

# Utility Consumer Activities Report and Evaluation

Pennsylvania Public Utility Commission



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# 1. Consumer Contacts to BCS

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, BCS began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then BCS has investigated 1,270,088 cases (consumer complaints and payment arrangement requests) and has received 962,217 opinions and requests for information (inquiries). BCS received 84,273 utility customer contacts that required investigation in 2005. It is important to note that more than 50 percent of these customer complaints had been appropriately handled by the subject utilities before the customers brought them to BCS. In these instances, the Commission has upheld the utility's actions.

## The Harrisburg Staff of the Bureau of Consumer Services



## Case Handling

The handling of utility complaint cases is the foundation for a number of BCS's programs. The case handling process provides an avenue through which consumers can gain redress for errors and responses to inquiries. However, customers are required by Commission regulations to attempt to resolve problems directly with their utilities prior to filing a complaint or requesting a payment arrangement with the Commission. Although exceptions are permitted under extenuating circumstances, 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 BCS with a complaint or payment arrangement request (PAR), BCS notifies the utility that a complaint or PAR has been filed. The vast majority of consumers contact BCS by telephone using BCS's toll free numbers. In 2005, slightly less than 96 percent of informal complaints were filed by telephone. The utility sends 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 data base. The analysis from case information is used by 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, BCS surveys those customers who have contacted the BCS with a utility-related problem or request for a payment arrangement. The purpose of the survey is to collect information from the consumer's perspective about the quality of BCS's complaint handling service. BCS mails a written survey form to a sample of consumers who have been served by BCS staff.

In prior years, BCS produced survey results by fiscal year, July 1 through June 30. Last year's report presented survey results from July 1, 2004, through June 30, 2005. Beginning January 2006, BCS revised its procedures and began tabulating results by calendar year. For 2005, survey results for the first half of 2005 are included with the Fiscal Year 2004-05 data reported in the 2004 UCARE while survey results for the second half of 2005 are available in this report. Since survey results for the whole year are not available, the survey results reported in the tables that follow are drawn from the results from the second half of 2005. Next year's report will include results for all of 2006.

The results of the survey for the latter half of 2005 show that 83 percent 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 78 percent rated the service they received from the Commission as "good" or "excellent."

## Consumer Rating of the BCS' Service

How would you rate the service you received from the PUC (BCS)?	2004-05 Fiscal Year	July-December 2005
Excellent	55%	55%
Good	22%	23%
Fair	12%	13%
Poor	8%	9%

Overall, 74 percent of consumers felt BCS handled their complaint either very quickly or fairly quickly. In addition, 85 percent 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, 92 percent of consumers indicated that the BCS staff person who took their call was either "very polite" or "fairly polite," and 89 described the BCS contact person as "very interested" or "fairly interested" in helping with the problem.<sup>1</sup>

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

### The Philadelphia Staff of the Bureau of Consumer Services



<sup>1</sup>Consumer Feedback results from July 1, 2005, through Dec. 31, 2005.

## Databases

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

The majority of the data presented in this report is from 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 telephone) 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.

## 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 BCS's regulatory authority has largely been confined to residential accounts, they handled 2,363 cases from commercial customers in 2005. Of these cases, 322 were related to loss of utility service and 2,041 were consumer complaints. With respect to the 322 cases, BCS does not make payment arrangements for commercial accounts. Due to its limited jurisdiction, 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 2005 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 BCS in 2005 involved residential utility service.

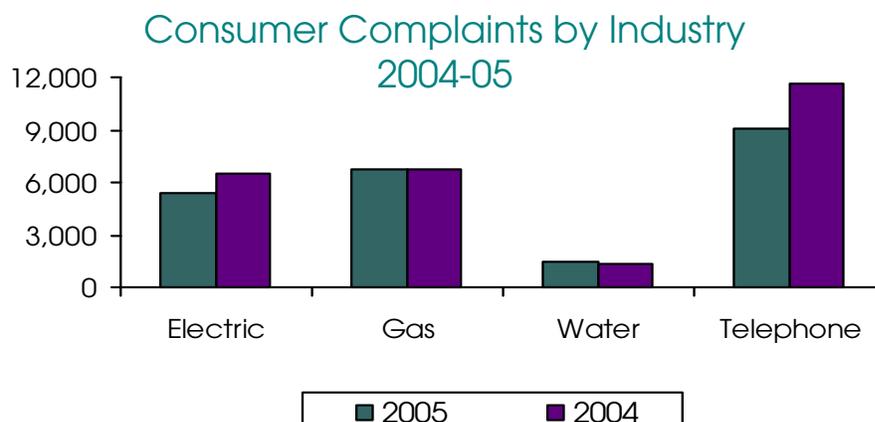
## Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 2005

Industry	Consumer Complaints		Payment Arrangement Requests	Payment Arrangement Requests
	Residential	Commercial	Residential	Commercial
Electric	4,736	614	29,640	186
Gas	6,239	521	24,063	120
Water	1,297	131	4,977	8
Telephone	8,263	773	2,672	8
Other	14	2	9	0
<b>TOTAL</b>	<b>20,549</b>	<b>2,041</b>	<b>61,361</b>	<b>322</b>

Generally, customer contacts to BCS fall into three basic categories: consumer complaints, requests for payment arrangements and inquiries. 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 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.



BCS investigated 22,590 consumer complaints in 2005. Overall, the number of consumer complaints to BCS decreased by 14 percent from 2004 to 2005. Consumer complaints about electric, gas, water, sewer and steam heat decreased by seven percent from 2004 to 2005. Also, consumer complaints about the telephone industry showed a decrease of 22 percent from 2004 to 2005. During 2005, electric and gas utilities accounted for 24 percent and 30 percent, respectively, of all consumer complaints investigated by BCS. Water utilities accounted for six percent of consumer complaints while telephone utilities were the subject of 40 percent 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, 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 BCS, appropriate complaint handling procedures were not followed or applicable regulations were not properly applied by the utility. 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 Orders, regulations, reports, Secretarial Letters, tariffs, etc. "Unjustified" complaints are those cases in which the company demonstrates correct procedures were followed prior to 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 BCS's information system (CSIS). One part of this process is that the policy staff categorizes each complaint into a specific problem category and enters it into the computerized system. BCS data system then aggregates the data from all complaints to produce meaningful reports for analysis by and for BCS, for the Commission, or utilities.

BCS has categorized the 2005 residential consumer complaints into 13 categories for each of the electric, gas, and water utilities and into 11 categories for each of the telephone utilities. Tables that show the percent of complaints in each category in 2005 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 BCS. 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. 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 2005.

## Payment Arrangement Requests

Payment arrangement requests (PARs) principally include contacts to BCS 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.

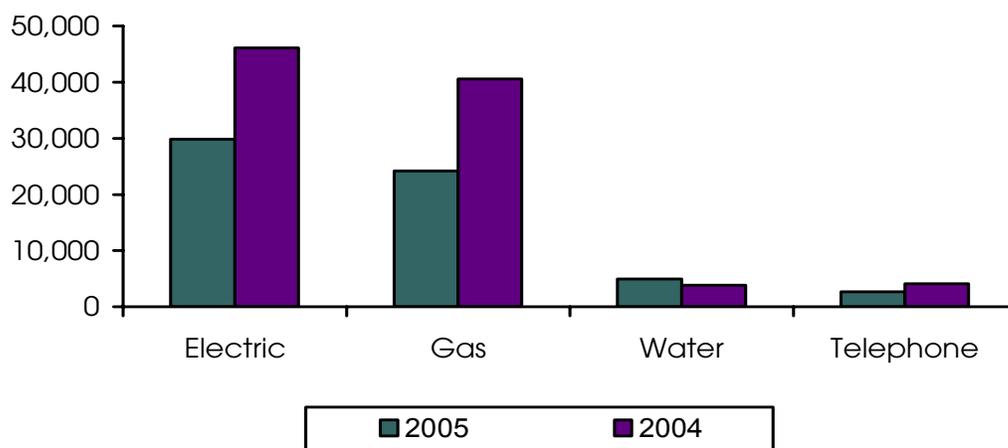
All of the measures pertaining to PARs are based on assessments of contacts to BCS from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to their contact to BCS. During 2005, BCS handled 61,683 requests for payment arrangements from customers of the utilities under the Commission's jurisdiction.

On Nov. 30, 2004, Gov. Edward G. Rendell signed into law Senate Bill 677 now known as Act 201. This act went into effect on Dec. 14, 2004. The Act amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§ 1401-1418), Responsible Utility Customer Protection Act. The legislation is applicable to electric, gas and water companies with an annual operating income in excess of \$6 million.

This new statute supersedes parts of Chapter 56 Standards and Billing Practices for Residential Utility Service provisions such as winter termination rules, termination procedures, credit, deposits, reconnection of service and Commission payment arrangements. The first full calendar year in which the new statute was in effect was 2005, and this report is the first report on consumer complaint and PAR activity under the law. As can be expected with the transition to a new regulation or law, there were questions and issues as to its implementation. The Commission used a collaborative process involving utilities, consumers and other interested parties to discuss the implementation of the new law. This included two Chapter 14 Implementation Orders, in which the Commission attempted to provide additional guidance as to the appropriate application of various provisions. Later, in fall 2005, the Commission amended the first implementation order. In its reconsideration of this order, the Commission concluded that it could establish one payment agreement that meets the terms of Chapter 14 before the prohibition against a second payment agreement would apply.

The year 2005 was a transitional year that posed unique challenges to utilities, consumers and the Commission. The information presented in this report for PARs, including the volume of PARs and the performance measures associated with the assessment of PARs for the electric, gas and water industries, should be considered transitional in nature. As utilities and the Commission gain experience in fully implementing Chapter 14, BCS expects that the data in future reports will be more authoritative and indicative of utility behavior under the new rules.

## Payment Arrangement Requests By Industry 2004-05



Payment arrangement requests (PARs) for electric, gas, water, sewer and steam heat decreased by 35 percent, from 90,433 in 2004 to 59,003 in 2005. For the telephone industry, the volume of PARs decreased by 34 percent. There were 2,680 requests in 2005 compared to 4,088 in 2004. As in past years, the majority of requests for payment arrangements in 2005 involved electric or gas companies. Forty-eight percent of the PARs (29,826 cases) were from electric customers and 39 percent (24,183 cases) were from gas customers. Also, eight percent of PARs (4,985 cases) came from customers of various water utilities.

### Inquiries and Opinions

During 2005, BCS and its call centers received 108,318 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. BCS classified these contacts as "inquiries." The inquiries for 2005 include contacts to the Competition Hotline as well as contacts to 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 2005 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. BCS also classifies certain requests for payment arrangements as inquiries. For example, 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, BCS classifies these requests as inquiries. Similarly, if a customer has recently been through BCS payment arrangement process and calls again with a new request regarding the same account, BCS does not open a new PAR case. In these instances, BCS classifies the customer's contact as an inquiry.

As in past years, 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 BCS handled in spite of the fact that customers had not previously contacted their companies about their problems, and cases that the investigators verbally dismissed. In all, these 753 cases accounted for less than one percent (0.7) of inquiries in 2005.

BCS is able to expand its list of reasons for contact as customers' reasons grow and change. Currently, the list includes 63 reasons for contact from consumers. Possible actions by 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 2005 inquiries.

### Categories of 2005 Inquiries

Reason for Contact	Number	Percent
Termination or suspension of service	29,614	27%
Unable to open new PAR – service on	23,596	22%
Billing dispute	9,519	9%
Request for general information	9,193	8%
CAP review - declined	5,441	5%
PUC has no jurisdiction	5,032	5%
Unable to open new PAR – service off	4,840	4%
People-delivered company service	3,581	3%
Competition issues and requests for information	2,860	3%
Applicant/deposit issue	2,642	2%
Service (company facilities)	1,381	1%
Rate complaint	559	1%
Rate protest	327	<1%
Weather outage	178	<1%
Slamming	165	<1%
Cramming	18	<1%
Other miscellaneous reasons	5,209	5%
Reason for contact is not available	4,163	4%
<b>TOTAL</b>	<b>108,318</b>	<b>100%</b>

## Calls to the Commission's Competition Hotline

In 2005, the Commission's call center employees used BCS's computerized information system to record information from the consumer contacts about electric and gas competition. In 2005, 48 percent of contacts about electric and gas competition are related to the restructuring of the electric industry, 25 percent concern the gas industry, and 27 percent do not specify an industry. Contacts that do not specify an industry often were from consumers who requested competition information about both the electric and gas industries.

In 2005, call center employees recorded information from 2,614 consumer contacts about competition in the energy industries. 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). However, most frequently consumers called to request competition-related brochures and to seek information about competition in general (67 percent of all contacts).

In most instances, BCS classified the contacts to the Competition Hotline as inquiries because they required no investigation or follow-up. BCS or call center staff person took care of the consumer's request or question at the initial contact. However, some consumer contacts required further investigation and possibly action to resolve the consumer's concerns. In these cases, BCS more appropriately classified the contacts as consumer complaints and BCS staff investigated the consumer's problem. In 2005, billing disputes related to competition produced the largest volume of competition-related consumer complaints. In prior years, BCS investigated a number of consumer complaints in which consumers alleged they were assigned to an electric or gas supplier without their consent or knowledge (slamming). In 2005, the BCS investigated only seven allegations of electric slamming and four allegations of slamming in the gas industry. Appendix B-1 explains the types of competition complaints BCS handles.

During the early phases of electric and gas competition, 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. BCS found that, after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, 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, BCS excluded 22 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 43 such complaints in the gas industry chapter.

## Residential Consumer Complaints Not Included in Industry Chapters

Traditionally, the primary focus of BCS's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. However, for the past several years, BCS has included a limited amount of complaint information for the non-major utilities and the other service providers in the UCARE. In 2005, BCS experienced a decrease in the overall number of residential consumer complaints, including complaints about the non-major utilities. For the first time in a number of years, fewer customers sought BCS's assistance in solving problems with the many providers of utility service in Pennsylvania. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

Nevertheless, in 2005, BCS staff investigated consumer complaints about a variety of problems that consumers were having with the non-major companies under the Commission's jurisdiction. In addition, 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.

The vast majority of complaints not included in the industry chapters involved billing disputes; 50 percent of residential consumer complaints about the non-major EDCs; and 81 percent of residential consumer complaints about electric generation supply companies were about disputed bills. In the gas industry, 52 percent of complaints about the non-major NGDCs and various gas supply companies involved some type of billing dispute. In the telephone industry, 41 percent of the residential consumer complaints about the non-major telecommunications service providers alleged billing problems in 2005. For the major EDCs, 59 percent of the consumer complaints related to competition were billing disputes while 65 percent of the competition-related complaints about the major NGDCs were billing disputes.

Residential consumer complaints related to people-delivered service or service (company facilities) generated the next highest volume of complaints to BCS from customers of the non-major electric, gas and telephone companies. These types of service complaints accounted for seven percent of the residential consumer complaints about the non-major companies in the electric industry, 18 percent of complaints about non-major gas companies and 19 percent of the complaints about the non-major telecommunications companies in 2005.

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. In 2005, BCS received four residential consumer complaints alleging slamming against non-major electric companies and four residential consumer complaints in the gas industry. In the telephone industry, Bureau staff investigated a total of 72 allegations of slamming from residential customers against the non-major companies in 2005.

During the transition to customer choice in the electric and gas industries, and with the many emerging choices in the telephone industry, 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), 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 2005 statistics. However, beginning with the 2003 report, BCS has included competition-related complaints for the telephone industry. As a result, the analysis in Chapter 6 includes these types of complaints about the nine largest local telephone companies. A brief discussion of the complaints filed against small water companies appears in the water industry chapter.

Because of the low volume of complaints about the non-major companies in 2005, BCS eliminated tables from this section that present a summary of the complaints not included in the tables and charts in the electric, gas and telephone industry chapters. In this year's report, Appendix A presents a summary of the residential consumer complaints that are not included in the electric, gas and telephone chapters that follow. The table lists the non-major companies having five or more residential consumer complaints in 2005.

## Informal Compliance Process and Infractions

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 informal compliance process uses consumer complaints to identify, document, and notify utilities of apparent deficiencies. The utilities can use the information to pinpoint and voluntarily correct deficiencies in their customer service operations. The process begins by 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, BCS expects the utility to take action to correct the problem or address any deficiencies that led to the infraction. 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. 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, 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 BCS does not find the data supports the utility's position that the information is inaccurate, 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 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, 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. BCS encourages utilities to continue this activity and share their findings with Bureau staff.

## 2. Performance Measures

For the most part, BCS 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 BCS. 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 BCS employs to assess utility performance.

### Consumer Complaint Rate

The calculation of consumer complaint rate (consumer complaints per 1,000 residential customers) permits the reader to make comparisons among utilities of various sizes. 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, since many of the complaints in the consumer complaint rates are not "justified," BCS considers the "justified consumer complaint rate" (justified consumer complaints per 1,000 residential customers) to be a solid indication of a utility's complaint handling performance.

### Justified Consumer Complaint Rate

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 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 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 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 per 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. 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.

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 may indicate areas where 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 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, BCS compares the "justified" rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, 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 BCS with a complaint about a utility, the utility is notified. The utility then sends BCS its records of its contact with the customer regarding the complaint. Response time is the time span in days from the date of BCS's first contact with the utility regarding a complaint, to the date on which the utility provides 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 BCS with their complete complaint information.

## Payment Arrangement Request Rate

BCS normally intervenes at the customer's request only after direct payment negotiations between the customer and the company have 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. BCS views such variations as potential areas for investigation. Improved access to BCS is one factor influencing the number of consumers who are able to contact BCS about payment arrangements. In addition, as explained in Chapter 1, the implementation of Chapter 14 affected the volume of PARs and thus the 2005 PAR rates for the electric, gas and water utilities reviewed in the industry chapters.

## Justified Payment Arrangement Request Rate

Just as with consumer complaints, once a customer contacts BCS with a payment arrangement request, BCS notifies the utility. The company sends a report to BCS that details the customer's 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. 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 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 the customer was justified in the appeal to BCS. Again, for the major electric, gas and water companies, the implementation of Chapter 14 affected not only the justified PAR rates in 2005, but also the comparisons between the 2004 and 2005 rates within these industries.

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. 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 numbers of justified PARs per 1,000 residential customers. BCS monitors the justified PAR rates of the major utilities. For example, BCS compares the "justified" rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, BCS compares the PAR rates and the justified PAR rates of the major utilities within the

electric, gas, water and telephone industries. Because 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 BCS.

## Response Time to Payment Arrangement Requests

Once a customer contacts BCS with a request for payment terms, BCS notifies the utility. The utility then sends 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 BCS first contacts the utility regarding a PAR to the date on which the utility provides BCS with all of the information BCS needs to issue payment terms, resolve any other issues raised by the customer and determine whether the customer was justified in seeking a payment arrangement through 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 BCS with the necessary information.

In 1999, BCS made changes in the case processing of certain payment arrangement requests. These procedural changes made it necessary for BCS to revise its method of calculating response time to PARs for the electric, gas and water industries. 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 BCS with all the information it needed for all categories of payment arrangement requests.

## Infraction Rate

During 2005, 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, BCS has calculated a measure called "infraction rate." The infraction rate is the number of informally verified infractions for each 1,000 residential customers. BCS has reported a compliance rate for the major telephone companies since 1989. It introduced "infraction rates" for the electric, gas and water utilities in its 1997 report.

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

The value of the infraction rate is to depict industry trends over time. The trend for 2005 is calculated using BCS's Compliance Tracking System (CTS) data as of July 2006. The 2005 trends may change if the total number of infractions increases. This would occur if new infractions are discovered from customer complaints that originated in 2005, but were still under investigation by 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. BCS will update the number of infractions found on 2005 cases in the report on 2006 complaint activity. Infraction rates for each major electric, gas, water, and telephone company are shown for 2003, 2004 and 2005 in upcoming chapters. Appendix H shows additional 2003-05 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. BCS views termination of utility service as a utility's last resort when customers fail to meet their payment obligations. The calculation of the 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 the 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 prior year's justified consumer complaint 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 for consumer complaints and payment arrangement requests, and the termination rates for the major electric, gas and telephone utilities.

It is important to note that the electric and gas 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 telephone chapter presents data from those local service providers serving more than 50,000 residential customers.

