CONSUMER SERVICES

ACTIVITY REPORT: 1982

JUNE 1983

PA Public Utility Commission
Bureau of Consumer Services
Joseph W. Farrell, Director

THE CONSUMER SERVICES ACTIVITY REPORT FOR 1982

INTRODUCTION

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient, and accountable management of consumer complaints. The Bureau began investigating utility customer complaints and mediating service termination cases in April 1977. (See Appendix A for additional details.) As of the end of 1982 the Bureau has investigated over 115,000 cases and has handled an additional 110,000 information requests and opinions. Its experience shows that unsolicited complaints can provide error signals because they provide information about utilities' effectiveness at meeting consumers' needs and complying with Commission standards. The Bureau maintains a computer based consumer information system through a contract with Penn State University which permits complaints to be aggregated and analyzed. Information from this system is used to identify patterns and trends in utility consumer problems. This report highlights BCS activity for the year 1982 and is the fifth annual overview of basic problem indicators. Future reports will continue to focus on specific functional areas and industries and will also provide a detailed comparative evaluation of companies' performance.

The data in this report have been aggregated somewhat differently from earlier reports. Refinements have been made in the area of identification of mediation cases handled in BCS regional offices. Over the past several years, the demand for service related to mediation has exceeded the Service Termination Unit's capacity to handle these cases. As a result, many service termination cases where service is already off have been handled by the Bureau's regional offices. Cases involving termination of service are distinctly different than consumer complaints and should not be jointly analyzed. In recognition of this, all termination cases handled in the regional offices and involving electric, gas, or water service have been recoded as mediation cases.

In order to permit comparisons over time, the 1981 data have been recoded to conform to this distinction. Comparisons of the unrecoded data with the recoded data show that the effect on the statistics presented in past years' reports is generally light. See Appendix B for specific details. In emphasizing the Bureau's policy of focusing on residential accounts, investigatory[1] cases that involved commercial accounts are deleted from Tables 2 thru 8. The BCS has done this because the potential for analysis is strengthened when dissimilar types of service are separated. Appendix E lists the distribution of commercial cases by company for the electric and gas industries. Future reporting will continue to focus on BCS cases involving residential accounts.

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1 The term investigatory includes both mediations and consumer complaints when used in this report.

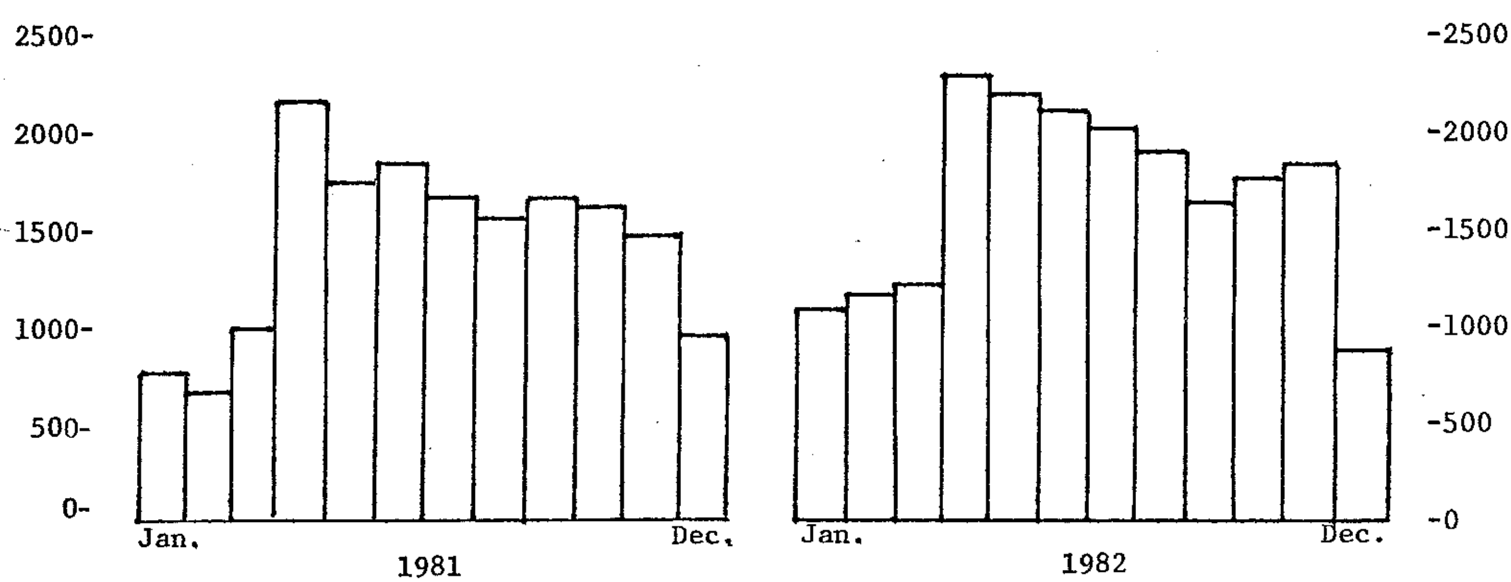
I. OVERALL ACTIVITY

The Bureau received 26,687 contacts which required investigation from utility customers in 1982. The Bureau's cases fall into 3 basic categories: consumer complaints, mediation requests, and inquiries. The 7,084 consumer complaints involved complaints about utilities' actions related to billing, service delivery, repairs, etc. Mediation requests, of which there were 19,603, came from customers who needed help in negotiating payment arrangements with their utility companies in order to avoid termination of service or to have service reconnected. The Bureau also received approximately 23,553 inquiries and information requests which did not require investigation.

Mediation Requests

Mediation requests increased by approximately 19% from 16,420 in 1981 to 19,603 in 1982. This is the second consecutive annual increase. The total increase from 1980 to 1982 is 32 percent. It is important to note that telephone service termination cases are not under the jurisdiction of the mediation unit and are treated as consumer complaints. There is a typical seasonal pattern in which the bulk of mediations are received in the spring. This prevailed in 1982 as in past years. This pattern can be attributed to the surge in termination activity which follows the restraints on service termination during the winter heating season (December through March). A small increase in mediation activity each fall appears to result from companies seeking to resolve seriously overdue accounts in anticipation of the winter termination restrictions. This pattern should continue to assert itself now that permanent winter termination regulations are in effect. Approximately 42% of the annual volume of mediation cases were received between April and July and about 58% during the remaining eight months. (See Figure 1). This pattern is consistent with past years and is helpful in planning, training and the allocation of staff.

