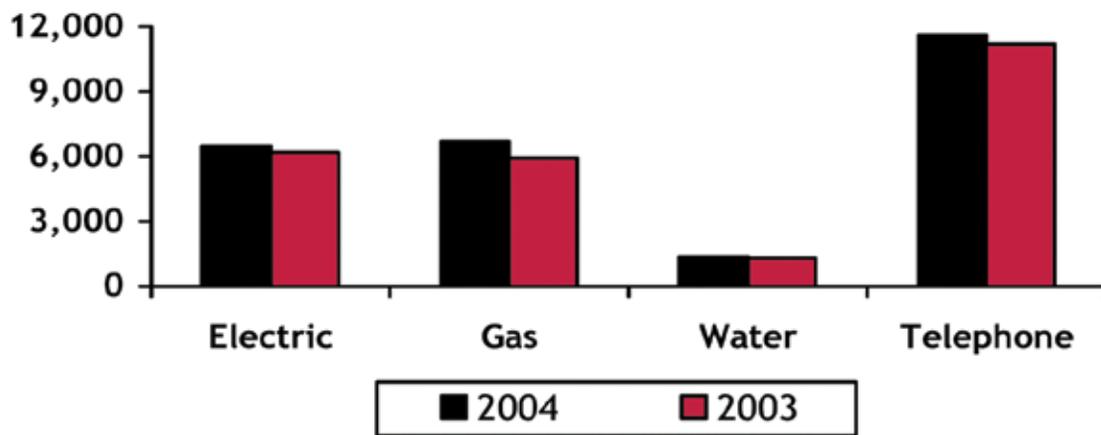
Industry	Consumer Complaints		Payment Arrangement Requests	Payment Arrangement Requests
	Residential	Commercial	Residential	Commercial
Electric	5,365	1,092	45,767	304
Gas	6,045	653	40,388	150
Water	1,189	188	3,806	16
Telephone	10,342	1,267	4,065	23
Other	24	8	2	0
<b>TOTAL</b>	<b>22,965</b>	<b>3,208</b>	<b>94,028</b>	<b>493</b>

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 2003-04



The BCS investigated 26,173 consumer complaints in 2004. Overall, the number of consumer complaints to the BCS increased by six percent from 2003 to 2004. Consumer complaints about electric, gas, water, sewer and steam heat increased by eight percent from 2003 to 2004. Also, consumer complaints about the telephone industry showed an increase of four percent from 2003 to 2004. During 2004, electric and gas utilities accounted for 25% and 26%, 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 44% 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' 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 2004 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 2004 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 2004.

## Payment Arrangement Requests

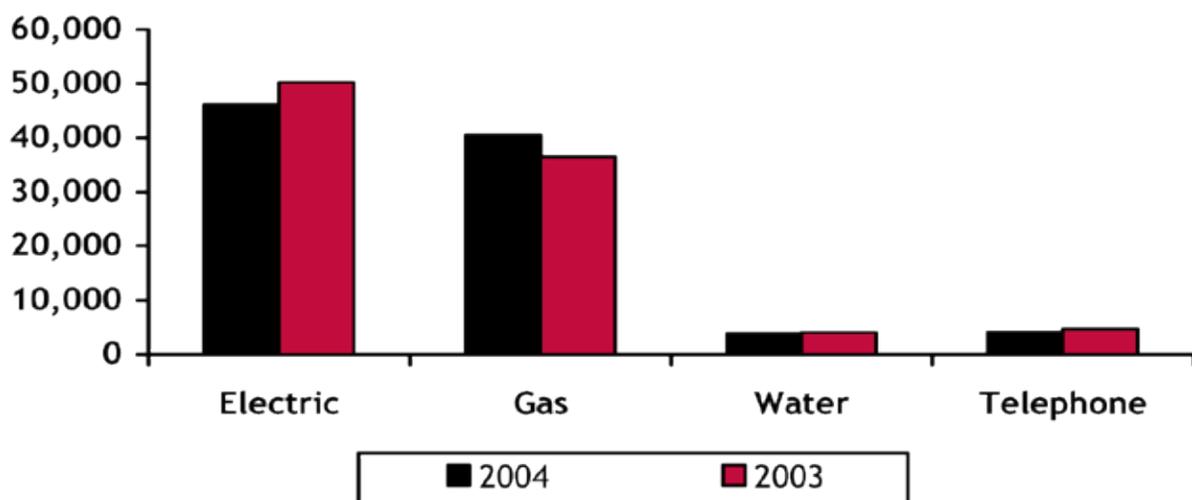
Payment arrangement requests (PARs) principally include contacts to the BCS or to utilities involving requests for payment terms in one of the following situations:

- 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 2004, the BCS handled 94,521 requests for payment arrangements from customers of the utilities under the Commission's jurisdiction. In approximately 11% 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 2003-04



Payment arrangement requests for electric, gas, water, sewer and steam heat decreased by less than one percent, from 90,761 in 2003 to 90,433 in 2004. For the telephone industry, the volume of payment arrangement requests decreased by 14%. There were 4,088 requests in 2004 compared to 4,735 in 2003. As in past years, the majority of requests for payment arrangements in 2004 involved electric or gas companies. Forty-nine percent of the PARs (46,071 cases) were from electric customers and 43% (40,538 cases) were from gas customers. Also, four percent of the PARs (3,822 cases) came from customers of various water utilities.

## **Inquiries and Opinions**

During 2004, the Bureau of Consumer Services and an independent call center received 92,541 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 2004 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 2004 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 781 cases accounted for less than one percent (0.8) of the inquiries in 2004.

The BCS is able to expand its list of reasons for contact as customers' reasons grow and change. Currently, the list includes 61 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 the various reasons for contact for the 2004 inquiries.

### Categories of 2004 Inquiries

Reason for Contact	Number	Percent
Termination or suspension of service	40,031	44%
Request for general information	12,088	13%
Billing dispute	8,369	9%
PUC has no jurisdiction	5,297	6%
Competition issues and requests for information	4,769	5%
People-delivered company service	3,518	4%
Rate protest	2,366	3%
Service (company facilities)	985	1%
Rate complaint	960	1%
Application/deposit issue	457	<1%
Slamming	337	<1%
Weather outage	86	<1%
Cramming	22	<1%
Other miscellaneous reasons	6,312	7%
Reason for contact is not available	5,944	6%
<b>TOTAL</b>	<b>92,541</b>	<b>100%</b>

## 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 2004, 62% of calls to the Competition Hotline were related to the restructuring of the electric industry and 38% concerned the gas industry.

In 2004, the call center recorded information from 3,125 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 2004, 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 took care of the consumer's request or question at the time of 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 2004 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 50 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 48 such complaints in the gas industry chapter.

## Residential Consumer Complaints Not Included in Industry Chapters

In 2004, the BCS again witnessed an 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 2004. The table shows the company name and its number of residential consumer complaints for the year.

In 2004, 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 Bureau continues this policy with the 2004 statistics. However, for the telephone industry, the BCS decided to include complaints about competition-related complaints beginning with the 2003 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 2004 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, 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. Once again, 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.

## 2004 Residential Consumer Complaints Electric Generation Suppliers\*

Company	Number of Complaints
ACN Energy (EGS)	5
Allegheny Energy (EGS)	5
Dominion Peoples Plus (EGS)	16
<b>TOTAL**</b>	<b>26</b>

\* Listing shows companies having five or more complaints in 2004 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.

## 2004 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	29
People-delivered service	8
Slamming	7
Choice enrollment information	3
Terms and conditions of supplier contracts	1
Other problems	1
<b>Total</b>	<b>49</b>

## 2004 Residential Consumer Complaints Natural Gas Suppliers and Philadelphia Gas Works\*

Company	Number of Complaints
Agway Energy Services (NGS)	10
CNG Retail Services (NGS)	14
Energy America (NGS)	8
MxEnergy.com (NGS)	17
Shiplely Oil (NGS)	5
<b>Total**</b>	<b>54</b>

\* Listing shows companies having five or more complaints in 2004.

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

## 2004 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	92
People-delivered service	25
Credit/collection issues	10
Service (company facilities)	10
Various other competition issues	9
Applicant/security deposit	8
Changing a supplier	8
Slamming	1
Other problems not related to competition	1
<b>Total</b>	<b>164</b>

\*Includes cases filed against Philadelphia Gas Works.

## 2004 Residential Consumer Complaints Interexchange Carriers and Competitive Local Exchange Carriers\*

Company	Number of Complaints
ACN Communications Services	24
AT&T (IXC)	675
AT&T Local	262
CAT Communications Inc.	20
Cavalier Telephone Mid-Atlantic	105
Cordia Communications	25
Covista/Capsule Communications	10
CTSI	10
Enhanced Services Billing (Billing Service)	14
Excel Telecommunications	18
Full Service Network	43
IDT America (CLEC)	267
IDT America (IXC)	19
Integretal (Billing Service)	17
Metro Teleconnect	27
OAN Services	14
Quest Communications	11
RCN Telecom Services of PA	80
Spectratel	21
Sprint Communications Co. (CLEC)	110
Sprint (IXC)	86
Talk America (formerly Talk.com Holding Corp.)	26
Telecom USA	14
Trinsic (formerly Z Tel Communications)	43
US Billing Inc.	26
Vartec Telecom, Inc	28
Verizon Long Distance	166
Worldcom Inc.	114
WorldxChange Communications	20
Zero Plus Dialing	14
<b>Total**</b>	<b>2,309</b>

\* Listing shows only companies having 10 or more complaints in 2004.

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

## 2004 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	1,669
People-delivered service	195
Service (company facilities)	143
Slamming	69
Competition quality of service	116
Suspension related disputes	258
Local slamming	80
Other problems not related to competition	29
Application/deposits	15
Cramming	13
Various other competition issues	30
<b>Total</b>	<b>2,617</b>

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 companies having five or more residential consumer complaints in 2004.

### 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 all the information, would inform the utility that, in this instance, the facts do not reflect an infraction of the regulations. On the other hand, if the company agrees 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 Bureau 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 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 the 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 2004, 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. Secondly, 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 2004 is calculated using the BCS’ Compliance Tracking System’s (CTS) data as of July 2005. The 2004 trends may change if the total number of infractions increases. This would occur if new infractions are discovered from customer complaints that originated in 2004, 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 2004 cases in the report on 2005 complaint activity. Infraction rates for each major electric, gas, water, and telephone company are shown for 2002, 2003 and 2004 in the chapters that follow. Appendix H shows additional 2002-04 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 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 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 2004 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 2004 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 2004, 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' reporting on these programs is no longer included in this report.

The BCS released its fifth-annual report on Universal Service programs and Collection Performance for the major electric distribution companies in September 2005. The major natural gas distribution companies are included for the second time. The final report is based on 2004 data and is posted on the Commission's website at [www.puc.state.pa.us](http://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 is treated as a major natural gas distribution company (NGDC) beginning with 2004 complaint activity reporting this year. At this time, PGW appears as a major NGDC in all appropriate tables showing 2004 data.

## 3. Electric Industry

In 2004, 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 2004. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. The BCS investigated complaints in 2004 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 presents the actual statistics that the BCS used to produce the charts in this chapter.

### Consumer Complaints

During 2004, the BCS handled 5,323 consumer complaints from residential customers of the various electric distribution companies (EDCs). Of these residential complaints, 99% (5,264) were from customers of the seven largest EDCs. For the analysis in this chapter, the BCS excluded a total of 50 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' computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2004 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 2004.

## Consumer Complaint Categories: 2004 Major Electric Distribution Companies

Categories	Allegheny Power	Duquesne	Met Ed	PECO*	Penelec	Penn Power	PPL Utilities	Electric Majors
Billing Disputes	7%	20%	20%	17%	26%	16%	23%	18%
Metering	10%	4%	14%	11%	10%	10%	21%	12%
Service Interruptions	6%	4%	25%	12%	16%	25%	9%	12%
Credit and Deposits	44%	10%	<1%	3%	1%	1%	5%	11%
Personnel Problems	6%	14%	8%	14%	8%	14%	4%	9%
Discontinuance/Transfer	5%	7%	5%	7%	3%	6%	16%	8%
Scheduling Delays	3%	9%	8%	13%	6%	1%	5%	8%
Service Quality	3%	7%	5%	9%	5%	4%	3%	5%
Damages	4%	7%	4%	6%	7%	5%	3%	5%
Service Extensions	3%	3%	5%	1%	12%	12%	4%	4%
Other Payment Issues	3%	4%	1%	2%	1%	1%	2%	2%
Rates	1%	1%	1%	1%	1%	1%	1%	1%
All Other Problems	5%	10%	4%	4%	4%	4%	4%	5%
<b>TOTAL-Percent**</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>TOTAL-Number***</b>	<b>439</b>	<b>244</b>	<b>333</b>	<b>698</b>	<b>288</b>	<b>81</b>	<b>492</b>	<b>2,575</b>

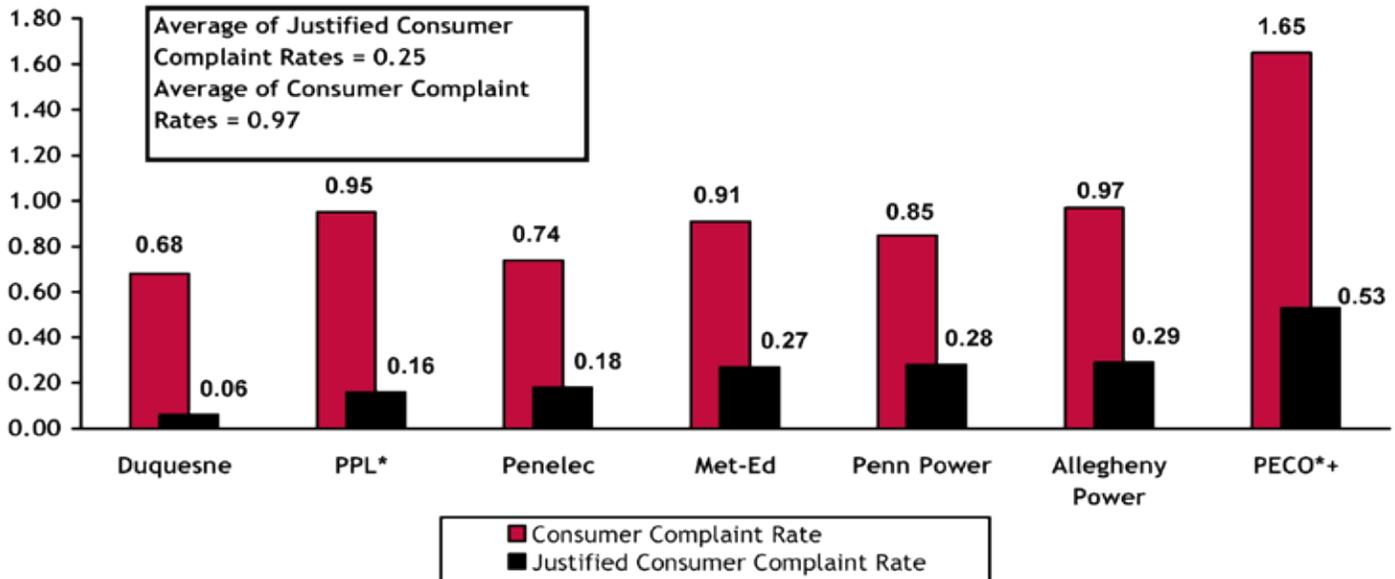
\* PECO statistics include electric and gas.

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

\*\*\* Based on residential complaints evaluated by BCS as of June 17, 2005.

- 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 2004, billing disputes accounted for 18%, metering complaints amounted to 12%, while complaints about service interruptions also comprised 12% of the consumer complaints about the major electric distribution companies.

## 2004 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies

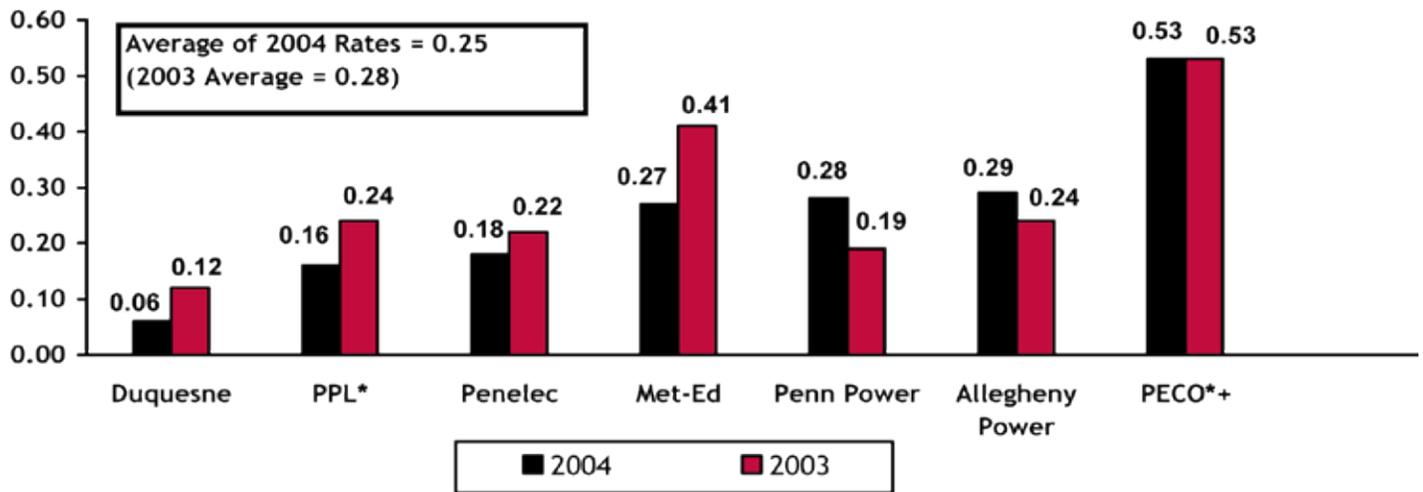


\*Justified Consumer Complaint Rate based on a probability sample of cases.

+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 nearly four 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 2004.