BCS has found the inclusion of statistics for the smaller utilities can skew the average of industry statistics in ways that do not fairly represent industry performance. For this reason, BCS has excluded the statistics involving UGI-Electric when it calculated the 2005 averages for the electric industry. 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 2005, 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. BCS's reporting on these programs is no longer included in this report.

In September 2006, the Commission released the sixth annual report on Universal Service Programs and Collections Performance. BCS's report presents 2005 universal service and collections data for the major electric and natural gas distribution companies. The report is available on the Commission's Web site at [www.puc.state.pa.us](http://www.puc.state.pa.us).

## Treatment of FirstEnergy Companies

The FirstEnergy companies include Metropolitan Edison (Met-Ed), Pennsylvania Electric (Penelec) and Penn Power. Prior to 2003, BCS reported data for Met-Ed and Penelec as a single company under the name GPU. In 2003, at the request of FirstEnergy, BCS began reporting data separately for Met-Ed and Penelec. BCS has always treated the third FirstEnergy Company, Penn Power, as a separate company.

## 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. PGW appears as a major NGDC in all appropriate tables showing 2004 and 2005 data.

## 3. Electric Industry

In 2005, the Commission had jurisdiction over 16 electric distribution companies (EDCs). However, the majority of the consumer complaints and payment arrangement requests involving the electric industry were from residential customers of the seven largest 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 2005. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. BCS investigated complaints in 2005, which 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, BCS removed these complaints from the data base it used to prepare the tables and charts on consumer complaints and payment arrangement requests. Appendices C-H presents the actual statistics that BCS used to produce the charts in this chapter.

### Consumer Complaints

During 2005, BCS handled 4,720 consumer complaints from residential customers of the various electric distribution companies (EDCs) and 16 consumer complaints from residential customers of electric generation supply companies. Of these residential complaints, 98 percent (4,660) were from customers of the seven largest EDCs. For the analyses in this chapter, BCS excluded a total of 22 consumer complaints about the major EDCs 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 to BCS's computerized information system. BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2005 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 2005.

## Consumer Complaint Categories: 2005 Major Electric Distribution Companies

Categories	Allegheny Power	Duquesne	Met- Ed	PECO*	Penelec	Penn Power	PPL	Electric Majors
Service Interruptions	18%	10%	31%	15%	29%	17%	18%	19%
Billing Disputes	7%	15%	7%	10%	10%	9%	22%	12%
Metering	17%	4%	14%	6%	20%	11%	10%	10%
Discontinuance/ Transfer	5%	12%	7%	7%	2%	11%	17%	9%
Service Quality	2%	8%	9%	17%	4%	2%	5%	9%
Personnel Problems	5%	15%	7%	11%	5%	11%	6%	9%
Scheduling Delays	4%	2%	4%	12%	7%	0%	6%	7%
Credit and Deposits	19%	9%	2%	7%	3%	11%	<1%	7%
Damages	6%	7%	8%	5%	6%	13%	6%	6%
Service Extensions	6%	1%	6%	3%	10%	7%	5%	5%
Other Payment Issues	1%	8%	2%	3%	2%	7%	4%	3%
Rates	2%	3%	1%	<1%	<1%	0%	1%	1%
All Other Problems	7%	7%	3%	4%	3%	2%	2%	4%
<b>TOTAL-Percent**</b>	<b>99%</b>	<b>101%</b>	<b>101%</b>	<b>100%</b>	<b>101%</b>	<b>101%</b>	<b>102%</b>	<b>101%</b>
<b>TOTAL-Number***</b>	<b>242</b>	<b>225</b>	<b>235</b>	<b>564</b>	<b>200</b>	<b>46</b>	<b>341</b>	<b>1,853</b>

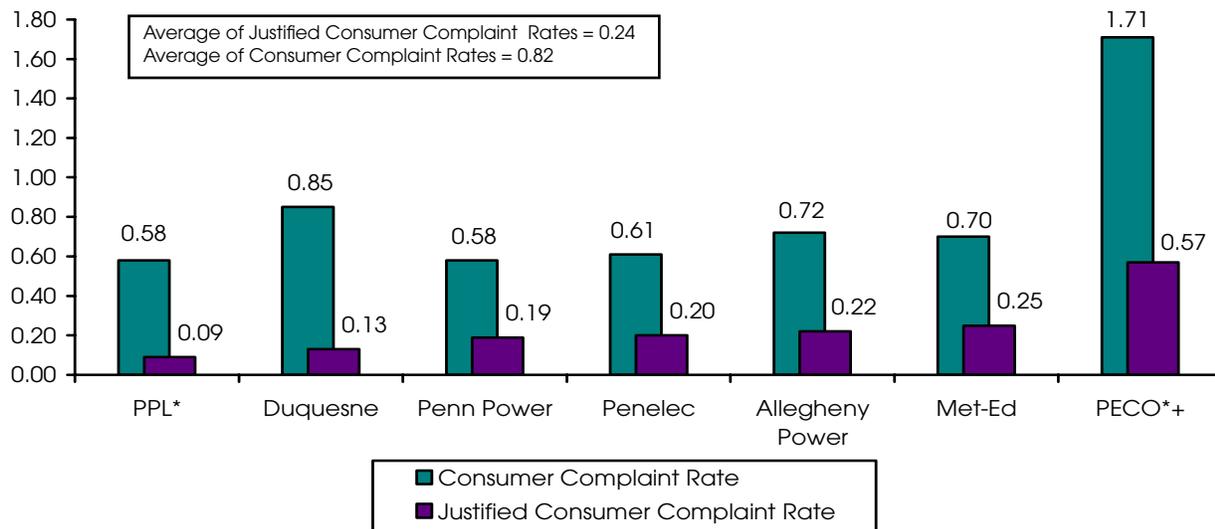
\* PECO statistics include electric and gas.

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

\*\*\*Based on residential complaints evaluated by BCS as of July 14, 2006.

- 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-1 for the number of cases in each category.
- In 2005, service interruptions accounted for 19 percent, billing disputes amounted to 12 percent, while complaints about metering comprised 10 percent of the consumer complaints about the major EDCs.

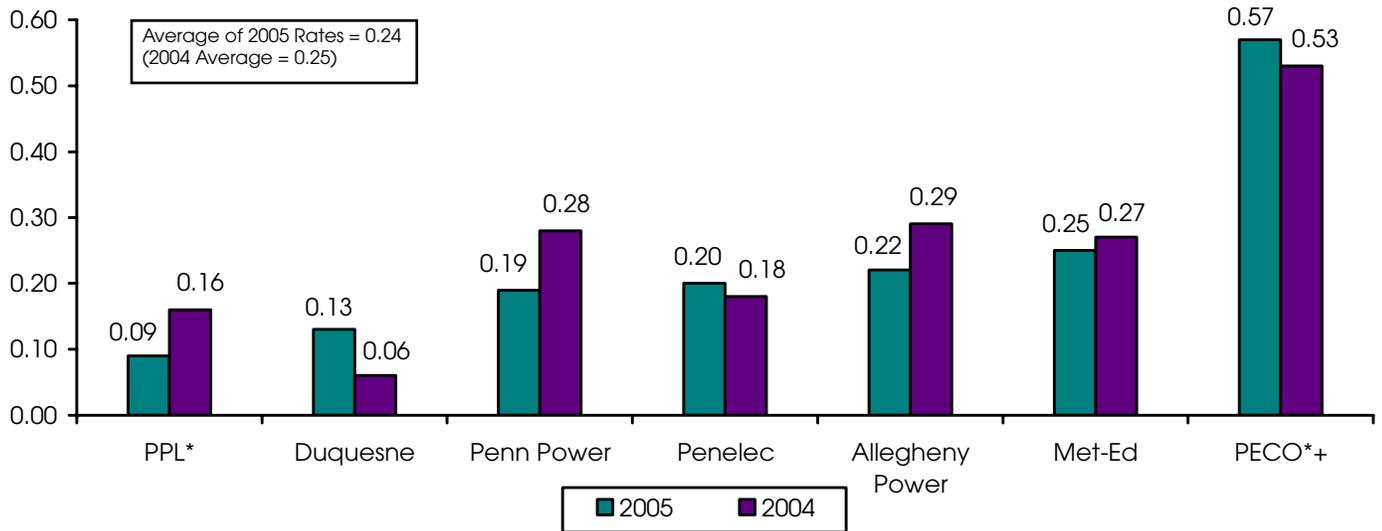
## 2005 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies



\*Justified Consumer Complaint Rate based on a probability sample of cases.  
 +PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is more than three times greater than the average of the justified consumer complaint rates.
- Appendix D, Table 1, presents the number of consumer complaints and justified consumer complaints for each major EDC in 2005.

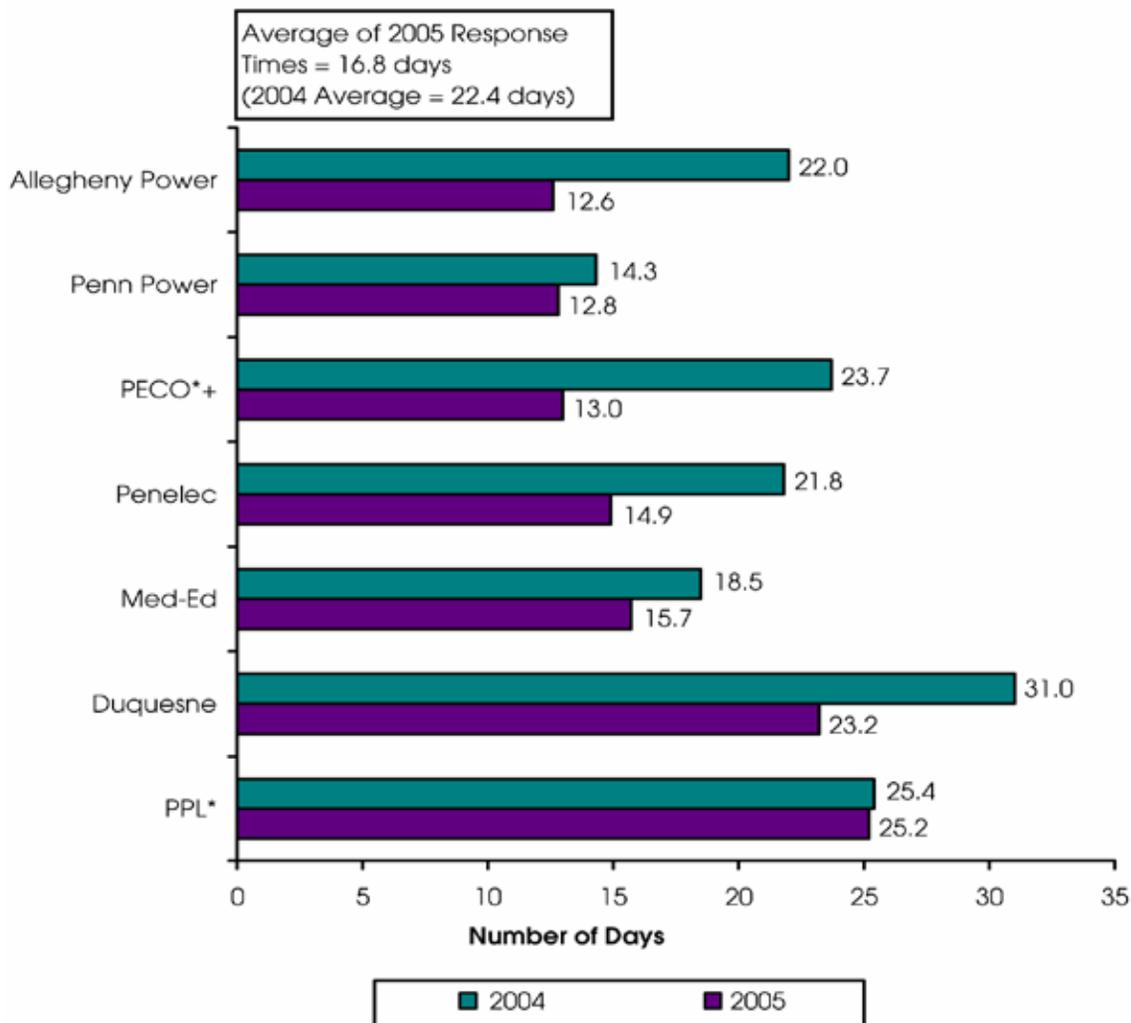
## 2004-05 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies



\*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 slightly from 0.25 in 2004 to 0.24 in 2005.
- Of the seven major EDCs, five have justified consumer complaint rates that are lower than the industry average, one EDC has a rate just slightly higher than the industry average and one EDC's justified consumer complaint rate is significantly higher than the 2005 industry average.
- Appendix D, Table 1, presents the number of justified consumer complaints for each major EDC in 2004 and 2005.

## 2004-05 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies



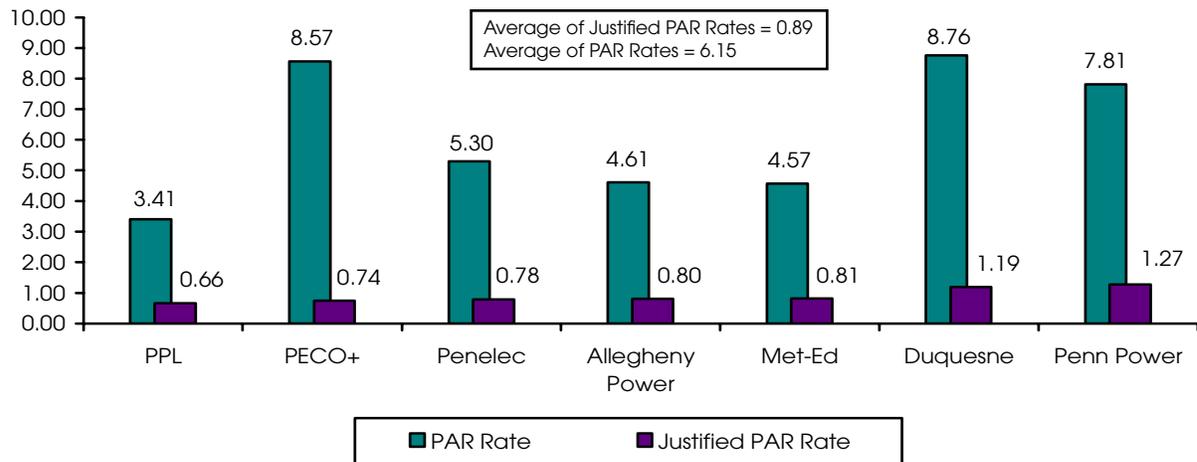
\*Based on a probability sample of cases.  
+PECO statistics include electric and gas.

- Overall, the average response time decreased from 22.4 days in 2004 to 16.8 days in 2005.
- Allegheny Power had the shortest consumer complaint response time in 2005 at 12.6 days while PPL had the longest at 25.2 days.
- Appendix E shows the 2004 and 2005 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 2005, BCS handled 29,631 payment arrangement requests (PARs) from residential customers of the EDCs and nine PARs from residential customers of electric generation suppliers. Ninety-eight percent (29,157) of the residential PARs were from customers of the seven largest EDCs. In 2005, 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 BCS received from the customers of these utilities. 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.

### 2005 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates\* Major Electric Distribution Companies

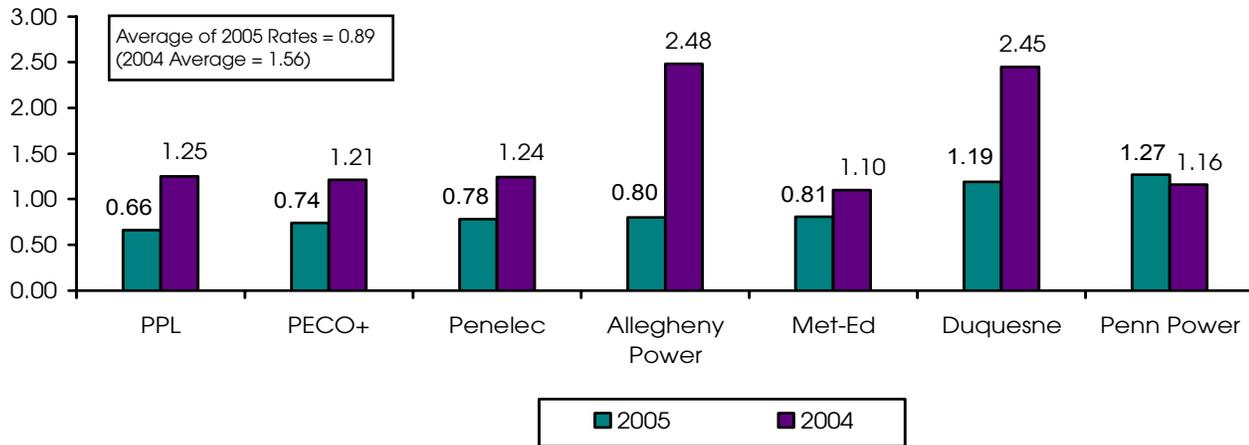


\* Justified PAR Rates based on a probability sample of cases.

+ 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 more than six payment arrangement requests to BCS for each 1,000 residential customers of the major EDCs in 2005. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2005 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix F, Table 1, presents the number of payment arrangement requests and justified payment arrangement requests for each major EDC in 2005.

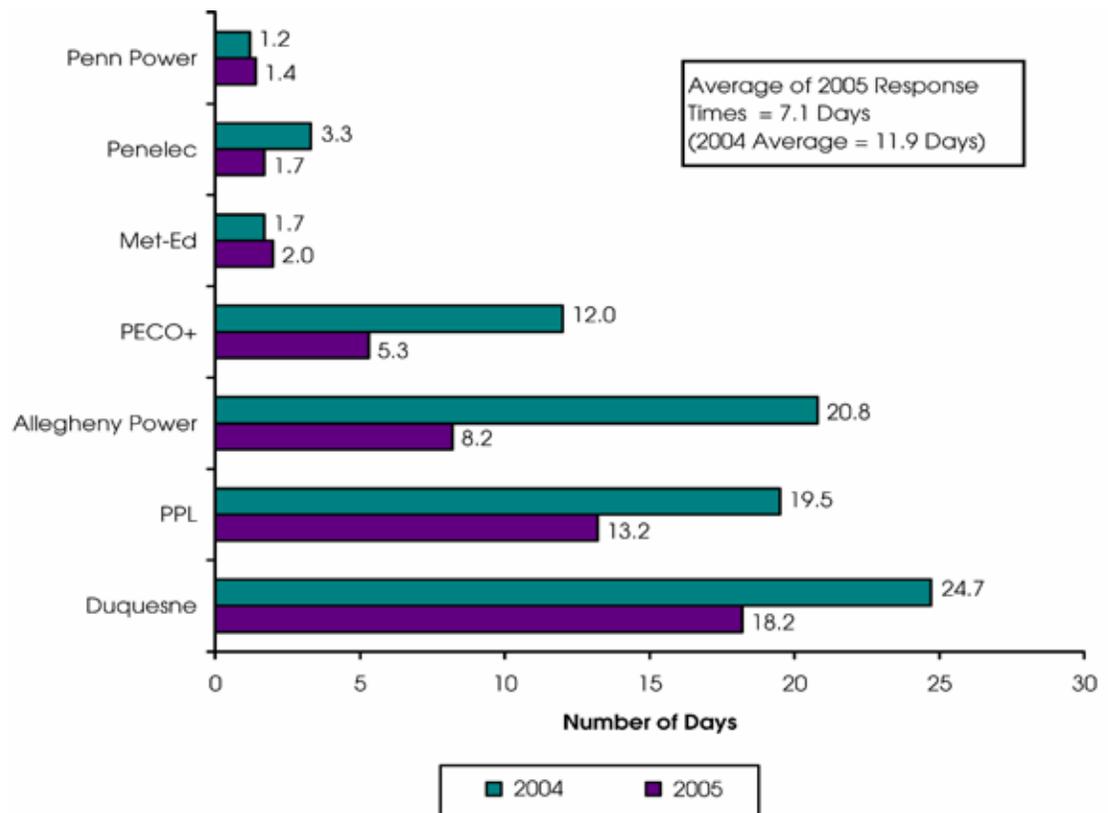
## 2004-05 Justified Residential Payment Arrangement Request Rates\* Major Electric Distribution Companies



\*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 from 2004 to 2005, from 1.56 in 2004 to 0.89 in 2005.
- The justified PAR rates decreased for six of the seven major EDCs from 2004 to 2005. Five of the major EDCs have justified PAR rates below the industry average while two of the major EDCs have justified PAR rates greater than the 2005 industry average.
- The implementation of Chapter 14 had an impact on the 2005 justified PAR rates. See the “Payment Arrangement Requests” section in Chapter 1, for a discussion of the implications of this legislation.
- Appendix F, Table 1, presents the number of justified payment arrangement requests for each major EDC, in 2004 and 2005.