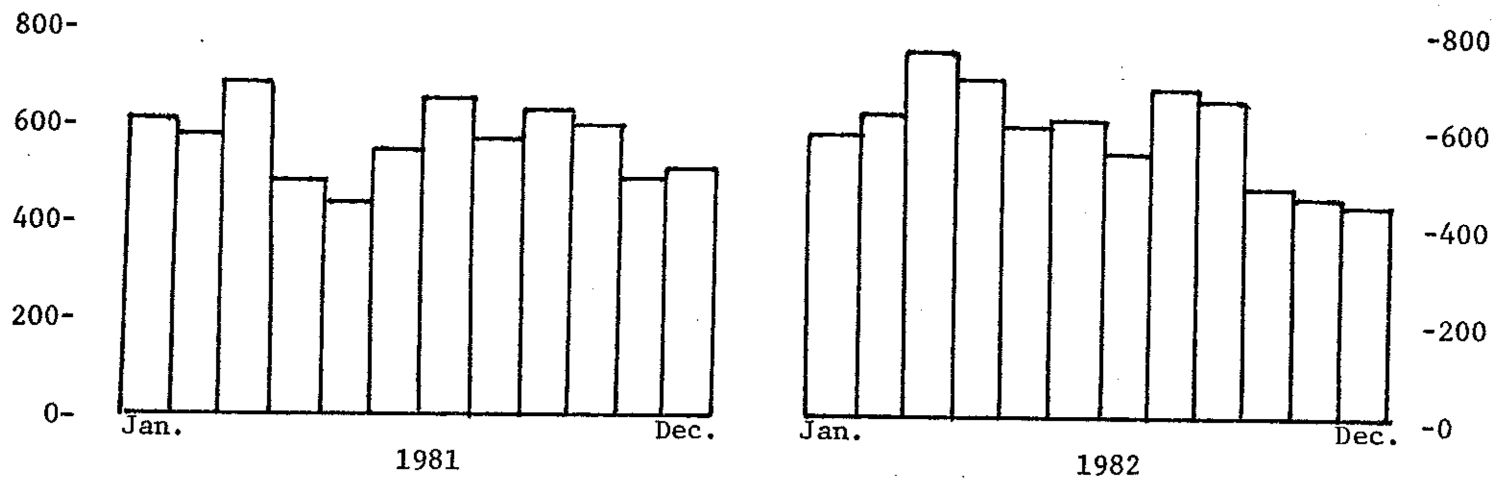
Figure 1
Monthly Volume of Mediation-Related Cases



Consumer Complaints

Consumer complaints declined by 28% from 1979 to 1981. However, they increased from 6,597 in 1981 to 7,084 in 1982 (7%). The Bureau is concerned about this change and is currently investigating potential causes. Commission regulations require that customers must seek to resolve problems directly with their utilities prior to registering a complaint with the Commission. In view of this, the Bureau's goal is to experience a steady decline in the number of consumer complaints. This would be indicative of utility improvements in their complaint handling operations. Unfortunately, this does not appear to be the case in 1982. Although the number of complaints was lowest in November and December, as has been the case in past years, there are no other identifiable seasonal patterns. (See Figure 2).

Figure 2
Monthly Volume of Consumer Complaints



Inquiries and Opinions

There were 23,553 cases which required no follow-up beyond the initial contact during 1982. These cases tend to involve requests for information which were handled at the time of contact, protests or questions related to rates, and referrals to other Commission offices and to appropriate agencies outside the P.U.C. See Appendix C (Tables 1 and 2) for the distribution of inquiries and opinions by major utility and by major problem.

II. NATURE OF BCS CONSUMER COMPLAINTS

The consumer complaints received by BCS most frequently involved billing problems (43%) and service complaints (21%). (See Table 1) Billing problems include confusing estimation methods, disputed usage, inaccurately estimated bills, etc. Service and people delivered service complaints relate to utility unresponsiveness, poor quality of service, delays in repairs, etc. The remaining complaints are distributed among repairs, credit and deposits, telephone service termination and rates and tariff complaints.

Table 1

NATURE OF CALL FOR CONSUMER COMPLAINTS: 1982

	N	%
Billing/Payment	3010	42.5
Credit/Deposits	556	7.8
Rates/Tariffs	520	7.3
Service	1453	20.5
People Delivered Service (Repairs)	158	2.2
Termination	635	9.0
Other	752	10.6
	7084	99.9

III. GEOGRAPHIC DISTRIBUTION OF BUREAU ACTIVITY

Geographic variations in mediation requests and consumer complaints are depicted in Figures 3 and 4. The calculation of cases per 10,000 households represents an improvement in the accuracy of geographic comparisons. This statistic is intended to prevent bias due to variations in household size. Thus, comparisons between geographic areas are much more reliable than in the Bureau's reports prior to 1981. The accompanying maps indicate which counties have average, well above average, or well below average rates.

Mediation

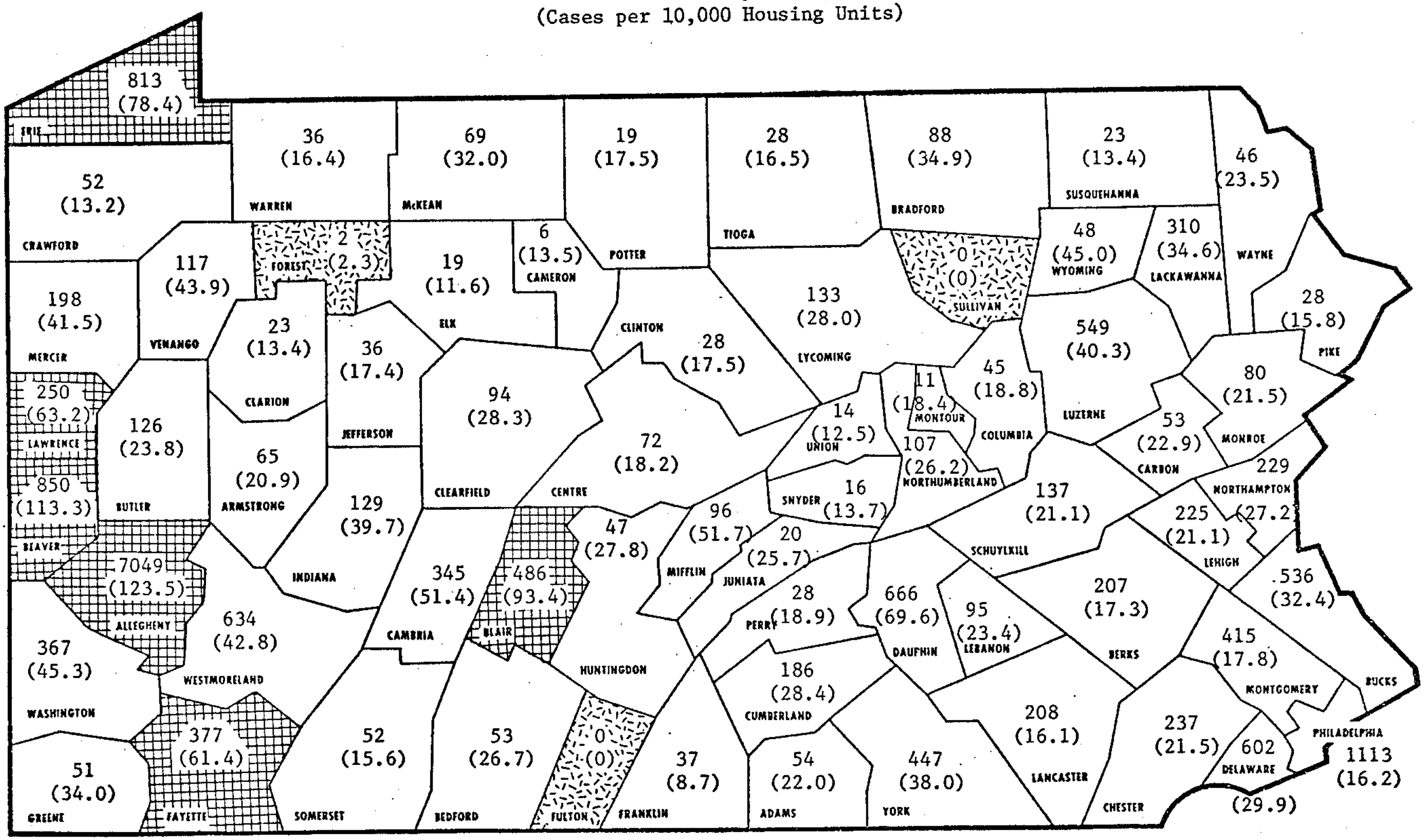
The average state-wide mediation rate was 30.5 per 10,000 households in 1982. This represents an 18% increase from 1981 to 1982. The number of mediation requests in 1982 ranged from none in Fulton and Sullivan counties to 7,049 in Allegheny County. (See Figure 3). Allegheny County had the highest rate of mediation requests 123.5 per 10,000 households. Other counties with high mediation rates were Beaver (113.3), Blair (93.4), Erie (78.4), Dauphin (69.6), and Fayette (61.4). The extent of regulated utility service, the degree of urbanization, the quality of company negotiations and relative economic well-being may be factors which affect mediation requests.

