

CONSUMER SERVICES

ACTIVITY REPORT: 1985

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Pa Public Utility Commission
Bureau of Consumer Services
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CONSUMER SERVICES ACTIVITY REPORT - 1985

Contents

	<u>Page</u>
INTRODUCTION	i
I. OVERALL ACTIVITY	1
II. NATURE OF BCS CONSUMER COMPLAINTS	3
TABLE 1 - NATURE OF CALL FOR CONSUMER COMPLAINTS: 1985	3
III. GEOGRAPHIC DISTRIBUTION OF BUREAU ACTIVITY	4
IV. TYPE OF UTILITIES INVOLVED	5
V. MAJOR COMPANIES	6
TABLE 2 - RESIDENTIAL CONSUMER COMPLAINTS - MAJOR GAS COMPANIES	7
TABLE 3 - RESIDENTIAL CONSUMER COMPLAINTS - MAJOR ELECTRIC COMPANIES	8
TABLE 4 - RESIDENTIAL CONSUMER COMPLAINTS - MAJOR TELEPHONE COMPANIES	10
TABLE 5 - RESIDENTIAL MEDIATION REQUESTS - MAJOR GAS COMPANIES	11
TABLE 6 - RESIDENTIAL MEDIATION REQUESTS - MAJOR ELECTRIC COMPANIES	13
VI. RESPONSE TIME	15
TABLE 7 - MEDIATION RESPONSE TIME - MAJOR ELECTRIC COMPANIES	15
TABLE 8 - MEDIATION RESPONSE TIME - MAJOR GAS COMPANIES	16
TABLE 9 - CONSUMER COMPLAINT RESPONSE TIME - MAJOR ELECTRIC COMPANIES	17
TABLE 10 - CONSUMER COMPLAINT RESPONSE TIME - MAJOR GAS COMPANIES	18
TABLE 11 - CONSUMER COMPLAINT RESPONSE TIME - MAJOR TELEPHONE COMPANIES	18

Contents (Continued)

	<u>Page</u>
VII. CASE OUTCOME - UPHELD PERCENT	20
TABLE 12 - MEDIATION UPHELD PERCENT - MAJOR ELECTRIC COMPANIES	21
TABLE 13 - MEDIATION UPHELD PERCENT - MAJOR GAS COMPANIES	21
TABLE 14 - CONSUMER COMPLAINT UPHELD PERCENT - MAJOR ELECTRIC COMPANIES	22
TABLE 15 - CONSUMER COMPLAINT UPHELD PERCENT - MAJOR GAS COMPANIES	23
TABLE 16 - CONSUMER COMPLAINT UPHELD PERCENT - MAJOR TELEPHONE COMPANIES	24
VIII. COLLECTIONS STATISTICS	25
TABLE 17 - PERCENTAGE OF CUSTOMERS OVERDUE	25
TABLE 18 - AVERAGE MONTHLY RESIDENTIAL CUSTOMER BILLS	27
TABLE 19 - AVERAGE CUSTOMER ARREARAGES	28
TABLE 20 - NUMBER OF TERMINATION NOTICES	29
TABLE 21 - NUMBER OF SERVICE TERMINATIONS	30
TABLE 22 - RESIDENTIAL WRITE-OFFS RATIOS 1983-1985	32
IX. CONCLUSION	33
APPENDIX A - BUREAU STRUCTURE/CSIS/BCS-PSU	35
APPENDIX B - DISTRIBUTION OF COMMERCIAL CASES MAJOR ELECTRIC AND GAS COMPANIES	36
APPENDIX C - BCS COMPLAINTS-RESIDENTIAL-COMMERCIAL	37
APPENDIX D - MONTHLY VOLUME - MEDIATION REQUESTS AND CONSUMER COMPLAINTS	38
APPENDIX E - INQUIRIES AND OPINIONS: MAJOR COMPANIES MAJOR PROBLEM CATEGORIES FOR INQUIRIES AND OPINIONS	39 40

Contents (Continued)

	<u>Page</u>
APPENDIX F - MEDIATION REQUESTS - PA. COUNTIES	41
CONSUMER COMPLAINTS - PA. COUNTIES	42
APPENDIX G - TYPE OF INDUSTRY	43
APPENDIX H - MONTHLY AVERAGE NUMBER OF RESIDENTIAL CUSTOMERS - MAJOR ELECTRIC, GAS AND TELEPHONE COMPANIES 1985	44
APPENDIX I - FORMULAS FOR MEDIATION AND COMPLAINT RATES	45
APPENDIX J - CONSUMER COMPLAINTS BY ELECTRIC COMPANIES 1981-1985	46
CONSUMER COMPLAINTS BY GAS COMPANIES 1981-1985	47
CONSUMER COMPLAINTS BY TELEPHONE COMPANIES 1981-1985	48
MEDIATION REQUESTS BY ELECTRIC COMPANIES 1981-1985	49
MEDIATION REQUESTS BY GAS COMPANIES 1981-1985	50
APPENDIX K - COMMERCIAL CONSUMER COMPLAINTS - MAJOR TELEPHONE COMPANIES	51
APPENDIX L - AVERAGE MONTHLY CUSTOMER USAGE - KWH/MCF - 1983-1985	52
APPENDIX M - WRITE-OFFS RATIOS: 1983-1985 MAJOR GAS AND ELECTRIC COMPANIES	53

THE CONSUMER SERVICES ACTIVITY REPORT FOR 1985

INTRODUCTION

This report highlights the complaint handling activities of the Pennsylvania Public Utility Commission's Bureau of Consumer Services. It is an annual overview based on problem indicators for the major electric, gas and telephone companies for the year 1985. This report is designed to assess individual company performance in the areas of consumer complaints and payment negotiations. The results reported below provide the Commissioners with information which can be used in reviewing other Commission activities and in setting policies and goals.

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer complaints. In order to fulfill this mandate, 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 1985 the Bureau has investigated 186,967 cases and has received an additional 173,593 information requests and opinions. To manage this complaint data, the Bureau maintains a computer based consumer information system through a contract with Penn State University. This permits complaints to be aggregated and analyzed so that generic as well as individual problems can be resolved.

A number of studies have found that only a minority, often a small minority, of dissatisfied persons complain about unsatisfactory products or services. The Bureau's experience reflects this fact as it has found that a seemingly small number of individual complaints from utility customers represent management failures or systemic problems in companies. This information is secured by aggregating data from thousands of complaints to provide information about the effectiveness of utilities meeting consumers' needs and complying with Commission standards. These results are periodically communicated to companies so that they can act independently to resolve problems before a formal Commission reaction becomes necessary. In many cases, companies which have taken advantage of this information have been able to resolve problems and improve service to customers. Companies which fail to act responsibly to resolve problems have been subjected to fines and rate case adjustments of expenses or revenues.

The data in this report have been aggregated in a similar manner as in the past three annual activity reports using the Bureau's Consumer Services Information System (CSIS). 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 classified as mediation cases. In addition, this report aggregates data from the Bureau's Collections Reporting System (CRS). This data base is used in Section VI, Collections Statistics. Please note that most of the tables in this section are an expansion of similar tables that appeared in the Bureau's October 1983

Report "Utility Payment Problems: The Measurement and Evaluation of Responses to Customer Nonpayment." The CRS provides a valuable resource for measuring company performance in collections from year to year.

The data and performance measures in this report have been in use for a number of years. The first two measures, the relative rate of mediation requests and consumer complaints for each company are the most basic error signals in use. Two additional statistics, response time and percent of cases upheld, are included in this report. The Bureau provides the measures in the form of Quarterly Closing Automated Reports Formats (ARFS) to those major electric, gas and telephone companies which have requested that information. For the companies reviewed in this report, the discussion contains neither new concepts nor unfamiliar measures. In addition, the recently released report "Customer Complaints in Pennsylvania: The Electric, Gas and Water Industries 1982-1984" discussed the measures in detail. Nevertheless, an explanation of these measures is included in Chapters VI and VII of this report for readers who encounter them for the first time.

A final treatment of the data involves the purging of cases which do not represent complaints about residential service. In this context the term investigatory is used to include both mediations and consumer complaints when used in this report. In conjunction with the Bureau's policy of focusing on residential accounts, investigatory cases that involved commercial accounts are deleted from Tables 2 thru 22. This is done because the results of the analysis are much easier to interpret when dissimilar types of service are separated. Appendix B 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. (See Appendix C for the industry percentage of BCS cases defined as residential and commercial.