## 2004-05 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 of response times for the seven major EDCs decreased by 4.8 days, from 11.9 days in 2004 to 7.1 days in 2005.
- There is a wide range of PAR response times among the major EDCs, from a low of 1.4 days for Penn Power to a high of 18.2 days for Duquesne.
- Appendix G shows the 2004 and 2005 response times to payment arrangement requests for each of the major EDCs, as well as for the major gas, water and telephone companies.

## Termination and Reconnection 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. They also report the number of previously terminated residential accounts that they reconnected during the month. Some EDCs maintain a fairly consistent pattern of termination behavior while others fluctuate from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The EDC reconnects a customer's terminated service when a customer either pays his/her debt in full or makes a significant payment on the debt and agrees to a payment arrangement for the balance owed to the company. The tables below indicate the annual number of residential accounts each of the seven largest EDCs terminated and reconnected in 2003, 2004 and 2005. The first 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		
	2003	2004	2005	% Change in # 2004-05	2003	2004	2005
Allegheny Power	9,941	12,007	19,980	66%	16.63	20.00	33.06
Duquesne	9,138	10,694	22,132	107%	17.36	20.34	42.18
Met-Ed	3,552	4,506	7,599	69%	7.86	9.81	16.26
PECO*	42,529	55,098	61,063	11%	30.18	39.52	43.63
Penelec	5,247	5,881	11,430	94%	10.43	11.67	22.62
Penn Power	1,110	1,446	2,795	93%	8.14	10.52	20.18
PPL	8,174	9,061	17,795	96%	7.12	7.80	15.15
Major Electric	79,691	98,693	142,794	45%			
<b>Average of Rates</b>					<b>13.96</b>	<b>20.53</b>	<b>27.58</b>

\*PECO statistics include electric and gas.

- Termination rate is the number of service terminations for each 1,000 residential customers.
- Overall, the seven major EDCs terminated 45 percent more residential accounts in 2005 than in 2004.

## Residential Service Reconnections Major Electric Distribution Companies

Residential Service Reconnections				
Company Name	2003	2004	2005	% Change in # 2004-05
Duquesne	5,238	6,182	15,124	145%
Met-Ed	1,359	1,953	4,306	120%
Penelec	1,869	2,558	7,060	176%
Penn Power	344	589	1,824	210%
PPL	3,423	3,681	11,398	210%
PECO*	28,262	35,469	41,115	16%
UGI-Electric	360	316	598	89%
Allegheny Power	4,857	6,084	11,969	97%
<b>Major Electric</b>	<b>45,712</b>	<b>56,832</b>	<b>93,394</b>	<b>64%</b>

\*PECO statistics include electric and gas.

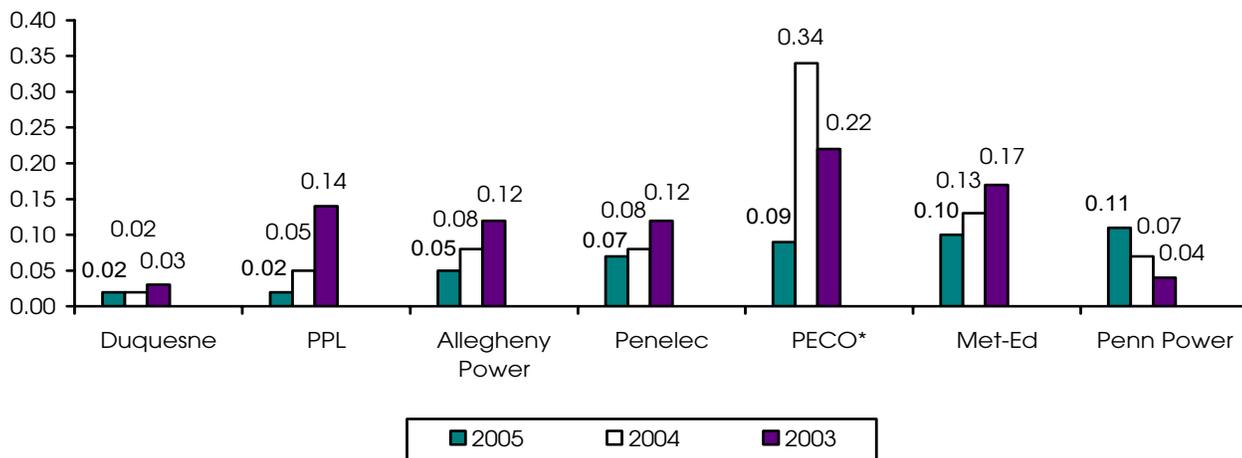
- Overall, the seven major EDCs reconnected 64 percent more residential accounts in 2005 than in 2004.

## Compliance

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

During 2003, 2004 and 2005, BCS determined that the seven major EDCs together logged 1,710 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 BCS from 2003 through 2005. 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 2004 to 2005.
- Appendix H, Table 1, presents the actual number of infractions for each major EDC in 2003, 2004 and 2005.

## 4. Natural Gas Industry

In 2005, the Commission had jurisdiction over 33 natural gas distribution companies (NGDCs). However, the majority of the consumer complaints and payment arrangement requests involving the gas industry came from residential customers of the seven major NGDCs: 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 seven 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 seven major gas utilities in 2004 and 2005. Appendices C-H present the actual statistics that the BCS used to produce the charts in this chapter.

### Consumer Complaints

During 2005, BCS handled 6,204 consumer complaints from residential customers of the various natural gas distribution companies (NGDCs) and 35 consumer complaints from residential customers of natural gas suppliers. Of these residential complaints, 97 percent (6,067) were from customers of the seven largest NGDCs. For the analysis of the seven major gas companies that appears in this chapter, BCS excluded 43 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 BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2005 complaints from residential customers of the seven major gas utilities in each of the 13 categories used by 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 BCS. Appendix C, Table 2, provides the actual number of cases that fell into each category in 2005.

## Consumer Complaint Categories: 2005 Major Natural Gas Distribution Companies

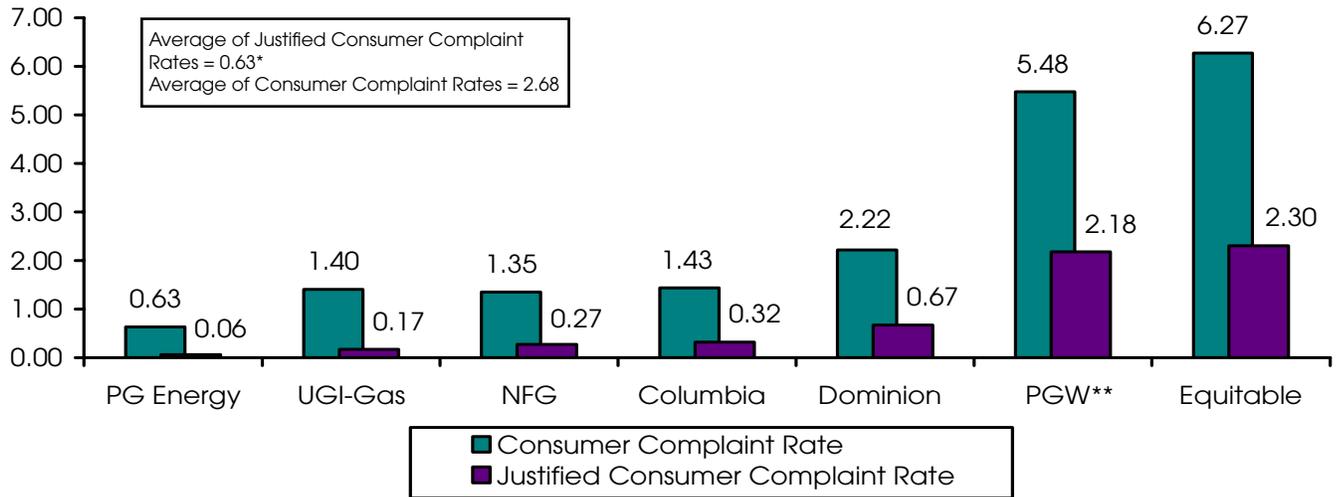
Categories	Columbia	Dominion	Equitable	NFG	PG Energy	PGW	UGI-Gas	Gas Majors
Metering	23%	27%	27%	19%	12%	12%	26%	24%
Billing Disputes	13%	11%	15%	13%	24%	36%	16%	16%
Other Payment Issues	7%	6%	20%	5%	12%	9%	4%	12%
Credit and Deposits	4%	19%	10%	8%	6%	10%	12%	11%
Discontinuance/Transfer	8%	8%	8%	14%	6%	14%	20%	10%
Personnel Problems	13%	8%	7%	14%	16%	8%	10%	9%
Service Quality	10%	8%	2%	3%	4%	1%	3%	4%
Service Extensions	8%	4%	1%	9%	8%	1%	2%	3%
Scheduling Delays	3%	2%	3%	3%	0%	3%	3%	3%
Damages	4%	2%	2%	4%	4%	0%	1%	2%
Service Interruptions	2%	2%	<1%	0%	0%	0%	<1%	1%
Rates	1%	1%	<1%	0%	2%	0%	0%	1%
All Other Problems	3%	4%	4%	7%	6%	7%	4%	4%
<b>TOTAL-Percent*</b>	<b>99%</b>	<b>102%</b>	<b>99%</b>	<b>99%</b>	<b>100%</b>	<b>101%</b>	<b>101%</b>	<b>100%</b>
<b>TOTAL-Number**</b>	<b>296</b>	<b>426</b>	<b>849</b>	<b>149</b>	<b>50</b>	<b>241</b>	<b>233</b>	<b>2,244</b>

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

\*\* Based on residential complaints evaluated by BCS as of July 14, 2006.

- 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 2005, metering complaints generated 24 percent of the complaints about the major gas utilities followed by billing disputes (16 percent) and other payment issues (12 percent).

## 2005 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Natural Gas Distribution Companies

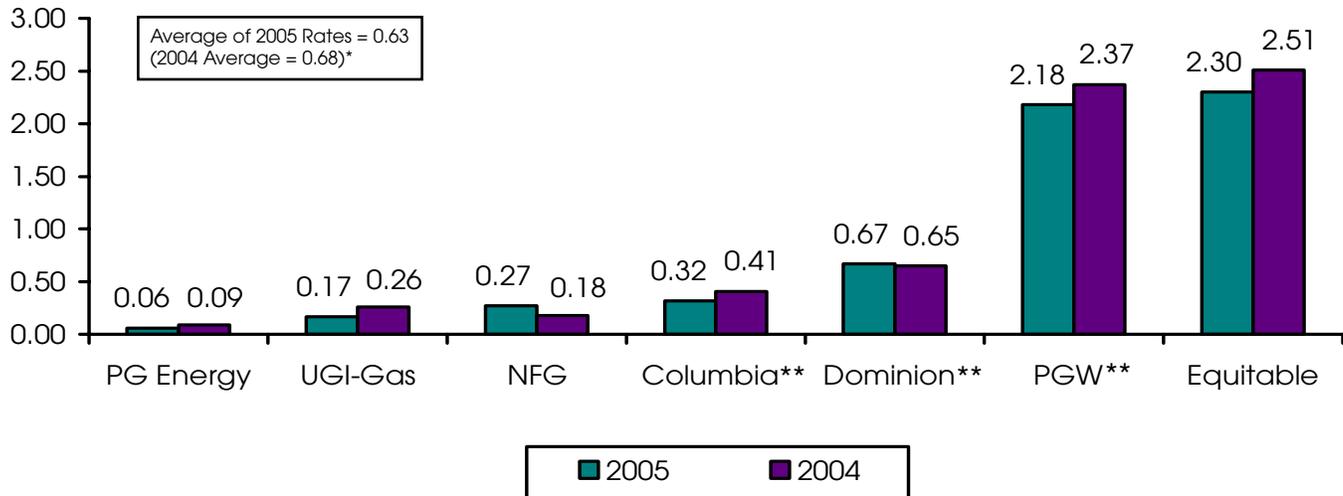


\* Average of rates does not include PGW.

\*\* For 2005, the low volume of cases evaluated for PGW does not produce a statistically valid Justified Consumer Complaint Rate for PGW.

- 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 2005, five of the major gas companies have consumer complaint rates that are lower than the industry's average of rates while two of the companies have consumer complaint rates that are more than two times higher than the industry average.
- BCS was unable to review enough 2005 consumer complaints about PGW to draw a statistically valid conclusion about the company's performance at handling complaints from its customers.
- Appendix D, Table 2, presents the number of consumer complaints and justified consumer complaints for each major gas company in 2005.

## 2004-05 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies

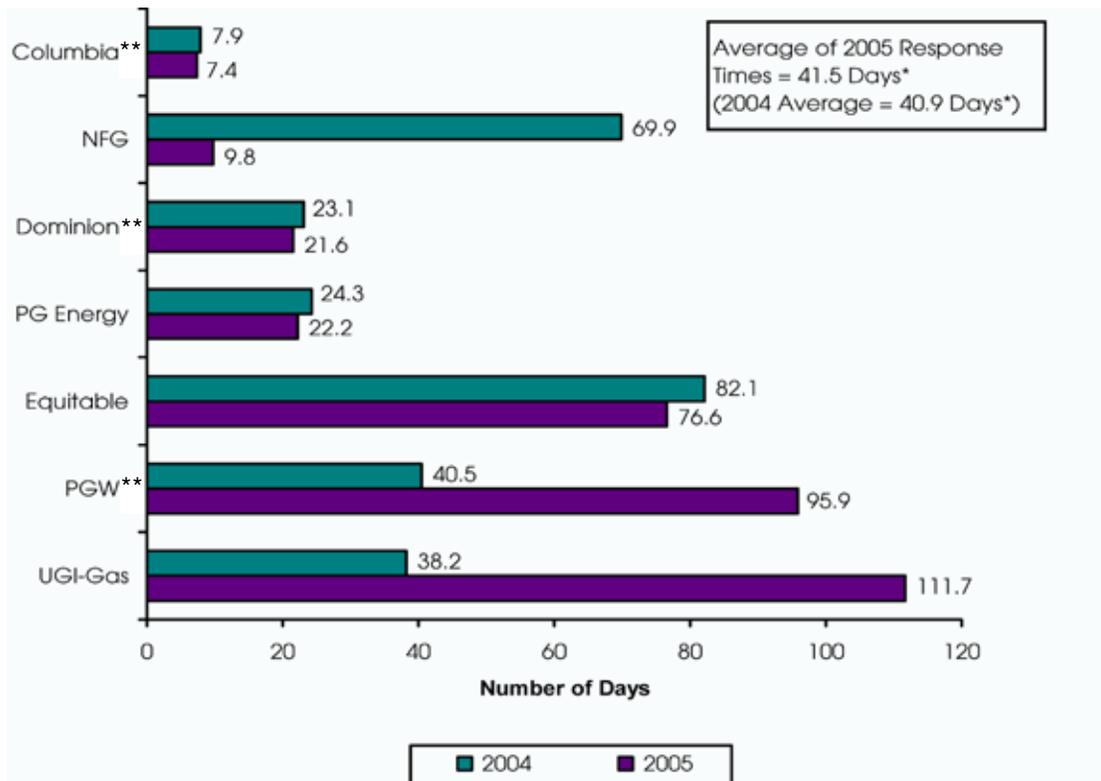


\* Average of rates does not include PGW.

\*\* Based on a probability sample of cases for Columbia, Dominion and PGW in 2004. For 2005, the low volume of cases evaluated for PGW does not produce a statistically valid Justified Consumer Complaint Rate for PGW.

- 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, excluding PGW, decreased from 0.68 in 2004 to 0.63 in 2005.
- There was a wide range in the justified consumer complaint rates among the major gas companies, from a low of 0.06 for PG Energy to a high of 2.3 for Equitable in 2005.
- The BCS was unable to review enough 2005 consumer complaints about PGW to draw a statistically valid conclusion about the company's performance at handling complaints from its customers.
- Appendix D, Table 2, shows the number of justified consumer complaints for each major gas company in 2004 and 2005.

## 2004-05 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies



\* Average of Response Times does not include PGW.

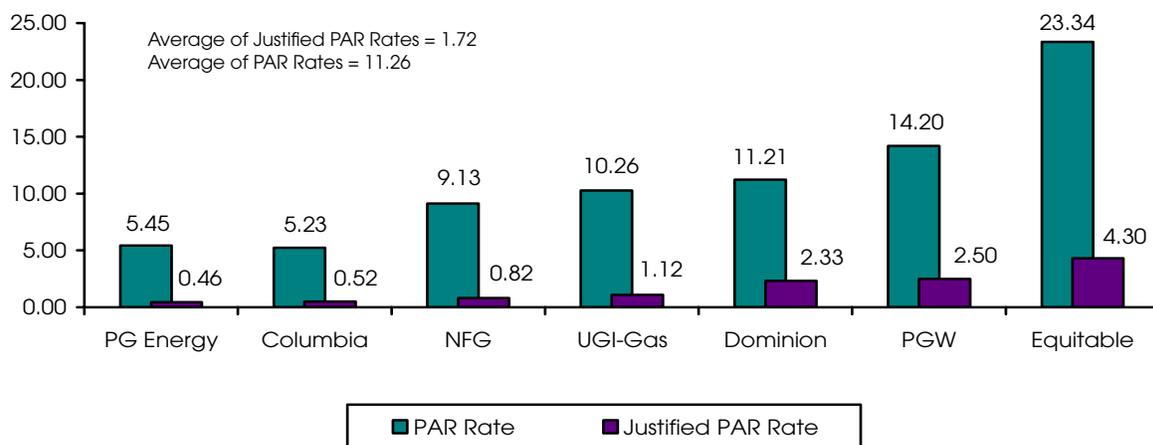
\*\*Based on a probability sample of cases for Columbia, Dominion and PGW for 2004. For 2005, the low volume of cases evaluated for PGW does not produce a statistically valid Response Time to Consumer Complaints for PGW.

- The average of response times for the major gas companies, excluding PGW, was relatively stable from 2004 to 2005.
- Consumer complaint response time performance varied widely among the major gas companies in 2005, from a low of 7.4 days for Columbia to a high of 111.7 days for UGI-Gas.
- BCS was unable to review enough 2005 consumer complaints about PGW to produce a response time to consumer complaints that is statistically valid.
- Appendix E shows the 2004 and 2005 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 2005, BCS handled 24,056 payment arrangement requests (PARs) from residential customers of the natural gas distribution companies (NGDCs) and seven PARs from residential customers of natural gas supply companies. Ninety-six percent (23,186) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2005, 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 BCS received from customers of these utilities. 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.

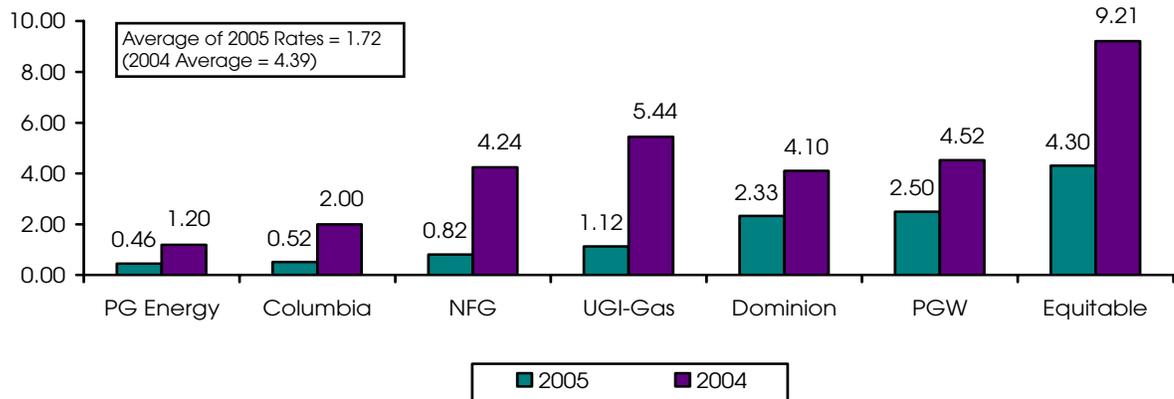
### 2005 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates\* Major Natural Gas Distribution Companies



\* 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 2005, the average of the PAR rates is 6.5 times the average of the justified PAR rates.
- The implementation of Chapter 14 had an impact on the 2005 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1, for a discussion of the implications of this legislation.
- Appendix F, Table 2, presents the number of payment arrangement requests and justified payment arrangement requests for each major gas company in 2005.