Consumer Complaints

The average state-wide consumer complaint rate was 16.1 per 10,000 households in 1982. This is a 2% increase from 1981 to 1982. Consumer complaints varied from a low of zero in Sullivan County to a high of 1619 in Allegheny County. (See Figure 4). Complaint rates were the highest in Erie County (44.3), Dauphin County (42.8), Perry County (29.8), Blair County (29.0), and Allegheny County (28.4). As in past years, some of the highest complaint rates were in those counties where the Bureau has regional offices. More detailed analysis will be necessary in order to explain geographical variations in complaint rates.

Figure 3

Mediation Cases by County 1982
(Cases per 10,000 Housing Units)



Above Average (> 1 S.D. above mean)

Average (mean ± 1 S.D.)

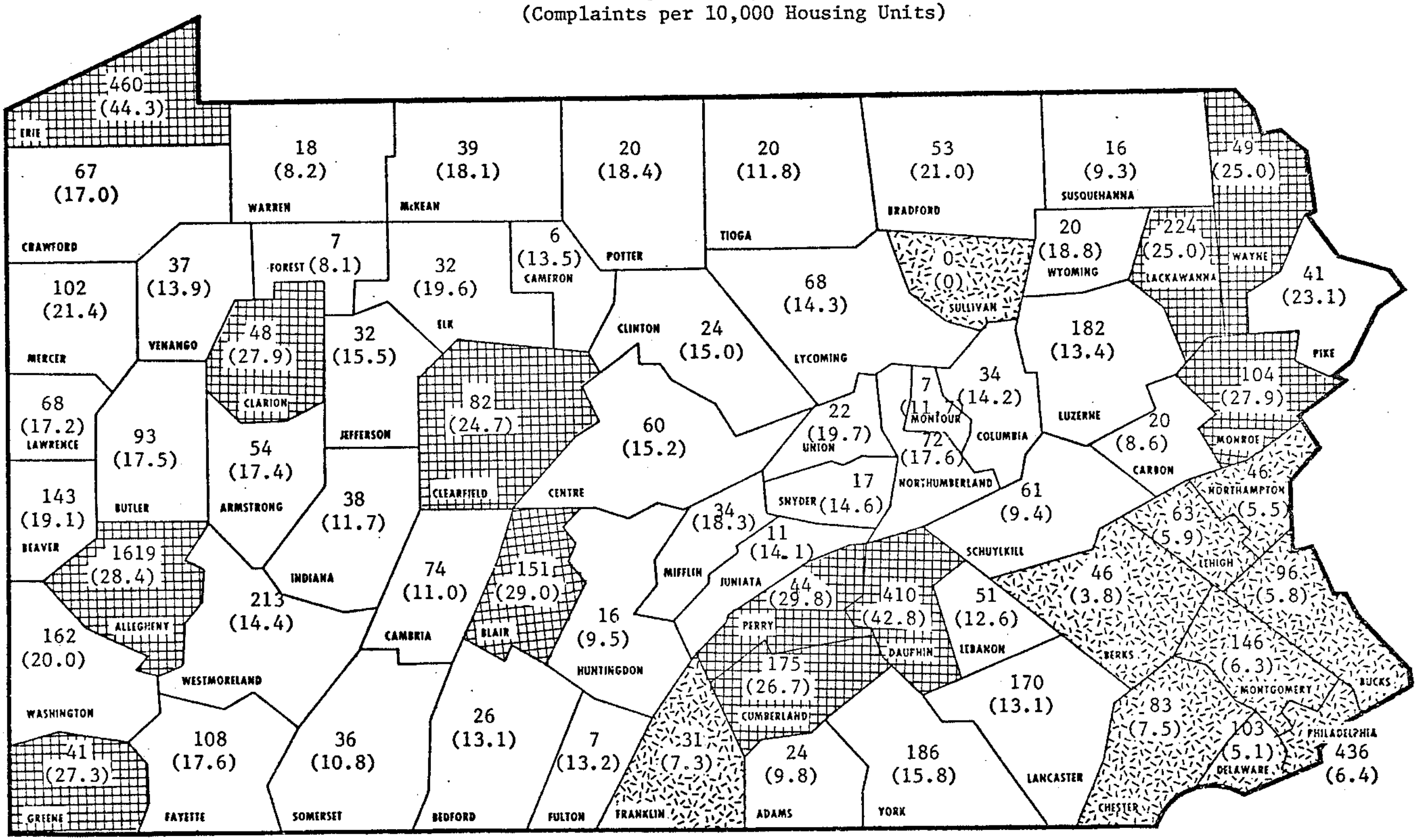
Below Average (> 1 S.D. below mean)

Standard Deviation (S.D.) = 23.2

Mean = 30.5

Figure 4

Consumer Complaints by County for 1982
(Complaints per 10,000 Housing Units)