I. OVERALL ACTIVITY

The Bureau's cases fall into three basic categories: consumer complaints, mediation requests, and inquiries. The Bureau received 21,010 contacts which required investigation from utility customers in 1985. In nearly 900 of these contacts the Bureau saved the customers money in billing adjustments. The total amount of money saved for these customers was over \$150,000. The 6,738 consumer complaints involved complaints about utilities' actions related to billing, service delivery, repairs, etc. Mediation requests, of which there were 14,272, 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. 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. The Bureau also received 26,144 inquiries and information requests which did not require investigation.

Mediation Requests

Mediation requests decreased by nearly 11% from 16,014 in 1984 to 14,272 in 1985. This is the smallest annual number of BCS mediations since 1978. Negotiation techniques have been improved and as companies master these, it is expected that the number of mediation requests should decline further. In this light, the 1985 results are encouraging. There is a typical seasonal pattern in which the bulk of mediations are received in the spring. This prevailed in 1985 as in past years. This pattern can be attributed to the surge in termination activity which follows the restraints on service termination which are in place during the winter heating season (December through March). Approximately 42% of the annual volume of mediation cases was received between April and July. (See Appendix D). This pattern is consistent with past years and is helpful in planning, training and the allocation of staff.

Consumer Complaints

Consumer complaints increased by 2% from 6,603 in 1984 to 6,738 in 1985. This is the second year in a row that complaints increased. Commission regulations require that customers 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 foster a steady decline in the number of consumer complaints. Such a pattern would be indicative of improvements in utility complaint handling operations. The Bureau will continue to concentrate its efforts on reducing consumer complaints in 1986. Although the number of complaints was higher in October and lowest in June, there does not appear to be any identifiable seasonal pattern. (See Appendix C).

Inquiries and Opinions

There were 26,144 cases which required no follow-up beyond the initial contact during 1985. 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 E 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 (38%) and service complaints (22%). (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 credit and deposits, telephone service termination and rates and tariff complaints.

Table 1

NATURE OF CALL FOR CONSUMER COMPLAINTS: 1985

	N	%
Billing/Payment	2585	38.4
Credit/Deposits	429	6.4
Rates/Tariffs	213	3.2
Service	1479	21.9
People Delivered Service (Repairs)	417	6.2
Termination (telephone)	1251	18.5
Other	364	5.4
	6738	100.0

III. GEOGRAPHIC DISTRIBUTION OF BUREAU ACTIVITY

Geographic variations in mediation requests and consumer complaints are depicted in Appendix E, Tables 1 and 2. The calculation of cases per 10,000 households represents an improvement in the accuracy of geographic comparisons which were previously based on raw population figures. These tables indicate which counties have average, well above average, or well below average mediation and complaint rates.

Mediation Requests

The average state-wide mediation rate was 19.7 per 10,000 households in 1985. The number of mediation requests in 1985 ranged from 1 in Sullivan county to 4,699 in Allegheny County. (See Appendix F, Table 1). Allegheny County had the highest rate of mediation requests at 87.0 per 10,000 households. Other counties with high mediation rates were Lawrence (83.1), Fayette (62.7) and Beaver (61.8). The extent of regulated utility service, the degree of urbanization, relative economic well-being, and the quality of company negotiations may be factors which affect mediation requests.

Consumer Complaints

The average state-wide consumer complaint rate was 15.0 per 10,000 households in 1985. Consumer complaints varied from a low of 2 in Cameron County to a high of 1,294 in Allegheny County. (See Appendix F, Table 2). Complaint rates were the highest in Erie (31.8), Dauphin (30.4), Fulton (28.3), Greene (26.7) and Cumberland (23.7). As in past years, some of the highest complaint rates were in those counties where the Bureau has regional offices. More detailed analyses would be necessary in order to explain geographical variations in complaint rates.

IV. TYPE OF UTILITIES INVOLVED

As in past years, almost all mediation cases in 1985 involved electric (54%) or gas companies (41%). (See Appendix G). Only 5% of mediation requests (725 cases) stemmed from threatened termination of water service. This is the second year in a row for the industry proportions listed above. All telephone complaints are classified by BCS as consumer complaints.

Telephone companies were involved in 42% of consumer complaints. Electric and gas companies accounted for 29% and 20% of all complaints respectively. The most significant changes from 1984 to 1985 involved the telephone industry, which experienced a 16% increase in consumer complaints. Also, the telephone industry's proportion of BCS consumer complaints increased from 36% to 42%. Two contributing factors to this increase are the initiation of the Chapter 64 Regulations and the opening of a toll-free telecommunications hot-line by the Commission. Water companies accounted for 8% of complaints. There were only a handful of complaints regarding other industries.

V. MAJOR COMPANIES

The calculation of cases per thousand residential customers permits comparisons to be made among utility companies. (See Appendix H for the number of residential customers for the major electric, gas and telephone 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. The discussion below provides an overview of Bureau activity along with some preliminary findings. See Appendix I for the formulas used to calculate the mediation and complaint rates.

Appendix J (Tables 1 thru 5) illustrates the number of residential consumer complaints, complaint rates, number of mediations, mediation rates and percentage changes for the years 1981 to 1985. This data is presented by company and by industry. Most importantly, this information is used to expose patterns and trends which help to focus BCS research and compliance activities.

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 that a company is failing to effectively resolve consumer problems. In addition, significant increases in the frequency of problems over time may also indicate the need for a company to investigate the source of the problems.

Gas Utilities

There was a 15% decrease in complaints against the major gas utilities from 1984 to 1985 (See Table 2). This is the third consecutive annual decline in complaints. It is anticipated that this desirable trend will continue in 1986.

Table 2

Residential
Consumer Complaints
Major Gas Companies

(1984-1985)

Company	1984		1985		1984-1985
	N	Complaint Rate	N	Complaint Rate	Percent Change in N
Columbia	242	.80	159	.52	- 34%
Equitable	470	2.07	414	1.84	- 12%
NFG	199	1.08	159	.86	- 20%
P.G.&W.-Gas	59	.56	68	.64	15%
Peoples	208	.70	217	.72	4%
UGI-Gas	259	1.38	199	1.06	- 23%
Total (average rate)	1437	(1.10)	1216	(.94)	(- 15%)

Among the highlights of the past year:

- * Columbia's 34% decrease in consumer complaints from 1984 to 1985 was the largest in the industry. As a result, Columbia's complaint rate is the lowest in the industry for the first time since 1981. Columbia's improvement in consumer complaint handling is an encouraging development in light of past difficulties.
- * Although the number of UGI-Gas' consumer complaints decreased by 23% from 1984 to 1985, UGI's complaint rate continues to be worse than the industry average for the second year in a row.
- * Despite a 12% decrease in consumer complaints from 1984 to 1985, Equitable retains its position as worst among all the companies reviewed in this report. The fact that Equitable's complaint rate is nearly twice the industry average is illustrative of the magnitude of the company's failure in complaint handling.
- * NFG's 20% reduction in consumer complaints from 1984 to 1985 has enabled the company to maintain a complaint rate which is below the industry average for the third consecutive year.
- * Peoples was one of only two major gas companies to show an increase in consumer complaint activity from 1984 to 1985. Despite its 4% increase in complaints, Peoples' complaint rate continues to be better than the industry average, a trend which began in 1980.

- * PG&W's 15% increase in consumer complaints from 1984 to 1985 is the largest in the gas industry. This is the second consecutive annual increase in consumer complaints against PG&W. Even so, from 1982 through 1984 PG&W's complaint rate was the best in the industry. That this is no longer the case should be a source of concern to PG&W's managers.

Electric Utilities

There were 1% more consumer complaints against major electric companies in 1985 than in 1984. This is the third slight increase in the past four years for the major electric companies. Once again 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
(1984-1985)

Company	1984		1985		1984-1985 Percent Change in N
	N	Complaint Rate	N	Complaint Rate	
Duquesne	244	.50	205	.42	- 16%
Met. Ed.	164	.49	168	.50	2%
Penelec	240	.51	261	.56	9%
Penn Power	37	.33	44	.39	19%
P.P.&L.	331	.36	259	.28	- 22%
P.E. Co.	427	.36	537	.44	26%
UGI-Luzerne	33	.67	27	.54	- 22%
West Penn	200	.38	185	.35	- 8%
Total (average rate)	1676	(.45)	1686	(.44)	(1%)

Among the preliminary findings:

- * The number of consumer complaints against both PP&L and UGI-Luzerne decreased 22% from 1984 to 1985. PP&L's complaint rate is the lowest in the electric industry for the first time since 1980. As for UGI-Luzerne, this decrease was its first in three years. Even so, its performance continues to be one of the worst in the industry.
- * Duquesne's 16% decrease is the third consecutive annual decline in consumer complaints. This encouraging pattern has enabled Duquesne's complaint rate to be better than the industry average for the first time since BCS began keeping these records in 1978.