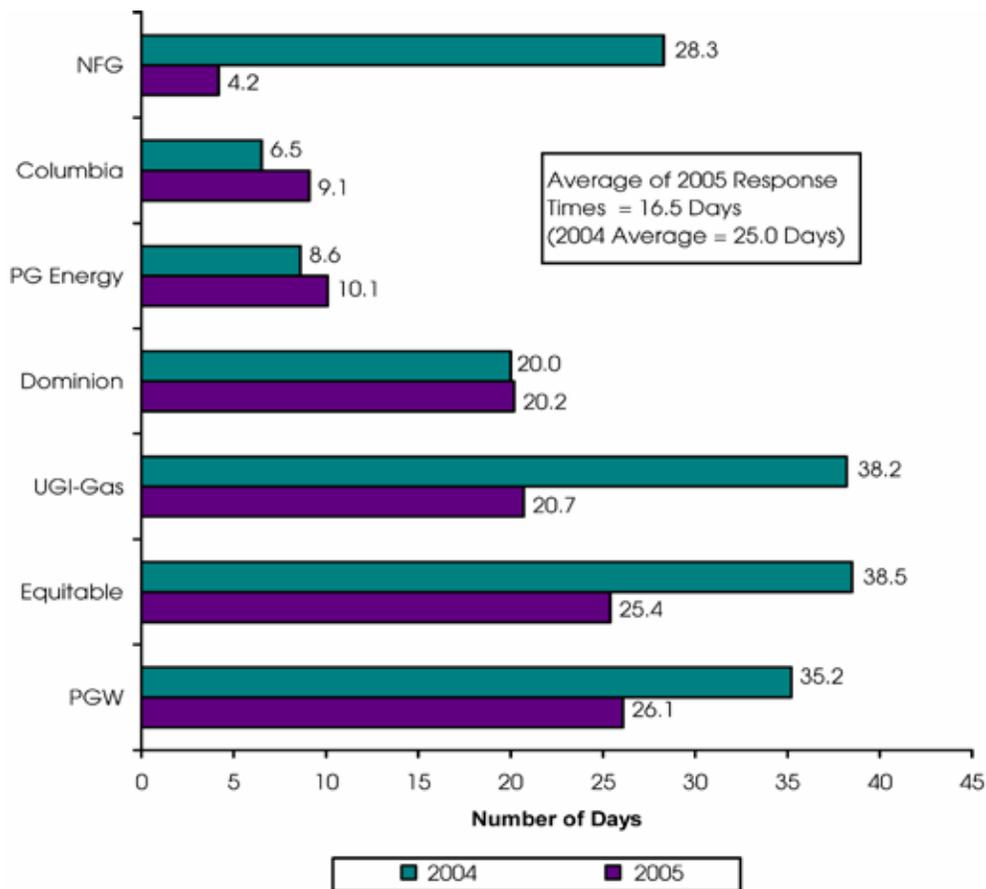
## 2004-05 Justified Residential Payment Arrangement Request Rates\* Major Natural Gas Distribution Companies



\* 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 4.39 in 2004 to 1.72 in 2005.
- The implementation of Chapter 14 had an impact on the 2005 justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1, for a discussion of the implications of this legislation.
- There was a wide range in justified PAR rates among the major NGDCs in 2005, from a low of 0.46 for PG Energy to a high of 4.30 for Equitable.
- Appendix F, Table 2, presents the number of justified payment arrangement requests for each major gas company in 2004 and 2005.

## 2004-05 Response Time\* to BCS Residential Payment Arrangement Requests Major Natural Gas Distribution Companies



\* Based on a probability sample of cases.

- From 2004 to 2005, the average of response times decreased by 8.5 days, from 25 days in 2004 to 16.5 days in 2005.
- The 2005 PAR response times for the major NGDCs varied from a low of 4.2 days for NFG to a high of 26.1 days for PGW.
- Appendix G shows the 2004 and 2005 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 and Reconnection of Service

Each month, the gas utilities report the number of residential accounts that they terminated for nonpayment during the previous month to the Commission. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The NGDC reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment arrangement for the balance owed to the company. The tables that follow indicate the annual number of residential accounts each of the seven largest gas utilities terminated and reconnected in 2003, 2004 and 2005. The first 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		
	2003	2004	2005	% Change in # 2004-05	2003	2004	2005
Columbia	6,153	7,545	18,819	149%	17.41	21.13	52.22
Dominion	6,183	6,054	6,768	12%	19.15	18.71	20.89
Equitable	11,106	7,023	13,075	86%	47.11	29.31	56.24
NFG	6,051	7,422	14,125	90%	30.98	38.06	72.95
PG Energy	4,547	5,169	5,334	3%	32.62	36.93	38.03
PGW	N/A	29,695	40,663	37%	N/A	62.30	85.48
UGI-Gas	10,409	8,911	12,830	44%	39.61	32.96	46.38
Major Gas	44,449	71,819	111,614	55%			
<b>Average of Rates</b>					<b>31.15</b>	<b>34.20</b>	<b>53.17</b>

N/A = Not Available.

- Overall, the seven major gas companies terminated slightly more than 53 out of every 1,000 residential gas customers during 2005.

## Residential Service Reconnections Major Natural Gas Distribution Companies

Residential Service Reconnections				
Company Name	2003	2004	2005	% Change in # 2004-05
Columbia	4,520	2,797	10,669	281%
Equitable	6,496	1,964	7,765	295%
NFG	2,720	3,304	9,144	177%
PG Energy	2,882	3,131	3,409	9%
PGW	N/A	24,937	26,573	7%
Dominion	2,394	2,320	2,699	16%
UGI-Gas	3,589	2,819	7,405	163%
<b>Major Gas</b>	<b>22,601</b>	<b>41,272</b>	<b>67,664</b>	<b>64%</b>

N/A = Not Available.

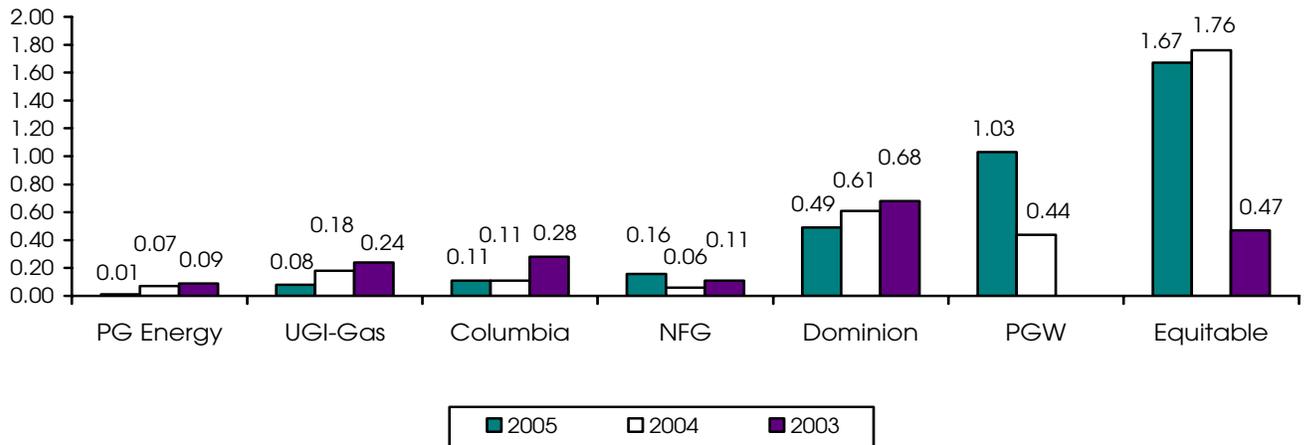
- Overall, the seven major NGDCs reconnected 64% more residential accounts in 2005 than in 2004.

## Compliance

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, BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

During 2003, 2004 and 2005, BCS determined that the seven major gas utilities together logged 2,601 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 BCS from 2003 through 2005. 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 2004 to 2005.
- Appendix H, Table 2, presents the actual number of infractions for each major gas utility in 2003, 2004 and 2005.

## 5. Water Industry

In 2005, the Commission had jurisdiction over 126 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 2005, there were eight "Class A" water companies that served residential water customers. The number of residential customers for these companies ranged from 1,857 for United Water Bethel to 569,375 residential customers for Pennsylvania-American Water Company. In 2005, the "Class A" water companies were Aqua Pennsylvania Southeast (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 2005, there were 13 "Class B" companies. "Class B" water companies have annual revenues between \$200,000 and \$999,999. In 2005, the number of residential customers for the "Class B" companies ranged from 501 to 1,857. There were 74 "Class C" companies in 2005. "Class C" water companies have annual revenues of less than \$200,000. The number of residential customers for the "Class C" companies ranged from 20 to 596 in 2005.

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.

As would be expected, the majority of the residential consumer complaints and payment arrangement requests to 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 2005. Appendices C through H present the actual statistics that BCS used to produce the charts in this chapter.

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

For the second year in a row, BCS was unable to review enough 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.” In this report, the 2004 statistics from the various measures used to assess utility performance have been revised from the statistics that appear in last year’s report because data from more evaluated consumer complaints and payment arrangement requests for the “Class A” water companies were added to the Bureau’s data base.

### Consumer Complaints

During 2005, BCS handled a total of 1,297 consumer complaints from residential customers of the various water companies. Of those complaints, 90 percent (1,169) were from customers of the “Class A” companies. The remaining 10 percent were from customers of smaller water companies. In spite of the fact, the vast majority of consumer complaints involved the “Class A” water utilities in 2005, the Commission devoted a significant amount of attention to the smaller water utilities. Sometimes the amount of time 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 2005, customers of the small water companies logged complaints with BCS for a variety of reasons. Of the 128 consumer complaints filed about the non-Class A water companies, 58 percent involved complaints about service, including people-delivered service, service quality or other aspects of the companies’ service to customers (74 cases). An additional 26 percent of the complaints about the small water companies involved a billing dispute (33 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 BCS’s computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2005 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 BCS. Appendix C, Table 3, provides the actual number of cases that fell into each category in 2005.

## Consumer Complaint Categories: 2005 Major Water Utilities

Categories	PA-American	Aqua Pennsylvania	Other Class A Water*	All Class A Water
Billing Disputes	31%	39%	18%	32%
Metering	24%	20%	20%	22%
Service Quality	8%	5%	30%	10%
Personnel Problems	9%	7%	8%	9%
Damages	5%	3%	5%	5%
Scheduling Delays	3%	4%	8%	4%
Discontinuance/ Transfer	3%	3%	10%	4%
Other Payment Issues	4%	1%	2%	3%
Service Extensions	3%	4%	0%	3%
Credit and Deposits	1%	3%	0%	2%
Rates	1%	2%	0%	1%
Service Interruptions	1%	0%	0%	<1%
All Other Problems	6%	10%	0%	6%
<b>TOTAL-Percent**</b>	<b>99%</b>	<b>101%</b>	<b>101%</b>	<b>101%</b>
<b>TOTAL-Number***</b>	<b>298</b>	<b>146</b>	<b>61</b>	<b>505</b>

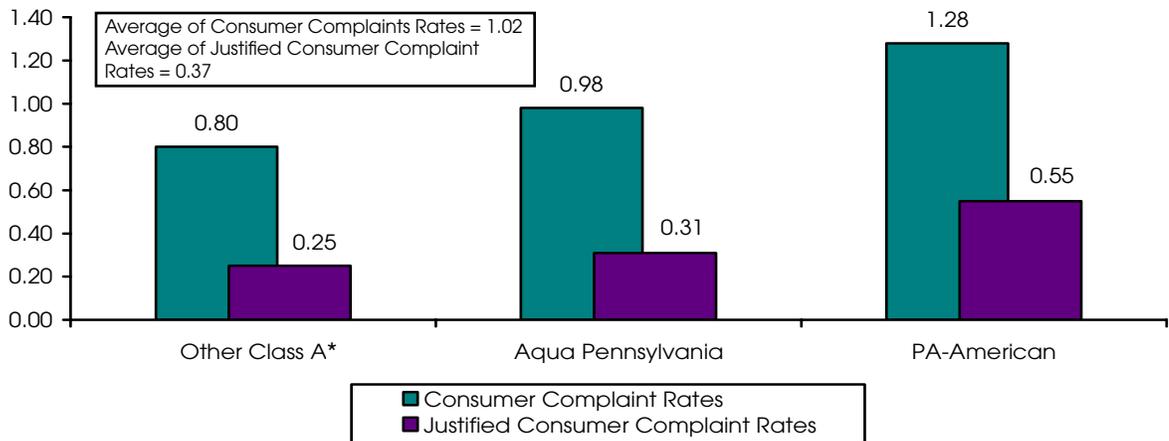
\* BCS was unable to review enough 2005 consumer complaints to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

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

\*\*\*Based on residential complaints evaluated by BCS as of July 14, 2006.

- 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.
- Fifty-four 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 decreased from 2004 to 2005. Meanwhile, the percentage of complaints about metering, service quality and personnel problems increased from 2004 to 2005.

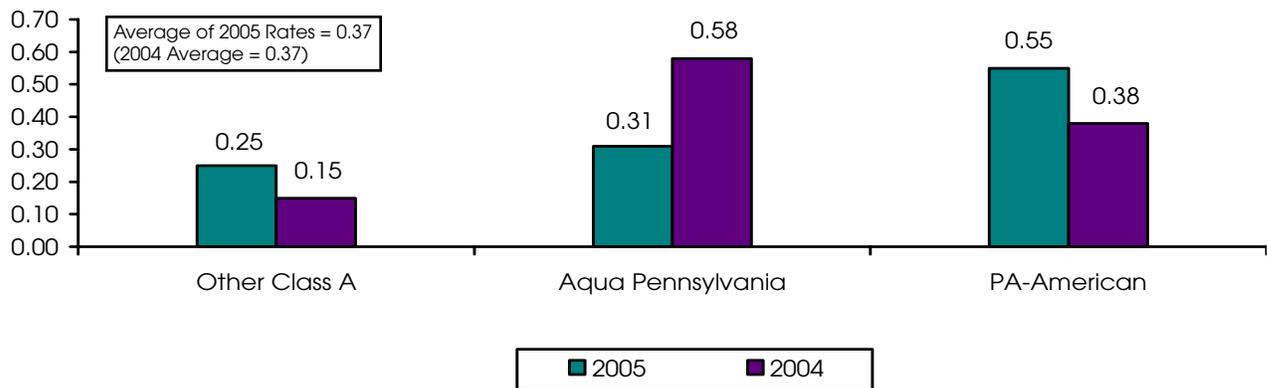
## 2005 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Water Utilities



\* BCS was unable to review enough 2005 consumer complaints 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 2.8 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 2004 and 2005.

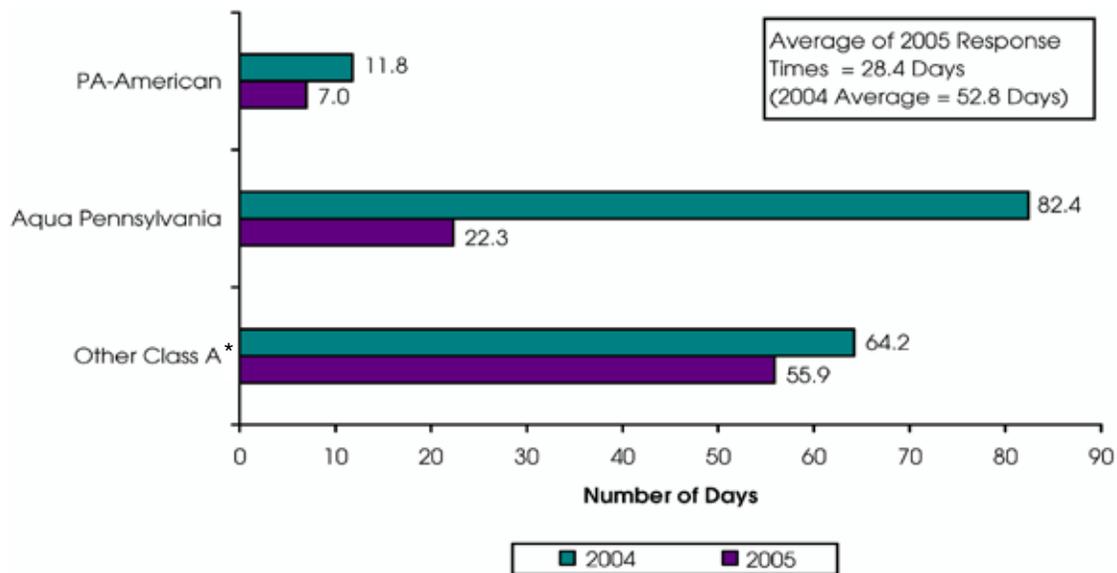
## 2004-05 Justified Residential Consumer Complaint Rates Major Water Utilities\*



\* BCS was unable to review enough 2004 and 2005 consumer complaints 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 2004 justified consumer complaint rate for the "Other Class A" water companies has been revised from the rate that appears in the 2004 UCARE due to the addition of more information about PARs for these companies to the database. As a result, the 2004 average of justified consumer complaint rates for all the "Class A" water companies has also changed.
- The average of the justified consumer complaint rates for Aqua Pennsylvania decreased from 0.58 in 2004 to 0.31 in 2005. Meanwhile the justified consumer complaint rate for PA-American increased from 0.38 in 2004 to 0.55 in 2005.
- Appendix D, Table 3, shows the number of justified consumer complaints for Aqua Pennsylvania, PA-American and the "Other Class A" water companies in 2004 and 2005.

## 2004-05 Response Time to BCS Residential Consumer Complaints Major Water Utilities



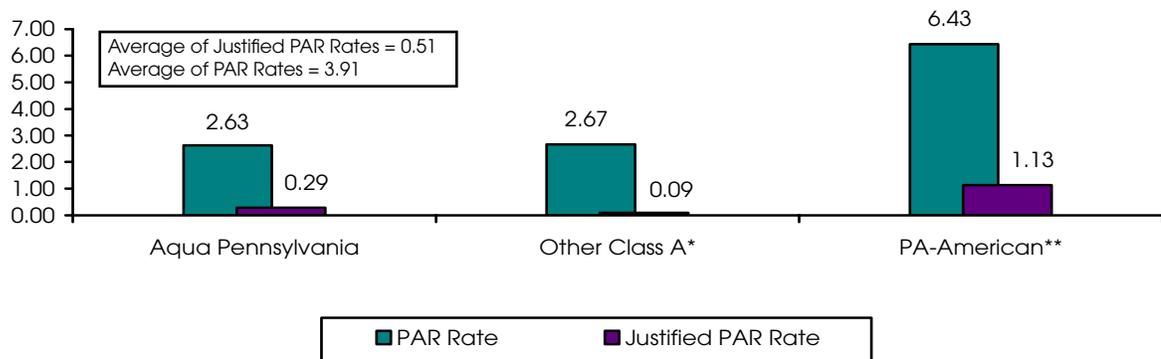
\* BCS was unable to review enough 2004 and 2005 consumer complaints to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

- The 2004 response time for the "Other Class A" water companies has been revised from the response time reported in the 2004 UCARE for these companies because information from more consumer complaints about these companies was added to the Bureau's data base. As a result, the 2004 average of response times for all the "Class A" water companies has also changed.
- The average response time for the major (Class A) water utilities decreased from 52.8 days in 2004 to 28.4 days in 2005.
- Aqua Pennsylvania reduced its response time to consumer complaints by more than 60 days from 2004 to 2005. PA-American also reduced its response time from 2004 to 2005.
- Appendix E shows the 2004 and 2005 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 2005, BCS handled 4,977 payment arrangement requests (PARs) from residential customers of the water industry. Ninety-nine percent (4,924) 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 2005, 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 BCS received from customers of PA-American. 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.