## 2003-04 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies

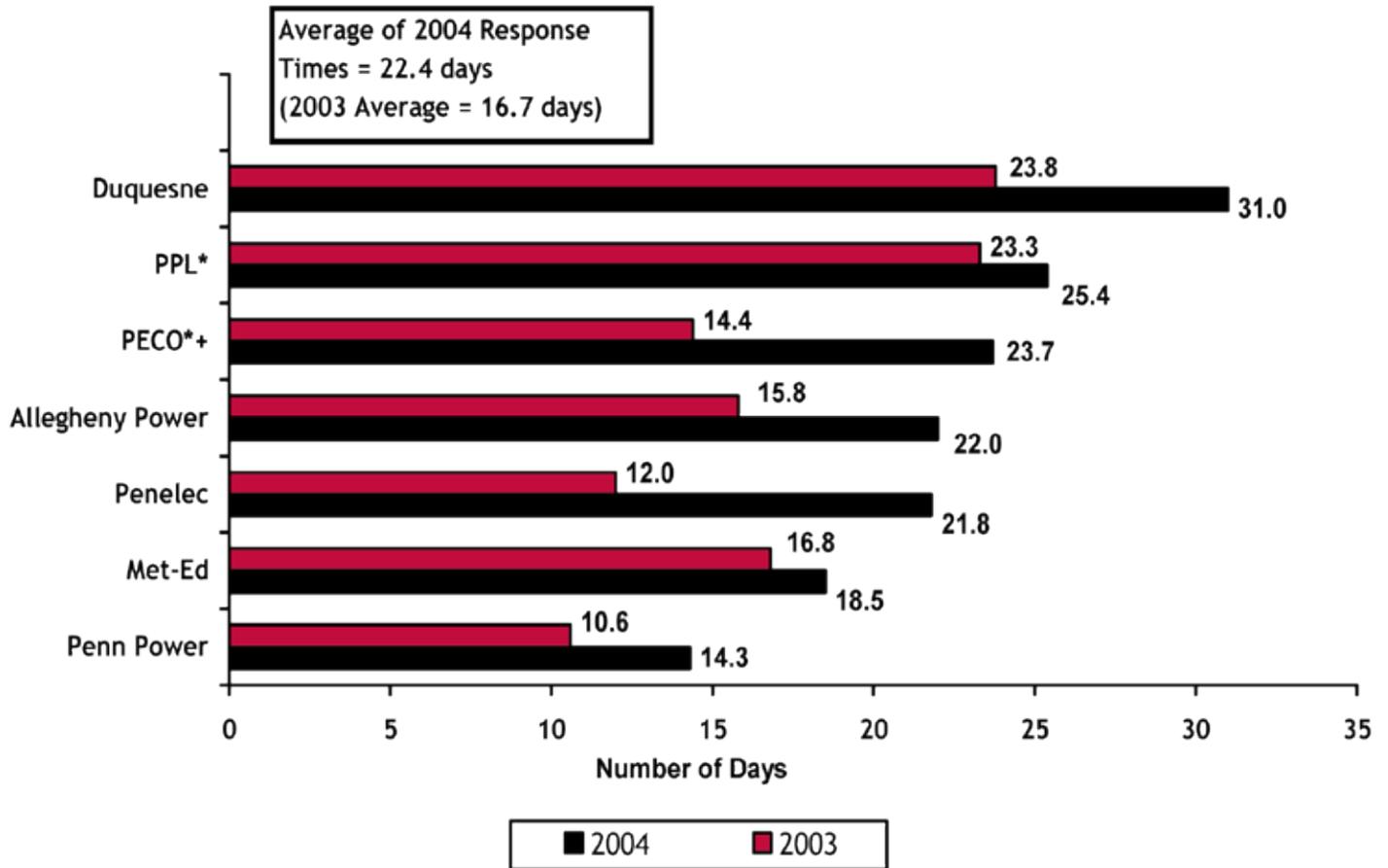


\*Based on a probability sample of cases.

+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 decreased from 0.28 in 2003 to 0.25 in 2004.
- Appendix D, Table 1, presents the number of justified consumer complaints for each major EDC in 2003 and 2004.

## 2003-04 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies



\*Based on a probability sample of cases.

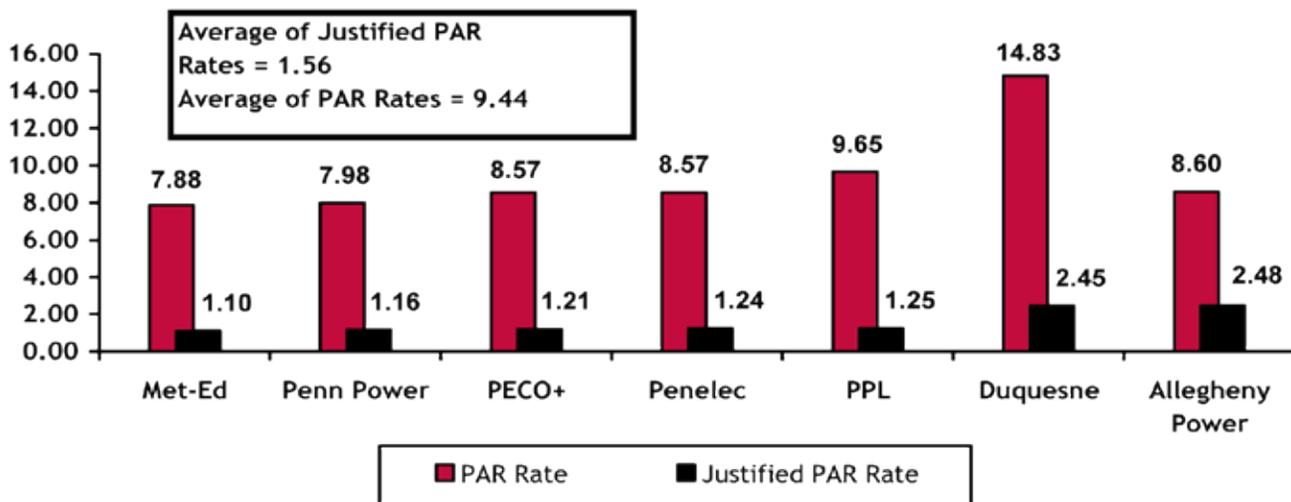
+PECO statistics include electric and gas.

- Overall, the average response time increased from 16.7 days in 2003 to 22.4 days in 2004.
- Penn Power had the shortest consumer complaint response time in 2004 at 14.3 days while Duquesne had the longest at 31.0 days.
- Appendix E shows the 2003 and 2004 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 2004, the Bureau of Consumer Services handled 45,766 payment arrangement requests (PARs) from residential customers of the electric distribution companies. Ninety-nine percent (45,155) of the residential PARs were from customers of the seven largest EDCs. In 2004, 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.

### 2004 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates\* Major Electric Distribution Companies

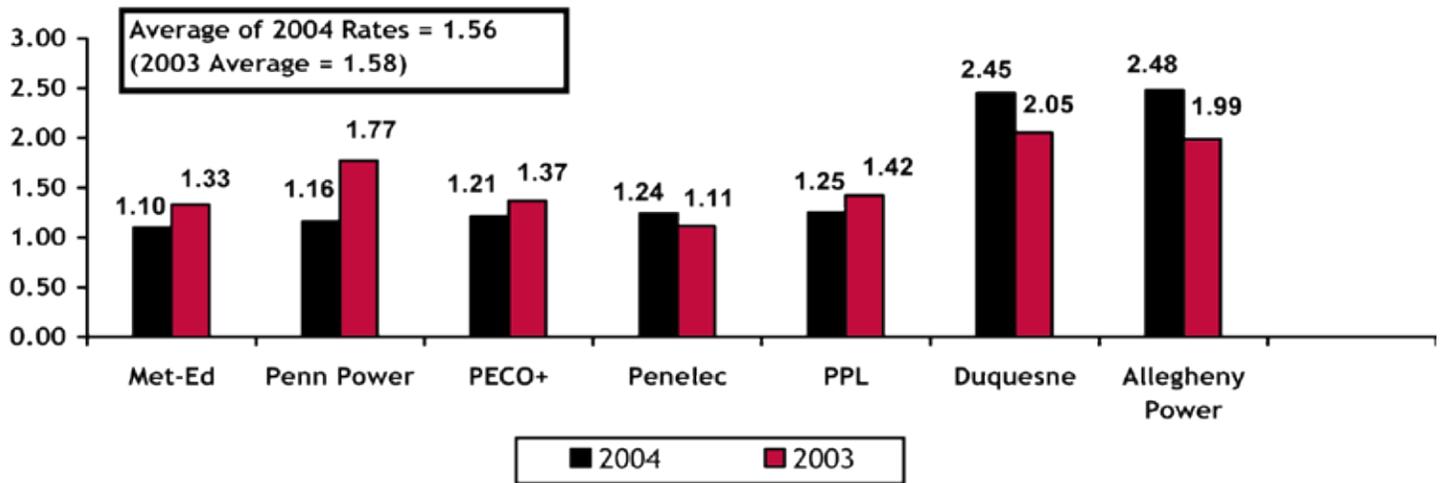


\* Justified PAR Rates based on a probability sample of cases.

†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 2004. 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 2004.

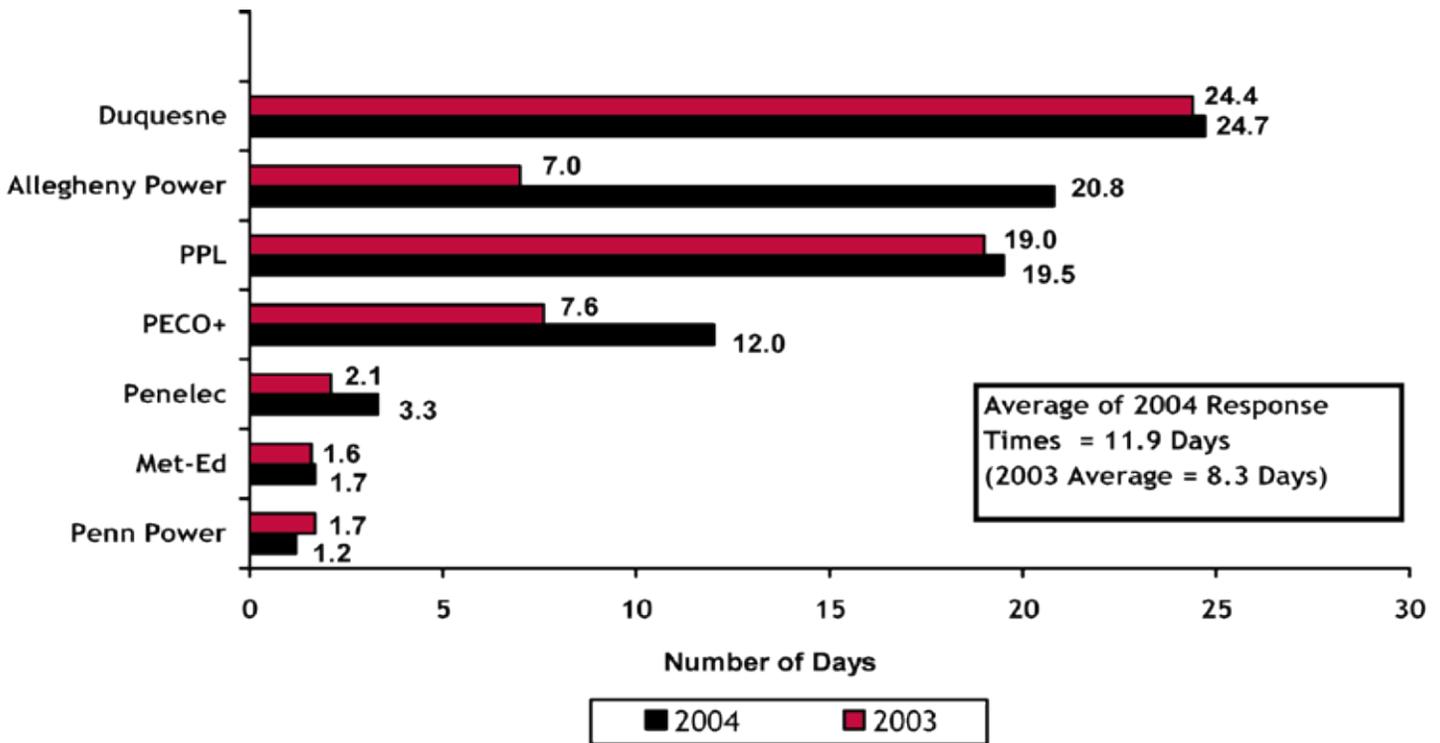
## 2003-04 Justified Residential Payment Arrangement Request Rates\* Major Electric Distribution Companies



\*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 declined slightly from 2003 to 2004, from 1.58 in 2003 to 1.56 in 2004.
- Appendix F, Table 1, presents the number of justified payment arrangement requests for each major EDC in 2003 and 2004.

## 2003-04 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.

- The average response time for the seven major EDCs increased by 3.6 days, from 8.3 days in 2003 to 11.9 days in 2004.
- There is a wide range of PAR response time among the major EDCs, from a low of 1.2 days for Penn Power to a high of 24.7 days for Duquesne.
- Appendix G shows the 2003 and 2004 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 2002, 2003 and 2004. 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		
	2002	2003	2004	% Change in # 2003-04	2002	2003	2004
Allegheny Power	8,777	9,941	12,007	21%	14.76	16.63	20.00
Duquesne	9,307	9,138	10,694	17%	17.70	17.36	20.34
Met-Ed.	N/A	3,552	4,506	27%	N/A	7.86	9.81
PECO*	46,040	42,529	55,098	30%	33.22	30.18	39.52
Penelec	N/A	5,247	5,881	12%	N/A	10.43	11.67
Penn Power	1,483	1,110	1,446	30%	10.93	8.14	10.52
PPL Utilities	7,736	8,174	9,061	11%	6.80	7.12	7.80
<b>Major Electric</b>	<b>82,611</b>	<b>79,691</b>	<b>99,272</b>	<b>25%</b>			
<b>Average of Rates</b>					<b>15.53</b>	<b>13.96</b>	<b>20.53</b>

\*PECO statistics include electric and gas.

N/A = Not Applicable.

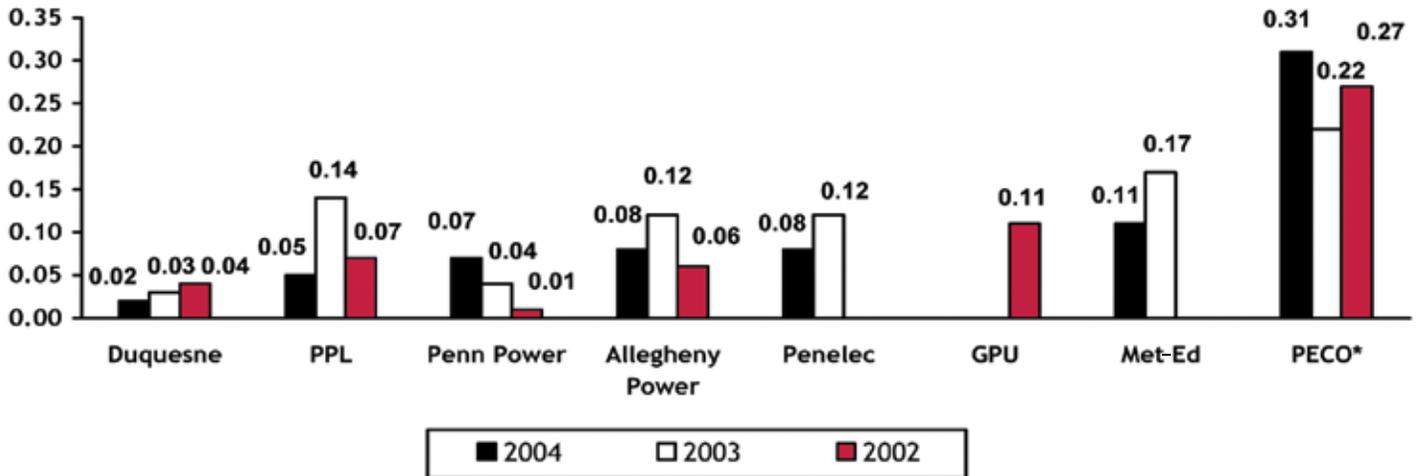
- Termination rate is the number of service terminations for each 1,000 residential customers.
- Overall, the seven major EDCs terminated 25% more residential accounts in 2004 than in 2003.

## Compliance

The use of the “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 2002, 2003 and 2004, the BCS determined that the seven major EDCs together logged 1,967 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 2002 through 2004. 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 decreased from 2003 to 2004.
- Appendix H, Table 1, presents the actual number of infractions for each major EDC in 2002, 2003 and 2004.

## 4. Natural Gas Industry

In 2004, 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 seven major gas utilities: Columbia Gas of Pennsylvania (Columbia); Dominion Peoples (Dominion); Equitable Gas (Equitable); National Fuel Gas Distribution Corporation (NFG); PG Energy; Philadelphia Gas Works (PGW); 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.

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. However, PGW is included among the seven major gas utilities in the 2004 data. Appendices C-H present the actual statistics that the BCS used to produce the charts in this chapter.

## Consumer Complaints

During 2004, the BCS handled 5,986 consumer complaints from residential customers of the various natural gas distribution companies (NGDCs). Of these residential complaints, 98% (5,880) were from customers of the seven largest NGDCs. For the analysis of the seven major gas companies that appears in this chapter, the BCS excluded a total of 48 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' computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2004 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 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 2004.