- * West Penn's 8% reduction in consumer complaints continues a positive trend which includes five declines in the past six years. West Penn's consumer complaint rate is the second best in the electric industry.
- * Met.Ed.'s 2% increase in complaints from 1984 to 1985 caused its complaint rate to be worse than the industry average for the second year in a row.
- * Penelec's 9% increase in complaints from 1984 to 1985 follows two years of improvement. Penelec's complaint rate has become the worst in the electric industry for the first time since 1982.
- * Despite a 19% increase in consumer complaints from 1984 to 1985, Penn Power continues to have a complaint rate which is better than the industry average.
- * PECO's 26% increase in consumer complaints from 1984 to 1985 was the largest among the electric companies. This is a source of concern because it is the second annual increase in a row. PECO's complaint rate is now no better than the industry average for the first time.

Telephone Utilities

Complaints against major telephone companies increased by 16% from 1984 to 1985 (See Table 4). This result is not unexpected in view of the implementation of Chapter 64 Regulations and the addition of the PUC's toll-free telecommunications hot-line. The Bureau will pay close attention to the telephone industry in 1986 because of these new regulations in areas such as billing, credit and deposits and collections. BCS cases involving non-residential telephone accounts for 1984 and 1985 appear in Appendix K. It is important to note that 17% of BCS telephone complaints involve non-residential service in 1985. The telephone industry has the highest incidence of non-residential complaints.

Table 4

Residential
Consumer Complaints
Major Telephone Companies

(1984-1985)

Company	1984		1985		1984-1985
	N	Complaint Rate	N	Complaint Rate	Percent Change in N
Bell	1072	.33	1276	.39	19%
Commonwealth	56	.45	78	.62	39%
Continental#	60	1.11	61	1.06	1%
General	269	.89	277	.86	3%
Alltel	121	1.19	122	1.20	1%
United	114	.54	146	.66	28%
Total (average rate)	1692	(.75)	1960	(.80)	(16%)

includes Quaker State

Among the highlights of the past year:

- * ALLTEL's complaint rate has been the worst in the industry since 1982. However, the number of consumer complaints increased by only one case from 1984 to 1985.
- * As with ALLTEL, consumer complaints against the Continental Telephone System increased by one case from 1984 to 1985. Continental's consumer complaint rate remained next to the worst in the industry for the fourth year in a row.
- * General Telephone's 3% increase in consumer complaints from 1984 to 1985 continues a negative trend which began in 1983. During each of the past three years, General's complaint rate has been worse than the industry average.
- * Despite a 19% increase in consumer complaints from 1984 to 1985, Bell Telephone continues to have the best complaint rate in the industry - the continuation of a pattern which began in 1978.
- * United's number of consumer complaints increased 28% from 1984 to 1985. Nevertheless, United's complaint rate remains better than the industry average. The company has maintained this position since BCS began its record keeping in 1978.

* Commonwealth's customers accounted for a 39% increase in consumer complaints from 1984 to 1985. This is a source of concern for the Bureau because this is the third consecutive annual increase. Even so, Commonwealth's complaint rate continues to be considerably better than 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 only after direct negotiations between the customer and the company have failed. The Bureau has once again targeted the area of improvement in negotiations as a major point of emphasis in 1986. The number of mediation requests per 1,000 overdue residential customers - the mediation rate - is used to permit comparisons among companies. The mediation rate can be used as a preliminary evaluation of companies' effectiveness in making payment arrangements. Unusually high or low rates, or sizeable changes in rates can reflect company performance. The Bureau views significant increases in the number of mediation cases or high mediation rates as error signals which should be addressed.

Gas Utilities

Mediation requests from gas customers increased by 2% from 1984 to 1985. This is the gas industry's first annual increase since 1981. Nevertheless, one positive fact is that four of the six major gas companies had fewer mediations in 1985 than in 1984.

Table 5

Residential Mediation Requests Major Gas Companies

(1983-1984)

Company	1984		1985		1984-1985
	N	Mediation Rate	N	Mediation Rate	Percent Change in N
Columbia	1662	4.20	977	2.72	- 41%
Equitable	682	1.97	1528	4.65	124%
National Fuel	681	2.52	374	1.40	- 45%
P.G.&W.-Gas	297	1.84	262	1.09	- 12%
Peoples	1300	3.24	1731	4.46	33%
UGI-Gas	813	2.87	646	2.23	- 21%
Total (average rate)	5435	(2.77)	5518	(2.76)	(2%)

Among the preliminary findings:

- * NFG's 45% decrease in mediation requests from 1984 to 1985 represents a significant improvement in the area of customer negotiations. The Bureau is encouraged because this decline is NFG's fourth in the last five years. Also, NFG's mediation rate is the second best in the industry.
- * Columbia's 41% decrease in mediations from 1984 to 1985 caused its mediation rate to improve in the industry rankings from the worst to the fourth best of the six major gas companies.
- * UGI's 21% decline in mediation requests from 1984 to 1985 was the second annual decrease in a row. More significantly, UGI's mediation rate has become better than the industry average.
- * PG&W's 12% decrease in mediations from 1984 to 1985 has enabled the company to maintain the best mediation rate in the industry for the second consecutive year.
- * Peoples is one of only two major gas companies to experience an increase (33%) in mediation requests from 1984 to 1985. Peoples' continues to have the next to the worst mediation rate in the gas industry.
- * Equitable's 124% increase in mediation requests demands immediate attention from company managers. The Bureau is particularly concerned because Equitable's mediation rate has gone from the industry's best in 1983 to the industry's worst in 1985.

Electric Utilities

The electric industry experienced an 18% decrease in mediation requests from 1984 to 1985. This is cause for optimism in that this follows two consecutive annual increases by the electric industry. The mediation rate for the electric industry (1.01) continues to be less than half of that for the gas industry (2.76). Heating customers have higher arrearages than non-heating customers. Since the gas industry has a greater saturation of heating customers than the electric industry, its customers have more serious payment problems. Consequently, the mediation rate is expected to be greater for the gas industry.

Table 6

Residential
Mediation Requests
Major Electric Companies

(1984-1985)

Company	1984		1985		1984-1985 Percent Change in N
	N	Mediation Rate	N	Mediation Rate	
Duquesne Light	1621	1.96	1813	2.06	12%
Met. Ed.	666	1.07	407	.67	- 39%
Penelec	610	.56	117	.11	- 81%
Penn Power	319	1.14	396	1.38	24%
P.P.&L.	1654	1.16	816	.56	- 51%
P.E.Co.	3258	.88	2720	.79	- 17%
UGI-Luzerne	90	1.21	121	1.56	34%
West Penn	753	.78	965	.96	28%
Total (average rate)	8971	(1.10)	7355	(1.01)	(- 18%)

Among the highlights of the past year:

- * Penelec's 81% decrease in mediation requests from 1984 to 1985 is the third straight annual improvement in customer negotiations. This improvement is best illustrated through Penelec's mediation rate, which has gone from next to the worst in the industry in 1982 to the best in 1985. In fact, Penelec's mediation rate is five times better than the next best company and nine times better than the industry average. A strong commitment by management to innovative methods for dealing with payment troubled customers lies behind this improvement.
- * PP&L's 51% decrease in mediations from 1984 to 1985 represents significant improvement in negotiating customer payment arrangements. PP&L's mediation rate is now the second best in the electric industry.
- * The number of mediations involving Met. Ed. has decreased 39% from 1984 to 1985, which is the second decline in the past three years. Met. Ed.'s mediation rate has been better than the industry average since 1978.
- * PECO's 17% decrease in mediation requests kept its mediation rate ahead of the industry average. This decline follows three consecutive annual increases in PECO's number of mediations. It is to be hoped that this improvement will continue into 1986.

- * Duquesne Light's 12% increase in mediations from 1984 to 1985 left its mediation rate as the industry's worst, a problematic pattern which began in 1980. In addition, Duquesne's mediation rate is more than twice the industry average.
- * Penn Power's 24% increase in mediation requests is the company's fifth increase in the last six years. Its mediation rate has been worse than the industry average in each of the past three years.
- * West Penn's 28% increase in mediations is its fourth increase in the past five years. This pattern indicates that West Penn needs to review its customer negotiations even though its complaint rate continues to be better than the industry average.
- * UGI-Luzerne's 34% increase in mediation requests is the industry's worst change from 1984 to 1985. The company's mediation rate has gone from the industry's best in 1980 to the next to the worst in 1985.