### 2005 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Water Utilities

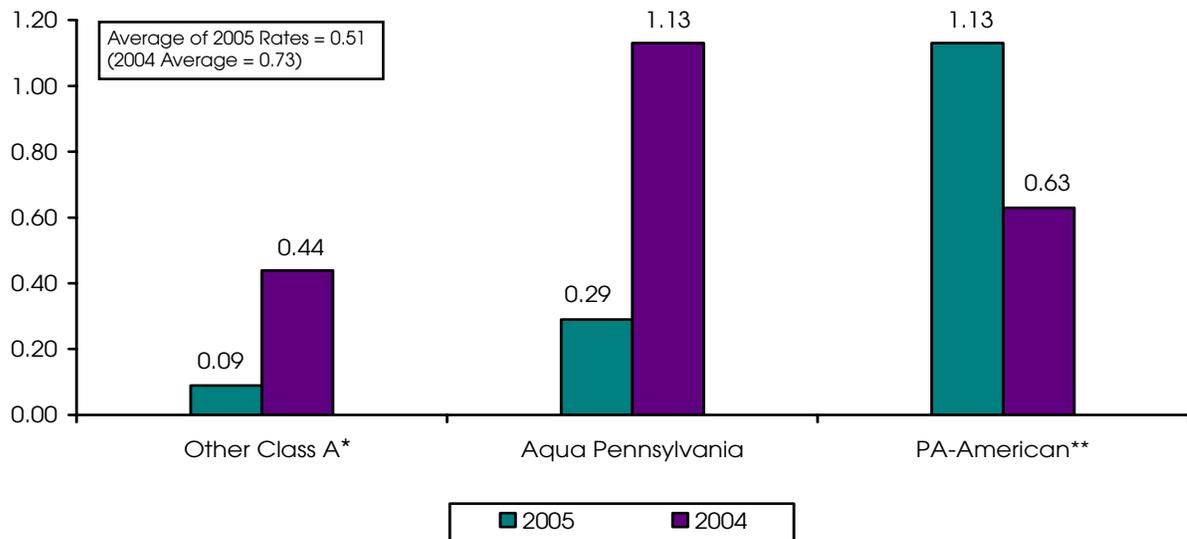


\* BCS was unable to review enough 2005 payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

\*\* 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 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for 1,000 residential customers.
- The average PAR rate is more than seven times the average justified PAR rate.
- The implementation of Chapter 14 had an impact on the 2005 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1, for a discussion of the implications of this legislation.
- 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 2004 and 2005.

## 2004-05 Justified Residential Payment Arrangement Request Rates Major Water Utilities

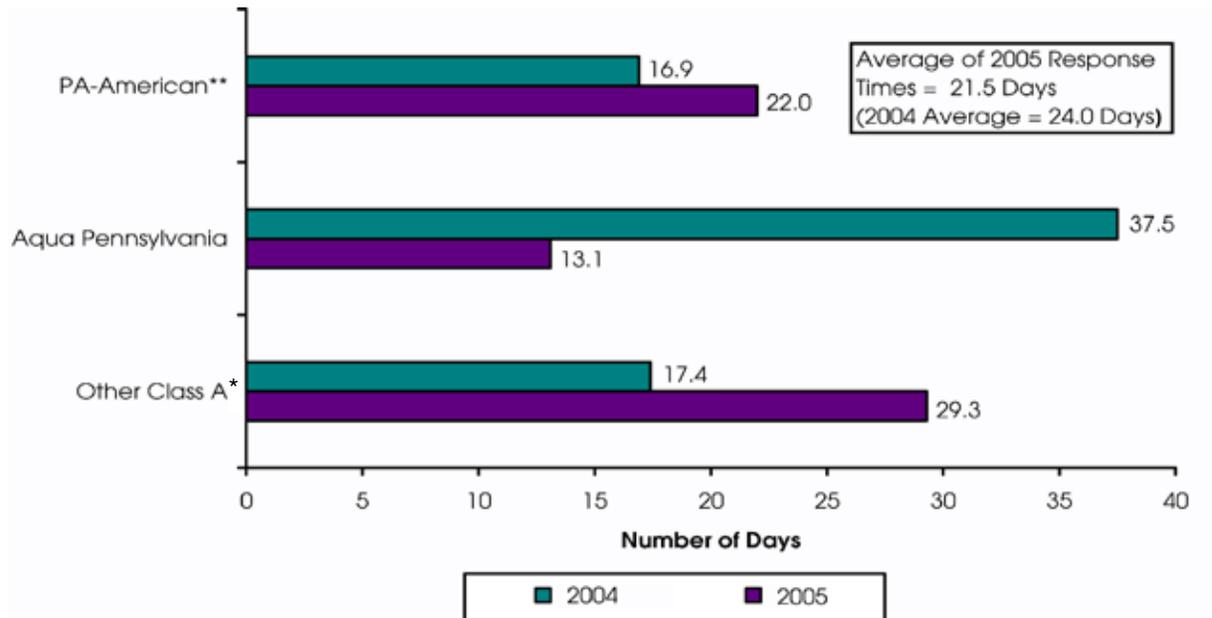


\* BCS was unable to review enough 2004 and 2005 payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

\*\* 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 2004 justified PAR rate for the "Other Class A" water companies has been revised from the rate that appears in the 2004 UCARE due to the addition of information from more PARs for these companies to the database. As a result, the 2004 average of justified PAR rates for all the "Class A" water companies has also changed.
- The average justified PAR rate from the major water utilities decreased from 0.73 in 2004 to 0.51 in 2005.
- The implementation of Chapter 14 had an impact on the 2005 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1, for a discussion of the implications of this legislation.
- Appendix F, Table 3, presents the number of payment arrangement requests and justified payment arrangement requests for "Class A" water companies in 2004 and 2005.

## 2004-05 Response Time to BCS Residential Payment Arrangement Requests Major Water Utilities



- \* BCS was unable to review enough 2004 and 2005 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.

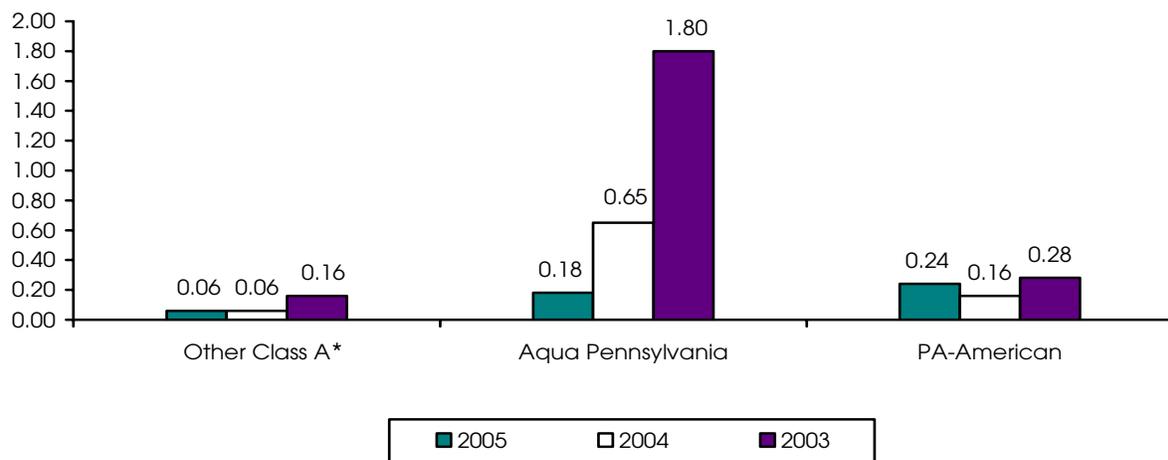
- The 2004 response time for the "Other Class A" water companies has been revised from the response time that appears in the 2004 UCARE due to the addition of response time information from more PARs for these companies to the data base. As a result, the 2004 industry average of response times has also changed.
- The average response time for the major water utilities decreased from 24 days in 2004 to 21.5 days in 2005.
- Appendix G shows the 2004 and 2005 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

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, BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

During 2003, 2004 and 2005, BCS informally verified 1,255 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 BCS from 2003 through 2005.

### Commission Infraction Rates Major Water Utilities



\* BCS was unable to review enough 2004 and 2005 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 2004 to 2005.
- Appendix H, Table 3, presents the actual number of infractions for PA-American, Aqua Pennsylvania and the "Other Class A" water companies in 2003, 2004 and 2005.

## Programs that Assist Low-Income Customers

Several water utilities voluntarily initiated programs to assist low-income customers maintain utility service.

Aqua Pennsylvania Inc. (Aqua) - In 1994, Aqua 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. Aqua calls this program "A Helping Hand." In 1996, Aqua made "A Helping Hand" a permanent part of its collection strategy. In 1997, Aqua 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 directs "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 will pay up to \$100 for minor plumbing repairs. As an incentive to encourage regular bill payment, Aqua forgives a percentage of a participant's arrearage, if the participant makes regular monthly payments toward the arrearage.

At the end of 2005, Aqua's program had 463 active participants. During the year, Aqua spent \$62,253 to complete eligibility interviews and household audits. In addition, the company granted \$21,450 in forgiveness credits to 576 program participants.

Pennsylvania American Water Company (PA-American) - By Order dated Oct. 2, 1997, the Commission approved PA-American request to establish a Low-Income Rate. At the end of 2005, there were 4,465 active participants in the Low-Income Rate. A customer whose income is below 150 percent of the federal poverty guidelines is eligible for the Low-Income Rate. Customers agree to make monthly payments in exchange for a 50 percent discount on the service charge - typically about \$5. Customers who miss more than two payments in a six-month period lose their eligibility in the program. Customers who are ineligible because of non-payment remain so for one year.

PA-American also participates with the Dollar 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 need help in paying their utility bill or to those who still have a critical need for assistance after other resources have been exhausted. In 2004-05, PA-American's shareholders and customers provided a total of \$123,280 in hardship fund benefits to 452 customers for an average benefit of \$273.

United Water of Pennsylvania Inc. (United Water) - At the end of 2005, United Water implemented a new program called UW Cares. UW Cares is a hardship fund program that will provide cash grants up to \$100 to help low-income customers pay their water bills. To be eligible for a grant, a customer's household income must be below 100 percent of the federal poverty guidelines and the customer must have made a payment of at least \$20 in the last 180 days.

York Water Company - In 2005, the York Water Company implemented a pilot program to serve about 30 participants. The pilot program offers a water usage audit that includes conservation education and provides minor plumbing repairs. Each year, the company will forgive arrearages up to \$120 if the participant makes regular monthly payments.

## 6. Telephone Industry

During 2005, 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 (ILECs), competitive local exchange carriers (CLECs), long-distance companies and resellers. Over 600 providers of telecommunications services were doing business in Pennsylvania in 2005. Of this group of telecommunications providers, 38 were ILECs. Thirty-three 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 more than 4.2 million residential customers in 2005.

This chapter will focus exclusively on the five major ILECs in 2005 -- 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 four largest CLECs -- MCImetro Access Transmission Services LLC (MCI Local), Comcast Phone of Pennsylvania, LLC d/b/a Comcast Digital Phone (Comcast), AT&T Local and RCN Telecom Services, Inc. (RCN). This is the first year that AT&T Local and RCN appear in the Commission's UCARE. Each of the four CLECs served more than 50,000 residential customers in Pennsylvania during 2005.

Unlike the electric, gas and water chapters, the analyses of the nine companies that appear in this chapter include complaints about competition-related issues such as slamming, competition-related service complaints and billing problems. This is the third year that BCS included competition-related complaints in its analyses of the largest telephone companies.

### Consumer Complaints

Although BCS handled consumer complaints about different types of telecommunication service providers in 2005, the complaints predominantly came from the residential customers of the five major ILECs and the four largest CLECs. Overall, BCS handled 8,263 consumer complaints from residential customers in 2005. Of these complaints, 6,021 were from residential customers of all of Pennsylvania's ILECs while 5,973 were from customers of the five major ILECs. Meanwhile, 1,949 consumer complaints were from residential customers of the CLECs operating in Pennsylvania, with 1,203 of the CLEC complaints filed by residential customers of AT&T Local, Comcast, MCI Local and RCN. The remaining 293 consumer complaints were from residential customers of other providers of telecommunications services 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 BCS's computerized information system. BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2005 consumer complaints from residential customers of the major telephone companies in each of the 11 categories used by the BCS policy unit to categorize consumer complaints about telephone companies.

### Consumer Complaint Categories: 2005 Major Local Telephone Companies

Categories	ALLTEL	AT&T Local	Comcast	Commonwealth	MCI Local	RCN	United	Verizon North	Verizon PA	Telephone Majors
Service Delivery	26%	24%	25%	16%	26%	13%	13%	48%	25%	26%
Billing Disputes	25%	19%	20%	25%	19%	19%	47%	17%	21%	22%
Service Terminations	4%	8%	21%	15%	20%	40%	16%	7%	19%	17%
Unsatisfactory Service	23%	14%	13%	15%	9%	11%	4%	18%	21%	17%
Discontinuance/Transfer	1%	9%	7%	0%	11%	4%	3%	3%	5%	5%
Competition	4%	21%	3%	5%	14%	4%	1%	1%	2%	4%
Toll Services	4%	0%	1%	2%	<1%	2%	7%	1%	2%	2%
Credit and Deposits	8%	3%	1%	11%	1%	0%	2%	3%	2%	2%
Non-Recurring Charges	2%	0%	0%	2%	<1%	0%	3%	1%	1%	1%
Annoyance Calls	0%	0%	0%	0%	<1%	0%	1%	<1%	1%	1%
All Other Problems	4%	2%	8%	9%	1%	6%	2%	1%	3%	3%
<b>TOTAL-Percent*</b>	<b>101%</b>	<b>100%</b>	<b>99%</b>	<b>100%</b>	<b>101%</b>	<b>99%</b>	<b>99%</b>	<b>100%</b>	<b>102%</b>	<b>100%</b>
<b>TOTAL-Number**</b>	<b>110</b>	<b>140</b>	<b>194</b>	<b>55</b>	<b>591</b>	<b>47</b>	<b>312</b>	<b>369</b>	<b>2,504</b>	<b>4,322</b>

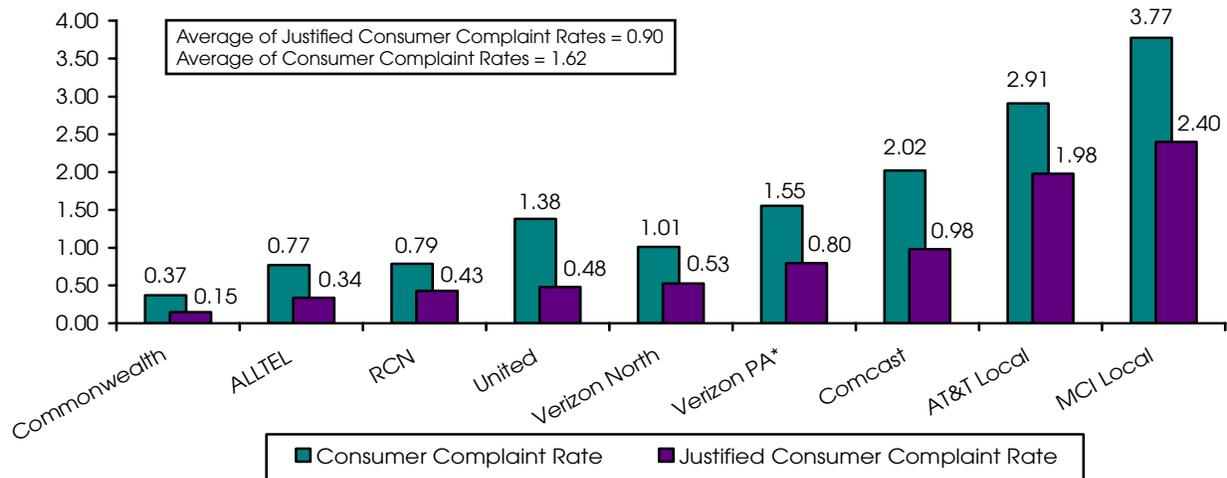
\*Columns may total more or less than 100 percent due to rounding.

\*\* Based on complaints evaluated by BCS as of July 7, 2006.

- Eighty-two percent of all complaints for the major telephone companies fall into one of four complaint categories: service delivery, billing disputes, service terminations or unsatisfactory service.
- Service delivery disputes account for 26 percent of the total number of consumer complaints against the nine major telephone companies. This is a slight decrease from 2004 when 27 percent of the companies' consumer complaints involved service delivery. In 2005, service delivery disputes accounted for 48 percent of all consumer complaints about Verizon North.
- The table shows that 22 percent of all the consumer complaints filed against the nine major companies are about billing disputes while service terminations and unsatisfactory service each account for 17 percent. In 2004, these three categories accounted for 27 percent, 2 percent and 17 percent of all consumer complaints about the major telephone companies. For individual companies, 70 percent of the 2005 complaints about RCN, 67 percent of the complaints about United and 61 percent of the complaints about Verizon PA fall into these three categories.
- The overall volume of consumer complaints about competition issues showed a small decrease from 2004 to 2005. The volume of competition-related complaints about MCI-Local decreased significantly from 2004 to 2005.
- 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 nine major local telephone companies. The complaints may be justified, inconclusive or unjustified.

The 2004 and 2005 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 nine major local telephone companies.

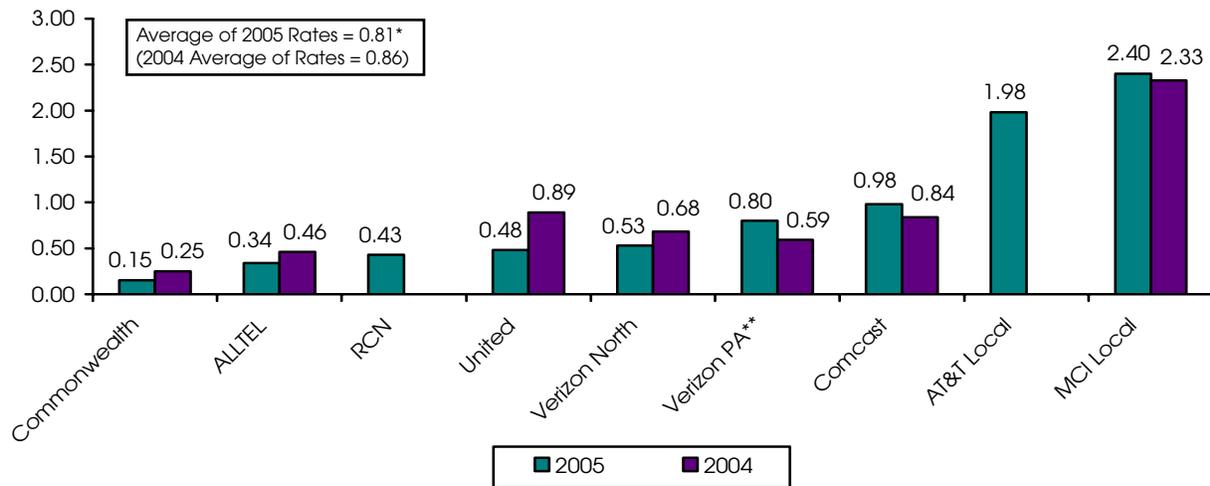
## 2005 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies



\* 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 2005, the industry average of consumer complaint rates without AT&T Local and RCN is 1.55. Including AT&T Local and RCN in the calculation of consumer complaint rate increases the 2005 industry average of rates to 1.62.
- The industry average of justified consumer complaint rates without AT&T Local and RCN is 0.81 for 2005. Including AT&T Local and RCN into the calculation increases the 2005 industry average of rates to 0.90.
- For the nine major telephone companies, the average of their 2005 consumer complaint rates is 1.8 times greater than the average of their justified rates.
- Appendix D, Table 4, shows the number of consumer complaints and justified consumer complaints for each major telephone company in both 2004 and 2005.