## Consumer Complaint Categories: 2004 Major Natural Gas Distribution Companies

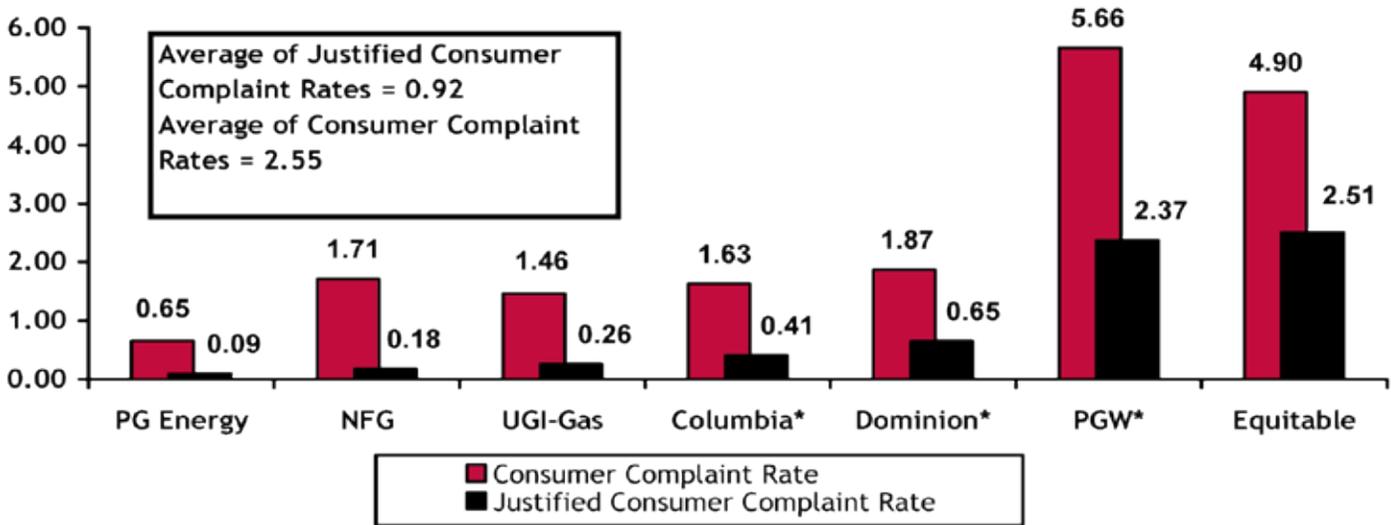
Categories	Columbia	Dominion Peoples	Equitable	NFG	PG Energy	PGW	UGI-Gas	Gas Majors
Metering	20%	29%	35%	12%	11%	7%	29%	26%
Billing Disputes	11%	13%	19%	46%	36%	43%	21%	23%
Discontinuance/ Transfer	8%	9%	10%	8%	14%	19%	8%	10%
Personnel Problems	10%	13%	7%	7%	11%	6%	14%	9%
Credit and Deposits	4%	1%	8%	1%	4%	3%	8%	5%
Other Payment Issues	3%	5%	6%	4%	6%	10%	4%	5%
Service Quality	8%	14%	1%	3%	6%	0%	2%	4%
Scheduling Delays	6%	6%	5%	3%	3%	1%	0%	4%
Damages	12%	2%	2%	1%	1%	1%	1%	3%
Service Extensions	9%	2%	1%	6%	1%	2%	4%	3%
Service Interruptions	6%	3%	1%	3%	0%	1%	2%	1%
Rates	0%	<1%	<1%	<1%	1%	1%	1%	1%
All Other Problems	4%	3%	4%	3%	6%	4%	5%	4%
<b>TOTAL-Percent*</b>	<b>101%</b>	<b>100%</b>	<b>99%</b>	<b>97%</b>	<b>100%</b>	<b>98%</b>	<b>99%</b>	<b>99%</b>
<b>TOTAL-Number**</b>	<b>338</b>	<b>326</b>	<b>819</b>	<b>271</b>	<b>72</b>	<b>158</b>	<b>272</b>	<b>2,256</b>

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

\*\*Based on residential complaints evaluated by BCS as of June 17, 2005.

- Categories are for all residential complaints filed with 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 2004, metering complaints generated 26% of the complaints about the major gas utilities followed by billing disputes (23%) and discontinuance/transfer complaints (10%).

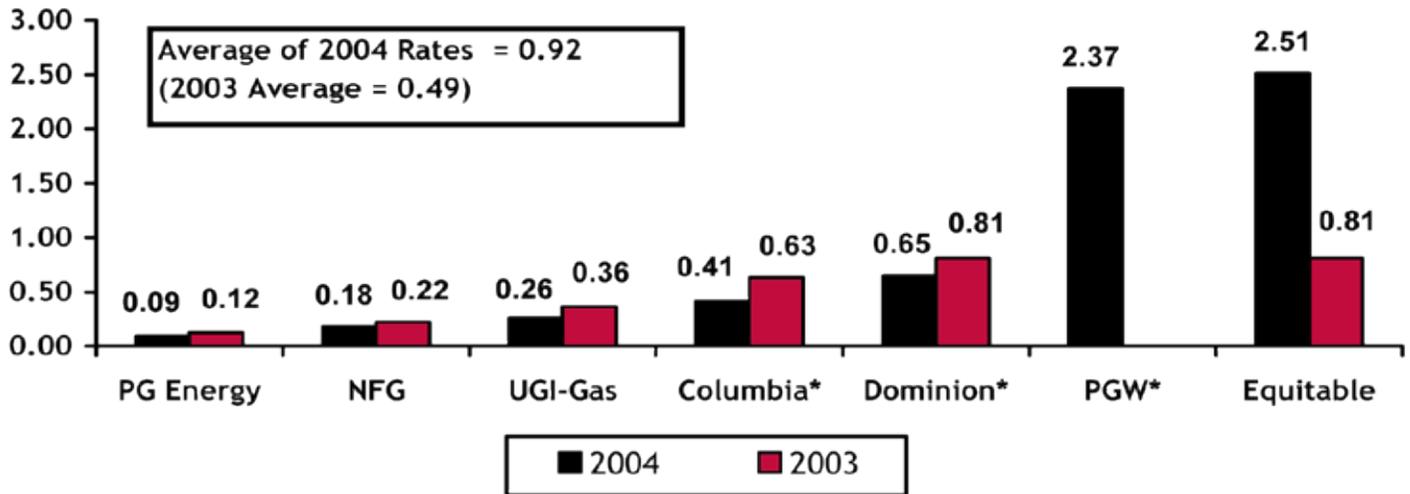
## 2004 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Natural Gas Distribution Companies



\*Justified Consumer Complaint Rate based on a probability sample of cases for Columbia and Dominion in 2003 and 2004, and for PGW in 2004.

- 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 2.8 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 2004.

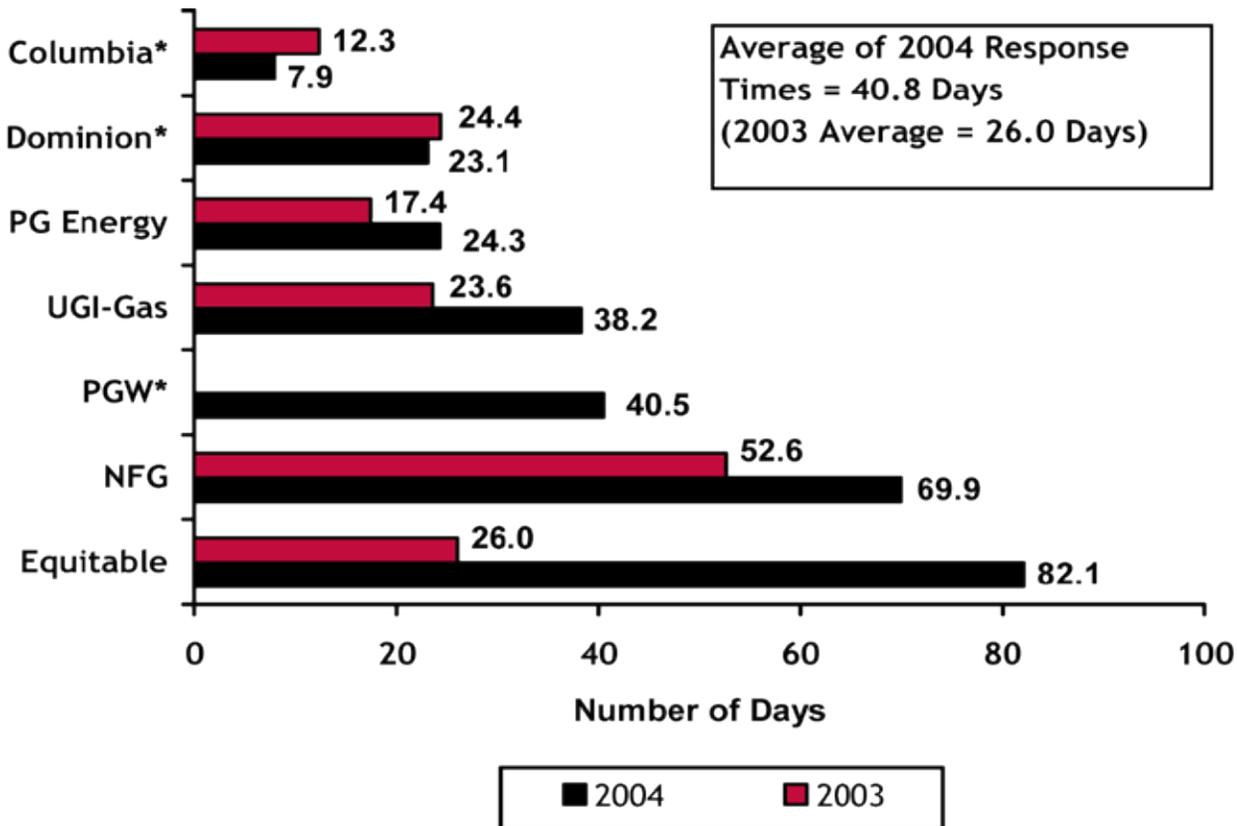
## 2003-04 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies



\*Based on a probability sample of cases for Columbia and Dominion in 2003 and 2004, and for PGW in 2004.

- 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 0.49 in 2003 to 0.92 in 2004.
- There was a wide range in the justified consumer complaint rate among the major gas companies, from a low of 0.09 for PG Energy to a high of 2.51 for Equitable in 2004.
- Appendix D, Table 2, shows the number of justified consumer complaints for each major gas company in 2003 and 2004.

## 2003-04 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies



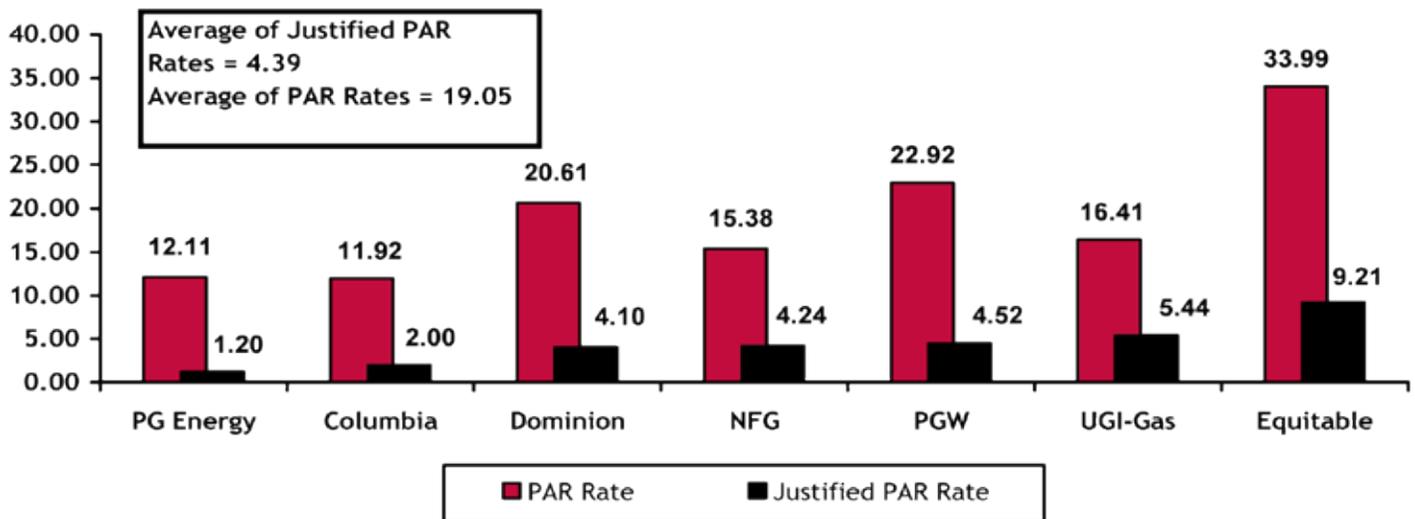
\*Based on a probability sample of cases for Columbia and Dominion in 2003 and 2004, and for PGW in 2004.

- The average response time for the major gas companies increased by 14.8 days from 2003 to 2004.
- Consumer complaint response time performance varied widely among the major gas companies in 2004, from a low of 7.9 days for Columbia to a high of 82.1 days for Equitable.
- Appendix E shows the 2003 and 2004 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 2004, the BCS handled 40,378 payment arrangement requests (PARs) from residential customers of the natural gas distribution companies. Ninety-seven percent (39,125) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2004, the BCS reviewed a representative sample of the PARs for case outcome for the following gas companies: Columbia, Dominion, Equitable, NFG, PG Energy, PGW 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.

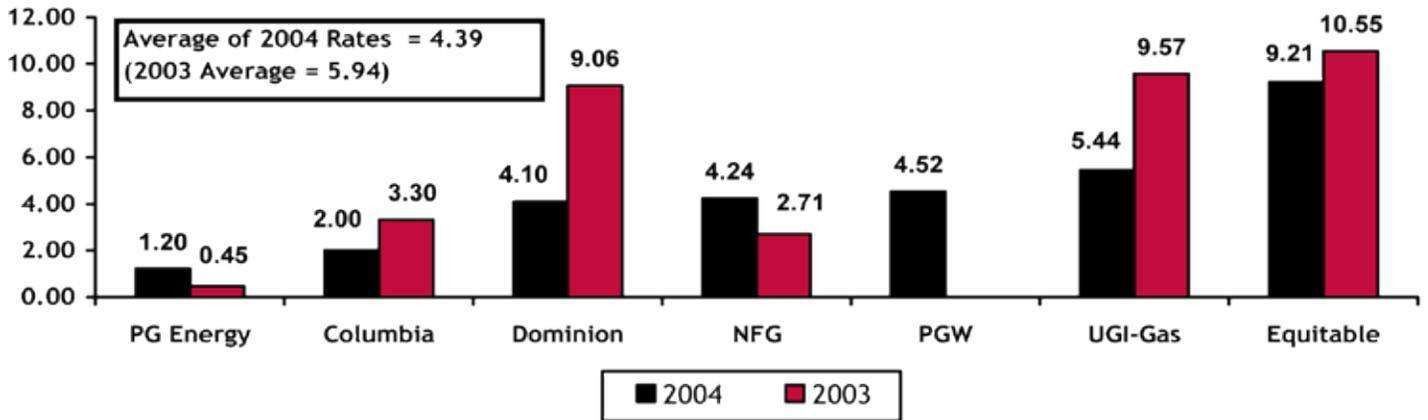
### 2004 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates\* Major Natural Gas Distribution Companies



\* 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 2004, the average of the PAR rates is 4.3 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 2004.

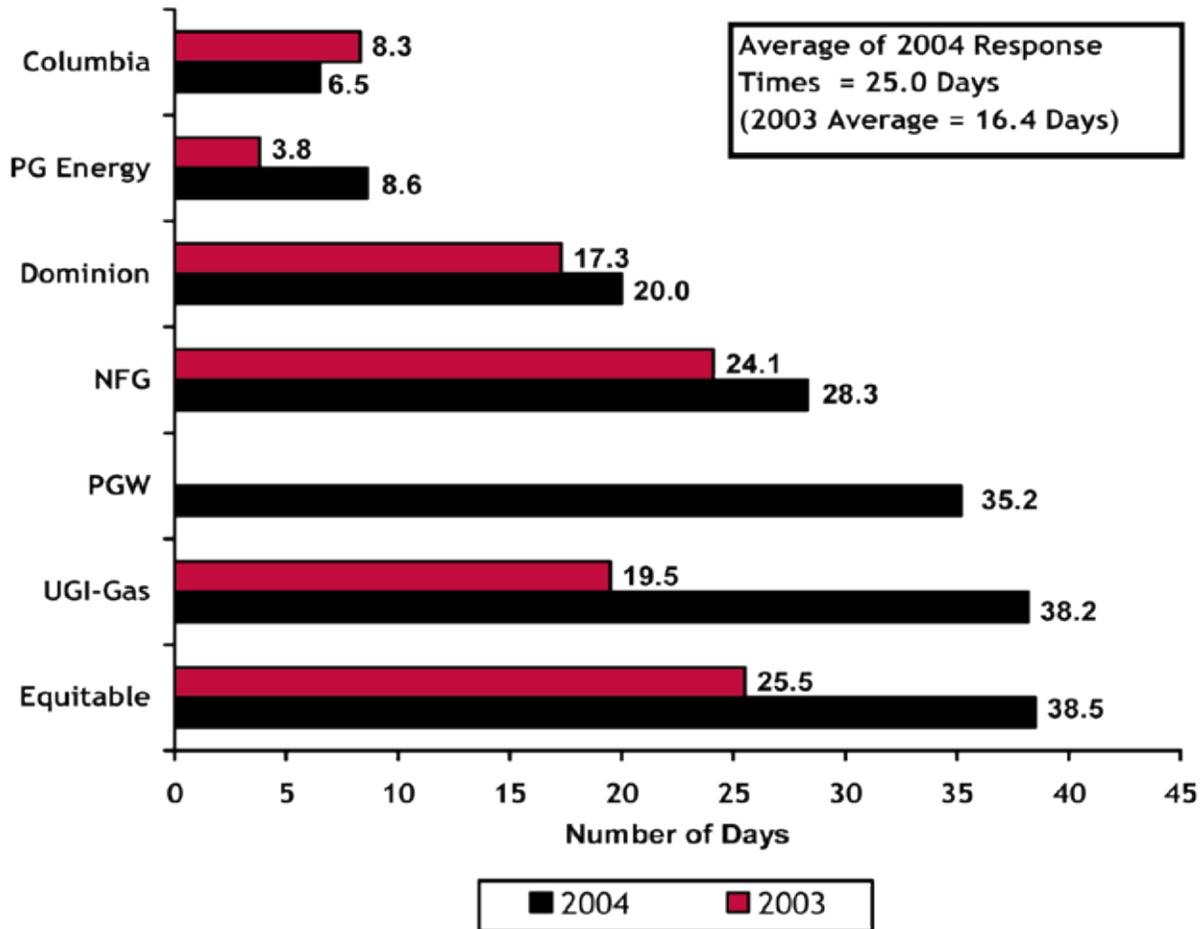
## 2003-04 Justified Residential Payment Arrangement Request Rates\* Major Natural Gas Distribution Companies



\* 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 seven major gas utilities decreased from 5.94 in 2003 to 4.39 in 2004.
- There was a wide range in justified PAR rates among the major NGDCs in 2004, from a low of 1.20 for PG Energy to a high of 9.21 for equitable.
- Appendix F, Table 2, presents the number of justified payment arrangement requests for each major gas company in 2003 and 2004.