VI. RESPONSE TIME

Response time is a problem indicator which quantifies a utility's responsiveness in resolving BCS complaints. Response time is the time span in days from the date of the Bureau's first contact with the company regarding a complaint to the date on which the company provides the Bureau with all of the information needed to resolve the complaint. In this report, response time is presented as the mean number of days for each company. Historical performance (1982-1984) is compared to present (1985) performance. The Bureau's response time analysis has two components. First, the Bureau's review includes a determination of which companies are unresponsive. Second, the Bureau is concerned with companies whose responsiveness did not improve from past to present performance. Mediation requests and consumer complaints are reviewed separately.

Mediation Response Time

Unresponsiveness in mediation cases serves to abet those customers whom the company regards as not reliable enough to deserve a mutually acceptable payment arrangement. Every day that a mediation case remains open and unresolved, the customer continues to accumulate a larger debt to the company. As a result, there is a strong, inherent economic incentive for the company to process mediation requests expeditiously so that a final disposition of the complaint can be determined. In view of this, unusually long mediation response times imply the absence of rational management priorities on the part of the company.

Electric Utilities

The major electric companies' mediation response time improved 5% during the reporting period. Overall, the Bureau views this performance favorably as six of the eight major electric companies showed significant improvement.

Table 7

Mediation Response Time Major Electric Companies

Company	Ave. Time in Days 1982-1984	Ave. Time in Days 1985	Percent Change
Duquesne Light	6.9	4.8	- 30%
Met.Ed.	4.9	3.1	- 37%
Penelec	6.6	5.1	- 23%
Penn Power	5.8	3.8	- 34%
P.P.&L.	6.7	4.3	- 36%
P.E.Co.	13.6	14.8	9%
UGI-Luzerne	6.2	7.5	21%
West Penn	17.4	12.4	- 29%
Ave. Response Time	9.8	9.3	- 5%

- * Only PECO and UGI-Luzerne were less responsive to mediation requests in 1985 than in the past reporting period, and UGI's performance is still better than the industry average.
- * In 1985 Met. Ed. was the most responsive while PECO was the least responsive to BCS mediation cases.
- * Although West Penn showed improvement in mediation response time from past to present performance, the company's average response time in 1985 remained worse than the industry average.

Gas Utilities

The mediation response time for major gas companies showed significant improvement from the past to the present reporting period. The magnitude of this improvement is best measured by the fact that each of the six major gas companies reduced response time by at least 10%.

Table 8

Mediation Response Time Major Gas Companies

Company	Ave. Time in Days 1982-1984	Ave. Time in Days 1985	Percent Change
Columbia	11.5	10.2	- 11%
Equitable	19.0	16.7	- 12%
National Fuel	8.3	7.3	- 12%
P.G.&W. - Gas	5.4	3.8	- 30%
Peoples	8.3	3.8	- 54%
UGI-Gas	10.1	5.2	- 49%
Ave. Response Time	11.0	8.8	- 20%

- * PG&W and Peoples were tied for the most responsive, and Equitable was the least responsive of the major gas companies to BCS mediation cases in 1985.
- * Only Columbia and Equitable had average response times which were worse than the industry average in 1985. Equitable's mediation response time continues to be the worst among all major companies.

Consumer Complaint Response Time

Unresponsiveness to BCS consumer complaints is an indication of inadequate complaint handling procedures. If a company is unresponsive to a BCS complaint, there is an indication that it may also be unresponsive in handling the large majority of customer complaints which never reach the Bureau. In many instances, detailed investigations have

verified the existence of the relationship between poor response time to the Bureau and unresponsiveness to customers. Responsiveness is a critical component in the complaint handling process and responsive complaint handling by companies is one way for companies to reduce the number of customers who complain to the Bureau.

Electric Utilities

The major electric companies were less responsive to consumer complaints in 1985 than in the past. This pattern concerns the Bureau as only four of the eight electric companies improved their responsiveness.

Table 9

Consumer Complaint Response Time Major Electric Companies

Company	Ave. Time in Days 1982-1984	Ave. Time in Days 1985	Percent Change
Duquesne Light	34.9	45.2	30%
Met.Ed.	25.5	23.6	- 7%
Penelec	20.2	17.0	- 16%
Penn Power	27.3	23.7	- 13%
P.P.&L.	21.4	21.4	no change
P.E.Co.	30.7	29.5	- 4%
UGI-Luzerne	17.8	21.8	22%
West Penn	30.0	50.2	67%
Ave. Response Time	27.0	29.4	9%

* Penelec was the most responsive while West Penn was the least responsive major electric company where consumer complaints to the Bureau were concerned in 1985.

* Duquesne Light and West Penn have average response times in 1985 which are significantly worse than the industry average and much worse than any other company. These companies need to analyze their consumer complaint procedures in order to find ways to become more responsive.

Gas Utilities

There was virtually no change in the consumer complaint response time for major gas companies from past to present performance. Three companies showed improvement in responsiveness while three companies became less responsive to BCS consumer complaints.

Table 10

Consumer Complaint Response Time
Major Gas Companies

Company	Ave. Time in Days 1982-1984	Ave. Time in Days 1985	Percent Change
Columbia	18.1	30.2	67%
Equitable	42.5	39.0	- 8%
National Fuel	16.5	14.0	- 15%
P.G.&W. - Gas	16.1	24.0	49%
Peoples	23.1	26.3	14%
UGI-Gas	25.4	15.1	- 41%
Ave. Response Time	26.5	26.4	no change

* On average, NFG and UGI-Gas had the quickest response among gas companies and Equitable took the longest to respond regarding consumer complaints in 1985.

* Both Columbia and Equitable had consumer complaint response time averages which were worse than the industry average in 1985.

Telephone Utilities

The telephone industry was more responsive to consumer complaints than either the electric or the gas industries. However, the Bureau is concerned with the 35% increase in the industry's average response time during the reporting period. In fact, five of the six major telephone companies took at least 20% longer to respond to BCS consumer complaints in 1985 than in the past. This may have been due in part to difficulties these companies had in coping with the implementation of the Chapter 64 regulations.

Table 11

Consumer Complaint Response Time
Major Telephone Companies

Company	Ave. Time in Days 1982-1984	Ave. Time in Days 1985	Percent Change
ALLTEL	10.3	16.1	56%
Bell	10.4	14.0	35%
Commonwealth	10.4	8.0	- 23%
Continental	12.9	16.0	24%
General	10.8	17.6	63%
United	13.7	16.5	20%
Ave. Response Time	10.8	14.6	35%

- * Commonwealth was the most responsive telephone company in 1985 as demonstrated by its 23% decrease in average response time. Commonwealth was the only major telephone company to improve its response time.

- * General's 63% increase in average response time was the worst in the telephone industry. As a result, General's average response time is now the worst in the industry.

VII. CASE OUTCOME - UPHELD PERCENT

Case outcome statistics are an indication of a utility's effectiveness in resolving customers' problems before they are brought to the Bureau's attention. Commission regulations require that electric, gas and telephone customers contact their utilities to resolve a complaint prior to seeking PUC intervention. Although exceptions are permitted under extenuating circumstances, the Bureau's policy is to accept complaints only from customers who have already been unsuccessful at working out their problem with the company prior to contacting the Bureau.

Informal complaints to the Bureau represent customer appeals of disputed issues with utilities. These cases are a result of the inability of the utility and the customer to reach a mutually satisfactory resolution of a dispute. Once the Bureau is contacted, there are three possible outcome classifications: complaint upheld, compromise and complaint dismissed. Cases are classified as upheld when, because of the Bureau's intervention, a company performs an additional service, corrects a mistake, or provides more information to the customer. Simply stated, an upheld complaint is one in which the Bureau upholds the validity of the customer's informal complaint. This means that the company itself should have determined the complaint to be valid and should have acted appropriately prior to BCS intervention. A large percentage of upheld cases means that ineffective complaint handling procedures and policies are causing an unnecessary number of consumer complaints or mediation requests to be lodged with the BCS. Thus, the Bureau encourages companies with a relatively large percentage of upheld cases to review their customer services operations to insure that customer complaints are being properly handled.

Mediation Upheld Percent

The effectiveness of individual companies in negotiating payment arrangements when service termination is threatened is a major concern of the Bureau in monitoring utility performance. The Bureau uses the percent of mediation cases upheld to measure a company's effectiveness in negotiating with its customers. When a company's negotiations prior to a customer's appeal to BCS are found to have been so flawed that the customer's original offer is used by BCS in setting the payment amount, then the case is said to be "upheld". The following analysis focuses on the effectiveness of the major electric and gas companies in negotiating payment arrangements.