## 2004-05 Justified Residential Consumer Complaint Rates Major Local Telephone Companies

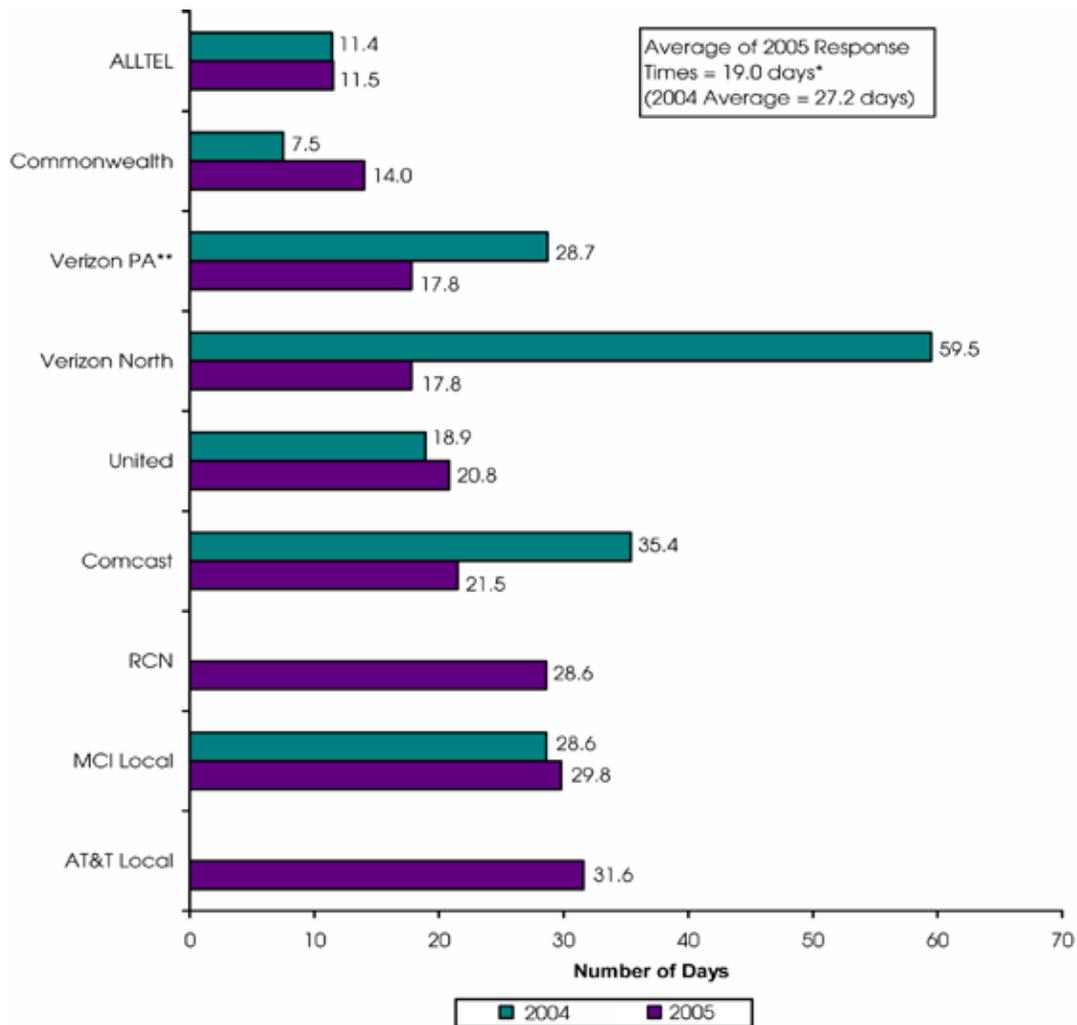


\* This average excludes AT&T Local and RCN to allow for a uniform multi-year comparison.

\*\* 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.
- In 2005, the industry average of justified consumer complaint rates without AT&T Local and RCN is 0.81, a decrease from the 2004 average of justified consumer complaint rates. Including AT&T Local and RCN in the calculation increases the 2005 industry average to 0.90, an increase from the 2004 industry average.
- There was a wide range in justified consumer complaint rates among the major companies, from a low of 0.15 for Commonwealth to a high of 2.40 for MCI Local.
- Appendix D, Table 4, shows the number of justified consumer complaints and the justified consumer complaint rates for each major telephone company in 2004 and 2005.

## 2004-05 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies



\* This average excludes AT&T Local and RCN to allow for a uniform multi-year comparison.

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

- For the seven major companies included in the 2004 UCARE, the average response time to consumer complaints decreased by 8.2 days from 2004 to 2005. Average response times in 2004 is not available for AT&T Local and RCN. The industry average of response times including AT&T Local and RCN is 21.5 days.
- Comcast, Verizon North and Verizon PA all reduced their average response times from 2004 to 2005. Meanwhile, ALLTEL's average response time was stable during that period. Commonwealth, MCI Local and United increased their average response times from 2004 to 2005.
- Appendix E shows the 2004 and 2005 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

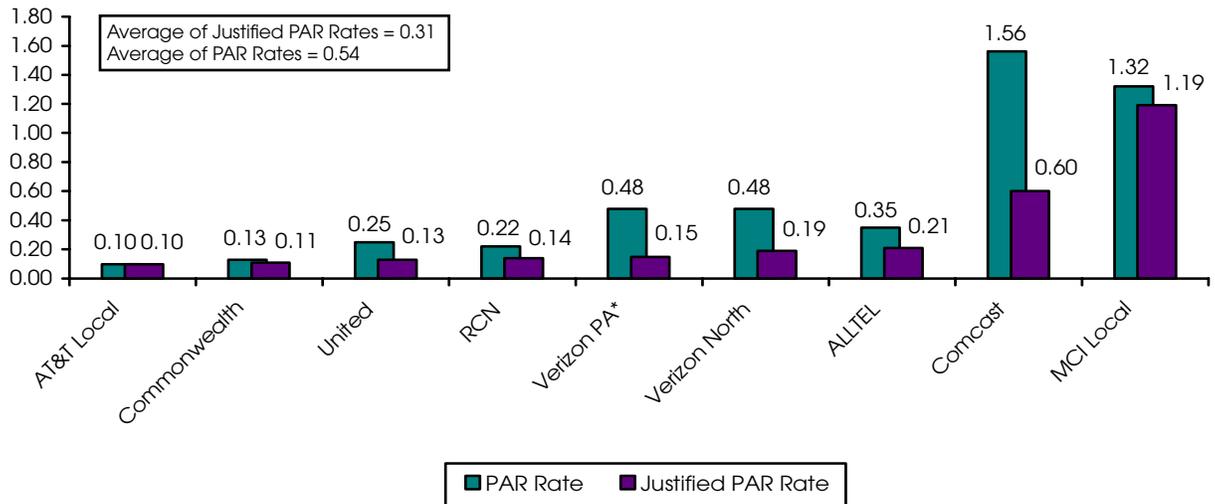
Telephone service consists of three components: basic service, nonbasic service and toll service. BCS does not handle customer requests for payment arrangements that involve toll or non-basic services. For the telephone industry, payment arrangement requests (PARs) are principally contacts to BCS or 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 non-payment. 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 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 2005, BCS handled 2,672 PARs from residential customers. Of these PARs, 2,357 were from residential customers of the nine major telephone companies: ALLTEL, AT&T Local, Comcast, Commonwealth, MCI Local, RCN, United, Verizon North and Verizon PA.

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

The 2004 and 2005 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.

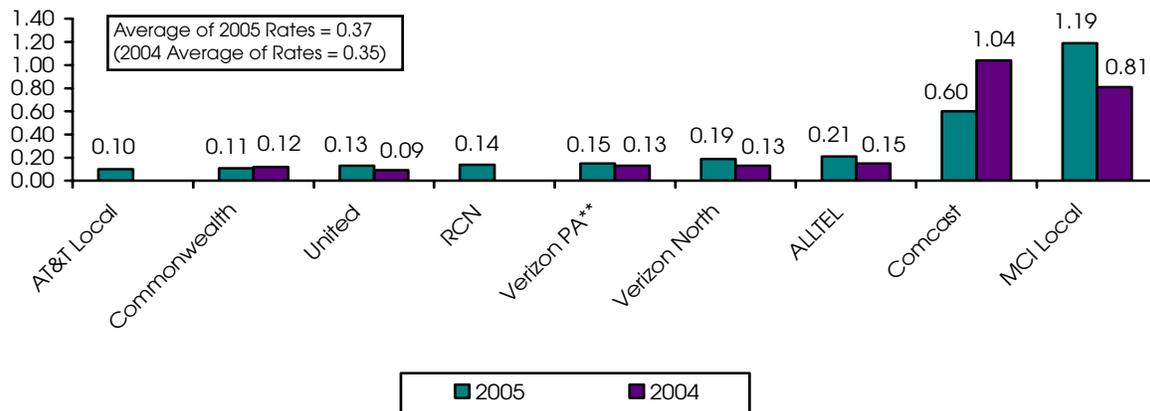
## 2005 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Local Telephone Companies



\* 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 2005, the industry average for PAR rate without AT&T Local and RCN is 0.65, a reduction from 2004, when the PAR rate was 0.82 for the other seven major companies. Including AT&T Local and RCN in the calculation reduces the 2005 average of PAR rates to 0.54 for the telephone industry.
- The overall 2005 PAR rate is 1.7 times the overall justified PAR rate for the seven major companies included in the 2004 UCARE.
- For the individual companies, the ratio between the PAR rate and the justified PAR rate varies. For Verizon PA, the company's 2005 PAR rate is three times the company's justified PAR rate. For AT&T Local, the company's 2005 PAR rate is equal to its 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 2004 and 2005.

## 2004-05 Justified Residential Payment Arrangement Request Rates Major Local Telephone Companies

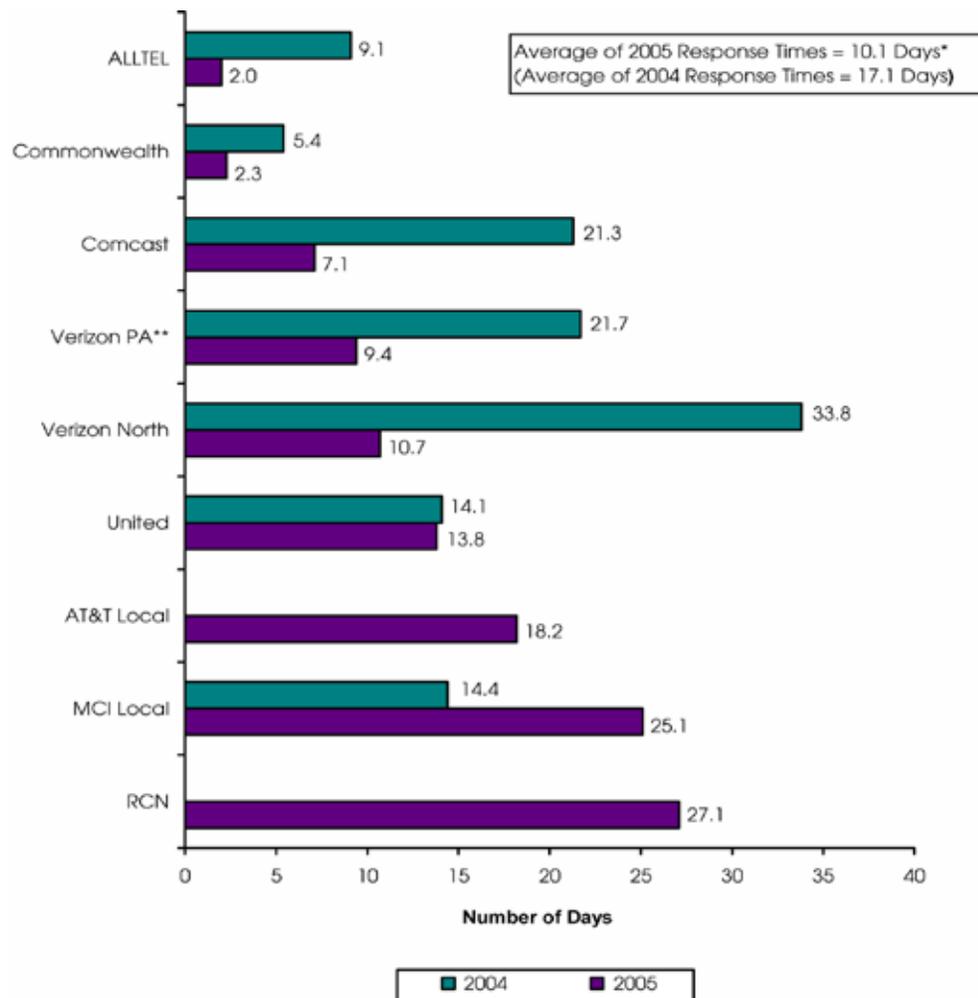


\* This average excludes AT&T Local and RCN to allow for a uniform multi-year comparison.

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

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The 2005 average of justified rates (0.37) for the seven major telephone companies that also appeared in the 2004 UCARE is higher than the 2004 industry average of rates (0.35) for these companies. Including AT&T Local and RCN in the calculation of the 2005 average of rates decreases the industry average of rates to 0.31.
- For five of the seven major telephone companies that appeared in the 2004 UCARE, the justified rate increased from 2004 to 2005. The justified PAR rates decreased for Commonwealth and Comcast. Data from 2004 is not available for AT&T Local and RCN so it is not possible to compare the performance of these companies from 2004 to 2005.
- 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 2004 and 2005.

## 2004-05 Response Time to BCS Residential Payment Arrangement Requests Major Local Telephone Companies



\*This average excludes AT&T Local and RCN to allow for a uniform multi-year comparison.

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

- The 2005 average response time to PARs for the seven major telephone companies that appeared in last year's UCARE decreased by seven days from 2004. The 2004 response times for AT&T Local and RCN are not available.
- With the exception of MCI Local, each of the seven major telephone companies also appearing in last year's UCARE reduced its response time to PARs in 2005. Verizon North's average response time decreased by over 23 days from 2004 to 2005. Comcast reduced its average response time to PARs by slightly more than 14 days while Verizon PA reduced its average response time by just over 12 days. ALLTEL reduced its average response time by slightly over seven days from 2004 to 2005.
- Appendix G shows the 2004 and 2005 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		
	2003	2004	2005	% Change in # 2004-05	2003	2004	2005
ALLTEL	4,908	4,848	5,520	14%	27.92	28.12	32.94
AT&T Local	N/A	N/A	3,324	N/A	N/A	N/A	56.15
Comcast	10,500	8,616	12,528	45%	97.26	80.25	109.15
Commonwealth	5,628	4,728	5,388	14%	22.76	19.57	29.71
MCI Local	29,040	31,056	35,484	14%	118.02	131.99	180.82
RCN	N/A	N/A	6,252	N/A	N/A	N/A	82.03
United	5,976	5,400	5,016	-7%	20.99	19.05	18.23
Verizon North	22,236	19,536+	15,948	-18%	44.75	43.00+	37.47
Verizon PA	143,388	139,056	126,024	-9%	37.90	37.43	39.35
<b>Major Telephone</b>	<b>221,676</b>	<b>213,240</b>	<b>215,484</b>	<b>1%</b>			
<b>Average of Rates</b>					<b>52.80</b>	<b>45.20*</b>	<b>65.09</b>

N/A = Not Available.

+As a 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.

- Termination statistics for AT&T Local and RCN are not available for 2004.
- Overall, the basic service termination rate for major telephone companies increased from 2004 to 2005 and increased for most of the individual companies.

## Compliance

BCS's primary compliance effort is the informal compliance process. Through informal compliance notifications, this process provides companies with specific examples of apparent problems that may reflect infractions of the Commission's Standards and Billing Practices for Residential Telephone Service (Chapter 64) and the telephone regulations for quality of service (Chapter 63). The informal notification process also enables 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.

Each year BCS retrieves infraction data from the BCS Compliance Tracking System and produces charts and tables that present Chapter 64 and Chapter 63 infraction statistics for the major telephone companies reviewed in this chapter. The infraction statistics are typically drawn from all cases that residential consumers filed with BCS.

Due to staffing limitations in 2005 and 2006, BCS was not able to fully implement its infraction tracking process for 2005 telephone cases. BCS notified the nine major companies about only a portion of the infractions found on the 2005 telephone consumer complaints, and PARs filed by their customers. As a result, the infraction statistics for 2005 are incomplete and a comparison between the 2005 statistics and the data from earlier years would be incorrect. For this reason, this year's report does not contain charts or tables that show the numbers of infractions and infraction rates for the nine major telephone companies reviewed in this year's report.

## Telephone Universal Service Programs

As part of its ongoing responsibilities, BCS monitors the universal service programs of local telephone companies. For the telephone industry, universal service programs<sup>1</sup> include Link-Up America (Link-Up), Lifeline Service (Lifeline) and the Universal Telephone Assistance Program (UTAP). These programs ensure that low-income consumers have access to telephone service by providing discounts or credits for service installation and basic telephone service. The Commission approved the implementation of Pennsylvania's first universal service program in 1989 with the implementation of Link-Up. By December 1997, the Commission approved Lifeline service plans for 44 telephone companies and marked the statewide implementation of telephone companies' Lifeline programs in 1998.

The initial Lifeline program targeted those customers who had incomes at or below 100 percent of the federal poverty guidelines, who received Supplemental Security Income or who participated in certain Pennsylvania Department of Welfare (DPW) programs. Lifeline service customers could not subscribe to call waiting or other optional services<sup>2</sup>.

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<sup>1</sup>With the exception of UTAP, these programs are supported fully or in part by federal universal service funds.

<sup>2</sup>Lifeline service customers were permitted to subscribe to call trace service under special circumstances.

On Sept. 30, 1999, the Commission approved a Global Telecommunication Order that created the Lifeline 150 program. Under the Lifeline 150 program, customers were allowed to subscribe to one optional service such as voice mail or call waiting at cost. Customers with incomes up to 150 percent of the federal poverty guidelines and who participate in certain assistance programs<sup>1</sup> were eligible for this program. The Commission directed telephone companies to discontinue the initial Lifeline program and implement the Lifeline 150 program. However, the Commission allowed Verizon f/k/a Bell of PA to continue its 1999 Lifeline program along with implementing the Lifeline 150 program. As a result of the merger of Bell Atlantic PA and GTE North, Verizon North f/k/a GTE North is also required to offer Lifeline service.

The discussion below describes the status of universal service programs for the telephone industry in 2005.

### Lifeline, Lifeline 150, Lifeline 135 Service

On May 23, 2005, the Commission entered its Final Lifeline Order (Final Order), at Docket No. M-00051871 that resulted in major changes to the Lifeline programs. The Final Order expanded the Lifeline and Link-Up program eligibility to be consistent with the Federal Communications Commission's (FCC) default Lifeline/Link-Up programs<sup>2</sup>. It added the National School Free Lunch Program and an income-only based criterion (income at or below 135 percent of the federal poverty guidelines) as new criteria for Pennsylvania's Lifeline/Link-Up program eligibility. Second, the Final Order directed all jurisdictional eligible telecommunications carriers<sup>3</sup> (ETCs) to implement the Lifeline provisions contained in Chapter 30. Under these provisions<sup>4</sup>, ETCs are to inform new and existing customers about the availability of Lifeline and Link-Up services. They must also permit eligible Lifeline service customers to purchase any number of optional services (i.e. call waiting) at the tariffed rates for these services. Third, the Final Order requires all local telephone ETCs to implement these changes. It also encourages non-ETCs to continue to offer Lifeline service even though they are no longer required to do so. Finally, the Final Order eliminates the Lifeline 150 program and designates the Lifeline 135 program as the primary telephone universal service program in Pennsylvania.

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<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 Home Energy Assistance Program (LIHEAP); Medicaid; Federal Public Housing Assistance; and the State Blind Pension.

<sup>2</sup>FCC Report and Order and Further Notice of Proposed Rulemaking in the Matter of Lifeline and Link-Up, at CC Docket No. 04-87, WC Docket No. 03-109.

<sup>3</sup>To provide Lifeline and Link-Up services, telephone companies must be designated Eligible Telecommunications Carriers (ETC) by their state commission or the FCC. ETCs may receive universal service funding.

<sup>4</sup>66 Pa. C.S. §§ 3019 (f)(1-4). These rules apply to all Pennsylvania incumbent local exchange carriers and three competitive local exchange carriers.

The table below shows enrollment activity for the Lifeline, Lifeline 150 and Lifeline 135 programs.