## 2003-04 Response Time\* to BCS Residential Payment Arrangement Requests Major Natural Gas Distribution Companies



\* Based on a probability sample of cases.

- From 2003 to 2004, the average response time to BCS payment arrangement requests increased by 8.6 days. The gas industry average response time to BCS PARs was 25.0 days in 2004.
- The 2004 PAR response times for the major NGDCs varied from a low of 6.5 days for Columbia to a high of 38.5 days for Equitable.
- Appendix G shows the 2003 and 2004 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 seven largest gas utilities terminated in 2002, 2003 and 2004. 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		
	2002	2003	2004	% Change in # 2003-04	2002	2003	2004
Columbia	5,832	6,153	7,545	23%	16.72	17.41	21.13
Dominion Peoples	5,169	6,183	6,054	-2%	16.05	19.15	18.71
Equitable	11,012	11,106	7,023	-37%	46.05	47.11	29.31
NFG	5,880	6,051	7,422	23%	30.12	30.98	38.06
PG Energy	4,041	4,547	5,169	14%	29.11	32.62	36.93
PGW	N/A	N/A	33,016	N/A	N/A	N/A	69.27
UGI-Gas	7,824	10,409	8,911	-14%	30.59	39.61	32.96
<b>Major Gas</b>	<b>39,758</b>	<b>44,449</b>	<b>75,140</b>				
<b>Average of Rates</b>					<b>28.11</b>	<b>31.15</b>	<b>37.53</b>

N/A = Not Applicable.

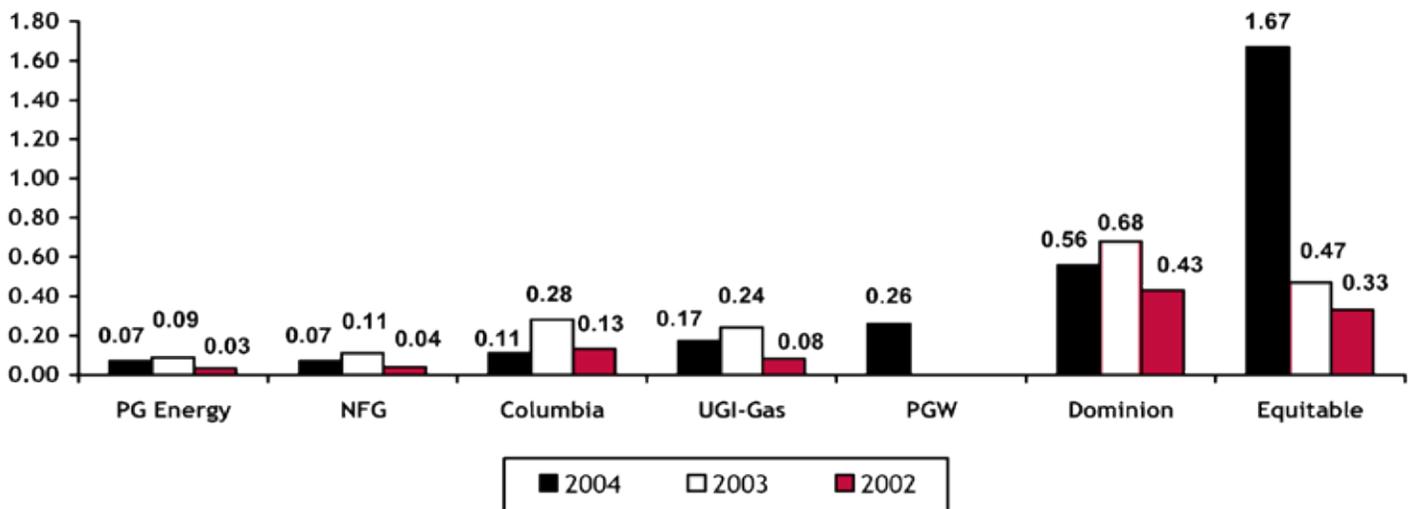
- Overall, the seven major gas companies terminated over 37 out of every 1,000 residential gas customers during 2004.

## 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 2002, 2003 and 2004, the BCS determined that the six major gas utilities together logged 1,637 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 2002 through 2004. 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 2003 to 2004.
- Appendix H, Table 2, presents the actual number of infractions for each major gas utility in 2002, 2003 and 2004.

## 5. Water Industry

In 2004, the Commission had jurisdiction over 133 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 2004, there were eight Class A water companies that served residential water customers. The number of residential customers for these companies ranged from 1,570 for United Water Bethel to 565,290 residential customers for Pennsylvania-American Water Company. In 2004, the Class A water companies were Aqua Pennsylvania (formerly known as Philadelphia Suburban), Audubon Water Company, Columbia Water Company, Newtown Artesian Water Company, Pennsylvania-American Water Company (PA-American), United Water Bethel, 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 Aqua Pennsylvania Southeast, 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 2004, there were 14 Class B companies. Class B water companies have annual revenues between \$200,000 and \$999,999. In 2004, the number of residential customers for the Class B companies ranged from 492 to 1,677. There were 80 Class C companies in 2004. 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 803 in 2004.

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 12 to 26,762 in 2004.

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 2004. Appendices C through H present the actual statistics that the BCS used to produce the charts in this chapter.

## Case Evaluation of “Other Class A” Water Companies

BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as “Other Class A.”

## Consumer Complaints

During 2004, the BCS handled a total of 1,189 consumer complaints from residential customers of the various water companies. Of those complaints, 84% (1,000) were from customers of the Class A companies. The remaining 16% 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 2004, 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 2004, customers of the small water companies logged complaints with the BCS for a variety of reasons. However, of the 189 consumer complaints filed about the non-Class A water companies, 42% involved a billing dispute (80 cases) and 29% were related to people-delivered service complaints (54 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’ computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2004 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 2004.

## Consumer Complaint Categories: 2004\*

### Major Water Utilities

Categories	PA-American	Aqua Pennsylvania Southeast	Other "Class A" Water	All "Class A" Water
Billing Disputes	50%	32%	43%	42%
Metering	8%	32%	29%	18%
Discontinuance/Transfer	4%	7%	0%	5%
Service Quality	6%	3%	0%	5%
Personnel Problems	7%	2%	14%	5%
Damages	6%	1%	0%	4%
Scheduling Delays	4%	2%	0%	3%
Other Payment Issues	4%	1%	0%	3%
Rates	2%	3%	0%	2%
Service Interruptions	2%	1%	0%	2%
Credit and Deposits	0%	4%	0%	2%
Service Extensions	2%	1%	0%	1%
All Other Problems	4%	12%	14%	8%
<b>TOTAL-Percent**</b>	<b>99%</b>	<b>101%</b>	<b>100%</b>	<b>100%</b>
<b>TOTAL-Number***</b>	<b>231</b>	<b>184</b>	<b>7</b>	<b>422</b>

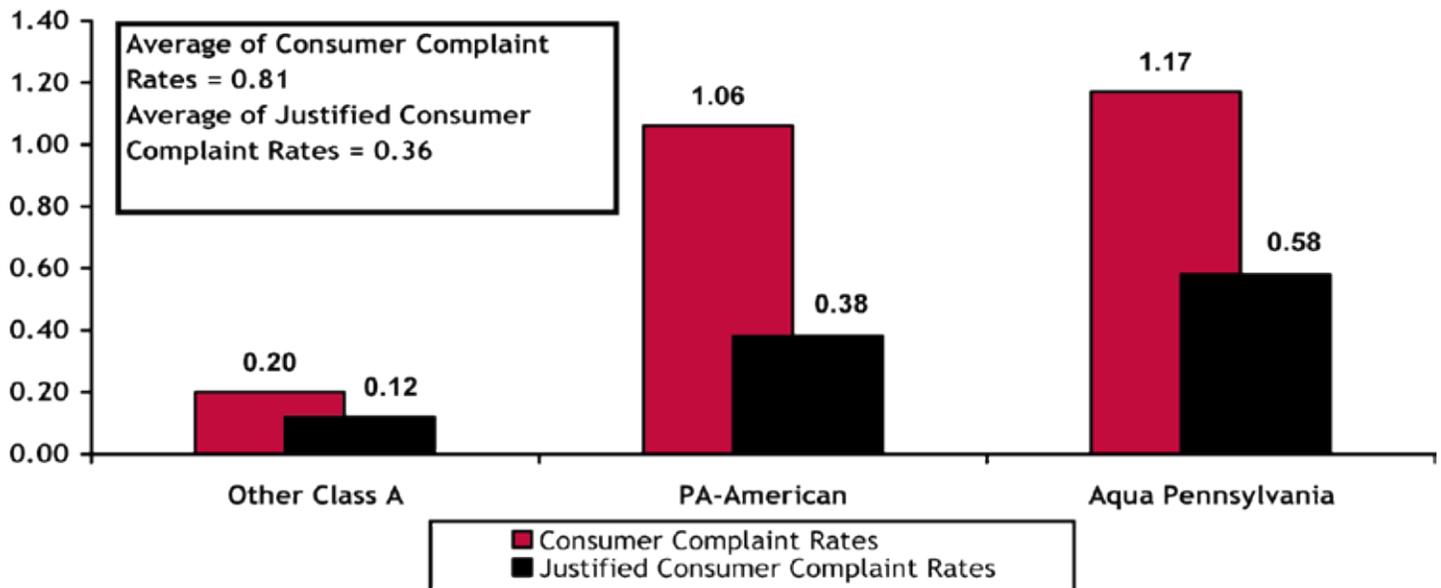
\* BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

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

\*\*\*Based on residential complaints evaluated by BCS as of June 18, 2005.

- 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.
- Sixty percent of the consumer complaints about the Class A water utilities involved either billing disputes or metering complaints.
- The percentage of complaints about billing disputes increased from 2003 to 2004. Meanwhile, the percentage of complaints about metering and discontinuance/transfer declined from 2003 to 2004.

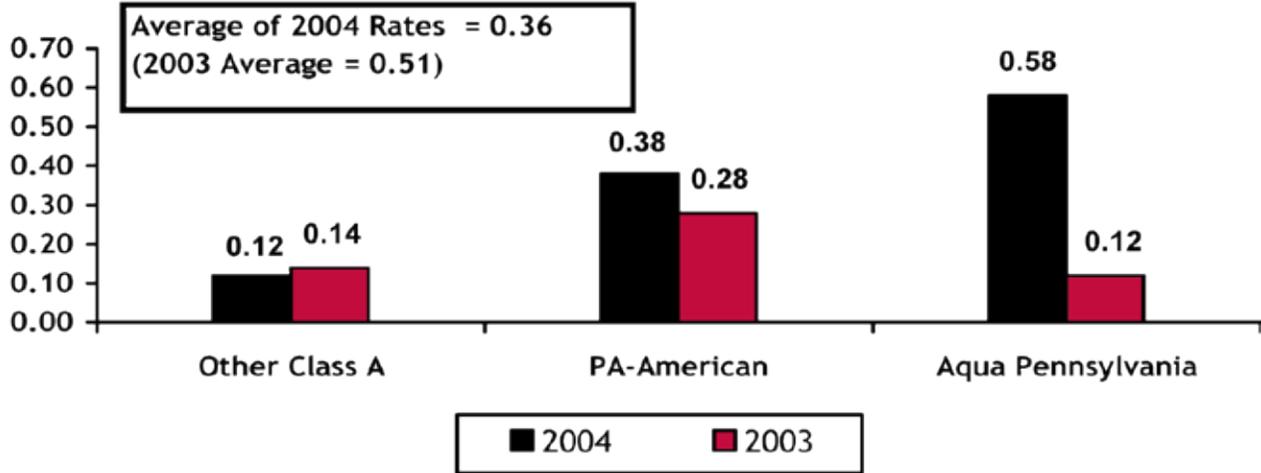
## 2004 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Water Utilities\*



\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

- 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 2.3 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 Aqua Pennsylvania, PA-American and the Other Class A companies in 2003 and 2004.

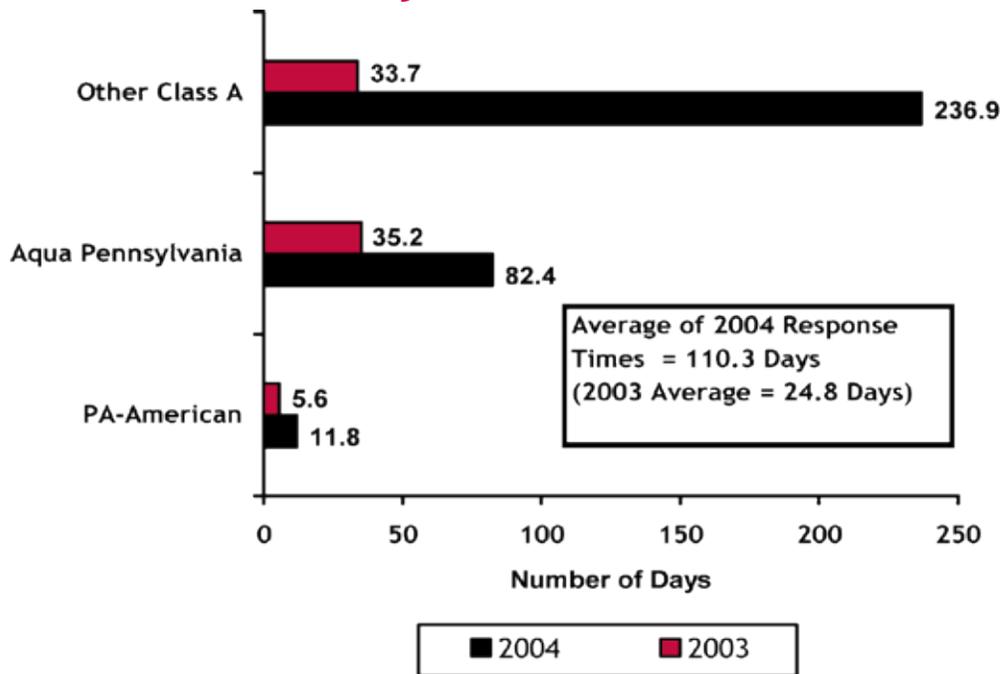
## 2003-04 Justified Residential Consumer Complaint Rates Major Water Utilities\*



\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

- 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 Aqua Pennsylvania increased from 0.12 in 2003 to 0.58 in 2004.
- Appendix D, Table 3, shows the number of justified consumer complaints for Aqua Pennsylvania, PA-American and the Other Class A water companies in 2003 and 2004.

## 2003-04 Response Time to BCS Residential Consumer Complaints Major Water Utilities\*



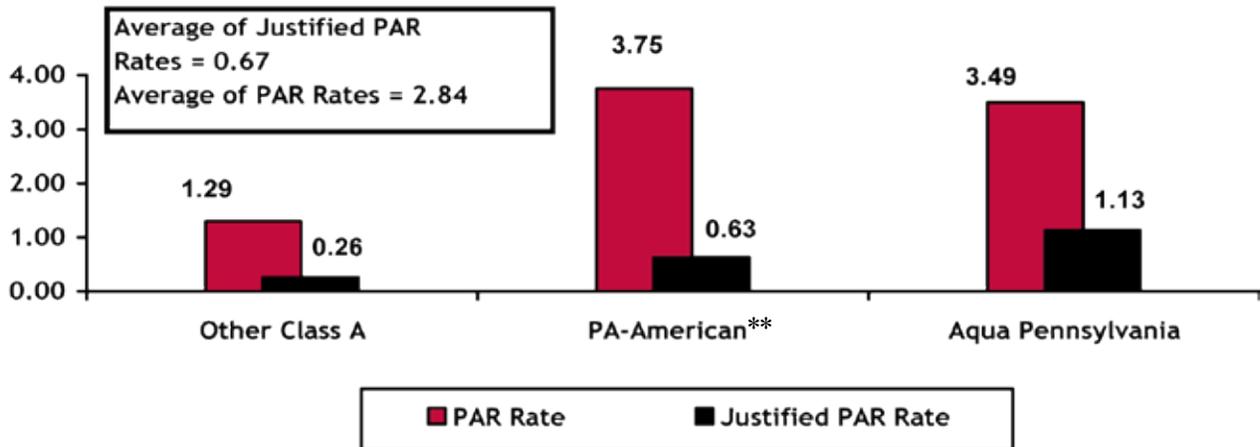
\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

- The average response time for the major (Class A) water utilities increased from 24.8 days in 2003 to 110.3 days in 2004.
- Appendix E shows the 2003 and 2004 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 2004, the BCS handled 3,806 payment arrangement requests (PARs) from residential customers of the water industry. Ninety percent (3,424) 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 2004, 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.

## 2004 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Water Utilities\*

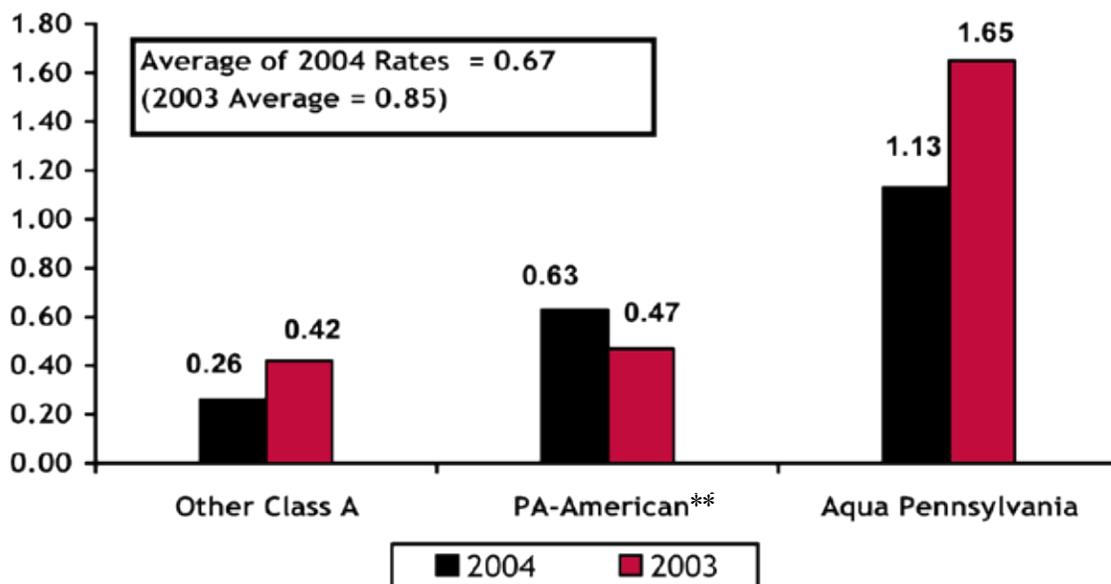


\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

\*\*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 more than 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, Aqua Pennsylvania and the Other Class A water companies in 2003 and 2004.