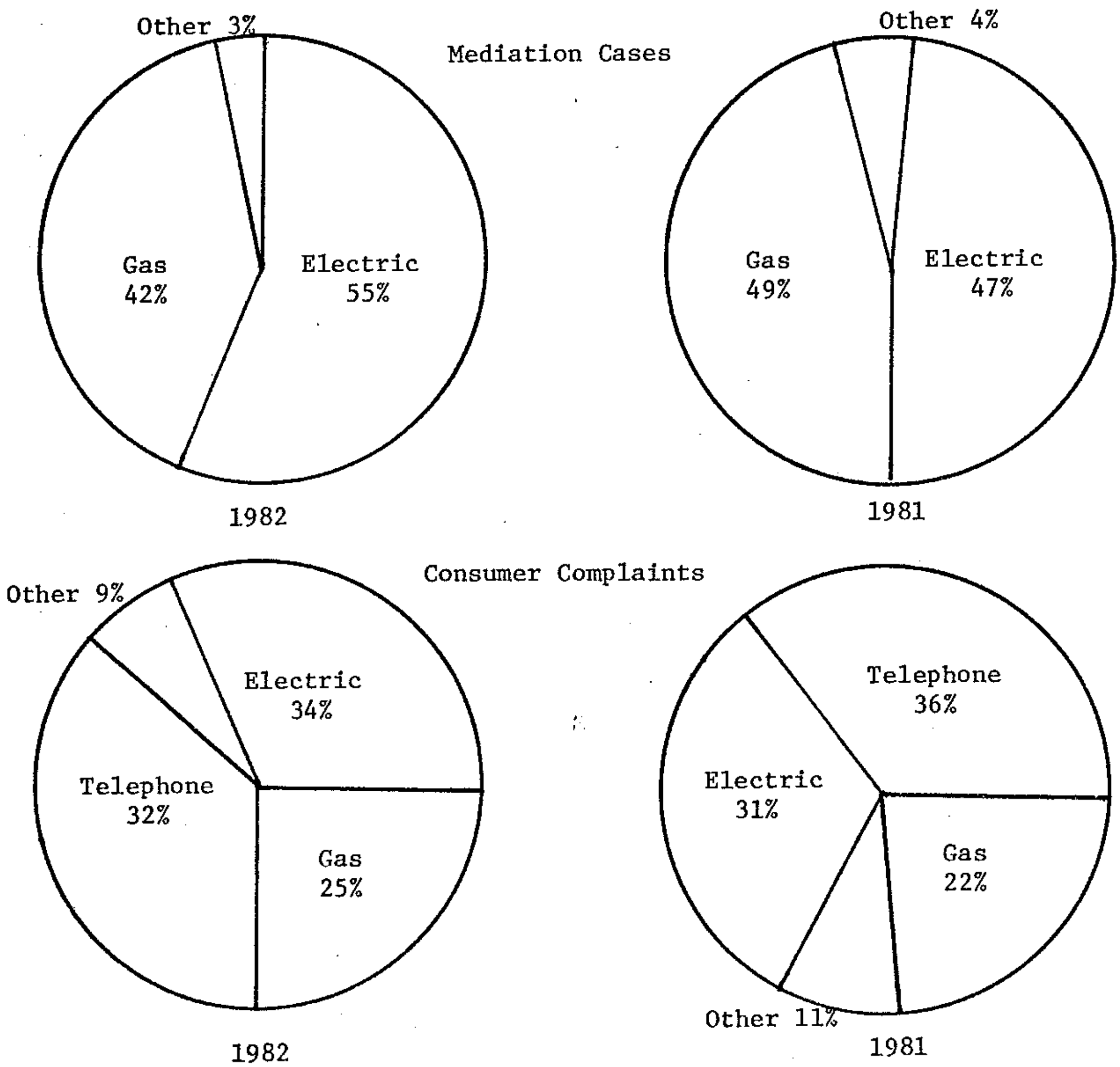
Above Average	Average	Below Average	Standard Deviation (S.D.) = 8.4
(< 1 S.D. above mean)	(mean ± 1 S.D.)	(< 1 S.D. below mean)	Mean = 16.1

IV. TYPE OF UTILITIES INVOLVED

As in past years, almost all mediation cases in 1982 involved electric (55%) or gas companies (42%). (See Figure 5). Only about 3% (628 cases) of mediation cases stemmed from threatened termination of water service. The electric industry increased from a 48% to a 55% share of mediation requests. This is the first significant percentage change between these two industries since 1978. Telephone companies are not presently covered by the Commission termination regulations, so there are no telephone termination mediation cases included in this section.

Electric companies are involved in 34% of the consumer complaints. Telephone and gas companies accounted for 32% and 25% of all complaints respectively. Water companies accounted for 9% of complaints. There were only a handful of complaints against steam heat and sewage companies.

Figure 5
Type of Industry Involved in BCS Cases



V. MAJOR COMPANIES

The calculation of cases per thousand residential customers permits comparisons to be made between utility companies. Some variations may be attributed to dissimilar customer populations, geographic locations and utility rates. However, unusually high mediation and complaint rates have been shown to be reliable indicators of situations which require investigation. See Appendix D for the formulas used to calculate the mediation and complaint rates. The discussion below provides an overview of Bureau activity along with some preliminary findings. Future Bureau analyses will continue to focus on explaining variations in mediation complaint rates. These will include the comparative evaluation of utilities' performance.

It is important to note that all of the tables in the following sections of this report that indicate 1981 mediation and consumer complaint data have been adjusted by the reassignment method described in Appendix B. Cases involving commercial accounts are also excluded. See Appendix G for an industry percentage of BCS cases defined by residential and commercial. Thus, the 1981 company data from the 1981 BCS activity report will not be the same as the 1981 data presented in this report.

Appendix H (Tables 1 thru 5) has been prepared to illustrate the number of consumer complaints, complaint rates, number of mediations, mediation rates and percentage changes for the years 1979 to 1982. This data is presented by company and by industry.

Consumer Complaints

The Commission has established a dispute process in which the companies play the primary role in handling consumer complaints. The Bureau normally does not become involved in consumer complaints until negotiations between the customer and the company fail. Thus high rates of complaints to the Bureau can indicate a company's failure to resolve consumer problems and this is a source of concern. In addition, significant increases over time may also indicate a need for company investigation.

Gas Utilities

There was a 28% increase in complaints against the major gas utilities in 1982. This increase contrasts sharply with the 34% decrease from 1979 to 1981. The BCS will investigate possible causes of this drastic reversal of the trend. This change is reflected consistently across the industry, as each of the six major companies experienced an increase in complaints. (See Table 2).

Table 2

Residential
Consumer Complaints
Major Gas Companies

(1981-1982)

Company	1981 N	1981 Complaint Rate	1982 N	1982 Complaint Rate	1981-1982 Percent Change in N
Columbia	198	.66	282	.93	+ 42%
Equitable	312	1.38	326	1.44	+ 5%
NFG	219	1.19	261	1.42	+ 19%
P.G.&W.-Gas	80	.79	94	.92	+ 18%
Peoples	227	.77	340	1.15	+ 50%
UGI-Gas	160	.86	225	1.19	+ 41%
Total (average rate)	1196	(.94)	1528	(1.18)	(+ 28%)

* PG&W[1] had a below average complaint rate for the third year in a row. Its complaint rate is now the lowest in the gas industry.

* NFG increased in consumer complaints by 19% and now has a complaint rate that is just slightly below the industry leader Equitable.

* Complaints for Columbia and Peoples increased above the industry average (42% and 50%). This is significant because these companies had improved in the two previous years.

* Although Equitable experienced the smallest percentage increase in the gas industry (5%), its complaint rate continued to be the highest in the industry for the second straight year.

* UGI's 41% increase in number of complaints from 1981 to 1982 caused its complaint rate to rise above the industry average for the first time since BCS began reporting data.

1 Classification of PG&W cases is explained in Appendix D.

Electric Utilities

There were 13% more complaints against electric companies in 1982 than in 1981. This contrasts with the decrease that occurred in each of the past two years. However, the rate of change varied within the industry as only Met. Ed. and PECO had fewer complaints. (See Table 3). The complaint rate for major electric companies continues to be less than half of that for major gas companies. No clear explanation for this difference is available.