### Lifeline Service Activity 2004-05

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2004	2005	2004	2005
ALLTEL	3,100	4,166	3,100	3,585
AT&T Local	N/A	220	180	220
Comcast	678	625	398	485
Commonwealth	2,239	2,494	1,772	2,001
MCI Local	767	716	546	489
RCN	97	180	77	73
United	2,185	3,054	2,173	2,355
Verizon North*	N/A	12,895	NA	8,715
Verizon PA*	N/A	177,223	NA	111,690
<b>Total<sup>1</sup></b>	<b>9,066</b>	<b>201,573</b>	<b>8,266</b>	<b>129,613</b>

\*The 2004-05 figures for both Verizon PA and Verizon North include statistics for both the Lifeline and Lifeline 150/135 programs.

N/A = Not Available.

As of October 2005, the monthly credit<sup>2</sup> ranged from \$7.66 to \$8.25 for the Lifeline 135 program, and \$11.42 to \$12 for the Verizon companies' Lifeline program.

### 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 percent 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 percent of the federal poverty guidelines, who receive Supplemental Security Income, or who participate in certain DPW assistance programs. The following table presents the number of Link-Up connections reported by major local companies.

<sup>1</sup>Verizon PA and Verizon North 2004 total enrollment statistics are excluded because Verizon used a different source to calculate these statistics. The data source for the 2005 enrollment statistics is more accurate and will be used in future reports.

<sup>2</sup>The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

## Link-Up Connections 2004-05

Company	Number of Connections 2004	Number of Connections 2005
ALLTEL	586	590
AT&T Local	N/A	0
Comcast	34	34
Commonwealth	1,041	806
MCI Local	11	1
RCN	N/A	0
United	21	17
Verizon North	834	1,044
Verizon PA	50,019	51,492
<b>Total</b>	<b>51,960</b>	<b>61,105</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 2005 was \$78. Overall, UTAP distributed \$1,143,146 in financial assistance to 14,658 of Verizon PA's qualified customers in 2005.

### Automatic Notification Program

Commission staff worked with the Pennsylvania Telephone Association (PTA) sponsored working group to implement §3019(f)(5), the Lifeline service automatic notification provision. This provision requires that all jurisdictional ETCs provide the DPW with service descriptions, subscription forms, contact telephone numbers and service area information so it can notify its clients about the availability of Lifeline service. The working group consisted of PTA, DPW, the Office of Consumer Advocate and the Public Utility Law Project. Commission staff coordinated with members of the working group to develop subscription forms and a listing of company contacts by county. In addition, the Commission staff provided DPW with copies of informational brochures and a link to the Commission's Web site for information regarding the Lifeline and Link-Up programs.

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 email 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 critical utility issues and the mission of the PUC. The PUC Office of Communications accomplishes this goal through its three primary functions: media relations, public outreach and employee communications.

Media relations personnel distribute Commission information and decisions to the media, the public, 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; prepare the bi-monthly employee newsletter; organize the annual employee recognition ceremony; and maintain and update the Commission Web site, [www.puc.state.pa.us](http://www.puc.state.pa.us).

Staff serves on the Small Water Company Task Force; PEMA 911 Task Force; and the Demand Side Response, Interconnection Standards 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 participating in statewide roundtable discussions, community fairs and senior events, the outreach specialists are able to better understand the issues and problems that rate payers face on a daily basis. The consumer information specialists' territory covers all 67 counties of the Commonwealth.

In 2005, the consumer information specialists for Central and Western Pennsylvania coordinated and participated in 10 utility and aging roundtable discussions, and participated in 45 workshops, 27 senior fairs, and numerous consumer-education planning meetings. In addition, "Prepare Now," Act 201, and other informational brochures and fact sheets were distributed in public housing communities, apartment complexes, senior centers, community-based organization offices and community centers. Fact sheets pertaining to Act 201 allow consumers to understand legislation that may affect their natural gas service.

Also in 2005, "Be Utility Wise" events were held in Pittsburgh, Reading and Philadelphia, promoting consumer awareness and providing utility-related education to health and social service agencies, which in turn promotes access, awareness and outreach to over 500 consumers. The events were created and coordinated by the consumer information specialists, staff and representatives from local utility companies and community-based organizations.

In 2005, the consumer information specialist for Eastern Pennsylvania participated in six utility and aging roundtable discussions, and participated in 20 workshops, and 10 senior fairs.

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

Additionally, the Office of Communications works on special awareness campaigns to educate Pennsylvania consumers.

The Commission launched the third year of its "Prepare Now" consumer-education campaign in winter 2005. This statewide partnership with regulated electric and natural gas companies focused on the availability of Universal Service programs and the changes in the law related to Chapter 14. The campaign likely contributed to a "spike" in calls to the Commission's call center during the height of the effort, leading consumers to seek assistance with higher winter natural gas prices.

In May, the Commission celebrated “National Drinking Water Week” to inform consumers about important water issues such as: the value of water service; how water is brought from the source to the tap; conservation tips; infrastructure improvements; and assistance available for low-income ratepayers. The event featured comments by Chairman Wendell F. Holland and Commissioner Kim Pizzigrilli; a presentation of a House Resolution for drinking water week by Representative Carole Rubley (R-Chester/Montgomery); water-related demonstrations by water companies; and a portrayal of one of this country’s founding fathers, Ben Franklin, who wrote some profound words about water -- “When the well is dry, we know the worth of water.”

In July 2005, the Commission joined efforts with Lt. Gov. Katherine Baker Knoll, recognizing July 11, as “7-1-1/PA Relay Day” in Pennsylvania. The PA Relay campaign encourages Pennsylvanians to learn more about the services that enable all Pennsylvanians to communicate by phone with people who are deaf, hard of hearing or speech disabled. The campaign has increased awareness about dialing 7-1-1, the number to dial to gain access to the PA Relay service.

## 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 the PUC Executive Chambers in Harrisburg starting at 10 a.m. and are open to the public.



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

## Qualifications and Appointments of Council Members

The following elected officials may each appoint one representative to the Commission's Consumer Advisory Council: the Governor; the Lieutenant Governor; the Democratic and Republican Chairpersons of the Senate Consumer Protection and Professional Licensure Committee; and the Democratic and Republican Chairpersons of the House Consumer Affairs Committee. In addition, the Commission appoints "At-Large" representatives that reflect 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.

## 2005 Consumer Advisory Council Activities

In 2005, 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 issues that the Commission has dealt with, including Chapter 14, Alternative Energy Portfolio Standards, and Chapter 30;
- The Council wrote a letter to the Commission expressing their support for InfoMAP;
- The Council made a motion to recommend to the Commission that the Captioned Telephone Service trial continue until regular service is put in place. This recommendation contributed to the issuance of a Secretarial Letter on May 25, 2005;
- The Bureau of Consumer Services discussed universal service plans and energy conservation programs, Chapter 14 updates and, electric and gas terminations with the Council;
- The Council received reports from the Law Bureau concerning the Hastings and Erie fire investigations, the federal energy legislation, and Voice over Internet Protocol; and
- The Council continued to receive periodic updates on consumer-education programs and events supported by the Commission.

## 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)<sup>1</sup>. The purpose of the Board is to review the success of TRS and identify

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<sup>1</sup>TRS is a telecommunications service that allows people who 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 conversations verbatim between people who use text telephone (TTY) or telebraille and people who use standard phones. During 2005, AT&T of Pennsylvania (AT&T) operated a TRS center in New Castle, Pennsylvania

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

The Board meets four times a year to advise the TRS provider on service issues and to discuss policy issues related to TRS. At each meeting, the TRS provider gives the Board a status report of its activities, which include call volumes, new service offerings, complaint handling and outreach plans.

### Pennsylvania Relay Service Advisory Board Members



Board Members -- Seated (left to right): Kim Barrow (Legal Advisor); Diana Bender (Chairman) Patricia Brockley; Lenora Best; and Lois Steele. Standing (left to right): James Steele; Gary Bootay; Larry Brick; Leslie Kelly; Chuck Hafferman; and Steve Samara. Absent from the photo: Donald R. Lurwick; Eric Jeschke; and Kenneth Puckett.

The 12 members of the Board are appointed by the Commission and serve two-year terms. The Commission requires that the Board consists of one representative from the Pennsylvania Telephone Association, the Office for the Deaf and Hard of Hearing (ODHH), and the TRS provider (AT&T of Pennsylvania); two representatives from the Commission; and seven representatives from the deaf, hard of hearing and speech disabled communities. During 2005, 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; Hearing Loss Association of Pennsylvania; National Federation of the Blind; and Pennsylvania State Grange and Center for Independent Living of South Central Pennsylvania. 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 2005.

## 2005 Highlights

As with previous years, much of the Board's discussions in 2005 focused on outreach, the full implementation of 711, and on ways to improve TRS<sup>1</sup>.

- An ongoing concern for the Board is public awareness of TRS. The Board's discussion in 2005 centered on the extension of the consumer education outreach campaign." The two-year campaign which began on April 1, 2004, featured the use of billboards, print and radio ads, traveling road shows, a Web site, and a toll-free telephone number. The Board's Public Education Committee met and agreed to recommend that the marketing campaign be extended for another year;
- With the Commission's approval, Ultratec® ended the trial<sup>2</sup> of its CapTel™ service and began interim service during 2005. 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 Board urged the Commission to move toward making captioned telephone service a regular feature of relay service. Commission staff worked on developing a "Request for Proposal" for the 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 2005, TDDP spent \$184,814 to distribute 876 communications device; and
- Other TRS service-related issues were also discussed in 2005. These issues included, the consumer complaints, funding for video relay, TRS surcharge for wireless service, loss of TRS funding, and the impact of the AT&T/ SBC merger on Pennsylvania Relay.

For more information about the Pennsylvania Relay Service Advisory Board, contact Kim Barrow, PUC Liaison and Legal Advisor at (717) 346-2615. To learn more about TRS, call 1-800-682-8706 or go to the PA Relay Web site at [www.parelay.net](http://www.parelay.net) or the Commission's Web site 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 19 percent from 2004 to 2005. AT&T reported that it handled 1,324,908 relay calls in 2005. TRS callers used the relay services to make 1,217,822 intrastate calls, 106,500 interstate calls and 586 international calls.

<sup>2</sup>The initial nine-month trial of Cap-Tel™ began with 156 participants. As of Dec. 30, 2005, there were 185 active users of interim service.

<sup>3</sup>A CapTel user's call is automatically connected to 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 BCS 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 BCS 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 BCS 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 BCS's first contact with the company regarding a consumer complaint and/or request for payment arrangements to the date on which the company provides BCS with all of the information needed to resolve the case and determine whether the customer was justified in seeking a payment arrangement through 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 non-payment per 1,000 residential customers.

# Appendices



Appendix A  
2005 Residential Consumer Complaints for  
Companies Not Included in Industry Chapters

Company*	Number of Complaints
<b>ELECTRIC</b>	
Non-Major Electric Distribution Companies (EDCs)	14
Electric Generation Suppliers (EGSs)	16
Total Non-Major Electric**	30
<b>GAS</b>	
GASCO Distribution Systems, Inc. (NGDC)	12
Kaylor Natural Gas (NGDC)	8
PPL Utilities (NGDC)	36
T.W. Phillips (NGDC)	67
Other Non-Major NGDCs***	14
Agway Energy Service (NGS)	12
CNG Retail Services Corp. (NGS)	10
Other Natural Gas Suppliers***	13
Total Non-Major Gas	172
<b>TELEPHONE</b>	
D&E Telephone Company (ILEC)	7
Frontier Communications of Pennsylvania (ILEC)	8
North Pittsburgh Telephone Company (ILEC)	5
Other Non-Major ILECs***	28
CAT Communications (CLEC)	10
Cavalier Telephone Mid-Atlantic (CLEC)	226
Close Call America (CLEC)	9

\* Only those non-major companies having five or more residential consumer complaints in 2005 are listed individually.

\*\* Number of Electric Distribution or Electric Generation Supply companies have five or more residential consumer complaints in 2005.

\*\*\*Total number of complaints for those companies having fewer than five residential consumer complaints.

Appendix A (Continued)  
2005 Residential Consumer Complaints for  
Companies Not Included in Industry Chapters

Company*	Number of Complaints
<b>TELEPHONE (Continued)</b>	
Cordia Communications Corp. (CLEC)	152
CTSI (CLEC)	9
DPI-Teleconnect, LLC (CLEC)	5
Full Service Network (CLEC)	35
IDT America (CLEC)	94
Metro Teleconnect (CLEC)	9
New Rochelle Telephone (CLEC)	37
Spectrotel Inc. (CLEC)	5
Sprint Communications (CLEC)	18
Talk America (CLEC)	30
Trinsic (CLEC)	53
Other CLECs*	54
Cleartel Communications, Inc. (Reseller)	8
Vartec Telecom Inc. (Reseller)	7
ACN Communications Services (IXC)	27
AT&T (IXC)	58
Sprint (IXC)	22
Verizon Long Distance (IXC)	12
Worldcom/MCI (IXC)	38
Worldxchange Communications (IXC)	13
ILD Telecommunications (Operator Services)	5
U.S. Billing Inc. (USBI) (Billing Agent)	9
Other Providers of Telecommunications Services**	94
<b>Total Non-Major Telephone</b>	<b>1,087</b>

\*Only those non-major companies having five or more residential consumer complaints in 2005 are listed individually.

\*\*Total number of complaints for those companies having fewer than five residential consumer complaints.

## 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 meeting 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. (In 2005, BCS evaluated only one residential consumer complaint in this category. Due to this low volume, the complaint about audiotex is included in the "all other problems" category.)

**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 non-basic 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. (In 2005, BCS evaluated only seven residential consumer complaints about "rates." Due to this low volume, the complaints about rates are included in the "all other problems" category.)

**Sales Non-basic Services** - Complaints related to the sale of non-basic services including the availability of certain services. (In 2005, BCS evaluated only two residential consumer complaints about "sales non-basic services." Due to this low volume, the complaints in this category are included in the "all other problems" category.)

**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.

**All Other Problems** - 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 and excessive rates from operator services that provide phone service to hospitals and hotels, excessive coin phone rates. In 2005 this category also included complaints about audiotex, rates, and sales of non-basic service since the volume of complaints about these issues was very small.

## Appendix C - Table 1

### Consumer Complaint Categories: 2005\* Major Electric Distribution Companies

Categories**	Allegheny Power	Duquesne	Met-Ed	PECO***	Penelec	Penn Power	PPL	UGI-Elec.	Electric Majors
Service Interruptions	43	22	73	83	57	8	60	0	346
Billing Disputes	18	33	16	59	19	4	74	5	228
Metering	40	8	34	33	39	5	34	7	200
Discontinuance/Transfer	13	28	17	40	5	5	57	5	170
Service Quality	6	19	21	96	7	1	17	1	168
Personnel Problems	13	33	16	62	10	5	19	5	163
Scheduling Delays	10	4	9	66	14	0	20	2	125
Credit and Deposits	46	21	4	39	6	5	1	0	122
Damages	14	15	19	27	11	6	20	0	112
Service Extensions	15	3	13	19	19	3	16	0	88
Other Payment Issues	3	17	4	17	5	3	13	2	64
Rates	4	7	2	2	1	0	2	0	18
All Other Problems	17	15	7	21	7	1	8	2	78
<b>TOTAL*</b>	<b>242</b>	<b>225</b>	<b>235</b>	<b>564</b>	<b>200</b>	<b>46</b>	<b>341</b>	<b>29</b>	<b>1,882</b>

\* Categories are for residential complaints evaluated by BCS as of July 14, 2006.

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: 2005\* Major Natural Gas Distribution Companies

Categories**	Columbia	Dominion	Equitable	NFG	PG Energy	PGW	UGI-Gas	Gas Majors
Metering	68	116	233	29	6	29	61	542
Billing Disputes	37	46	130	19	12	87	37	368
Other Payment Issues	20	27	171	7	6	21	10	262
Credit and Deposits	13	83	88	12	3	23	27	249
Discontinuance/Transfer	24	32	67	21	3	34	46	227
Personnel Problems	37	32	58	21	8	19	23	198
Service Quality	30	32	15	5	2	3	6	93
Service Extensions	24	15	7	14	4	2	4	70
Scheduling Delays	10	8	26	5	0	7	7	63
Damages	13	9	15	6	2	0	2	47
Service Interruptions	6	7	2	0	0	0	1	16
Rates	4	4	3	0	1	0	0	12
All Other Problems	10	15	34	10	3	16	9	97
<b>TOTAL*</b>	<b>296</b>	<b>426</b>	<b>849</b>	<b>149</b>	<b>50</b>	<b>241</b>	<b>233</b>	<b>2,244</b>

\* Categories are for residential complaints evaluated by BCS as of July 14, 2006.

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: 2005\* Major Water Utilities

Categories**	PA-American	Aqua Pennsylvania	Other "Class A" Water***	All "Class A" Water
Billing Disputes	93	57	11	161
Metering	72	29	12	113
Service Quality	23	7	18	48
Personnel Problems	28	10	5	43
Damages	16	4	3	23
Scheduling Delays	9	6	5	20
Discontinuance/Transfer	10	4	6	20
Other Payment Issues	12	2	1	15
Service Extensions	9	6	0	15
Credit and Deposits	4	4	0	8
Rates	2	3	0	5
Service Interruptions	2	0	0	2
All Other Problems	18	14	0	32
<b>TOTAL*</b>	<b>298</b>	<b>146</b>	<b>61</b>	<b>505</b>

\* Categories are for residential complaints evaluated by BCS as of July 14, 2006.

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 2005 consumer complaints 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: 2005\***  
**Major Local Telephone Companies**

Categories**	ALLTEL	AT&T Local	Comcast	Common-wealth	MCI Local	RCN	United	Verizon North	Verizon PA	Telephone Majors
Service Delivery	29	33	49	9	152	6	42	177	623	1,120
Billing Disputes	28	27	39	14	112	9	147	61	521	958
Service Termination	4	11	41	8	117	19	51	24	471	746
Unsatisfactory Service	25	19	26	8	52	5	12	66	521	734
Discontinuance/Transfer	1	13	13	0	63	2	9	12	118	231
Competition	4	30	6	3	80	2	4	3	52	184
Toll Services	4	0	2	1	1	1	22	5	60	96
Credit & Deposits	9	4	2	6	4	0	6	11	39	81
Non-Recurring Charges	2	0	0	1	1	0	10	4	17	35
Annoyance Calls	0	0	0	0	2	0	4	1	19	26
All Other Problems	4	3	16	5	7	3	5	5	63	111
<b>TOTAL*</b>	<b>110</b>	<b>140</b>	<b>194</b>	<b>55</b>	<b>591</b>	<b>47</b>	<b>312</b>	<b>369</b>	<b>2,504</b>	<b>4,322</b>

\* Categories are for residential complaints evaluated by BCS as of July 7, 2006.

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

### 2004-05 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2005 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates <sup>1</sup>		Justified Consumer Complaints			
		2004	2005	% Change in #	2004	2005	Numbers <sup>2</sup> /Rates <sup>3</sup> 2004	Numbers <sup>2</sup> /Rates <sup>3</sup> 2005		
Allegheny Power	604,305	580	437	-25%	0.97	0.72	175	130	0.22	
Duquesne	524,695	360	447	24%	0.68	0.85	30	68	0.13	
Met-Ed	467,456	420	328	-22%	0.91	0.70	125	119	0.25	
PECO	1,387,285	2,307	2,373	3%	1.65	1.71	737	795	0.57	
Penelec	505,372	375	309	-18%	0.74	0.61	92	102	0.20	
Penn Power	138,505	117	81	-31%	0.85	0.58	39	26	0.19	
PPL	1,174,765	1,105	685	-38%	0.95	0.58	189	110	0.09	
UGI-Electric	53,858	51	46	-10%	0.95	0.85	10	10	0.19	
Major Electric	4,856,241	5,315	4,706	-11%			1,397	1,360		
<b>Average of Rates</b>					<b>0.97<sup>4</sup></b>	<b>0.82<sup>4</sup></b>			<b>0.25<sup>4</sup></b>	<b>0.24<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 July 14, 2006.