Electric Utilities

Although six of the eight major electric companies showed improvement in effectively negotiating payment arrangements, the effectiveness of the industry as a whole remained constant over time.

Table 12

Upheld Mediations
Major Electric Companies

Company	Upheld Percent 1982-1984	Upheld Percent 1985	Percent Change
Duquesne Light	23.0	22.8	- 1%
Met.Ed.	27.0	31.4	16%
Penelec	22.8	17.7	- 22%
Penn Power	25.3	24.1	- 5%
P.P.&L.	28.9	23.0	- 20%
P.E.Co.	15.9	15.7	- 1%
UGI-Luzerne	23.8	23.0	- 3%
West Penn	30.1	37.9	26%
Average Upheld Percent	22.8	22.7	no change

* PECO's upheld percent of mediations was the industry's best while West Penn's was the worst in 1985.

* Only Met.Ed. and West Penn showed deteriorating performance as measured by upheld mediation cases. As a result, both companies have a percent of cases upheld twice that of P.E.Co. This is indicative of ineffective payment negotiations.

Gas Utilities

The gas companies, as a group, showed significant improvement in effectively negotiating payment arrangements from the past to the present period. Five of the six major gas companies improved their average upheld percent by at least 18% and the industry improved overall by 24%.

Table 13

Upheld Mediations
Major Gas Companies

Company	Upheld Percent 1982-1984	Upheld Percent 1985	Percent Change
Columbia	24.0	16.0	- 33%
Equitable	29.3	20.2	- 31%
National Fuel	22.2	16.9	- 24%
P.G.&W. - Gas	23.6	17.4	- 26%
Peoples	11.6	9.5	- 18%
UGI-Gas	16.9	17.3	2%
Average Upheld Percent	20.2	15.3	- 24%

- * Peoples was the most effective and Equitable was the least effective at customer payment negotiations in 1985.
- * UGI-Gas was the only major gas company to show an increase in average mediation upheld percent from the past to the present reporting period.

Consumer Complaint Upheld Percent

Consumer complaints are very different from mediation requests. Complaints involve a multiplicity of problems and, in many instances, resolution requires considerable expertise. Consequently, case outcome results are much less frequently in the company's favor. The much greater complexity of complaints makes a correct resolution more difficult to reach and creates a greater opportunity for error. Also, mediations typically involve greater amounts of money. It appears that this factor has led to a greater supply of managerial, technical and personnel resources being applied to payment negotiations. In conclusion, the upheld percentage of consumer complaints is higher than that for mediation requests and, as such, is indicative of more serious problems in the area of effectiveness. There clearly appears to be opportunity for improvement by all companies in effectively handling consumer complaints.

Electric Utilities

The major electric companies showed improvement in their effectiveness in consumer complaint handling. This improvement is indicated by an 8% decrease in the industry's average upheld complaint rate.

Table 14

Upheld Consumer Complaints Major Electric Companies

Company	Upheld Percent 1982-1984	Upheld Percent 1985	Percent Change
Duquesne Light	56.6	45.1	- 20%
Met.Ed.	57.6	62.1	8%
Penelec	60.9	56.1	- 8%
Penn Power	50.4	55.0	9%
P.P.&L.	57.6	46.7	- 19%
P.E.Co.	52.5	47.4	- 10%
UGI-Luzerne	57.8	44.0	- 24%
West Penn	56.5	63.5	12%
Average Upheld Percent	56.6	51.8	- 8%

- * Three major electric companies, Met.Ed., Penn Power and West Penn, apparently became less effective in complaint handling. Also, each of these companies, as well as Penelec, had an upheld percent which was worse than the industry average.
- * UGI-Luzerne showed the most improvement in the effectiveness of complaint handling over the reporting period. Its consumer complaint upheld percent was the industry's best in 1985.

Gas Utilities

The gas industry improved in the area of effectiveness in consumer complaint handling during the reporting period. This is encouraging because five of the six major gas companies showed improvement.

Table 15

Upheld Consumer Complaints Major Gas Companies

Company	Upheld Percent 1982-1984	Upheld Percent 1985	Percent Change
Columbia	58.4	49.6	- 15%
Equitable	67.4	58.5	- 13%
National Fuel	58.1	58.6	1%
P.G.&W. - Gas	58.0	51.9	- 11%
Peoples	58.6	45.4	- 23%
UGI-Gas	58.8	56.7	- 4%
Average Upheld Percent	60.9	54.1	- 11%

- * Peoples Gas improved the most among the major gas companies in effective consumer complaint handling. Thus, Peoples' consumer complaint upheld percent was the industry's best in 1985.
- * NFG was the only major gas company which did not show improvement in the effectiveness of complaint handling during the reporting period. As a result, NFG's consumer complaint upheld percent became the industry's worst in 1985, with Equitable just slightly better.

Telephone Utilities

The major telephone companies, as a group, showed a very slight improvement in the effectiveness of consumer complaint handling. Three companies improved while three companies showed deteriorating performance as indicated by upheld consumer complaints.

Table 16

Upheld Consumer Complaints
Major Telephone Companies

Company	Upheld Percent 1982-1984	Upheld Percent 1985	Percent Change
ALLTEL	63.7	51.1	- 20%
Bell	53.7	51.2	- 5%
Commonwealth	73.0	66.7	- 9%
Continental	60.1	66.0	10%
General	71.7	77.6	8%
United	58.0	60.0	3%
Average Upheld Percent	57.6	56.8	- 1%

* ALLTEL, Bell and Commonwealth showed improved effectiveness in consumer complaint handling. However, only ALLTEL and Bell have an upheld percent of consumer complaints which is better than the industry average in 1985.

* In 1985, more than three out of every four consumer complaints regarding General Telephone were decided in the customer's favor. For Commonwealth and Continental, it was nearly two out of every three complaints. The Bureau is concerned about the performance of these companies and hopes to see improvement in 1986.

VIII. 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. The data from these reports form the Bureau's Collections Reporting System (CRS). The CRS is a unique system that gives the Bureau the ability to compare similar activities both among companies and over time. The BCS can chart an individual company's performance over a period of years as well as compare the individual company to others in its respective industry.

In an average month in 1985 there were 888,071 residential accounts of major gas and electric companies in arrears. This aggregate figure represents a 2% decrease over 1984. The total amount owed by residential gas and electric customers in an average month in 1985 was nearly \$100.5 million. This is a 1% decrease from 1984 (\$102 million). Much of this money will eventually be recovered, but delayed payments affect cash flow and have a direct impact on customers' rates. For these reasons, collections problem indicators are carefully monitored by the Commission staff.

There was a 2% decrease in the percentage of overdue customers for the major gas and electric companies from 1983 to 1985. (See Table 17).

Table 17

Percentage of Customers Overdue*

Company	1983	1984	1985	Percent Change 1983-1985
Duquesne	15.1%	14.1%	14.8%	- 2%
Met. Ed.	15.1	15.7	15.1	no change
Penelec	17.7	19.7	19.5	10%
Penn Power	20.1	20.8	21.2	5%
P.P.&L.	12.7	13.0	13.2	4%
P.E.Co.#	25.7	25.8	23.7	- 8%
UGI-Luzerne	17.1	12.6	13.0	-24%
West Penn	14.3	15.3	15.9	11%
Columbia	12.0	10.9	9.9	-18%
Equitable	13.8	12.7	12.2	-12%
N.F.G.	12.7	12.2	12.1	- 5%
P.G.&W.	13.0	12.7	13.2	2%
Peoples	10.8	11.2	10.8	no change
UGI-Gas	18.6X	12.6	12.8	**
Overall Avg.	16.8	16.8%	16.4%	
Percent Change				- 2%

* Overdue customers/total customer

** Reporting change from 1982 to 1984 not appropriate

X Artificially inflated because of inaccurate reporting by company and excluded in overall average

Combined electric and gas

- * As has always been the case, the major gas and electric companies show a substantial range in the percentage of overdue customers in 1985, from 24% for PECO to 10% for Columbia.
- * Duquesne, PECO, UGI-Luzerne, Columbia, Equitable and NFG show a net decrease in their proportions of customers in arrears from 1983 to 1985. Overall, there were proportionately fewer overdue residential customers in 1985 than in 1983.
- * Only Penelec and West Penn showed substantial increases in the percentage of overdue customers from 1983 to 1985. Both companies began this trend in 1980. In Penelec's case a number of innovations in collections practices, as well as its economically depressed service area, may be contributing to the growth in overdue accounts.