## 2003-04 Justified Residential Payment Arrangement Request Rates Major Water Utilities\*

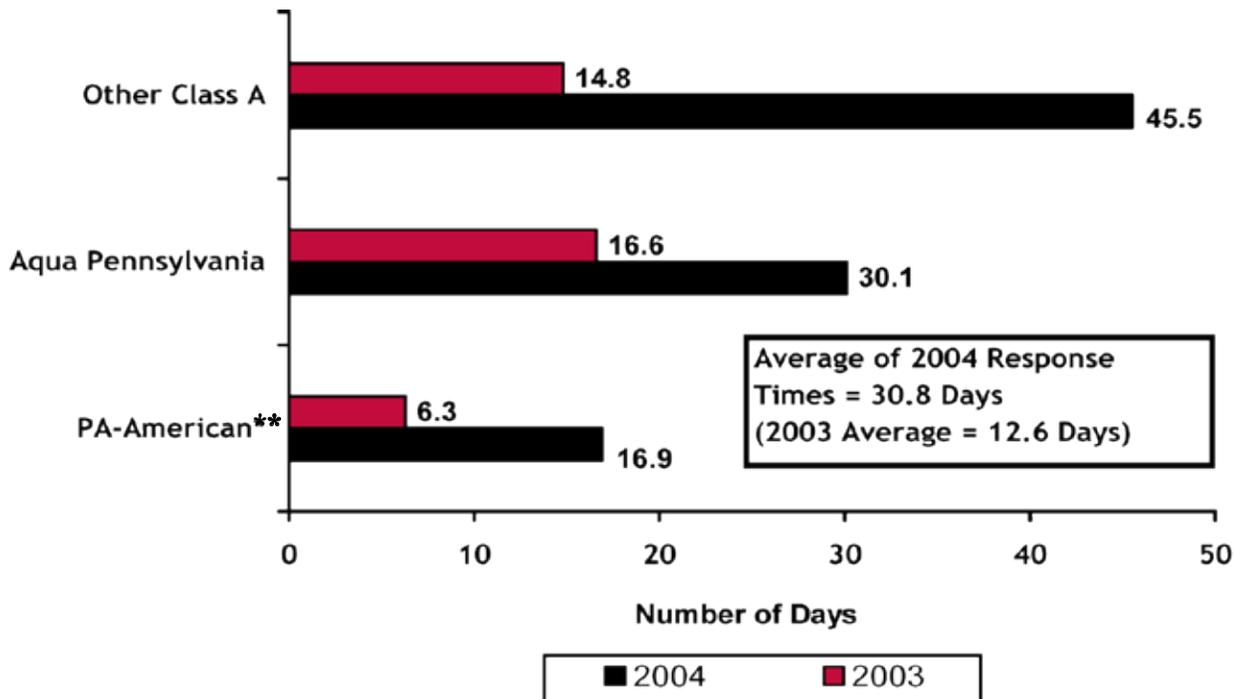


\* BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

\*\* 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 from the major water utilities decreased from 0.85 in 2003 to 0.67 in 2004.
- Appendix F, Table 3, presents the number of payment arrangement requests and justified payment arrangement requests for Class A water companies in 2003 and 2004.

## 2003-04 Response Time to BCS Residential Payment Arrangement Requests Major Water Utilities\*



\* BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

\*\*Based on a probability sample of cases.

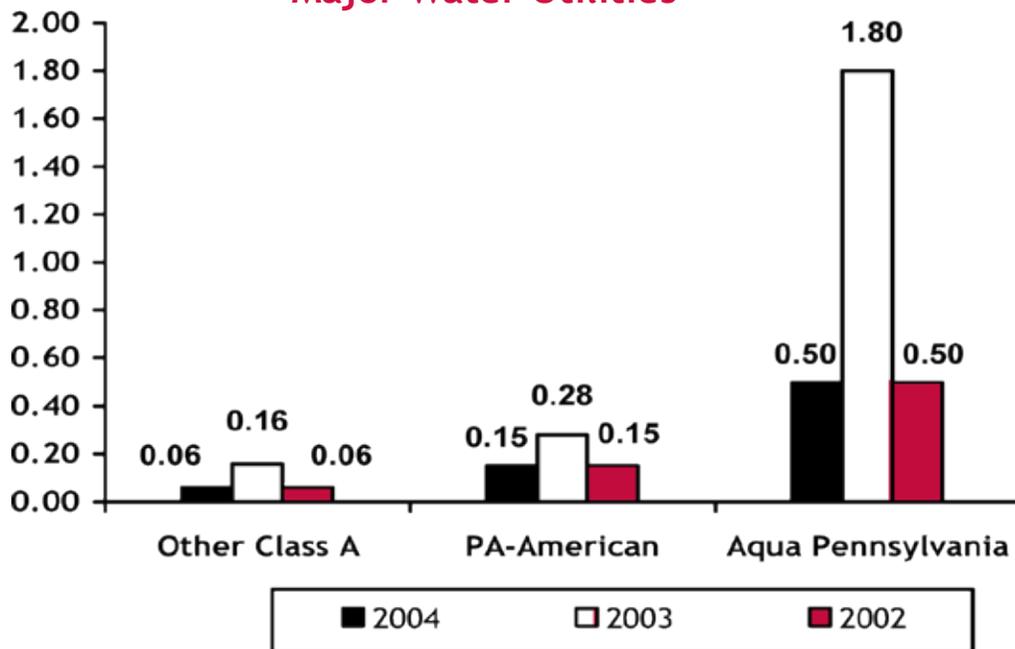
- The average response time for the major water utilities increased from 12.6 days in 2003 to 30.8 days in 2004.
- Appendix G shows the 2003 and 2004 response times to payment arrangement requests for PA-American, Aqua Pennsylvania and the Other Class A water companies. It also shows the response times 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 2002, 2003 and 2004, the BCS informally verified 1,285 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 2002 through 2004.

### Commission Infraction Rates Major Water Utilities\*



\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

- 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 decreased from 2003 to 2004.
- Appendix H, Table 3, presents the actual number of infractions for PA-American, Aqua Pennsylvania and the other Class A water companies in 2002, 2003 and 2004.

## Universal Service Programs that Assist Low Income Customers

Aqua Pennsylvania 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.

*Aqua Pennsylvania (formerly 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 called 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. Aqua Pennsylvania targets "A Helping Hand" to low-income customers who are payment troubled and have high water bills.

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 - Aqua Pennsylvania will pay up to \$100 for minor plumbing repairs. As an incentive to encourage regular bill payment, Aqua Pennsylvania forgives a percentage of a participant's arrearage if the participant makes regular monthly payments toward the arrearage.

At the end of 2004, Aqua Pennsylvania's program had 472 active participants. During the year, Aqua Pennsylvania spent \$28,237 to complete eligibility interviews and household audits. In addition, the company granted \$14,100 in forgiveness credits to 497 program participants.

*Pennsylvania American Water Company (PAWC)* - By order dated October 2, 1997, the Commission approved Pennsylvania American Water Company's request to establish a Low-Income Rate. At the end of 2004, there were 3,882 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 50% 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 participates with the \$1 Energy Fund. PA-American calls its program H2O - Help to Others. Dollar 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 2003-04, PA-American’s shareholders and customers provided a total of \$123,620 in hardship fund benefits to 563 customers for an average benefit of \$220.

## 6. Telephone Industry

During 2004, 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. Over 500 providers of telecommunications services were doing business in Pennsylvania in 2004. 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 2004.

This chapter will focus exclusively on the five major ILECS -- 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 2004.

For the second year, 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. Prior to last year, BCS excluded complaints about competition-related issues from the analysis of individual company performance given the complex nature of the problems and the difficulty in determining who was at fault. However, after a number of years of experience with competition issues in the telephone industry, the BCS is able to include these complaints in its analyses.

### Consumer Complaints

Although the BCS handled consumer complaints about different types of telecommunication service providers in 2004, the complaints predominantly came from the residential customers of the five major ILECs and the two largest CLECS. Overall, the BCS handled 10,342 consumer complaints from residential customers in 2004. Of these complaints, 6,888 were from residential customers of all of Pennsylvania's ILECs while 6,811 were from customers of the five major ILECS. Meanwhile, 1,976 consumer complaints were from residential customers of the CLECS operating in Pennsylvania, with 914 of the CLEC complaints filed by residential customers of MCI Local and Comcast. The remaining 1,478 consumer complaints were from residential customers of other telecommunications providers such as long-distance carriers and resellers.

## 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' computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2004 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: 2004 Major Local Telephone Companies

Categories	ALL-TEL	Comcast	Commonwealth	MCI Local	United	Verizon North (GTE)	Verizon PA	Telephone Majors
Billing Disputes	20%	44%	51%	25%	38%	23%	25%	27%
Service Delivery	32%	23%	18%	31%	9%	41%	27%	27%
Unsatisfactory Service	23%	5%	10%	6%	8%	14%	22%	17%
Toll Services	5%	1%	3%	0%	13%	6%	9%	7%
Discontinuance/Transfer	2%	5%	2%	13%	12%	3%	5%	7%
Competition	2%	2%	2%	20%	1%	0%	4%	5%
Service Terminations	4%	11%	10%	1%	5%	5%	0%	2%
Credit & Deposits	2%	1%	3%	0%	1%	2%	3%	2%
Annoyance Calls	5%	1%	1%	2%	2%	2%	1%	2%
Non-Recurring Charges	1%	0%	1%	0%	4%	1%	2%	2%
Sales Nonbasic Services	1%	1%	0%	0%	5%	1%	0%	2%
All Other Problems	4%	6%	0%	1%	2%	1%	2%	2%
Total-Percent*	101%	100%	101%	99%	100%	99%	100%	102%
Total-Number**	168	142	125	554	361	474	2,130	3,954

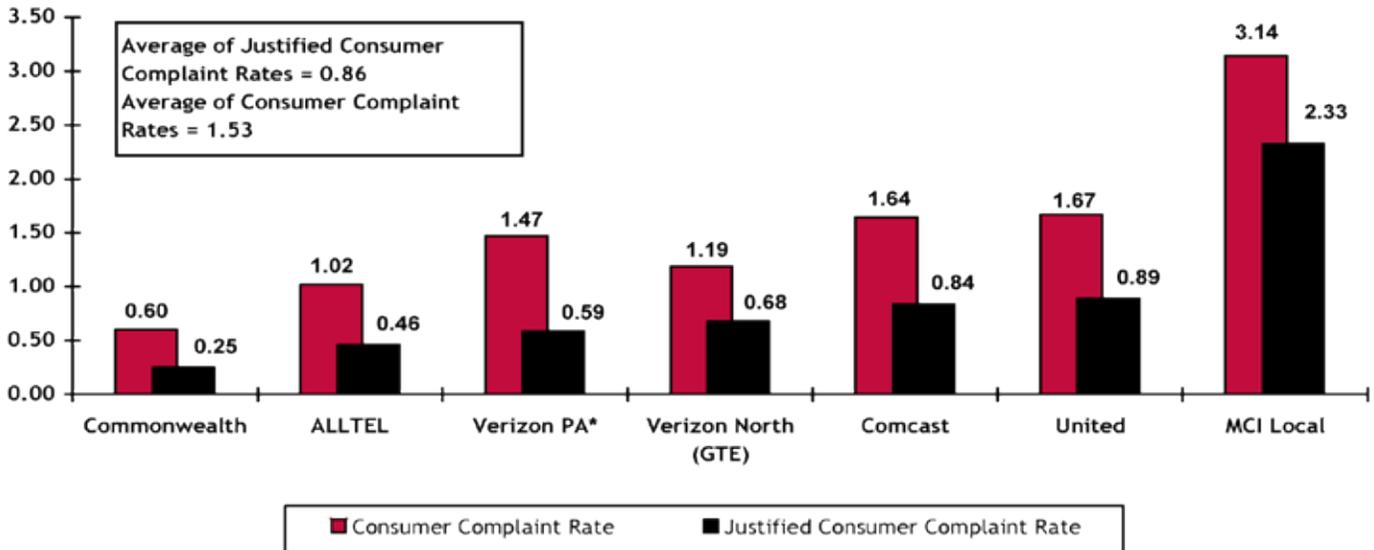
\*Columns may total more or less than 100% due to rounding.

\*\*Based on complaints evaluated by BCS as of July 1, 2005.

- Seventy-one percent of all complaints for the major telephone companies fall into one of three complaint categories: billing disputes, unsatisfactory service, or service delivery.
- Billing disputes account for 27% of the total number of consumer complaints about the seven major telephone companies. This is an increase from 2003 when 20% of the companies' consumer complaints involved billing disputes. In 2004, billing disputes accounted for 51% of all consumer complaints about Commonwealth and 44% of complaints about Comcast. Billing disputes increased for each of the major companies from 2003 to 2004.
- The table shows that 27% of all the consumer complaints filed against the seven major companies are about service delivery while 17% are about unsatisfactory service. In 2003, these two categories accounted for 25% and 26% of all consumer complaints about the major telephone companies. For individual companies, 55% of the 2004 complaints about ALLTEL, 55% of complaints about Verizon North and 49% of the complaints about Verizon PA fall into these two service-related categories. Meanwhile, 17% of United's consumer complaints were about service problems in 2004.
- The overall volume of consumer complaints about competition issues decreased from 2003 to 2004 and in fact, decreased for each of the seven major local telephone companies. The volume of competition-related complaints about Comcast and MCI-Local decreased sharply from 2003 to 2004.
- See Appendix B-2 for an explanation of complaint categories and Appendix C-4 for the number of cases in each category. The percentages shown in the table on the previous page and in Appendix C-4 include all evaluated residential consumer complaints filed against the seven major local telephone companies. The complaints may be justified, inconclusive or unjustified.

The 2003 and 2004 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.

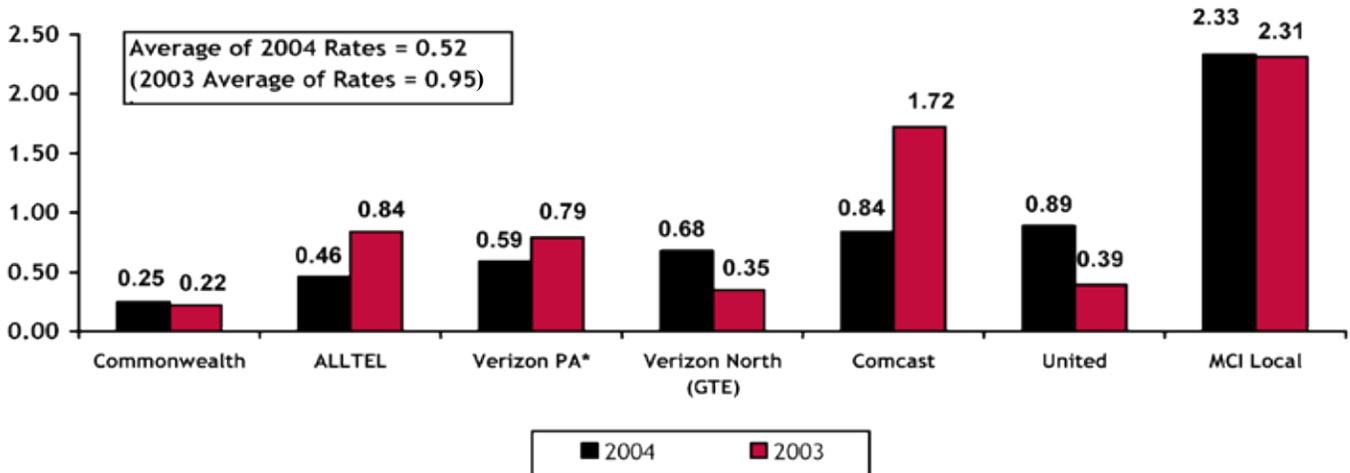
## 2004 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies



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

- 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 2004, the BCS received fewer consumer complaints about the seven major local telephone companies than it did in 2003. Consumer complaints and thus consumer complaint rates decreased for four of the major companies while increasing for the other three companies.
- In 2004, the industry average for consumer complaint rate is 1.53. Comcast, United and MCI Local exceeded the industry average in 2004. The industry average for justified consumer complaint rate is 0.86 for 2004.
- Comcast, United and MCI Local have justified consumer complaint rates that are above the 2004 industry average. However, Comcast's justified rate decreased from 2003 to 2004. United's justified consumer complaint rate increased. MCI Local's justified consumer complaint rate was relatively unchanged from one year to the next.
- Appendix D, Table 4, shows the number of consumer complaints and justified consumer complaints for each major telephone company in both 2003 and 2004.