<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**  
**2004-05 Residential Consumer Complaint Statistics**  
**Major Natural Gas Distribution Companies**

Company Name	2005 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates <sup>1</sup>		Justified Consumer Complaints			
		2004	2005	% Change in #	2004	2005	Numbers <sup>2</sup> /Rates <sup>3</sup> 2004	Numbers <sup>2</sup> /Rates <sup>3</sup> 2005		
Columbia	360,370	583	516	-11%	1.63	1.43	148*	0.41*	117	0.32
Dominion	324,012	604	718	19%	1.87	2.22	209*	0.65*	217	0.67
Equitable	237,695	1,174	1,491	27%	4.90	6.27	602	2.51	546	2.30
NFG	193,626	334	261	-22%	1.71	1.35	35	0.18	53	0.27
PG Energy	140,254	91	88	-3%	0.65	0.63	13	0.09	9	0.06
PGW	475,723	2,700	2,606	-3%	5.66	5.48	1,131*	2.37*	1,038*	2.18*
UGI-Gas	276,599	394	387	-2%	1.46	1.40	69	0.26	48	0.17
Major Gas	2,008,279	5,880	6,067	3%			2,207		2,028	
<b>Average of Rates</b>					<b>2.55</b>	<b>2.68</b>		<b>0.92</b>		<b>0.85</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 14, 2006.

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

\*Based on a probability sample of cases for 2004. For 2005, due to the low volume of cases evaluated for PGW, the number of justified consumer complaints and the justified consumer complaint rate for PGW are not based on a statistically valid sample of cases.

## Appendix D - Table 3

### 2004-05 Residential Consumer Complaint Statistics Major Water Utilities\*

Company Name	2005 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates <sup>1</sup>		Justified Consumer Complaints			
		2004	2005	% Change in #	2004	2005	Numbers <sup>2</sup> /Rates <sup>3</sup> 2004	Numbers <sup>2</sup> /Rates <sup>3</sup> 2005		
PA-American	569,375	599	731	22%	1.06	1.28	217	0.38	312	0.55
Aqua Pennsylvania	318,673	369	311	-16%	1.17	0.98	182	0.58	98	0.31
Other "Class A"	158,986	107	127	19%	0.68	0.80	24	0.15	40	0.25
Major Water	1,047,034	1,075	1,169	9%			423		450	
<b>Average of Rates</b>					<b>0.97</b>	<b>1.02</b>		<b>0.37</b>		<b>0.37</b>

\*BCS was unable to review enough 2004 and 2005 consumer complaints 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 July 14, 2006.

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

## Appendix D -Table 4

**2004-05 Residential Consumer Complaint Statistics  
Major Local Telephone Companies**

Company Name	2005 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates <sup>1</sup>		Justified Consumer Complaints			
		2004	2005	% Change in #	2004	2005	Numbers <sup>2</sup> /Rates <sup>3</sup> 2004	Numbers <sup>2</sup> /Rates <sup>3</sup> 2005	Numbers <sup>2</sup> /Rates <sup>3</sup> 2005	
ALLTEL	167,590	176	129	-27%	1.02	0.77	80	0.46	57	0.34
AT&T Local	59,197	N/A	172	N/A	N/A	2.91	N/A	N/A	117	1.98
Comcast	114,779	176	232	32%	1.64	2.02	90	0.84	112	0.98
Commonwealth	181,343	146	68	-53%	0.60	0.37	60	0.25	28	0.15
MCI Local	196,241	738	739	14%	3.14	3.77	548	2.33	471	2.40
RCN	76,214	N/A	60	N/A	N/A	0.79	N/A	N/A	33	0.43
United	275,218	474	381	-20%	1.67	1.38	252	0.89	132	0.48
Verizon North	425,616	541	432	-20%	1.19	1.01	308	0.68	227	0.53
Verizon PA	3,202,890	5,474	4,963	-9%	1.47	1.55	2,184*	0.59*	2,569*	0.80*
Major Telephone	4,699,088	7,725	7,176	-7%			3,522		3,746	
<b>Average of Rates</b>					<b>1.53</b>	<b>1.62</b>		<b>0.86</b>		<b>0.90</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 7, 2006.

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

\*Based on a probability sample of cases.

N/A = Not Available.

## Appendix E

### 2004-05 Response Time: BCS Consumer Complaints

Company	Average Time in Days		Change in Days 2004 to 2005
	2004	2005	
Allegheny Power	22.0	12.6	-9.4
Duquesne	31.0	23.2	-7.8
Met-Ed	18.5	15.7	-2.8
PECO	23.7*	13.0*	-10.7
Penelec	21.8	14.9	-6.9
Penn Power	14.3	12.8	-1.5
PPL	25.4*	25.2*	-0.2
UGI-Electric	28.1	25.6	-2.5
<b>Major Electric<sup>1</sup></b>	<b>22.4<sup>2</sup></b>	<b>16.8<sup>2</sup></b>	<b>-5.6<sup>2</sup></b>
Columbia	7.9*	7.4	-0.5
Dominion	23.1*	21.6	-1.5
Equitable	82.1	76.6	-5.5
NFG	69.9	9.8	-60.1
PG Energy	24.3	22.2	-2.1
PGW	40.5*	95.9*	55.4
UGI-Gas	38.2	111.7	73.5
<b>Major Gas<sup>1</sup></b>	<b>40.8</b>	<b>49.3</b>	<b>8.5</b>
PA-American	11.8	7.0	-4.8
Aqua Pennsylvania	82.4	22.3	-60.1
Other "Class A"	64.2**	55.9**	-8.3
<b>Major Water<sup>1</sup></b>	<b>52.8</b>	<b>28.4</b>	<b>-24.4</b>
ALLTEL	11.4	11.5	0.1
AT&T Local	N/A	31.6	N/A
Comcast	35.4	21.5	-13.9
Commonwealth	7.5	14.0	6.5
MCI Local	28.6	29.8	1.2
RCN	N/A	28.6	N/A
United	18.9	20.8	1.9
Verizon North	59.5	17.8	-41.7
Verizon PA	28.7*	17.8*	-10.9
<b>Major Telephone<sup>1</sup></b>	<b>27.2</b>	<b>21.5</b>	<b>-5.7</b>

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

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

\* Based on a probability sample of cases. However for 2005, due to the low volume of cases evaluated for PGW, the 2005 response time is not statistically valid.

\*\*BCS was unable to review enough 2004 and 2005 consumer complaints to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

N/A = Not Available.

**Appendix F - Table 1**  
**2004-05 Residential Payment Arrangement Request Statistics**  
**Major Electric Distribution Companies**

Company Name	2005 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		Payment Arrangement Request Rates <sup>1</sup>		Justified Payment Arrangement Requests*				
		2004	2005	% Change in #	2004	2005	Numbers <sup>2</sup> /Rates <sup>3</sup> 2004	Numbers <sup>2</sup> /Rates <sup>3</sup> 2005		
Allegheny Power	604,305	5,166	2,787	-46%	8.60	4.61	1,488	2.48	481	0.80
Duquesne	524,695	7,799	4,594	-41%	14.83	8.76	1,289	2.45	624	1.19
Met-Ed	467,456	3,618	2,134	-41%	7.88	4.57	504	1.10	377	0.81
PECO	1,387,285	11,949	11,883	-1%	8.57	8.57	1,691	1.21	1,025	0.74
Penelec	505,372	4,318	2,676	-38%	8.57	5.30	626	1.24	396	0.78
Penn Power	138,505	1,097	1,082	-1%	7.98	7.81	159	1.16	176	1.27
PPL	1,174,765	11,208	4,001	-64%	9.65	3.41	1,451	1.25	780	0.66
UGI-Electric	53,858	593	461	-22%	11.00	8.56	146	2.71	43	0.80
<b>Major Electric</b>	<b>4,856,241</b>	<b>45,748</b>	<b>29,618</b>	<b>-35%</b>			<b>7,354</b>		<b>3,902</b>	
<b>Average of Rates</b>					<b>9.44<sup>4</sup></b>	<b>6.15<sup>4</sup></b>		<b>1.56<sup>4</sup></b>		<b>0.89<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 July 14, 2006.

<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

### 2004-05 Residential Payment Arrangement Request Statistics Major Natural Gas Distribution Companies

Company Name	2005 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		% Change in #	Payment Arrangement Request Rates <sup>1</sup>		Justified Payment Arrangement Requests*			
		2004	2005		2004	2005	Numbers <sup>2</sup> /Rates <sup>3</sup> 2004	Numbers <sup>2</sup> /Rates <sup>3</sup> 2005		
Columbia	360,370	4,257	1,886	-56%	11.92	5.23	713	2.00	189	0.52
Dominion	324,012	6,668	3,631	-46%	20.61	11.21	1,327	4.10	754	2.33
Equitable	237,695	8,144	5,547	-32%	33.99	23.34	2,208	9.21	1,023	4.30
NFG	193,626	3,000	1,768	-41%	15.38	9.13	827	4.24	159	0.82
PG Energy	140,254	1,695	764	-55%	12.11	5.45	168	1.20	65	0.46
PGW	475,723	10,925	6,753	-38%	22.92	14.20	2,154	4.52	1,189	2.50
UGI-Gas	276,599	4,436	2,837	-36%	16.41	10.26	1,470	5.44	309	1.12
Major Gas	2,008,279	39,125	23,186	-41%			8,867		3,668	
<b>Average of Rates</b>					<b>19.05</b>	<b>11.26</b>		<b>4.39</b>		<b>1.72</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 July 14, 2006.

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

\*Based on a probability sample of cases.

**Appendix F - Table 3**  
**2004-05 Residential Payment Arrangement Request Statistics**  
**Major Water Utilities**

Company Name	2005 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		% Change in #	Payment Arrangement Request Rates <sup>1</sup>		Justified Payment Arrangement Requests			
		2004	2005		2004	2005	Numbers <sup>2</sup> / Rates <sup>3</sup> 2004	Numbers <sup>2</sup> / Rates <sup>3</sup> 2005	Numbers <sup>2</sup> / Rates <sup>3</sup> 2005	
PA-American	569,375	2,120	3,661	73%	3.75	6.43	354	0.63	643	1.13
Aqua Pennsylvania	318,673	1,103	838	-24%	3.49	2.63	356	1.13	94	0.29
Other Class A Water	158,986	523	425	-19%	3.35	2.67	69*	0.44*	15*	0.09*
Major Water	1,047,034	3,746	4,924	31%			779		752	
<b>Average of Rates</b>					<b>3.53</b>	<b>3.91</b>		<b>0.73</b>		<b>0.51</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 July 14, 2006.

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

\*BCS was unable to review enough 2004 and 2005 payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

## Appendix F - Table 4

### 2004-05 Residential Payment Arrangement Request Statistics Major Local Telephone Companies

Company Name	2005 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		Payment Arrangement Request Rates <sup>1</sup>		Justified Payment Arrangement Requests				
		2004	2005	% Change in #	2004	2005	Numbers <sup>2</sup> /Rates <sup>3</sup> 2004	Numbers <sup>2</sup> /Rates <sup>3</sup> 2005		
ALLTEL	167,590	72	58	-19%	0.42	0.35	26	0.15	35	0.21
AT&T Local	59,197	N/A	6	N/A	N/A	0.10	N/A	N/A	6	0.10
Comcast	114,779	235	179	-24%	2.19	1.56	112	1.04	69	0.60
Commonwealth	181,343	51	23	-55%	0.21	0.13	29	0.12	20	0.11
MCI Local	196,241	382	260	-32%	1.62	1.32	190	0.81	234	1.19
RCN	76,214	N/A	17	N/A	N/A	0.22	N/A	N/A	11	0.14
United	275,218	80	70	-13%	0.28	0.25	26	0.09	36	0.13
Verizon North	425,616	179	205	15%	0.39	0.48	59	0.13	81	0.19
Verizon PA	3,202,890	2,343	1,539	-34%	0.63	0.48	482*	0.13*	494*	0.15*
Major Telephone	4,699,088	3,342	2,357	-29%			924		986	
<b>Average of Rates</b>					<b>0.82</b>	<b>0.54</b>		<b>0.35</b>		<b>0.31</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 the number of cases on CSIS as of July 7, 2006.

<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 Available.

## Appendix G

### 2004-05 Response Time: BCS Payment Arrangement Requests

Company	Average Time in Days		Change in Days 2004 to 2005
	2004	2005	
Allegheny Power	20.8*	8.2*	-12.6
Duquesne	24.7*	18.2*	-6.5
Met-Ed	1.7*	2.0*	0.3
PECO	12.0*	5.3*	-6.7
Penelec	3.3*	1.7*	-1.6
Penn Power	1.2*	1.4*	0.2
PPL	19.5*	13.2*	-6.3
UGI-Electric	38.8	14.9	-23.9
<b>Major Electric<sup>1</sup></b>	<b>11.9<sup>2</sup></b>	<b>7.1<sup>2</sup></b>	<b>-4.8<sup>2</sup></b>
Columbia	6.5*	9.1*	2.6
Dominion	20.0*	20.2*	0.2
Equitable	38.5*	25.4*	-13.1
NFG	28.3*	4.2*	-24.1
PG Energy	8.6*	10.1*	1.5
PGW	35.2*	26.1*	-9.1
UGI-Gas	38.2*	20.7*	-17.5
<b>Major Gas<sup>1</sup></b>	<b>25.0</b>	<b>16.5</b>	<b>-8.5</b>
PA-American	16.9*	22.0*	5.1
Aqua Pennsylvania	37.5	13.1	-24.4
Other "Class A"	17.4**	29.3**	11.9
Major Water <sup>1</sup>	24.0	21.5	-2.5
ALLTEL	9.1	2.0	-7.1
AT&T Local	N/A	18.2	N/A
Comcast	21.3	7.1	-14.2
Commonwealth	5.4	2.3	-3.1
MCI Local	14.4	25.1	10.7
RCN	N/A	27.1	N/A
United	14.1	13.8	-0.3
Verizon North	33.8	10.7	-23.1
Verizon PA	21.7*	9.4*	-12.3
<b>Major Telephone<sup>1</sup></b>	<b>17.1</b>	<b>12.9</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 except for 2005 PGW cases.

\*\*BCS was unable to review enough 2004 and 2005 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 Available.

## Appendix H - Table 1

### 2003-05 Infraction Statistics Major Electric Distribution Companies

Company	2005 Residential Customers	Infractions				% Change 2004-05	Infraction Rates <sup>1</sup>		
		2003	2004	2005	2005		2003	2004	2005
Allegheny Power	604,305	70	50	33		0.12	0.08	0.05	
Duquesne	524,695	18	8	12		0.03	0.02	0.02	
Met-Ed	467,456	76	60	45		0.17	0.13	0.10	
PECO	1,387,285	314	471	119		0.22	0.34	0.09	
Penelec	505,372	60	38	36		0.12	0.08	0.07	
Penn Power	138,505	6	10	15		0.04	0.07	0.11	
PPL	1,174,765	163	63	26		0.14	0.05	0.02	
UGI-Electric	53,858	6	7	4		0.11	0.13	0.07	
<b>Major Electric</b>	<b>4,856,241</b>	<b>713</b>	<b>707</b>	<b>290</b>					

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

**Appendix H - Table 2**  
**2003-05 Infraction Statistics**  
**Major Natural Gas Distribution Companies**

Company	2005 Residential Customers	Infractions			% Change 2004-05	Infraction Rates <sup>1</sup>		
		2003	2004	2005		2003	2004	2005
Columbia	360,370	99	38	40	5%	0.28	0.11	0.11
Dominion	324,012	220	198	158	-20%	0.68	0.61	0.49
Equitable	237,695	110	421	397	-6%	0.47	1.76	1.67
NFG	193,626	22	12	31	158%	0.11	0.06	0.16
PG Energy	140,254	12	10	2	-80%	0.09	0.07	0.01
PGW	475,723	N/A	209	488	133%	N/A	0.44	1.03
UGI-Gas	276,599	63	49	22	-55%	0.24	0.18	0.08
<b>Major Gas</b>	<b>2,008,279</b>	<b>526</b>	<b>937</b>	<b>1,138</b>	<b>21%</b>			

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

N/A = Not Available.

## Appendix H - Table 3

### 2003-05 Infraction Statistics Major Water Utilities

Company	2005 Residential Customers	Infractions				% Change 2004-05	Infraction Rates <sup>1</sup>		
		2003	2004	2005	2004-05		2003	2004	2005
PA-American	569,375	158	91	139	53%	0.28	0.16	0.24	
Aqua Pennsylvania	318,673	562	205	58	-72%	1.80	0.65	0.18	
Other "Class A"	158,986	24	9	9	0%	0.16	0.06*	0.06	
<b>Major Water</b>	<b>1,047,034</b>	<b>744</b>	<b>305</b>	<b>206</b>	<b>-32%</b>				

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

\*BCS was unable to review enough 2004 and 2005 consumer complaints and payment arrangements to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

## Appendix I

### 2005-07 PUC Consumer Advisory Council

Ms. Diana Bender  
101 Oakwood Lane  
Phoenixville, PA 19460

Hon. Joseph Capozzolo  
Six Ridge Road  
Bangor, PA 18013

Mr. Robert A. Christianson  
112 Blacksmith Road  
Camp Hill, PA 17011-8423

Ms. Cynthia J. Datig  
Executive Director  
Dollar Energy Fund  
Box 42329  
Pittsburgh, PA 15203-0329

Mr. John Detman  
Department of Aging  
Office of Program  
Management  
555 Walnut Street  
Fifth Floor  
Harrisburg, PA 17101-1919

Mr. Joseph Dudick Jr.  
Dynamic Strategies Group  
260 Edward Street  
Harrisburg, PA 17110

Mr. Harry S. Geller, Esq.  
PA Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

Mr. Renardo L. Hicks, Esq.  
Stevens and Lee, Lawyers  
and Consultants  
17 North Second Street  
16th Floor  
PO Box 1167  
Harrisburg, PA 17101

Mr. Thomas A. Leach  
IBEW, Local Union 126  
3455 Germantown Pike  
Collegeville, PA 19426

Ms. Cheryl R. McAbee, Esq.  
McAbee, Terrell and  
Associates  
2005 Garrick Drive  
Pittsburgh, PA 15235

Mr. Joseph O. Minott, Esq.  
Executive Director  
135 South 19th Street  
Suite 300  
Philadelphia, PA 19103

Dr. Daniel M. Paul  
938 Fountain Street  
Ashland, PA 17921

Ms. Liz Robinson  
Energy Coordinating Agency  
of Philadelphia  
1924 Arch Street  
Philadelphia, PA 19103

Ms. Linda Roth  
Drexel University  
College of Medicine  
1601 Cherry Street  
Suite 11484  
Philadelphia, PA 19102

Mr. Howard J. Shakespeare  
H. Shakespeare and Sons, Inc.  
PO Box 705  
486 Bush Court  
DuBois, PA 15801

Mr. Lee Tolbert  
West Philadelphia Coalition  
of Neighborhoods and Businesses  
4601 Market Street  
1st Floor  
Philadelphia, PA 19139

Mr. A. Courtney Yelle  
260 Shady Brook Drive  
Langhorne, PA 19047

## Appendix J

### 2005 Pennsylvania Relay Service Advisory Board

Ms. Diana Bender, Chairman  
Hearing Loss Association of PA  
P.O. Box 524  
Valley Forge, PA 19481

Mr. Donald R. Lurwick, Vice Chairman  
Member At Large  
P.O. Box 27055  
Philadelphia, PA 19118-0055

Ms. Lenora Best  
Bureau of Consumer Services  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Mr. Gary Bootay  
PA Society for Advancement of the Deaf  
6 Manor Drive  
Mechanicsburg, PA 17055-6133

Ms. Leslie Kelly  
Center for Independent Living of  
South Central PA  
1658 Princeton Road  
Altoona, PA 16602

Mr. James Steele  
Member at Large  
5 Buttonwood Drive  
West Grove, PA 19390

Mr. Eric Jeschke  
Bureau of Fixed Utility Services  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Mr. Chuck Hafferman  
Account Manager – AT&T  
100 South Jefferson Street  
Suite 115  
New Castle, PA 16101

Mr. Steve Samara  
Pennsylvania Telephone Association  
30 North Third Street, Suite 300  
Harrisburg, PA 17108-5253

Mr. Kenneth Puckett  
Office for the Deaf & Hard of Hearing  
1521 North 6th Street  
Harrisburg, PA 17120

Ms. Lois Steele  
Pennsylvania State Grange  
5 Buttonwood Drive  
West Grove, PA 19390

Ms. Patricia Brockley  
Hearing Loss Association of PA  
270 Lamplite Drive  
Carlisle, PA 17013

2006 Board Members – Diana Bender(Chairman), Gary Bootay, Lawrence Brick (Secretary), Patricia Brockley, Vance Coover, Holly Frymoyer, Chuck Hafferman, Eric Jeschke, Leslie Kelly, Steve Samara, James Steele and Lois Steele.