Customer Bills

Customers pay, or fail to pay, bills for service actually used. The common practice of using "typical" customer bills, i.e., bills for a given amount of service, is inappropriate where the analysis of collections is concerned. Thus, the bills represented here are actual "average" bills for service. These are calculated by taking the total amount billed for service that month including all taxes and charges, divided by the number of customers in the class.

There is little indication that the size of average bills is related to the extent of payment problems. In other words, companies with large bills do not have a greater percentage of overdue accounts than do companies with relatively small bills. However, there are indications that the level of payment problems, as measured by the frequency of nonpayment, that can be expected from one year to the next appears to depend upon the rate of change in the dollar amount of bills. In other words, the greater the increase in bills the greater will be the increase in payment problems. Whether a decline in bills will be reflected in fewer payment problems is not clear. (See Table 18 for individual company customer bills and see Appendix L for average monthly customer usage).

Table 18
Average Monthly Residential Customer Bills

	1983	1984	1985	Percent Change 1983-1985
Duquesne	\$44.50	\$46.84	\$47.09	6%
Met. Ed.	51.69	58.09	56.76	10%
Penelec	39.36	43.37	45.71	16%
Penn Power	47.51	50.99	54.60	15%
P.P.&L.	49.15	54.17	57.20	16%
P.E.Co.-Electric	50.96	57.29	61.93	22%
UGI-Luzerne	48.27	48.26	47.07	- 2%
West Penn	36.39	37.84	37.44	4%
Columbia	64.08	72.49	65.60	2%
Equitable	65.23	77.04	67.30	3%
NFG	64.76	66.00	60.14	- 7%
P.G.&W.	67.08	72.07	67.32	no change
Peoples	66.56	70.59	67.73	2%
PECO-Gas	55.66	62.02	59.48	7%
UGI-Gas	48.42	56.97	51.30	6%
Overall	\$53.26	\$60.64	\$55.76	5%

Combined electric and gas

Among the findings:

- * Average monthly residential electric bills rose somewhat more than gas bills from 1983 to 1985.
- * UGI-Luzerne was the only electric company whose average customer bill showed a decline from 1983 to 1985, while NFG was the only gas company to show a decrease.
- * Average monthly bills are largest for PECO-Electric and Peoples Gas in their respective industries in 1985.

Customer Arrearages

The amount of money owed by overdue residential customers is illustrative of the payment problems faced by individual companies. These amounts vary substantially from company to company. For example, the amount of money owed in an average month of 1985 ranged from \$560,000 for UGI-Luzerne to more than \$32.8 million for PECO. While this is enlightening, the total dollars figure explains little about the role of individual customers in determining total amounts owed. It is the average arrearage that provides information on the impact which individuals have on the total payment problem. Table 19 presents individual company performance as measured by this statistic.

Table 19

Average Customer Arrearages*

Company	1983	1984	1985	Percent Change 1983-1985
Duquesne	\$103	\$115	\$129	25%
Met. Ed.	91	106	100	10%
Penelec	85	97	128	51%
Penn Power	53	65	72	36%
P.P.&L.	70	83	93	33%
P.E.Co.#	97	115	114	18%
UGI-Luzerne	69	86	86	25%
West Penn	58	60	62	7%
Columbia	106	144	122	15%
Equitable	202	277	214	6%
N.F.G.	116	143	127	9%
P.G.&W.	116	138	151	30%
Peoples	170	213	184	8%
UGI-Gas	83X	96	102	**
State-wide Ave.	\$ 92	\$108	\$114	
Percent Change				24%

* Total money owed in overdue residential accounts divided by the number of overdue accounts.

** Reporting change from 1983 to 1985 not appropriate

X Inaccurate reporting by company and company excluded in state-wide average in each year

Combined electric and gas

Among the findings:

- * Average customer arrearages were \$47/month more for gas customers than for electric customers in 1985.
- * West Penn and UGI-Gas had the lowest average customer arrearages in their respective industries in 1985.
- * In contrast, Duquesne and Equitable had the highest average arrearages in their industries in every year from 1983 to 1985.
- * Average customer arrearages increased for each major electric and gas company from 1983 to 1985.

Termination Notices

The Bureau has encouraged vigorous collections efforts in the context of adherence to the due process requirements of Chapter 56. However, the Bureau has explicitly discouraged the sending of superfluous termination notices for two reasons. First, §56.99 forbids the use of notices solely as a collections device. Second, it has been the Bureau's experience that companies which send large numbers of superfluous notices tend to have management problems and collections failures. There appear to be two contrasting collections strategies: send blanket notices and terminate what can be reached vs. send notices selectively in order to focus on the worst accounts. The latter strategy exemplifies the dictates of Chapter 56. The following table represents service termination notices sent to residential customers during 1985.

Table 20

Number of Termination Notices

	1983	1984	1985	Percent Change 1983-1985
Duquesne	182,714	168,586	158,222	-13%
Met. Ed.	33,863	40,129	26,154	-23%
Penelec	65,462	69,362	15,112	-77%
Penn Power	103,926	85,517	90,089	-13%
P.P.&L.	582,548	365,371	317,434	-46%
P.E.Co.#	951,717	981,132	1,012,492	6%
UGI-Luzerne	50,839	30,617	30,227	-41%
West Penn	284,470	304,834	325,891	15%
Columbia	189,902	174,172	130,933	-31%
Equitable	14,337	41,907	56,174	292%
NFG	90,842	94,100	87,570	-4%
P.G.&W.	118,713	139,085	138,465	17%
Peoples	175,481	216,260	219,314	25%
UGI-Gas	141,437	185,537	156,314	11%
Total	2,986,251	2,896,609	2,766,682	- 7%

Combined electric and gas

Among the preliminary findings:

- * There was a 12% decrease in the number of termination notices by the electric industry from 1983 to 1985. In contrast, the gas industry sent 8% more notices in 1985 than in 1983.
- * Among the major electric companies, only PECO and West Penn sent more termination notices in 1985 than in 1983.
- * Columbia and NFG were the only major gas companies to send fewer termination notices in 1985 than in 1983.

- * Penelec's 77% reduction in termination notices from 1983 to 1985 was the most dramatic decline among the major electric and gas companies. This statistic reflects a radical revision in that company's collections practices. The Bureau will monitor these new procedures closely.
- * Equitable's 292% increase in notices from 1983 to 1985 was the largest among the major electric and gas companies.

Termination of Service

Service termination is expensive in many regards. It costs a great deal to negotiate payment agreements, make pre-termination contacts and to terminate service. The social costs of termination are difficult to quantify but are obvious. In view of the costs involved, service termination is the one area where some sort of carefully considered standardization from company to company should exist. The goal of companies should be to decrease the number of service terminations through non-coercive collections techniques. (See Table 21 for individual company performance).

Table 21
Number of Service Terminations

	1983	1984	1985	Percent Change 1983-1985
Duquesne	5,171	4,692	3,967	- 23%
Met. Ed.	2,581	2,757	2,189	- 15%
Penelec	4,193	2,885	799	- 81%
Penn Power	1,260	991	1,073	- 15%
P.P.&L.	6,203	6,709	5,741	- 7%
P.E.Co.#	40,936	33,649	41,853	2%
UGI-Luzerne	578	757	694	20%
West Penn	7,469	6,068	5,838	- 22%
Columbia	4,813	5,693	4,436	- 8%
Equitable	2,885	4,449	4,887	69%
NFG	4,057	4,915	4,093	1%
P.G.&W.	1,946	2,155	1,760	- 10%
Peoples	4,344	3,697	4,577	5%
UGI-Gas	5,242	5,373	4,537	- 13%
Total	91,678	84,790	86,444	- 6%

Combined electric and gas

Among the preliminary findings:

- * The overall trend for the major electric and gas companies in the number of service terminations showed a decrease of 6% from 1983 to 1985. This pattern is encouraging in view of the 24% increase in average customer arrearages during this time.

- * Only PECO and UGI-Luzerne terminated more customers in 1985 than in 1983 in the electric industry.
- * PECO's 24% increase in terminations from 1984 to 1985 is a source of serious concern. This offsets the 17% decrease in terminations which occurred from 1983 to 1984.
- * Equitable terminated 69% more customers in 1985 than in 1983 and this increase is the largest among the major electric and gas companies. The Bureau is concerned because Equitable's number of yearly terminations has been on the rise since 1982.