Table 3

Residential
Consumer Complaints
Major Electric Companies

(1981-1982)

	1981		1982		1981-1982
Company	N	Complaint Rate	N	Complaint Rate	Percent Change in N
Duquesne	308	.62	330	.67	+ 7%
Met. Ed.	236	.72	173	.53	- 27%
Penelec	338	.73	436	.94	+ 29%
Penn Power	29	.26	48	.43	+ 66%
P.P.&L.	293	.33	434	.48	+ 48%
P.E. Co.	363	.31	325	.28	- 11%
UGI-Luz.	13	.26	23	.47	+ 77%
West Penn	242	.46	281	.55	+ 16%
Total (average rate)	1822	(.46)	2050	(.54)	(+ 13%)

* Met. Ed.'s number of complaints decreased by 27% from 1981 to 1982 and thus its complaint rate fell below the industry average for the first time since 1979. (See Appendix H, Table 1.)

* PECO was the only other major electric company to experience a decrease in complaints (11%) in 1982. This is the third year in a row that the number of complaints related to PECO has decreased. In fact, PECO has the lowest complaint rate in the industry.

* Duquesne, West Penn and Penelec complaints increased moderately in 1982 (7%, 16%, 29% respectively).

* Duquesne's increase in complaints was its first since 1979 while its complaint rate remains above the industry average.

* West Penn Power's number of complaints increased for the first time since 1979 causing its complaint rate to rise above the industry average for the first time since records were maintained by BCS.

* Penelec's number of complaints increased for the first time since 1979. Penelec's complaint rate has been the highest in the electric industry in each of the last three years and it continues to be well above the industry average (.94 vs. .54).

* PP&L, Penn Power and UGI-Luzerne experienced significant increases in complaints from 1981 to 1982 (48%, 66%, 77% respectively). This is the first increase for each of these companies since the BCS began reporting about them. However, each continues to have a complaint rate below the industry average.

Telephone Utilities

Complaints against telephone companies decreased by 10% from 1981 to 1982 (See Table 4). This is the second consecutive annual decrease. This continues to be a favorable trend for an industry that may soon be faced with a new set of regulations in areas such as billing, credit and deposits and collections. BCS cases involving non-residential telephone accounts for 1981 and 1982 appear in Appendix F. A commercial complaint rate is also included. It is important to note that 20% of BCS telephone complaints involve non-residential service in 1982. The telephone industry has the highest incidence of non-residential complaints.

Table 4

Residential
Consumer Complaints
Major Telephone Companies

(1981-1982)

	1981		1982		1981-1982
Company	N	Complaint Rate	N	Complaint Rate	Percent Change in N
Bell	1242	.38	1156	.35	- 7%
Commonwealth	59	.48	43	.35	- 27%
Continental	63	1.98	30	.94	- 52%
General	200	.67	131	.44	- 35%
Mid-Penn	93	.88	121	1.15	+ 30%
United	132	.65	125	.62	- 5%
Total (average rate)	1789	(.84)	1606	(.64)	(- 10%)

Among the highlights of the past year:

* Mid-Penn is the only company to increase in complaints (30%) in 1982. In fact, Mid-Penn now tops the industry with a complaint rate of 1.15.

* Bell's complaints decreased slightly (7%) in 1982 and the company continues to have a complaint rate significantly below the industry average.

* Commonwealth and General experienced significant decreases in complaints in 1982 (27% and 35%). Both companies continue to show complaint rates below the industry average.

* Continental had the most dramatic percentage decline in complaints (52%). Consequently, Continental no longer leads the industry complaint rate.

* United decreased in complaints by 5% from 1981 to 1982. This second consecutive annual decrease continues to allow the company to maintain a complaint rate below the industry average.

Mediation Requests

The Commission's service termination procedures protect utility customers' rights and provide companies with an effective collections tool. The Bureau normally intervenes at the customer's request after direct negotiations between the customer and the company have failed. The Bureau has targeted the area of improvement in negotiations as a major point of emphasis in 1983. The number of mediation requests per 1,000 overdue residential customers - the mediation rate - is used to permit cross company comparisons. The mediation rate can be used as a preliminary evaluation of companies' effectiveness at making payment arrangements. Unusually high or low rates, or sizeable changes in rates can reflect company performance. Increases in numbers of overdue customers can provide a partial explanation for changes in mediation statistics because a company's mediation rate can drop when its overdue customers increase in number. However, significant increases in the number of mediation cases and/or high mediation rates are major Bureau concerns.

Gas Utilities

Mediation requests from gas customers increased by less than 1% from 1981 to 1982. This contrasts sharply with the 39% increase experienced by the electric industry for the same time period. It is relevant to note that this slight increase was made possible due to the significant decreases by Equitable and NFG. There continues to be a wide distribution of mediation rates among the major gas companies. (See Table 5).

Table 5

Residential
Mediation Requests
Major Gas Companies

(1981-1982)

Company	1981 N	1981 Mediation Rate	1982 N	1982 Mediation Rate	1981-1982 Percent Change in N
Columbia	1110	2.77	1664	3.72	+ 50%
Equitable	3023	6.58	2066	4.19	- 32%
National Fuel	1113	3.05	650	1.86	- 42%
P.G.&W.-Gas	411	1.38	463	1.54	+ 13%
Peoples	1781	3.17	2329	4.72	+ 31%
UGI-Gas	346	.86	640	1.44	+ 85%
Total (average rate)	7784	(2.97)	7812	(2.91)	(+ 1%)

* The mediation rates in the gas industry vary widely from a low of 1.44 for UGI to a high of 4.72 for Peoples.

* Equitable was one of two companies to experience a decrease in the number of mediation cases (32%). Consequently, Equitable does not have the highest mediation rate for the first time since the Bureau began reporting in 1978. Equitable's decrease in mediation cases could correspond to a decrease in termination activity because of labor problems.

* Peoples had the largest number of mediation cases in the gas industry in 1982 due to a 31% increase from 1981 to 1982. Peoples number of mediation requests has increased by more than 105% over the past five years and has gone from a below average mediation rate to a significantly above average rate.

* Columbia had the second highest percentage increase in complaints in the industry (50%). In fact, Columbia has now increased by over 110% since 1980. Columbia's complaint rate has gone from below average to well above the industry average during this time.

* PG&W mediation requests increased moderately (13%) in 1982. PG&W has kept its mediation rate well below the industry average in each of the last four years.

* UGI gas has experienced the largest percentage increase in complaints in the industry (85%) from 1981 to 1982. However, UGI has the lowest mediation rate (1.44) in the gas industry, which is a position the company has maintained since reporting by BCS began in 1978.

* NFG has shown a dramatic decrease in mediation requests (42%) in 1982. This is the company's second yearly decrease in a row (44% total decrease from 1980-1982). NFG's mediation rate has fallen below the industry average for the first time since 1979.

Electric Utilities

The electric industry experienced a 39% increase in mediation requests from 1981 to 1982. This contrasts sharply with the gas industry (less than 1% increase). This large increase occurred because all of the major electric companies increased from 1981 to 1982. Whereas, two major gas companies decreased significantly enough to offset the increases by the remaining gas companies. However, the mediation rate for the electric industry continues to be less than half of that for the gas industry (1.26 vs. 2.91). No completely satisfactory rationale has been found to explain this difference.