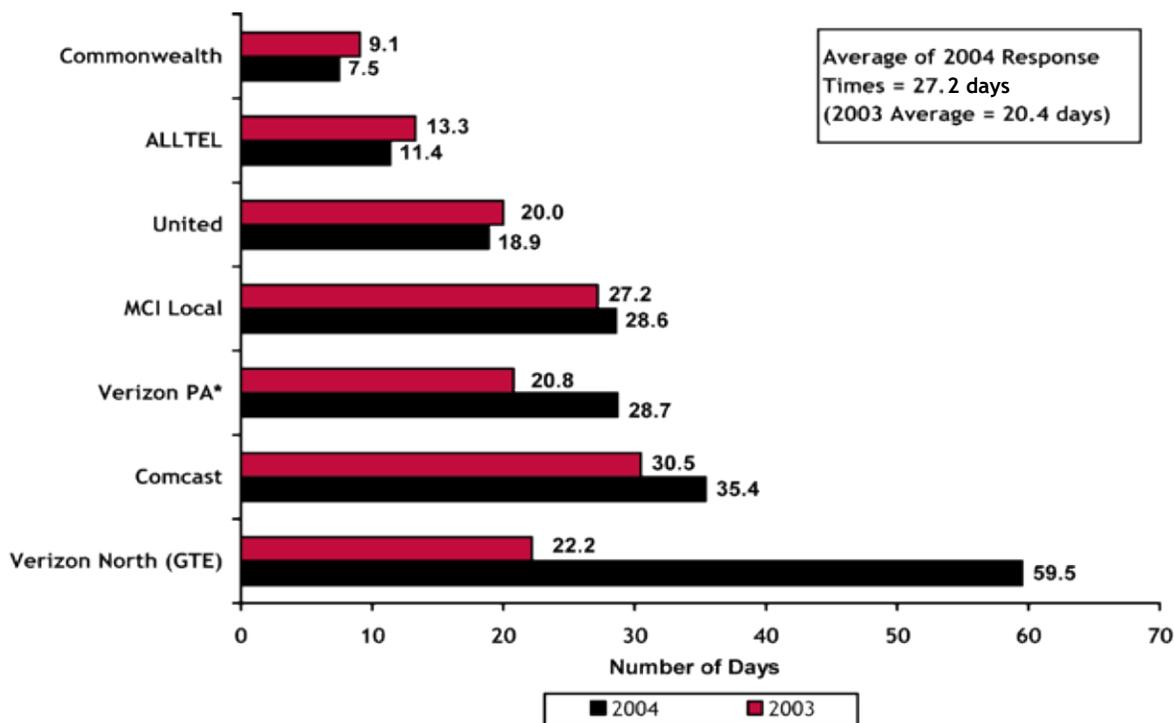
## 2003-04 Justified Residential Consumer Complaint Rates Major Local Telephone Companies



\* Based on a probability sample of cases.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The 2004 industry average justified consumer complaint rate decreased from 2003. Three of the individual companies performed better than the 2004 industry average while four performed worse than the average.
- The 2004 justified rate for Commonwealth and MCI Local was relatively unchanged from 2003. Meanwhile, ALLTEL, Comcast and Verizon PA improved from 2003 to 2004. In contrast, Verizon North and United each had higher justified consumer complaint rates in 2004 than they did in 2003.
- Appendix D, Table 4, shows the number of justified consumer complaints and the justified consumer complaint rates for each major telephone company in 2003 and 2004.

## 2003-04 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies



\* Based on a probability sample of cases.

- For the major companies overall, the average response time to consumer complaints increased by 6.8 days from 2003 to 2004. In 2004, three of the major companies had average response times to consumer complaints that were lower than the industry average while four of the major companies had average response times that exceeded the industry average.
- Commonwealth, ALLTEL, and United improved their average response times to consumer complaints from 2003. MCI Local, Verizon PA, Comcast and Verizon North each had longer average response times in 2004 than in 2003.
- Verizon North's average response time increased by 37.3 days from 2003 to 2004 due to a problem resulting from changes the company made regarding the handling of consumer complaints. By the time the company identified the problem and issued its reports, a considerable amount of time had elapsed. Verizon revised its procedures late in the year and the company's response time decreased.
- Appendix E shows the 2003 and 2004 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

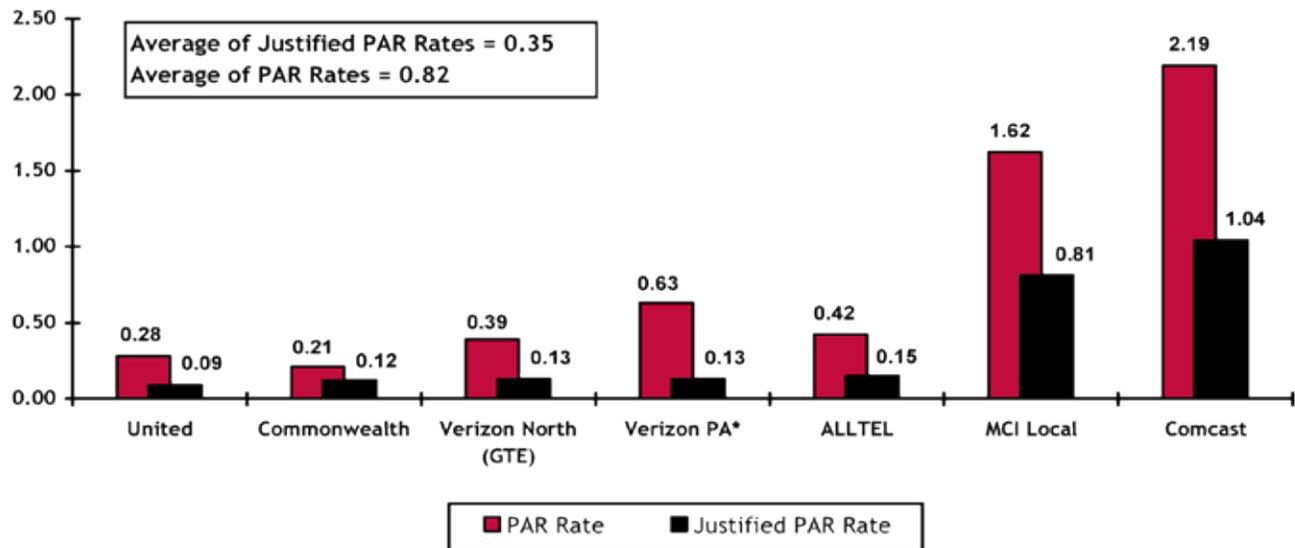
Telephone service consists of three components: basic service, nonbasic service and toll service. The BCS does not handle customer requests for payment arrangements that involve toll or nonbasic services. For the telephone industry, payment arrangement requests (PARs) are principally contacts to the 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 basic telephone service for nonpayment. Suspension of basic 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. The majority of PARs are from customers who contact the BCS to request payment arrangements after they have received a suspension notice.

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 2004, the BCS handled 4,065 PARs from residential customers. Of these cases, 3,342 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 2003 and 2004 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.

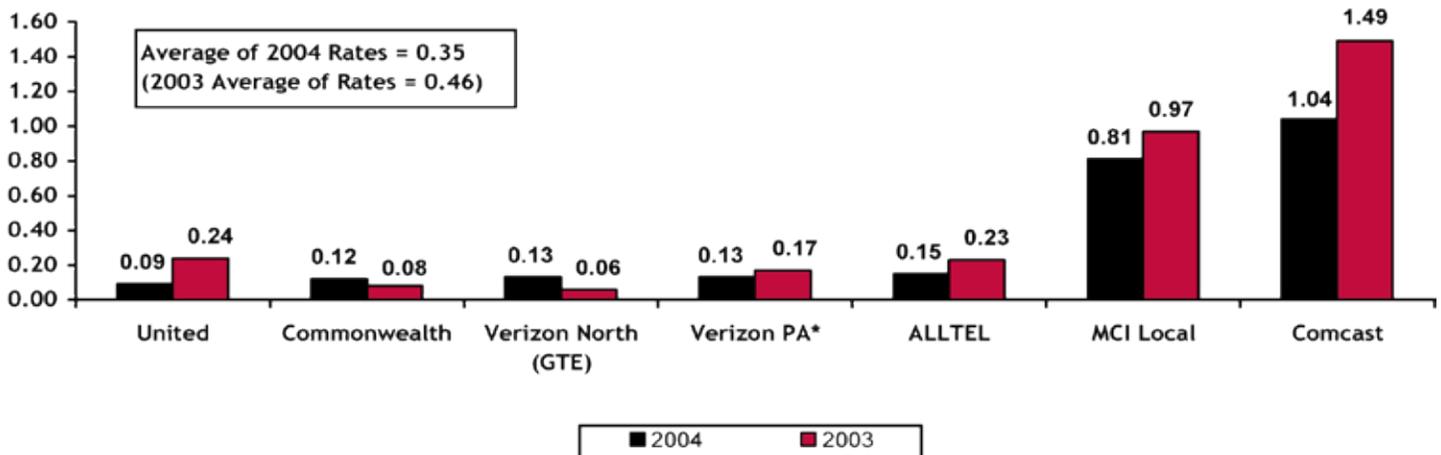
## 2004 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Local Telephone Companies



\* 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 (PAR) rate equals the number of payment arrangement requests for each 1,000 residential customers.
- For 2004, the industry average for PAR rate is 0.82, a reduction from 2003 when the PAR rate was 1.06 for the seven major companies. With the exception of Verizon North, each major company saw a reduction in its PAR rate in 2004 as compared with 2003. Five of the seven major telephone companies have PAR rates that are lower than the industry average. Only MCI Local and Comcast exceed the industry average.
- The overall PAR rate is more than two times the overall justified PAR rate. For the individual companies, the companies' PAR rates are two and three times their justified PAR rates. However, Verizon PA's PAR rate is almost five times the company's justified PAR rate.
- 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 2003 and 2004.

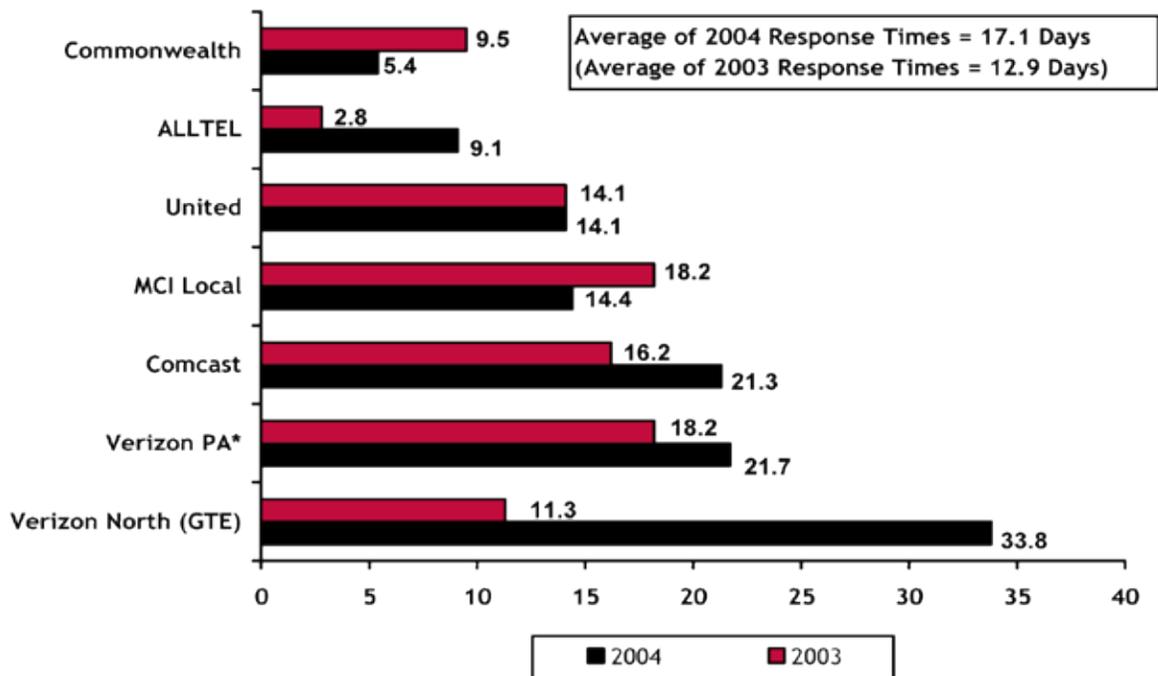
## 2003-04 Justified Residential Payment Arrangement Request Rates Major Local Telephone Companies



\* 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 2004 average of justified rates for the seven major telephone companies is lower than the 2003 average rate.
- For five of the seven major telephone companies the average justified rate declined from 2003 to 2004. However, Verizon North's and Commonwealth's justified PAR rate increased from 2003 to 2004.
- The justified PAR rates of the five major incumbent telephone companies are well below the industry average while the justified PAR rates for MCI Local and Comcast are considerably above the industry average.
- 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.

## 2003-04 Response Time to BCS Residential Payment Arrangement Requests Major Local Telephone Companies



\* Based on a probability sample of cases.

- The 2004 average response time to PARs for the seven major telephone companies increased by 4.2 days from 2003.
- Commonwealth and MCI Local reduced their response times to PARs from 2003 to 2004 and United's response time was stable in 2004 compared to 2003. ALLTEL, Comcast, Verizon North and Verizon PA all took longer to respond to PARs in 2004 than they did in 2003.
- Verizon North's response time increased by over 22 days from 2003 to 2004 due to a problem that came about when Verizon North changed its procedures for responding to BCS cases. By the time the company identified the problem and issued its reports, a considerable amount of time had elapsed. The result was an extensive increase in response time for the company. Verizon reviewed its procedures late in the year and began responding more promptly to the Verizon North PARs.
- Appendix G shows the 2003 and 2004 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		
	2002	2003	2004	% Change in # 2003-04	2002	2003	2004
ALLTEL	3,912	4,908	4,848	-1%	21.93	27.92	28.12
Comcast	N/A	10,500	8,616	-18%	N/A	97.26	80.25
Commonwealth	5,352	5,628	4,728	-16%	21.49	22.76	19.57
MCI Local	18,696	29,040	31,056	7%	95.49	118.02	131.99
United	8,148	5,976	5,400	-10%	28.46	20.99	19.05
Verizon North(GTE)	21,996	22,236	19,536+	-12%	43.99	44.75	43.00+
Verizon PA	146,664	143,388	139,056	-3%	38.63	37.90	37.43
<b>Major Telephone</b>	<b>204,768</b>	<b>221,676</b>	<b>213,240</b>	<b>-4%</b>			
<b>Average of Rates</b>					<b>41.67</b>	<b>52.80</b>	<b>45.20*</b>

N/A = Not Available.

+ As result of company data problems termination data for Verizon North is based on estimates.

\* This average excludes Verizon North terminations since the data is estimated.

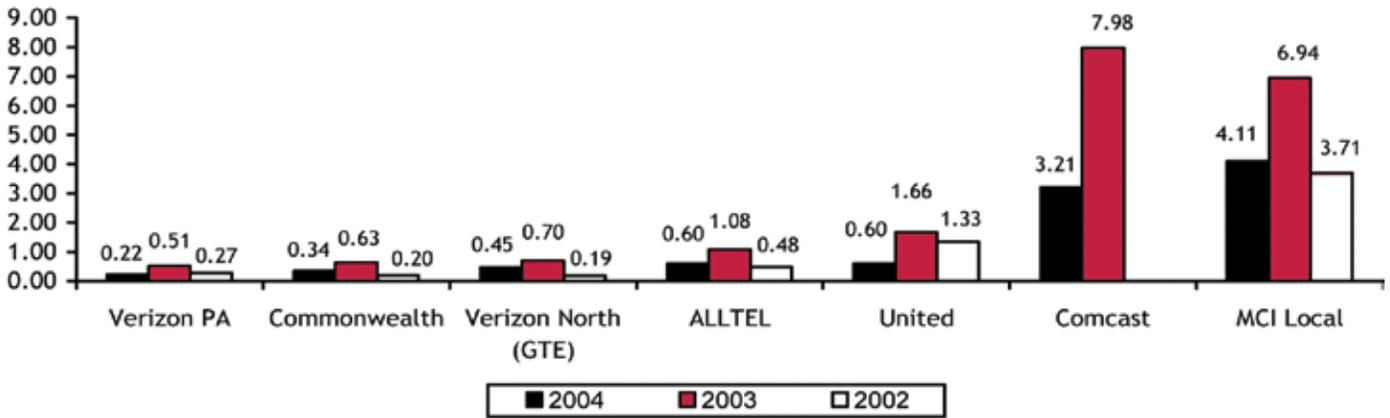
- Comcast's termination statistics are not available for 2002.
- Overall, the basic service termination rate for major telephone companies decreased from 2003 to 2004. With the exception of MCI Local, the termination rates of the individual companies either decreased or were relatively stable from 2003 to 2004.
- MCI Local's 2004 termination rate is five times the average termination rate for the major local telephone companies.

## Compliance

The BCS' 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 2002 through 2004. The data for the Chapter 63 and Chapter 64 infraction information was retrieved from the BCS Compliance Tracking System on August 23, 2005. The charts that follow and the infraction statistics in Appendix H, Tables 4 and 5, present Chapter 64 and Chapter 63 infraction statistics for the seven major telephone companies as of that date. Due to staffing limitations, the BCS was not on schedule in implementing the infraction compliance process for 2004 telephone cases. Many of the telephone consumer complaints and PARs were not processed in time to be included in this report. As a result, the number of infractions and the infraction rates are lower than in prior years. As the BCS completes the informal compliance process for these cases, the numbers and rates for each of the major telephone companies will most likely increase. Next year's report will present the final infraction statistics for 2004.

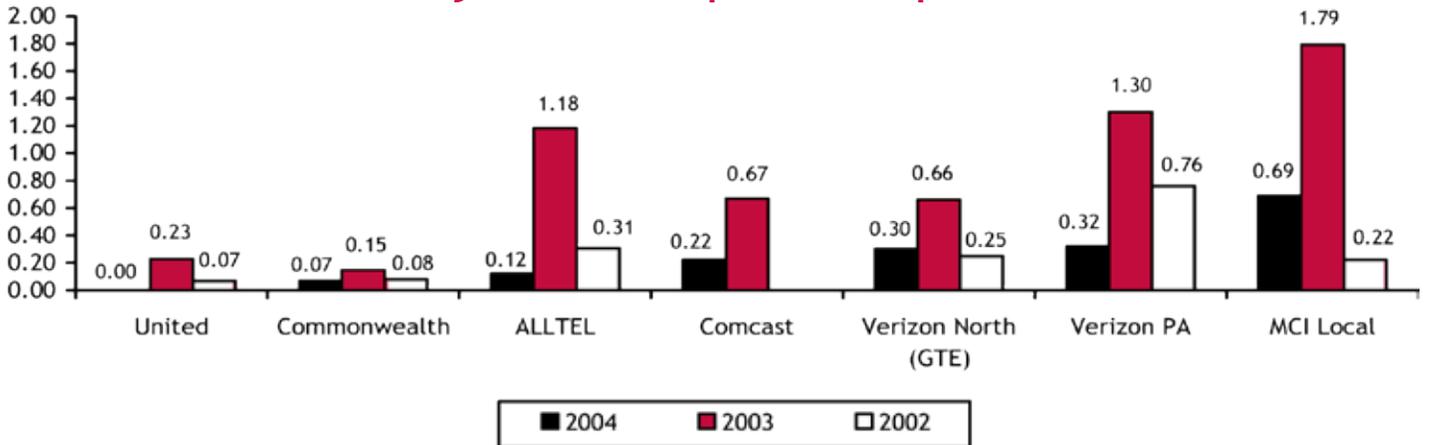
## Commission Chapter 64 Infraction Rate\* Major Local Telephone Companies



\*2004 infraction rates are artificially low due to a delay in the BCS compliance process. Rates will most likely increase as the BCS completes the compliance process for cases filed in 2004.