Uncollectible Accounts

The most commonly used measure of collections system performance is the proportion of accounts written-off as uncollectible to revenues, the "write-offs ratio." The statistics in Table 12 represent residential gross write-offs. Write-offs and revenues can be traced to both residential and non-residential service. With the focus of this report being residential accounts, a ratio of residential write-offs to residential revenues is the best available measure of performance in collecting bills. However, while revenues are commonly reported according to service class, not all companies distinguished write-offs in this way prior to 1983. Thus, it is not possible to compare residential write-offs over long periods. It is significant that write-offs have increased only slightly and at a rate which is lower than the inflation rate. A review of the available residential write-offs ratios from 1983 to 1985 shows a 2% increase in residential gross-write-offs for the major electric and gas companies. (Appendix M provides a listing of net total write-off ratios from 1983 to 1985. An extensive discussion of this statistic can be found in the Bureau's 1983 Report "Utility Payment Problems: The Measurement and Evaluation of Responses to Customer Non-payment").

Table 22

Write-offs Ratios for Residential Accounts

Company	1983	1984	1985	1983-1985
Duquesne	.015024	.014386	.013678	- 9%
Met. Ed.	.009388	.009068	.008483	- 10%
Penelec	.013108	.011440	.012705	- 3%
Penn Power	.006182	.004628	.004755	- 23%
P.P.&L.	.008251	.009702	.008460	3%
P.E.Co. X	.014844	.016332	.015379	4%
UGI-Luzerne	.004354	.006735	.003239	- 26%
West Penn	.005022	.005297	.004128	- 18%
Columbia	.008304	.013359	.012076	45%
Equitable#	.019497	.022431	.029790	53%
N.F.G.	.013542	.014153	.016892	25%
P.G.&W.	.010304	.015270	.014313	39%
Peoples	.012213	.011211	.009952	- 19%
UGI-Gas	.013500	.017863	.014003	4%
State-wide Ave.	.012414	.013400	.012672	
Percent Change				2%

X Combined electric and gas

#Residential and commercial figures are combined.

- * Gas companies had higher write-off ratios than electric companies in each year from 1983 to 1985.
- * UGI-Luzerne had the lowest ratio (.003239) in 1985 in the electric industry while Peoples had the lowest (.009952) in the gas industry.
- * Equitable's write-offs ratio was the worst among the major electric and gas companies in each year from 1983 to 1985. This is a strong indication that the company is experiencing difficulties in effectively managing its residential collections.
- * PP&L and PECO were the only major electric companies to show an increase in write-offs ratios from 1983 to 1985.
- * Peoples was the only gas company in the industry to show an improved write-offs ratio in 1985 as compared to 1983.

IX. CONCLUSION

This report has provided an overview and a general analysis of BCS complaint handling activity during 1985. The consumer complaint and mediation rates are quantitative problem indicators related to utility company performance in various customer services areas. Response time and case outcome-upheld percent are more sophisticated statistical performance measures which reflect a company's responsiveness and effectiveness in BCS cases. These measures are included in the Activity Report for the first time. This represents an increased emphasis on improvement in all areas of complaint handling as well as a goal of making assessments of utility performance generally available.

The Bureau has consistently pursued the goal of reducing the number of both mediations and consumer complaints. In 1985, the Bureau met this goal for mediation requests because of the improvements made by the electric industry. Unfortunately, consumer complaints increased by 2%, a result which was expected in view of changes regarding the telephone industry. Here, two factors worked toward increased complaints to BCS. The implementation of the Chapter 64 regulations and the installation of a toll-free telecommunications hot-line by the Commission for telephone consumer complaints each contributed to an increase in telephone complaints to the Bureau. The 16% increase in telephone complaints was large enough to offset substantial improvements by the gas industry.

Overall the utility collections picture in Pennsylvania showed improvements from 1984 to 1985. Improvements as indicated by some collections statistics offset the deteriorations as indicated by other statistics. On the positive side in 1985, fewer customers were in arrears, average customer bills were lower, companies sent fewer termination notices and, most importantly, the ratio of residential write-offs to revenues declined. However, average customer arrearages increased and companies terminated more customers in 1985 than in 1984. Although these results are mixed, the Bureau is encouraged by the collections performance of the major gas and electric companies in 1985 and looks for continued improvements in 1986.

There are plentiful examples throughout this report of the potential for most companies to make significant improvements in customer services. Some companies substantially reduced the number of complaints or mediation requests which come to the Bureau. Some made dramatic improvements in responsiveness. A number also proved better able to handle customer problems effectively without Bureau involvement. Finally, a review of collections statistics shows that almost half of the major companies have reduced their relative rate of residential write-offs over the past several years. In light of this clear evidence that performance can improve, the Bureau will continue to criticize companies which show declines in the measures of customer services performance.

APPENDICES

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 186,967 investigated cases and over 173,593 inquiries and opinions from 1978 to 1985. 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 Commercial Cases

Company	1984		1985	
	Mediations	Consumer Complaints	Mediations	Consumer Complaints
Duquesne	183	45	145	40
Met. Ed.	24	23	19	18
Penelec	31	29	25	43
Penn Power	6	3	3	8
PP&L	66	50	73	47
PECO	80	75	68	72
UGI-Luz.	2	5	2	2
West Penn	43	32	42	29
Columbia	13	25	15	11
Equitable	22	43	23	22
NFG	6	10	5	6
PG&W-Gas	1	9	0	4
Peoples	20	15	10	14
UGI-Gas	10	16	13	10

APPENDIX C

BCS Complaints - 1985
Residential-Commercial

<u>MEDIATIONS</u> <u>INDUSTRY</u>	Total Mediations	Residential Mediations	% Residential Mediations	Commercial Mediations	% Commercial Mediations
Electric	7,744	7,366	95.1%	378	4.9%
Gas	5,800	5,730	98.2%	70	1.2%
Water	725	720	99.3%	5	0.7%
Other	3	3	100.0%	0	0.0%
Total (%)	14,272	13,819	(96.8%)	453	(3.2%)

<u>CONSUMER COMPLAINTS</u> <u>INDUSTRY</u>	Total c.c.	Residential c.c.	% Residential c.c.	Commercial c.c.	% Commercial c.c.
Electric	1,955	1,695	86.7%	260	13.3%
Gas	1,366	1,290	94.4%	76	5.6%
Telephone	2,827	2,351	83.2%	476	16.8%
Water	558	533	95.5%	25	4.5%
Other	32	28	87.5%	4	12.5%
Total (%)	6,738	5,897	(87.5%)	841	(12.5%)

APPENDIX D

Monthly Volume

	Mediation Requests		Consumer Complaints	
	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>
January	370	675	574	621
February	402	553	616	529
March	790	753	680	612
April	1,589	1,574	585	543
May	2,097	1,548	599	560
June	1,696	1,396	565	457
July	1,673	1,501	536	566
August	1,844	1,491	563	579
September	1,752	1,455	479	626
October	1,828	1,648	547	640
November	1,374	1,172	416	509
December	599	506	443	496
TOTAL	16,014	14,272	6,603	6,738

APPENDIX E

Table 1

Inquiries and Opinions: Major Companies in 1985

Company Name	Number of Contacts	Percent of Industry	Industry Total	Percent of Total
Electric			6,939	26.5
Duquesne	2,532	36.5		
Met. Ed.	314	4.5		
Penelec	375	5.4		
Penn Power	190	2.7		
PP&L	846	12.2		
PECO	1,472	21.2		
UGI-Luz.	21	0.3		
West Penn	835	12.0		
Others or no Company	354	5.1		
Gas			6,180	23.6
Columbia	895	14.5		
Equitable	2,404	38.9		
NFG	325	5.3		
PG&W-Gas	282	4.5		
Peoples	1,247	20.2		
UGI-Gas	448	7.2		
Others or no Company	579	9.4		
Telephone			8,080	30.9
Bell	4,183	51.8		
Others	3,897	48.2		
Water			1,769	6.8
Sewage			103	0.4
Others (No Specific Company or Industry)			3,073	11.8
Total			26,144	

Table 2

Major Problem Categories
for Inquiries and Opinions

1985

Category	Number	Percent
Referral to Company	5,462	20.9
Referral to Other BCS/ Other Bureau	8,328	31.9
Referral to Other Agency	2,378	9.1
Specific Information Request	8,058	30.8
Rate Protests and Opinions	1,181	4.5
Opinions - General	430	1.6
Other	307	1.2