Table 6

Residential
Mediation Requests
Major Electric Companies

(1981-1982)

	1981		1982		1981-1982
Company	N	Mediation Rate	N	Mediation Rate	Percent Change in N
Duquesne Light	1729	1.76	2673	2.84	+ 55%
Met. Ed.	453	.82	639	1.06	+ 41%
Penelec	1039	1.14	1442	1.49	+ 39%
Penn Power	249	.95	260	.93	+ 4%
P.P.&L.	1551	1.30	1643	1.22	+ 6%
Phila. Electric	1728	.45	2651	.72	+ 53%
UGI-Luzerne	55	.52	80	.72	+ 45%
West Penn	634	.82	942	1.09	+ 49%
Total (average rate)	7438	(.97)	10330	(1.26)	(+ 39%)

Among the preliminary findings:

* The electric industry experienced a large increase (39%) in the number of mediation requests from 1981 to 1982. The 19% increase in the total number of BCS mediation requests is almost entirely attributable to the electric industry.

* Penelec's mediation requests increased by 39%. This is the third consecutive yearly increase (128% over the last three years). Penelec's mediation rate is now second only to Duquesne Light.

* Penn Power and PP&L experienced only slight increases (4% and 6%) in the number of mediation requests from 1981 to 1982. These increases are significantly smaller than those of the other major electric companies. Despite these small increases in mediation requests, both companies showed a decrease in their mediation rates due to increases in their number of overdue customers. Also, both companies had below average mediation rates in 1982.

* Metropolitan Edison also increased in mediation requests for the third straight year (41%), making the three year increase 160%.

* PECO and UGI-Luzerne both experienced large increases in mediation requests (53% and 45%). However, both utilities continue to have the industry's lowest mediation rates.

* West Penn Power increased by 49% in mediation requests from 1981 to 1982. This was the third largest increase in the industry. Only Duquesne Light and PECO experienced larger increases (55% and 53%).

* Duquesne Light experienced the largest increase from 1981 to 1982 (55%). Consequently, Duquesne continues to have the highest mediation rate in the industry (2.84) for the second year in a row. This rate is more than twice the industry average. Penelec is the only other electric company with a mediation rate (1.49) above the industry average (1.26).

VI. COLLECTIONS STATISTICS

All regulated electric and gas companies must submit monthly residential service termination reports to the Bureau. These reports list the number of customers, number of overdue customers, amount of money overdue, and various statistics related to service termination. Only the basic statistics are reported below. These do not reflect qualitative aspects of overdue and terminated accounts such as age and size of arrearage. Analysis of these factors will proceed after additional data have been gathered. The two years presented here represent the best available data. As far as can be determined, any reporting errors which remain in the data should have only minor effects on the statistics below.

In an average month in 1982 over 940,000 residential accounts of major gas and electric companies were in arrears. Based on individual company performance, this represents a 1% increase over 1981. While many of these arrearages were both small in size and of recent vintage, the numbers still represent a substantial problem. The average monthly arrearage for the major gas and electric companies in 1982 was $92 million. This is an 8% increase from 1981 ($85 million). Much of this money will eventually be recovered, but delayed payments affect cash flow and have a direct impact on customers' rates.

Table 7

Proportion of Residential Customers in Arrears*
(1980-1981)

Company	1981	1982	Percent Change
Duquesne	.166	.159	- 4%
Met. Ed.	.141	.154	+ 9%
Penelec	.165	.173	+ 5%
Penn Power	.198	.210	+ 6%
P.P.&L.	.112	.125	+ 12%
P.E.Co.	.271	.259	- 4%
UGI-Luzerne	.179	.187	+ 4%
West Penn	.122	.141	+ 16%
Columbia	.111	.123	+ 11%
Equitable	.169	.181	+ 7%
N.F.G.	.165	.158	- 4%
PG&W Gas	.243	.245	+ 1%
Peoples	.159	.139	- 13%
UGI-Gas	.178	.197	+ 11%
Averages+	.170	.175	+ 3%

*Monthly averages
+Averages of scores

The major gas and electric companies show a substantial range of overdue customer proportions; over two to one for the largest (PECO) to smallest (Columbia).

* Philadelpia Electric (both electric and gas service) and Pennsylvania Gas and Water had the largest proportions of overdue customers in 1980, 1981 and 1982.

* Columbia Gas and PP&L continue to have the lowest proportion of overdue customers (since 1980).

* West Penn, Columbia and UGI Gas experienced substantial increases in overdue customers from 1981 to 1982 (16%, 11%, 11% respectively).

* Duquesne, PECO, NFG and Peoples were the only major electric and gas companies to show a decline in their proportions of customers in arrears.

Uncollectible Accounts

The most commonly seen measure of collections system performance is the proportion of accounts written-off as uncollectible to revenues. The statistics in Table 8 represent net write-offs, that is, write-offs of uncollectible accounts minus recoveries of accounts already written-off. (An extensive discussion of this statistic can be found in the Bureau's 1981 Collections and Mediation report.) There are several preliminary points which emerge from the statistics in Table 8.

* The range of write-offs to revenue scores is quite large, on the order of nine to one for smallest (West Penn) to largest (Equitable) in 1982.

* Equitable Gas experienced a decrease in write-offs of 8% from 1981 to 1982. This is a dramatic change when the company's 85% increase in write-offs from 1980 to 1981 is considered.

* Although Met. Ed., Penelec, PP&L, PECO and Equitable had declines in write-offs, the overall trend was moderately upward (9%).

* Gas companies had higher write-off scores than electric companies, which is consistent with recent years' experience.

A forthcoming analysis will attempt to thoroughly investigate relationships between write-offs and other collection measures.

Table 8

Write-Offs As A Proportion of Revenues*

Company	Net Write-Offs to Revenues 1981	1982	Percent Change
Duquesne	.005173	.006979	+35%
Met. Ed.	.004279	.003663	-14%
Penelec	.005082	.004293	-16%
Penn Power	.002194	.002466	+ 6%
P.P.&L.	.004201	.004040	- 4%
P.E. Co.#	.008286	.007294	-12%
UGI-Electric	.002891	.003495	+21%
West Penn	.001561	.001086	-30%
Columbia	.003751	.005359	+43%
Equitable	.011177	.010278	- 8%
National Fuel	.005470	.009160	+65%
P.G.&W.-Gas	.004535	.005163	+14%
Peoples	.007845	.008845	+13%
UGI-Gas	.005659	.006481	+15%
Average+	.005150	.005614	+ 9%

+Average of scores.
*Source: Company reported data
#electric and gas combined

VII. CONCLUSION

This report has provided an overview and a preliminary analysis of BCS activity during 1982. The complaint and mediation rates are quantitative problem indicators related to utility company performance in various customer relations areas.