- 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 2002.

## Commission Chapter 63 Infraction Rate\* Major Local Telephone Companies



\*2004 infraction rates are artificially low due to a delay in the BCS compliance process. Rates will most likely increase as the BCS completes the compliance process for cases filed in 2004.

- 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 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 2004.

### 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 programs<sup>1</sup> 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.

<sup>1</sup> These programs are as follows: General Assistance (GA), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), Food Stamps, Low Income 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 2004, the monthly credit<sup>1</sup> was \$7.80 for the Lifeline 150 program and \$11.55 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	
	2003	2004	2003	2004
ALLTEL	5,186	3,100	4,106	3,100
Comcast	421	678	329	398
Commonwealth	1,866	2,239	1,485	1,772
MCI Local	809	767	555	546
United	1,918	2,185	1,913	2,173
Verizon North (GTE)*	7,968	7,743	6,763	5,188
Verizon PA*	189,588	211,194	118,987	138,918
<b>Total</b>	<b>207,756</b>	<b>227,906</b>	<b>134,138</b>	<b>152,095</b>

\*The 2003-04 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.

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

## Link-Up Connections 2003-04

Company	Number of Connections 2003	Number of Connections 2004
ALLTEL	464	N/A
Comcast	21	34
Commonwealth	985	1,041
MCI Local	2	11
United	27	21
Verizon North (GTE)	1,397	834
Verizon PA	52,659	50,019
<b>Total</b>	<b>55,555</b>	<b>51,960</b>

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 2004 was \$87. Overall, UTAP distributed \$1,373,948 in financial assistance to 15,782 of Verizon PA's Lifeline customers in 2004.

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

## 7. Other Consumer Activities of the Commission

### Office of Communications



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

The Office of Communications is a 10-member team focused on informing Pennsylvanians about PUC activities and utility issues. The PUC Office of 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.

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](http://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 also 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 of the Commonwealth.

In 2004, the consumer information specialist for Central and Western Pennsylvania coordinated and participated in six utility and aging roundtable discussions, and led and participated in 22 workshops, 10 senior fairs, two national conferences and numerous consumer-education planning meetings. In addition, Utility Choice and other informational brochures and fact sheets were distributed in public housing communities, apartment complexes, and senior daycares, community-based organizations and community centers.

Also in 2004, two major "Be UtilityWise" events were held in Pittsburgh and York promoting consumer awareness and providing utility-related education to health and social service agencies, which in turn promote access, awareness and outreach to over 500 consumers. 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 is a member of various consumer-education forums and committees.

In 2004, the consumer information specialist for Eastern Pennsylvania participated in over 35 workshops, four energy fairs, 10 expos, one national conference, six statewide roundtable discussions, 50 planning committee meetings, and three train-the-trainer sessions. Through these efforts, more than 35,000 individuals were directly reached in the Eastern region of the Commonwealth. In addition, more than 45,000 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.

In addition, the Office of Communications works on special awareness campaigns to educate Pennsylvania consumers. In November, the Commission welcomed a special visitor, groundhog Punxsutawney Phil. Phil helped the Commission urge Pennsylvanians to prepare for the winter by weatherizing their homes, conserving energy, and leaning about private and public programs to help them cope with colder weather and pay their utility bills.

This educational program is in keeping with the Commission’s focus on rates, reliability and choice, so it can protect the public interest and increase economic development.

The awareness campaign was a partnership among the Commission, Punxsutawney Phil, \$1 Energy Fund and Columbia Gas of Pennsylvania.



On November 18, 2004, Punxsutawney Phil joined Commissioners to urge Pennsylvanians to “Prepare Now” for winter.

## Utility Choice

In 2004, 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 2004, the Utility Choice Website, [www.utilitychoice.org](http://www.utilitychoice.org), logged more than 25 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 Utility Choice 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 2004 revealed that nearly 81% of Pennsylvanians are aware they can choose a local telephone provider and that nearly 28% have shopped for local service. In addition, 84% of African-Americans and 75% 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.

## The PUC Consumer Advisory Council

The PUC Consumer Advisory Council was created to advise the Commission upon matters relating to the protection of consumer interests that are under the jurisdiction of the Commission. The Council acts as a source of information and advice for the Commissioners. Interactions between the Council and the Commissioners occur through periodic meetings with the Commissioners and in writing via minutes of meetings and formal motions. Council meetings are generally held on the fourth Tuesday of the month in PUC Executive Chambers in Harrisburg starting at 10:00 a.m. and are open to the public.

## 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 two-year terms, and may be re-appointed thereafter. Council officers serve for two-year terms. The Chairperson may not act for more than two consecutive terms.

### Consumer Advisory Council



Photo (front row, left to right): Howard Shakespeare; Harry Geller, John Detman; and Renardo Hicks. Back row, left to right: Dr. Dan Paul; Linda Roth; Bob Christianson; Cynthia Datig; Joseph Capozzolo; and Diana Bender. Absent from photo: Joseph Dudick Jr.; Thomas Leach; Cheryl McAbee, Joseph Minott; Liz Robinson; and A. Courtney Yelle.

## 2004 Consumer Advisory Council Activities

In 2004, 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 received briefings on reconnections, terminations and shut-offs from the Bureau of Consumer Services. The Council also closely followed Senate Bill 689 and received updates from several guest speakers, including the Energy Association of Pennsylvania and the Office of Consumer Advocate to discuss the bill. After passage, the Council received monthly updates on Chapter 14 implementation proceedings.
- The Council wrote a letter to the Commission expressing their appreciation for the proactive approach the Commission has taken for heat-wave awareness.
- The Council received reports from the Law Bureau concerning Provider of Last Resort (POLR) issues and the roundtables that were being held. The Council submitted comments for review. The Council further received a report on the natural gas investigation which was called in order to determine the level of competition currently in the natural gas supply industry in Pennsylvania.
- The Council received periodic reports on consumer-related bills in the House and Senate.
- The Council heard a presentation from the Commission on the heat-wave emergency procedures employed by Commission staff and utility company personnel to assist vulnerable populations.
- The Council continued to receive periodic updates on consumer-education programs and events supported by the Commission and the CUC.

## 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). 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

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<sup>1</sup> provider (AT&T of Pennsylvania); two representatives from the Commission and seven representatives from the deaf, hard of hearing and speech disabled communities. During 2004, 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 2004.



**Board Members -- Seated (left to right): Gary Bootay; Diana Bender (Chairman); Donald R. Lurwick (Vice Chairman); and Lenora Best. Standing (left to right) Chuck Hafferman; Eric Jeschke; Kenneth Puckett; Lois Steele; and Steve Samara. Absent from photo: Larry Brick and Robert Kennedy.**

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<sup>1</sup>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. During 2004, AT&T of Pennsylvania (AT&T) operated TRS centers in Scranton and New Castle. However, AT&T closed the Scranton TRS on December 17, 2004.

## 2004 Highlights

As with previous years, much of the Board's discussions in 2004 focused on outreach, the full implementation of 711, and ways to improve the TRS<sup>1</sup>.

- An ongoing concern for the Board is public awareness of TRS. The Board's discussion in 2004 centered on the implementation of a two-year consumer education outreach campaign. This campaign represents the joint efforts of the Commission and the Board to raise the hearing public's awareness of TRS. On March 25, 2004, Commissioners, Board members and AT&T participated in an event to announce the launch of the statewide campaign, "Spread the Word! Communicate by phone with people who have hearing or speech loss." Christy Smith, from CBS TV's "Survivor: The Amazon" is the campaign's spokesperson. She is an advocate for deaf awareness and the only deaf person ever to compete on the CBS TV's reality series "Survivor." The two-year campaign which began on April 1 2004, features the use of billboards; print and radio ads; traveling road shows; a website; and toll free number.
- With the Commission's approval, Ultratec® extended the trial<sup>2</sup> of its CapTel™ telephone service during 2004. CapTel<sup>3</sup> 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 and can speak. The Commission decided to continue the trial in 2004 while staff investigated the long-term viability and provisioning of captioned telephone service in Pennsylvania.
- 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 2004, TDDP spent \$416,310 to distribute 947 communications devices.
- Other TRS service-related issues were also discussed in 2004. These issues included annoyance calls involving internet relay, funding for video relay, TRS surcharge for wireless service, loss of TRS funding, and speech to speech.

For more information about the Pennsylvania Relay Service Advisory Board, contact Kim Barrow, 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](http://www.parelay.net) or the Commission's Website at [www.puc.state.pa.us](http://www.puc.state.pa.us).

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<sup>1</sup>The total volume of calls through the Pennsylvania TRS decreased 9 percent from 2003 to 2004. AT&T reported that it handled 1,641,628 relay calls in 2004. TRS callers used the relay services to make 1,501,630 intrastate calls, 138,865 interstate calls and 1,133 international calls.

<sup>2</sup>The initial nine-month trial of CapTel™ began May 2003 with 156 participants.

<sup>3</sup>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.

## 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' 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**  
**2004 Residential Consumer Complaints**  
**Non-Major Companies**

Company	Number of Complaints
<b>ELECTRIC</b>	
Other Non-Major Electric Companies	8
<b>Total Non-Major Electric</b>	<b>8</b>
<b>GAS</b>	
GASCO Distribution Systems Inc. (NGDC)	9
Kaylor Natural Gas (NGDC)	7
PPL Utilities (NGDC)	37
T.W. Phillips (NGDC)	41
Other Non-Major Gas Companies	12
<b>Total Non-Major Gas</b>	<b>106</b>
<b>TELEPHONE*</b>	
D&E Telephone Company	23
Frontier Communications of Breezewood	5
Frontier Communications of Pennsylvania	7
North Pittsburgh Telephone Company	11
Other Non-Major ILECs	31
<b>Total Non-Major Telephone</b>	<b>77</b>

\* 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: 2004\* Major Electric Distribution Companies

Categories**	Allegheny Power	Duquesne	Met-Ed	PECO***	Penelec	Penn Power	PPL Utilities	UGI-Elec.	Electric Majors
Billing Disputes	30	48	66	119	74	13	111	10	471
Metering	46	10	46	78	28	8	101	7	324
Service Interruptions	27	10	83	82	47	20	46	0	315
Credit and Deposits	195	25	1	22	3	1	24	3	274
Personnel Problems	28	33	25	97	24	11	20	6	244
Discontinuance/Transfer	20	17	18	50	10	5	79	4	203
Scheduling Delays	13	22	27	94	16	1	23	0	196
Service Quality	11	17	16	63	14	3	17	0	141
Damages	17	18	13	39	21	4	17	2	131
Service Extensions	15	8	18	4	34	10	21	2	112
Other Payment Issues	13	10	4	16	3	1	12	0	59
Rates	2	2	4	8	2	1	3	0	22
All Other Problems	22	24	12	26	12	3	18	3	120
<b>TOTAL*</b>	<b>439</b>	<b>244</b>	<b>333</b>	<b>698</b>	<b>288</b>	<b>81</b>	<b>492</b>	<b>37</b>	<b>2,612</b>

\* Categories are for residential complaints evaluated by the BCS as of June 17, 2005.

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: 2004\* Major Natural Gas Distribution Companies

Categories**	Columbia	Dominion Peoples	Equitable	NFG	PG Energy	PGW	UGI-Gas	Gas Majors
Metering	69	94	288	33	8	11	79	582
Billing Disputes	36	42	157	125	26	68	59	513
Discontinuance/Transfer	27	30	80	21	10	30	23	221
Personnel Problems	35	43	58	19	8	10	39	212
Credit and Deposits	12	4	69	4	3	5	23	120
Other Payment Issues	10	16	52	12	4	16	10	120
Service Quality	26	44	6	9	4	0	6	95
Scheduling Delays	21	19	41	9	2	2	0	94
Damages	40	7	18	4	1	2	3	75
Service Extensions	29	8	5	17	1	3	10	73
Service Interruptions	21	9	11	8	0	2	5	56
Rates	0	1	3	1	1	2	2	10
All Other Problems	12	9	31	9	4	7	13	85
<b>TOTAL*</b>	<b>338</b>	<b>326</b>	<b>819</b>	<b>271</b>	<b>72</b>	<b>158</b>	<b>272</b>	<b>2,256</b>

\* Categories are for residential complaints evaluated by BCS as of June 17, 2005.

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: 2004\* Major Water Utilities

Categories**	PA-American	Aqua Pennsylvania Southeastern	Other "Class A" Water***	All "Class A" Water
Billing Disputes	116	59	3	178
Metering	18	58	2	78
Discontinuanace/Transfer	10	12	0	22
Service Quality	15	6	0	21
Personnel Problems	16	4	1	21
Damages	14	2	0	16
Scheduling Delays	10	4	0	14
Other Payment Issues	10	2	0	12
Rates	4	5	0	9
Service Interruptions	5	2	0	7
Credit and Deposits	0	7	0	7
Service Extensions	4	1	0	5
All Other Problems	9	22	1	32
<b>TOTAL*</b>	<b>231</b>	<b>184</b>	<b>7</b>	<b>422</b>

\* Categories are for residential complaints evaluated by BCS as of June 17, 2005.

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

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

\*\*\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

## Appendix C - Table 4

### Consumer Complaint Categories: 2004\* Major Local Telephone Companies

Categories**	ALLTEL	Comcast	Common-wealth	MCI Local	United	Verizon North (GTE)	Verizon PA	Telephone Majors
Billing Disputes	33	62	64	136	137	111	539	1,082
Service Delivery	54	33	22	173	34	195	565	1,076
Unsatisfactory Service	39	7	12	34	30	65	471	658
Toll Services	8	1	4	2	48	28	182	273
Discontinuance/Transfer	3	7	2	74	44	15	115	260
Competition	4	3	3	112	2	2	74	200
Service Terminations	7	16	12	5	18	24	6	88
Credit & Deposits	4	2	4	2	3	7	56	78
Annoyance Calls	8	1	1	12	7	11	29	69
Non-Recurring Charges	1	0	1	1	13	5	42	63
Sales Nonbasic Services	1	1	0	0	17	5	0	24
All Other Problems	6	9	0	3	8	6	51	83
<b>TOTAL*</b>	<b>168</b>	<b>142</b>	<b>125</b>	<b>554</b>	<b>361</b>	<b>474</b>	<b>2,130</b>	<b>3,954</b>

\* Categories are for residential complaints evaluated by BCS as of July 1, 2005.

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

### 2003-04 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	Residential Consumer Complaints to BCS			Consumer Complaint Rates <sup>1</sup>		Justified Consumer Complaints	
	2003	2004	% Change in #	2003	2004	Numbers <sup>2</sup> /Rates <sup>3</sup> 2003	Numbers <sup>2</sup> /Rates <sup>3</sup> 2004
<b>2004 Residential Customers</b>							
Allegheny Power	600,419	528	10%	0.88	0.97	146	175
Duquesne	525,858	332	8%	0.63	0.68	61	30
Met Ed	459,171	536	-22%	1.19	0.91	187	125
PECO	1,394,250	1,782	29%	1.26	1.65	741	737
Penelec	504,114	384	-2%	0.76	0.74	112	92
Penn Power	137,514	77	52%	0.56	0.85	26	39
PPL Utilities	1,161,098	1,490	-26%	1.30	0.95	273	189
UGI-Electric	53,896	42	21%	0.78	0.95	6	10
<b>Major Electric</b>	<b>4,836,320</b>	<b>5,171</b>	<b>3%</b>	<b>0.94<sup>4</sup></b>	<b>0.97<sup>4</sup></b>	<b>1,552</b>	<b>1,397</b>
<b>Average of Rates</b>						<b>0.28<sup>4</sup></b>	<b>0.25<sup>4</sup></b>

<sup>1</sup>Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers.

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

<sup>2</sup>Estimated based on the number of cases on CSIS as of June 17, 2005.

<sup>3</sup>Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers.

<sup>4</sup>Does not include UGI-Electric.

## Appendix D - Table 2

### 2003-04 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	Residential Consumer Complaints to BCS		% Change in #		Consumer Complaint Rates <sup>1</sup>		Justified Consumer Complaints	
	2003	2004	2003	2004	2003	2004	2003	2004
<b>2004 Residential Customers</b>								
Columbia	357,006	740	583	-21%	2.09	1.63	221	148
Dominion Peoples	323,513	622	604	-3%	1.93	1.87	261	209
Equitable	239,621	687	1,174	71%	2.91	4.90	192	602
NFG	195,022	208	334	61%	1.06	1.71	43	35
PG Energy	139,964	76	91	20%	0.55	0.65	17	13
PGW	476,662	N/A	2,700	N/A	N/A	5.66	N/A	1,131
UGI-Gas	270,327	400	394	-2%	1.52	1.46	94	69
<b>Major Gas</b>	<b>2,002,115</b>	<b>2,733</b>	<b>5,880</b>	<b>N/A</b>			<b>828</b>	<b>2,207</b>
<b>Average of Rates</b>					<b>1.68</b>	<b>2.55</b>		<b>0.92</b>

N/A = Not Applicable.

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

<sup>2</sup>Estimated based on the number of cases on CSIS as of June 17, 2005.

<sup>3</sup>Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers.

## Appendix D - Table 3

### 2003-04 Residential Consumer Complaint Statistics Major Water Utilities\*

Company Name	Residential Consumer Complaints to BCS		% Change in #	Consumer Complaint Rates <sup>1</sup>		Justified Consumer Complaints	
	2003	2004		2003	2004	2003	2004
<b>2004 Residential Customers</b>							
PA-American	565,290	424	41%	0.75	1.06	157	0.28
Aqua Pennsylvania	316,341	587	-37%	1.88	1.17	349	1.12
Other Class A	156,315	112	-71%	0.75	0.20	21	0.14
<b>Major Water</b>	<b>1,037,946</b>	<b>1,123</b>	<b>-11%</b>			<b>527</b>	
<b>Average of Rates</b>				<b>1.13</b>	<b>0.81</b>		<b>0.51</b>
						<b>217</b>	<b>0.38</b>
						<b>182</b>	<b>0.58</b>
						<b>18</b>	<b>0.12</b>
						<b>417</b>	
							<b>0.36</b>

\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

<sup>1</sup>Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers.