The Bureau has stressed improving company negotiations by criticizing large numbers of mediation requests and high mediation rates. The Bureau will become increasingly critical in 1983. The BCS has sought to improve company negotiations with customers, and in a number of very dramatic cases, these improvements have occurred. Conversely, many other companies have failed to improve negotiation techniques and continue to show negative results in this area. Unfortunately, the improvements that have been made to date by some companies are offset by those companies who continue with an ineffective negotiations scheme. The need for improvements will become increasingly important in view of rising utility rates. Companies should review their negotiation techniques and make changes where necessary. Other Bureau reports have combined these measures with qualitative statistics in order to provide a more complete and detailed evaluation of each company's performance. The tentative explanations and analyses presented above will be refined in order to provide the companies and the Bureau with information which can be used to improve mediation activities and complaint handling. Reports which are planned or are being prepared include evaluative reviews of collections activity and violations of P.U.C. customer services regulations.

APPENDIX A

The Bureau of Consumer Services has 4 regional offices (Harrisburg, Pittsburgh, Philadelphia and Erie) which are responsible for investigating utility consumer complaints and recording protests regarding actions pending before the Commission. The Bureau's Service Termination Mediation Unit, located in Harrisburg, arbitrates payment agreements for customers who are threatened with termination of service. The Bureau also contains a research and information division which is responsible for evaluation of both utilities' customer service performance and their compliance with regulations. The Bureau's Consumer Services Information System (CSIS) is based on extensive coded data for each case investigated by the Bureau. The data base currently contains data on over 115,000 investigated cases and over 110,000 inquiries and opinions from 1978 to 1982. The CSIS is used to produce regular utility evaluation and management information reports. The system also provides special reports related to rate cases, legislative requests, compliance violations, consumer service reviews and generic analyses. Finally, the Bureau maintains a contractual relationship with Pennsylvania State University for the purposes of data processing, policy analysis, and research consultation.

APPENDIX B

Distribution of Reassigned[1] vs. Not Reassigned[2] Cases:

Major Companies in 1981

Company	Mediation Cases Not Reassigned	Mediation Cases Reassigned	Consumer Complaints Not Reassigned	Consumer Complaints Reassigned
Duquesne	1880	1729	389	308
Met. Ed.	469	453	263	236
Penelec	1091	1039	361	338
Penn Power	252	249	34	29
PP&L	1600	1551	349	293
PECO	1788	1728	450	363
UGI-Luzerne	59	55	15	13
West Penn	641	634	253	242
Columbia	1085	1110	237	198
Equitable	3011	3023	396	312
NFG	1115	1113	249	219
PG&W-Gas	326	411	55	80
Peoples	1806	1781	263	227
UGI-Gas	352	346	190	160
Bell	-	-	1449	1242
Commonwealth	-	-	65	59
Continental	-	-	67	63
General	-	-	231	200
Mid-Penn	-	-	101	93
United	-	-	159	132

The reassigned cases for both mediations and consumer complaints sum to less than the unreassigned because of the assignment method used. Specifically, closed long forms which were not investigative cases, i.e., which should have been short forms, were excluded during the reassignment process. Thus, the reassignment process should have generated a more accurate data base.

1. Mediation/Termination-related cases handled in regional offices are recorded as mediation cases. BCS cases involving commercial accounts are excluded.

2. Cases are coded strictly according to the office where they were handled. Statistics are those listed in 1981 Overview Report.

APPENDIX C

Table 1

Inquiries and Opinions: Major Companies in 1982

Company Name	Number of Contacts	Percent of Industry	Industry Total	Percent of Total
Electric			10,071	42.8
Duquesne	3375	33.5		
Met. Ed.	408	4.1		
Penelec	780	7.7		
Penn Power	204	2.0		
PP&L	2038	20.2		
PECO	2025	20.1		
UGI-Luz.	30	.3		
West Penn	929	9.2		
Others or no Company	282	2.8		
Gas			6,616	28.1
Columbia	1479	22.4		
Equitable	1669	25.2		
NFG	552	8.3		
PG&W-Gas	227	3.4		
Peoples	1711	25.9		
UGI-Gas	459	6.9		
Others or no Company	519	7.8		
Telephone			2,190	9.3
Bell	1678	76.6		
Others	512	23.4		
Water			1,337	5.7
Sewage			90	.3
Aircraft			5	-
Others (No Specific Company or Industry)			3,244	13.8
Total			23 ,553	

Table 2

Major Problem Categories
for Inquiries and Opinions

Category	Number	Percent
Referral*	16,405	69.7
Specific Information Request	4,192	17.8
Rate Protests and Opinions	1,911	8.1
Opinions-general	245	1.0
Other	800	3.4
	23,553	100.0

*To other Bureau offices, to other PUC offices and to other agencies, companies, etc.

APPENDIX D

Formulas for Mediation and Complaint Rates

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

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

Historically, the BCS has had a problem in properly distinguishing between gas or water cases involving PG&W. This problem is intrinsic to PG&W cases because of the two types of utility service that the company offers to its customers. A primary source of this error is the customer's misclassification of the utility type upon initial contact with BCS. Please note that the 1981 data has been adjusted significantly. The BCS believes that the identification problems inherent to PG&W have been resolved in 1982 to the point where existing variance does not significantly affect the company's data in this report.

APPENDIX E

Distribution of Commercial Cases

	1981		1982	
Company	Mediations	Consumer Complaints	Mediations	Consumer Complaints
Duquesne	168	55	270	103
Met. Ed.	16	27	34	28
Penelec	48	36	52	59
Penn Power	2	4	6	12
PP&L	49	53	55	68
PECO	53	39	55	56
UGI-Luz.	2	1	2	2
West Penn	12	20	19	39
Columbia	9	15	15	15
Equitable	24	18	11	21
NFG	9	15	11	20
PG&W-Gas	6	6	9	9
Peoples	19	9	25	26
UGI-Gas	3	14	4	11

APPENDIX F

Commercial
Consumer Complaints
Major Telephone Companies

	1981		1982	
Company	N	Commercial Complaint Rate	N	Commercial Complaint Rate
Bell	199	.53	325	.87
Commonwealth	8	.64	9	.72
Continental	10	2.98	5	1.49
General	36	.55	39	.59
Mid-Penn	11	.81	11	.81
United	26	.76	28	.82
Total	290		417	
(Average Rate)		(1.05)		(.88)

APPENDIX G

BCS Complaints - 1982
Residential-Commercial*

MEDIATIONS INDUSTRY	Total Mediations	Residential Mediations	% Residential Mediations	Commerical Mediations	% Commercial Mediations
Electric	10,833	10,340	95.4%	493	4.6%
Gas	8,142	8,063	99.0%	79	1.0%
Water	614	601	97.9%	13	2.1%
Other	14	14	100.0%	0	0.0%
Total (%)	19,603	19,018	(97.0%)	585	(3.0%)

CONSUMER COMPLAINTS INDUSTRY	Total c.c.	Residential c.c.	% Residential c .c.	Commercial c.c.	% Commercial c.c.
Electric	2,426	2,058	84.8%	368	15.2%
Gas	1,751	1,642	93.8%	109	6.2%
Telephone	2,273	1,824	80.2%	449	19.8%
Water	566	522	92.2%	44	7.8%
Other	68	55	80.9%	13	19.1%
Total (%)	7,084	6,101	(86.1%)	983	(13.9%)

*It is not possible in all cases for the BCS to properly classify an account as either residential or commercial upon its initial contact with a customer. The problem arises when the caller is not able to properly identify his account as residential or commercial. In these instances, the BCS must make a judgement according to the available information given upon ititial intake. Nevertheless, the BCS codification scheme properly identified commercial accounts with an 85% accuracy rate in this report. Commercial accounts represented only 6% of BCS investigatory cases in 1982. To be more precise, there are approximately 100 of the 26,687 BCS investigatory cases that are actually commercial accounts misclassified as residential accounts in 1982. Please note that these misclassified cases are randomly distributed among all companies that had cases before the BCS in 1982.

APPENDIX H

TABLE 1

CONSUMER COMPLAINTS BY ELECTRIC COMPANIES 1979 - 1982

	NUMBER OF CASES				COMPLAINT RATE				PERCENT CHANGES IN N			PERCENT CHANGE IN N
	1979	1980	1981	1982	1979	1980	1981	1982	1979 - 1980	1980 - 1981	1981 - 1982	1979 - 1982
DUQUESNE	799	451	308	330	1.62	.92	.62	.67	-44	-32	+ 7	-59
MET. ED.	301	258	236	173	.96	.80	.72	.53	-14	- 9	-27	-43
PENELEC	491	452	338	436	1.10	1.01	.73	.94	- 8	-25	+29	-11
PENN POWER	74	65	29	48	.69	.60	.26	.43	-12	-55	+66	-35
P.P.&L.	604	365	293	434	.70	.41	.33	.48	-40	-20	+48	-28
PECO	653	588	363	325	.54	.51	.31	.28	-10	-38	-11	-50
UGI - LUZ.	23	21	13	23	.47	.43	.26	.47	- 9	-43	+77	0
WEST PENN	392	263	242	281	.79	.50	.46	.55	-33	- 8	+16	-28
TOTAL	3,337	2,463	1,822	2,050								
RATE/%					.86	.65	.46	.54	-26	-26	+13	-39
1979 - 1983 (AVE. RATE)							.63					

APPENDIX H

TABLE 2

CONSUMER COMPLAINTS BY GAS COMPANIES 1979 - 1982

	NUMBER OF CASES				COMPLAINT RATE				PERCENT CHANGES IN N			PERCENT CHANGE IN N
	1979	1980	1981	1982	1979	1980	1981	1982	1979 - 1980	1980 - 1981	1981 - 1982	1979 - 1982
COLUMBIA	372	220	198	282	1.25	.73	.66	.93	-41	-10	+42	-24
EQUITABLE	641	297	312	326	2.85	1.31	1.38	1.44	-54	+ 5	+ 5	-49
NFG	285	253	219	261	1.53	1.38	1.19	1.42	-11	-13	+19	- 8
PG&W - GAS	99	132	80	94	1.01	1.38	.79	.92	+33	-39	+18	- 5
PEOPLES	479	273	227	340	1.64	.93	.77	1.15	-43	-17	+50	-29
UGI - GAS	229	144	160	225	1.27	.79	.86	1.19	-37	+11	+41	- 2
TOTAL	2,105	1,319	1,196	1,528								
RATE/%					1.59	1.09	.94	1.18	-37	- 9	+28	-27
1979 - 1983 (AVE. RATE)						1.20						

APPENDIX H

TABLE 3

CONSUMER COMPLAINTS BY TELEPHONE COMPANIES 1979 - 1982

	NUMBER OF CASES				COMPLAINT RATE				PERCENT CHANGES IN N			PERCENT CHANGE IN N
	1979	1980	1981	1982	1979	1980	1981	1982	1979 - 1980	1980 - 1981	1981 - 1982	1979 - 1982
BELL	1,727	1,713	1,242	1,156	.53	.52	.38	.35	- 1	-27	- 7	-33
COMMONWEALTH	88	82	59	43	.72	.67	.48	.35	- 7	-28	-27	-51
CONTINENTAL	52	62	63	30	1.64	1.95	1.98	.94	+19	+ 2	-52	-42
GENERAL	267	223	200	131	.89	.74	.67	.44	-16	-10	-35	-51
MID-PENN	99	139	93	121	.94	1.32	.88	1.15	+40	-33	+30	+22
UNITED	118	187	132	125	.58	.93	.65	.62	+48	-29	- 5	+ 6
TOTAL	2,351	2,406	1,789	1,606								
RATE/%					.88	1.02	.84	.64	+ 2	-26	-10	-32
1979 - 1983 (AVE. RATE)							.85					

APPENDIX H

TABLE 4

MEDIATIONS BY ELECTRIC COMPANIES 1979 - 1982

	NUMBER OF CASES				MEDIATION RATE				PERCENT CHANGES IN N			PERCENT CHANGE IN N
	1979	1980	1981	1982	1979	1980	1981	1982	1979 - 1980	1980 - 1981	1981 - 1982	1979 - 1982
DUQUESNE	1,200	1,469	1,729	2,673	1.41	1.70	1.76	2.84	+22	+ 18	+55	+123
MET. ED.	246	297	453	639	.52	.54	.82	1.06	+21	+ 53	+41	+160
PENELEC	632	629	1,039	1,442	.76	.78	1.14	1.49	- 1	+ 65	+39	+128
PENN POWER	147	184	249	260	.57	.71	.95	.93	+25	+ 35	+ 4	+ 77
P.P.&L.	2,020	1,797	1,551	1,643	2.00	1.87	1.30	1.22	-11	- 14	+ 6	- 19
PECO	3,114	2,774	1,728	2,651	1.18	.77	.45	.72	-11	- 38	+53	- 15
UGI - LUZ.	N/A	24	55	80	N/A	.22	.52	.72	N/A	+129	+45	N/A
WEST PENN	724	610	634	942	1.03	.81	.82	1.09	-16	+ 4	+49	+ 30
TOTAL	8,083	7,784	7,438	10,330								
RATE/%					1.07	.93	.97	1.26	- 4	- 4	+39	+ 28
1979 - 1983 (AVE. RATE)						1.06						

APPENDIX H

TABLE 5

MEDIATIONS BY GAS COMPANIES 1979 - 1982

	NUMBER OF CASES				MEDIATION RATE				PERCENT CHANGES IN N			PERCENT CHANGE IN N
	1979	1980	1981	1982	1979	1980	1981	1982	1979 - 1980	1980 - 1981	1981 - 1982	1979 - 1982
COLUMBIA	887	832	1,110	1,664	2.47	2.26	2.77	3.72	- 6	+33	+50	+88
EQUITABLE	2,736	1,962	3,023	2,066	6.99	4.56	6.58	4.19	- 28	+54	-32	-24
NFG	500	1,202	1,113	650	1.79	3.77	3.05	1.86	+140	- 7	-42	+30
PG&W - GAS	527	297	411	463	2.36	1.13	1.38	1.54	- 44	+38	+13	-12
PEOPLES	1,485	1,689	1,781	2,329	3.34	3.08	3.17	4.72	+ 14	+ 5	+31	+57
UGI - GAS	417	292	346	640	1.24	.80	.86	1.44	- 30	+18	+85	+53
TOTAL	6,552	6,274	7,784	7,812								
RATE/%					3.03	2.60	2.97	2.91	- 4	+24	+ 1	+19
1979 - 1983 (AVE. RATE)							2.88					