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

<sup>2</sup>Estimated based on the number of cases on CSIS as of June 17, 2005.

<sup>3</sup>Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers.

**Appendix D -Table 4**  
**2003-04 Residential Consumer Complaint Statistics**  
**Major Local Telephone Companies**

Company Name	Residential Consumer Complaints to BCS		% Change in #	Consumer Complaint Rates <sup>1</sup>		Justified Consumer Complaints	
	2003	2004		2003	2004	2003	2004
<b>2004 Residential Customers</b>							
ALLTEL	172,393	176	-20%	1.25	1.02	148	80
Comcast	107,363	176	-43%	2.83	1.64	186	90
Commonwealth	241,579	146	28%	0.46	0.60	54	60
MCI Local	235,295	738	-7%	3.21	3.14	569	548
United	283,462	474	62%	1.03	1.67	112	252
Verizon North (GTE)	454,298	541	64%	0.66	1.19	175	308
Verizon PA	3,715,470	5,474	-8%	1.57	1.47	2,985*	2,184*
<b>Major Telephone</b>	<b>5,209,860</b>	<b>7,980</b>	<b>-3%</b>			<b>4,229</b>	<b>3,522</b>
<b>Average of Rates</b>				<b>1.57</b>	<b>1.53</b>		<b>0.95</b>
							<b>0.86</b>

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

<sup>2</sup>Estimated based on the number of cases on CSIS as of July 01, 2005.

<sup>3</sup>Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers.

\*Based on a probability sample of cases.

## Appendix E

### 2003-04 Response Time: BCS Consumer Complaints

Company	Average Time in Days		Change in Days 2003 to 2004
	2003	2004	
Allegheny Power	15.8	22.0	6.2
Duquesne	23.8	31.0	7.2
Met-Ed	16.8	18.5	1.7
PECO*	14.4	23.7	9.3
Penelec	12.0	21.8	9.8
Penn Power	10.6	14.3	3.7
PPL Utilities*	23.3	25.4	2.1
UGI-Electric	20.7	28.1	7.4
<b>Major Electric<sup>1</sup></b>	<b>16.7<sup>2</sup></b>	<b>22.4<sup>2</sup></b>	<b>5.7<sup>2</sup></b>
Columbia*	12.3	7.9	-4.4
Dominion Peoples*	24.4	23.1	-1.3
Equitable	26.0	82.1	56.1
NFG	52.6	69.9	17.3
PG Energy	17.4	24.3	6.9
PGW*	N/A	40.5	N/A
UGI-Gas	23.6	38.2	14.6
<b>Major Gas<sup>1</sup></b>	<b>26.0</b>	<b>40.8</b>	<b>14.8</b>
PA-American	5.6	11.8	6.2
Aqua Pennsylvania	35.2	82.4	47.2
Other Class A	33.7	236.9**	203.2**
<b>Major Water<sup>1</sup></b>	<b>24.8</b>	<b>110.3</b>	<b>85.5</b>
ALLTEL	13.3	11.4	-1.9
Comcast	30.5	35.4	4.9
Commonwealth	9.1	7.5	-1.6
MCI Local	27.2	28.6	1.4
United	20.0	18.9	-1.1
Verizon North (GTE)	22.2	59.5	37.3
Verizon PA*	20.8	28.7	7.9
<b>Major Telephone<sup>1</sup></b>	<b>20.4</b>	<b>27.2</b>	<b>6.8</b>

<sup>1</sup> Average of response times.

<sup>2</sup> Does not include UGI-Electric.

\* Based on a probability sample of cases.

\*\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

N/A = Not Applicable.

## Appendix F - Table 1

### 2003-04 Residential Payment Arrangement Request Statistics Major Electric Distribution Companies

Company Name	Residential Payment Arrangement Requests (PARs) to BCS <sup>1</sup>		% Change in #		Payment Arrangement Request Rates <sup>1</sup>		Justified Payment Arrangement Requests*		
	2003	2004	2003	2004	2003	2004	2003	2004	
<b>2004 Residential Customers</b>							<b>Numbers<sup>2</sup>/Rates<sup>3</sup></b>	<b>Numbers<sup>2</sup>/Rates<sup>3</sup></b>	
Allegheny Power	600,419	5,166	1%	8.53	8.60	1,192	1.99	1,488	2.48
Duquesne	525,858	7,799	7%	13.87	14.83	1,077	2.05	1,289	2.45
Met-Ed	459,171	3,618	14%	7.03	7.88	599	1.33	504	1.10
PECO	1,394,250	11,949	28%	6.62	8.57	1,934	1.37	1,691	1.21
Penelec	504,114	4,318	13%	7.59	8.57	559	1.11	626	1.24
Penn Power	137,514	1,097	4%	7.70	7.98	242	1.77	159	1.16
PPL Utilities	1,161,098	11,208	-42%	16.80	9.65	1,625	1.42	1,451	1.25
UGI-Electric	53,896	593	-31%	16.06	11.00	553	10.27	146	2.71
<b>Major Electric</b>	<b>4,836,320</b>	<b>49,926</b>	<b>-8%</b>			<b>7,781</b>		<b>7,354</b>	
<b>Average of Rates</b>				<b>9.73<sup>4</sup></b>	<b>9.44<sup>4</sup></b>		<b>1.58<sup>4</sup></b>		<b>1.56<sup>4</sup></b>

<sup>1</sup> Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers.

Case outcome may have been justified, inconclusive or unjustified.

<sup>2</sup> Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 17, 2005.

<sup>3</sup> Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

<sup>4</sup> Does not include UGI-Electric.

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

## Appendix F - Table 2

### 2003-04 Residential Payment Arrangement Request Statistics Major Natural Gas Distribution Companies

Company Name	Residential Payment Arrangement Requests (PARs) to BCS		2004 Residential Customers	% Change in #	Payment Arrangement Request Rates <sup>1</sup>		Justified Payment Arrangement Requests*	
	2003	2004			2003	2004	2003	2004
Columbia	4,124	4,257	357,006	3%	11.67	11.92	1,166	713
Dominion Peoples	10,010	6,668	323,513	-33%	31.01	20.61	2,923	1,327
Equitable	7,573	8,144	239,621	8%	32.12	33.99	2,486	2,208
NFG	2,480	3,000	195,022	21%	12.70	15.38	530	827
PG Energy	1,380	1,695	139,964	23%	9.90	12.11	63	168
PGW	N/A	10,925	476,662	N/A	N/A	22.92	N/A	2,154
UGI-Gas	4,761	4,436	270,327	-7%	18.12	16.41	2,514	1,470
<b>Major Gas</b>	<b>30,328</b>	<b>39,125</b>	<b>2,002,115</b>	<b>N/A</b>	<b>19.25</b>	<b>19.05</b>	<b>9,682</b>	<b>8,867</b>
<b>Average of Rates</b>							<b>5.94</b>	<b>4.39</b>

<sup>1</sup> Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers.

Case outcome may have been justified, inconclusive or unjustified.

<sup>2</sup> Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 17, 2005.

<sup>3</sup> Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

\*Based on a probability sample of cases.

N/A = Not Applicable.

## Appendix F - Table 3

### 2003-04 Residential Payment Arrangement Request Statistics Major Water Utilities\*

Company Name	Residential Payment Arrangement Requests (PARs) to BCS		% Change in #	Payment Arrangement Request Rates <sup>1</sup>		Justified Payment Arrangement Requests				
	2003	2004		2003	2004	Numbers <sup>2</sup> / Rates <sup>3</sup> 2003	Numbers <sup>2</sup> / Rates <sup>3</sup> 2004			
<b>2004 Residential Customers</b>										
PA-American	565,290	2,198	2,120	-4%	3.91	3.75	263**	0.47**	354**	0.63*
Aqua Pennsylvania	316,341	1,243	1,103	-11%	3.98	3.49	514	1.65	356	1.13
Other Class A Water	156,315	373	201	-46%	2.49	1.29	63	0.42	41	0.26
<b>Major Water</b>	<b>1,037,946</b>	<b>3,814</b>	<b>3,424</b>	<b>-10%</b>			<b>840</b>		<b>751</b>	
<b>Average of Rates</b>					<b>3.46</b>	<b>2.84</b>		<b>0.85</b>		<b>0.67</b>

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

<sup>2</sup> Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 17, 2005.

<sup>3</sup> Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

\* BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

\*\*Based on a probability sample of cases.

**Appendix F - Table 4**  
**2003-04 Residential Payment Arrangement Request Statistics**  
**Major Local Telephone Companies**

Company Name	2004 Residential Customers		Residential Payment Arrangement Requests (PARs) to BCS		% Change in #	Payment Arrangement Request Rates <sup>1</sup>		Justified Payment Arrangement Requests			
	2003	2004	2003	2004		2003	2004	2003	2004		
ALLTEL	172,393	76	76	72	-5%	0.43	0.42	41	0.23	26	0.15
Comcast	107,363	325	325	235	-28%	3.01	2.19	161	1.49	112	1.04
Commonwealth	241,579	62	62	51	-18%	0.25	0.21	19	0.08	29	0.12
MCI Local	235,295	523	523	382	-27%	2.13	1.62	238	0.97	190	0.81
United	283,462	153	153	80	-48%	0.54	0.28	68	0.24	26	0.09
Verizon North (GTE)	454,298	136	136	179	32%	0.27	0.39	32	0.06	59	0.13
Verizon PA	3,715,470	2,952	2,952	2,343	-21%	0.78	0.63	632*	0.17*	482*	0.13*
<b>Major Telephone</b>	<b>5,209,860</b>	<b>4,227</b>	<b>4,227</b>	<b>3,342</b>	<b>-21%</b>			<b>1,191</b>		<b>924</b>	
<b>Average of Rates</b>						<b>1.06</b>	<b>0.82</b>		<b>0.46</b>		<b>0.35</b>

<sup>1</sup>Payment 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.<sup>2</sup>Estimated based on the number of cases on CSIS as of June 18, 2004.

<sup>3</sup>Justified 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.

## Appendix G

### 2003-04 Response Time: BCS Payment Arrangement Requests

Company	Average Time in Days		Change in Days 2003 to 2004
	2003	2004	
Allegheny Power	7.0*	20.8*	13.8
Duquesne	24.4*	24.7*	0.3
Met-Ed	1.6*	1.7*	0.1
PECO	2.0*	12.0*	10.0
Penelec	2.1*	3.3*	1.2
Penn Power	1.7*	1.2*	-0.5
PPL Utilities	19.0*	19.5*	0.5
UGI-Electric	17.2	38.8	21.6
<b>Major Electric<sup>1</sup></b>	<b>8.3<sup>2</sup></b>	<b>11.9<sup>2</sup></b>	<b>3.6<sup>2</sup></b>
Columbia	8.3*	6.5*	-1.8
Dominion Peoples	17.3*	20.0*	2.7
Equitable	25.5*	38.5*	13.0
NFG	24.1*	28.3*	4.2
PG Energy	3.8*	8.6*	4.8
PGW	N/A	35.2*	N/A
UGI-Gas	19.5*	38.2*	18.7
<b>Major Gas<sup>1</sup></b>	<b>16.4</b>	<b>25.0</b>	<b>8.6</b>
PA-American	6.3*	16.9*	10.6
Aqua Pennsylvania	16.6	30.1	13.5
Other Class A	14.8	45.5**	30.7**
<b>Major Water<sup>1</sup></b>	<b>12.6</b>	<b>30.8</b>	<b>18.2</b>
ALLTEL	2.8	9.1	6.3
Comcast	16.2	21.3	5.1
Commonwealth	9.5	5.4	-4.1
MCI Local	18.2	14.4	-3.8
United	14.1	14.1	No Change
Verizon North (GTE)	11.3	33.8	22.5
Verizon PA	18.2*	21.7*	3.5
<b>Major Telephone<sup>1</sup></b>	<b>12.9</b>	<b>17.1</b>	<b>4.2</b>

<sup>1</sup> Average of response times.

<sup>2</sup> Does not include UGI-Electric.

\* Based on a probability sample of cases.

\*\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

N/A = Not Applicable.

## Appendix H - Table 1

### 2002-04 Infraction Statistics Major Electric Distribution Companies

Company	2004 Residential Customers	Infractions				% Change 2003-04	Infraction Rates <sup>1</sup>		
		2002	2003	2004	2004		2002	2003	2004
Allegheny Power	600,419	35	70	48	48	0.06	0.12	0.08	
Duquesne	525,858	19	18	8	8	0.04	0.03	0.02	
GPU	N/A	100	N/A	N/A	N/A	0.11	N/A	N/A	
Met-Ed	459,171	N/A	76	52	52	N/A	0.17	0.11	
PECO	1,394,250	369	314	439	439	0.27	0.22	0.31	
Penelec	504,114	N/A	60	38	38	N/A	0.12	0.08	
Penn Power	137,514	1	6	10	10	0.01	0.04	0.07	
PPL Utilities	1,161,123	80	163	61	61	0.07	0.14	0.05	
UGI-Electric	53,896	3	6	7	7	0.06	0.11	0.13	
<b>Major Electric</b>	<b>4,836,345</b>	<b>607</b>	<b>713</b>	<b>663</b>	<b>663</b>	<b>-7%</b>			

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

**Appendix H - Table 2**  
**2002-04 Infraction Statistics**  
**Major Natural Gas Distribution Companies**

Company	2004 Residential Customers	Infractions			% Change 2003-04	Infraction Rates <sup>1</sup>		
		2002	2003	2004		2002	2003	2004
Columbia	357,006	47	99	38	-62%	0.13	0.28	0.11
Dominion Peoples	323,513	139	220	182	-17%	0.43	0.68	0.56
Equitable	239,621	79	110	401	+265%	0.33	0.47	1.67
NFG	195,022	7	22	14	-36%	0.04	0.11	0.07
PG Energy	139,964	4	12	10	-17%	0.03	0.09	0.07
PGW	476,662	N/A	N/A	124	N/A	N/A	N/A	0.26
UGI-Gas	270,327	21	63	45	-29%	0.08	0.24	0.17
<b>Major Gas</b>	<b>2,002,115</b>	<b>297</b>	<b>526</b>	<b>814</b>	<b>N/A</b>			

<sup>1</sup>Infraction Rate = Number of Infractions per 1,000 Residential Customers.

N/A = Not Applicable.

## Appendix H - Table 3

### 2002-04 Infraction Statistics Major Water Utilities

Company	2004 Residential Customers	Infractions				% Change 2003-04	Infraction Rates <sup>1</sup>		
		2002	2003	2004	2003		2002	2003	2004
PA-American	565,290	85	158	88	-44%	0.15	0.28	0.15	
Aqua Pennsylvania	316,341	158	562	165	-71%	0.50	1.80	0.50	
Other "Class A"	156,315	9	24	6	-75%	0.06	0.16	0.06*	
<b>Major Water</b>	<b>1,037,946</b>	<b>252</b>	<b>744</b>	<b>259</b>	<b>-65%</b>				

<sup>1</sup>Infraction Rate = Number of Infractions per 1,000 Residential Customers.

\*BCS was unable to review enough 2004 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

**Appendix H - Table 4**  
**2002-04 Chapter 64 Infraction Statistics**  
**Major Local Telephone Companies**

Company Name	2004 Residential Customers	Infractions				Infraction Rates <sup>1</sup>			
		2002	2003	2004 <sup>2</sup>	2004 <sup>2</sup>	2002	2003	2003	2004 <sup>2</sup>
ALLTEL	172,393	86	190	103	0.48	1.08	1.08	0.60	
Comcast	107,363	N/A	862	345	N/A	7.98	7.98	3.21	
Commonwealth	241,579	50	155	81	0.20	0.63	0.63	0.34	
MCI Local	235,295	726	2,496	967	3.71	10.14	10.14	4.11	
United	283,462	381	472	170	1.33	1.66	1.66	0.60	
Verizon North (GTE)	454,298	97	350	205	0.19	0.51	0.51	0.45	
Verizon PA	3,715,470	1,040	1,936	810	0.27	0.70	0.70	0.22	
<b>Major Telephone</b>	<b>172,393</b>	<b>2,380</b>	<b>6,461</b>	<b>2,681</b>	<b>1.03</b>	<b>3.24</b>	<b>3.24</b>	<b>1.36</b>	

<sup>1</sup>Infraction Rate = Number of Infractions per 1,000 Residential Customers.

<sup>2</sup>2004 infraction rates are artificially low due to a delay in the BCS compliance process. Rates will most likely increase as the BCS completes the compliance process for cases filed in 2004.

N/A = Not Available

**Appendix H - Table 5**  
**2002-04 Chapter 63 Infraction Statistics**  
**Major Local Telephone Companies**

Company Name	2004 Residential Customers	Infractions				Infraction Rates <sup>1</sup>			
		2002		2003		2002		2003	
		2002	2003	2002	2003	2002	2003	2002	2003
ALLTEL	172,393	56	207	21	0.31	1.18	0.12	0.12	
Comcast	107,363	N/A	72	24	N/A	0.67	0.22	0.22	
Commonwealth	241,579	19	37	18	0.08	0.15	0.07	0.07	
MCI Local	235,295	53	441	163	0.27	1.79	0.69	0.69	
United	283,462	20	66	1	0.07	0.23	0.00	0.00	
Verizon North (GTE)	454,298	127	326	138	0.25	1.30	0.30	0.30	
Verizon PA	3,715,470	2,893	4,940	1,178	0.76	0.66	0.32	0.32	
<b>Major Telephone</b>	<b>5,209,860</b>	<b>3,168</b>	<b>6,089</b>	<b>1,543</b>	<b>0.29</b>	<b>0.85</b>	<b>0.25</b>	<b>0.25</b>	

<sup>1</sup>Infraction Rate = Number of Infractions per 1,000 Residential Customers.

<sup>2</sup>2004 infraction rates are artificially low due to a delay in the BCS compliance process. Rates will most likely increase as the BCS completes the compliance process for cases filed in 2004.

N/A = Not Available.

## Appendix I

### Consumer Advisory Council

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## Appendix J

### Pennsylvania Relay Service Advisory Board

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2005 Board Members - Diana Bender (Chairman), Donald R. Lurwick (Vice Chairman), Lenora Best, Gary Bootay Larry Brick, Chuck Hafferman Eric Jeschke, Kenneth Puckett, Steve Samara and Lois Steele.

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