26,144

APPENDIX F

Table 1

MEDIATION REQUESTS
1985

PENNSYLVANIA COUNTIES

	<u>N</u>	<u>C/10,000</u>			<u>N</u>	<u>C/10,000</u>	
01. ADAMS	18	7.6	0	35. LACKAWANNA	146	16.3	0
02. ALLEGHENY	4,969	87.0	+	36. LANCASTER	187	14.5	0
03. ARMSTRONG	104	33.5	0	37. LAWRENCE	329	83.1	+
04. BEAVER	464	61.8	+	38. LEBANON	33	8.1	0
05. BEDFORD	3	1.5	-	39. LEHIGH	172	16.2	0
06. BERKS	201	16.8	0	40. LUZERNE	383	28.1	0
07. BLAIR	265	50.9	+	41. LYCOMING	79	16.6	0
08. BRADFORD	9	3.6	0	42. MCKEAN	37	17.2	0
09. BUCKS	498	30.1	0	43. MERCER	215	45.1	+
10. BUTLER	178	33.6	0	44. MIFFLIN	18	9.7	0
11. CAMBRIA	157	23.4	0	45. MONROE	49	13.2	0
12. CAMERON	5	11.3	0	46. MONTGOMERY	465	20.0	0
13. CARBON	28	12.1	0	47. MONTGOUR	11	18.4	0
14. CENTRE	36	9.1	0	48. NORTHAMPTON	150	17.8	0
15. CHESTER	259	23.5	0	49. NORTHUMBERLAND	111	27.1	0
16. CLARION	10	5.8	0	50. PERRY	12	8.1	0
17. CLEARFIELD	25	7.5	0	51. PHILADELPHIA	1,294	18.9	0
18. CLINTON	18	11.2	0	52. PIKE	14	7.9	0
19. COLUMBIA	55	23.0	0	53. POTTER	11	10.1	0
20. CRAWFORD	24	6.1	0	54. SCHUYLKILL	94	14.5	0
21. CUMBERLAND	69	10.5	0	55. SNYDER	11	9.4	0
22. DAUPHIN	442	46.2	+	56. SOMERSET	7	2.1	0
23. DELAWARE	479	23.8	0	57. SULLIVAN	1	2.1	0
24. ELK	17	10.4	0	58. SUSQUEHANNA	9	5.2	0
25. ERIE	198	19.1	0	59. TIOGA	19	11.2	0
26. FAYETTE	385	62.7	+	60. UNION	6	5.4	0
27. FOREST	3	3.5	0	61. VENANGO	42	15.8	0
28. FRANKLIN	21	4.9	0	62. WARREN	11	5.0	0
29. FULTON	4	7.5	0	63. WASHINGTON	396	48.8	+
30. GREENE	45	30.0	0	64. WAYNE	23	11.7	0
31. HUNTINGDON	2	1.2	-	65. WESTMORELAND	557	37.6	0
32. INDIANA	53	16.3	0	66. WYOMING	22	20.6	0
33. JEFFERSON	23	11.1	0	67. YORK	286	24.3	0
34. JUNIATA	4	5.1	0				

Mean = 19.7

Standard Deviation = 18.0

N = Number Of Cases

C/10,000 = Cases Per 10,000 Housing Units

+ = > 1 S.D. Above Mean

0 = ± 1 S.D.

- = > 1 S.D. Below Mean

APPENDIX F

Table 2

CONSUMER COMPLAINTS
1985

PENNSYLVANIA COUNTIES

	<u>N</u>	<u>C/10,000</u>			<u>N</u>	<u>C/10,000</u>	
011. ADAMS	51	20.8	+	35. LACKAWANNA	140	15.6	0
021. ALLEGHENY	1,294	22.7	+	36. LANCASTER	131	10.1	0
031. ARMSTRONG	46	14.8	0	37. LAWRENCE	66	16.7	0
041. BEAVER	94	12.5	0	38. LEBANON	44	10.9	0
051. BEDFORD	40	20.2	-	39. LEHIGH	97	9.1	-
061. BERKS	108	9.0	-	40. LUZERNE	170	12.5	0
071. BLAIR	110	21.1	+	41. LYCOMING	68	14.3	0
081. BRADFORD	24	9.5	0	42. MCKEAN	32	14.8	0
091. BUCKS	175	10.6	0	43. MERCER	92	19.3	0
101. BUTLER	78	14.7	0	44. MIFFLIN	30	16.2	0
111. CAMBRIA	110	16.4	0	45. MONROE	85	22.8	+
121. CAMERON	2	4.5	-	46. MONTGOMERY	226	9.7	0
131. CARBON	16	6.9	-	47. MONTOUR	10	16.7	0
141. CENTRE	57	14.4	0	48. NORTHAMPTON	58	6.9	-
151. CHESTER	123	11.2	0	49. NORTHUMBERLAND	60	14.7	0
161. CLARION	33	19.2	0	50. PERRY	29	19.6	0
171. CLEARFIELD	41	12.3	0	51. PHILADELPHIA	630	9.2	-
181. CLINTON	16	10.0	0	52. PIKE	35	19.7	0
191. COLUMBIA	34	14.2	0	53. POTTER	12	11.1	0
201. CRAWFORD	59	15.0	0	54. SCHUYLKILL	55	8.5	-
211. CUMBERLAND	155	23.7	+	55. SNYDER	15	12.8	0
221. DAUPHIN	291	30.4	+	56. SOMERSET	55	16.5	0
231. DELAWARE	165	8.2	-	57. SULLIVAN	8	16.5	0
241. ELK	24	14.7	0	58. SUSQUEHANNA	25	14.5	0
251. ERIE	330	31.8	+	59. TIOGA	11	6.5	-
261. FAYETTE	93	15.1	0	60. UNION	9	8.0	-
271. FOREST	10	11.6	0	61. VENANGO	48	18.0	0
281. FRANKLIN	36	8.4	-	62. WARREN	25	11.4	0
291. FULTON	15	28.3	+	63. WASHINGTON	163	20.1	0
301. GREENE	40	26.7	+	64. WAYNE	40	20.4	0
311. HUNTINGDON	25	14.8	0	65. WESTMORELAND	190	12.8	0
321. INDIANA	35	10.8	0	66. WYOMING	14	13.1	0
331. JEFFERSON	33	16.0	0	67. YORK	239	20.3	0
341. JUNIATA	10	12.8	0				

Mean = 15.0

Standard Deviation = 5.7

N = Number Of Cases

C/10,000 = Cases Per 10,000 Housing Units

++ = >1 S.D. Above Mean

00 = + 1 S.D.

-- = >1 S.D. Below Mean

APPENDIX G

Type of Industry

<u>INDUSTRY</u>	<u>MEDIATION REQUESTS</u>		<u>CONSUMER COMPLAINTS</u>	
	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>
Electric	59%	54%	29%	27%
Gas	36%	41%	25%	20%
Telephone	-	-	36%	42%
Other	5%	5%	10%	9%

APPENDIX H

Monthly Average Number of
Residential Customers - 1985

Duquesne	493,349
Met.Ed.	334,525
Penelec	462,146
Penn Power	112,739
PP&L	924,628
PECO	1,218,389
UGI-Luzerne	49,854
West Penn	524,979

Major Electric-Total 4,120,609

Columbia	303,631
Equitable	225,150
NFG	184,140
PG&W-Gas	106,288
Peoples	299,554
UGI-Gas	188,222

Major Gas-Total 1,306,985

ALLTEL	101,770
Bell	3,271,836
Commonwealth	126,765
Continental*	57,596
General	322,524
United	220,306

Major Telephone-Total 4,100,797

*Includes Quaker State

APPENDIX I

Formulas for Mediation and Complaint Rates

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

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

APPENDIX J

TABLE 1

CONSUMER COMPLAINTS BY ELECTRIC COMPANIES 1981 - 1985

	NUMBER OF CASES					COMPLAINT RATE					PERCENT CHANGES IN N			PERCENT CHANGE IN N 1981 - 1985	
	1981	1982	1983	1984	1985	1981	1982	1983	1984	1985	1981 - 1982	1982 - 1983	1983 - 1984		1984 - 1985
DUQUESNE	311	330	303	244	205	.63	.67	.61	.50	.42	6	-8	-19	-16	-34
MET. ED.	241	173	133	164	168	.74	.53	.41	.49	.50	-28	-23	23	2	-30
PENELEC	339	436	262	240	261	.73	.94	.56	.51	.56	29	-40	-8	9	-23
PENN POWER	29	48	50	37	44	.26	.43	.45	.33	.39	66	4	-26	19	52
P. P. & L.	297	434	249	331	259	.33	.48	.27	.36	.28	46	-43	33	-22	-13
PECO	408	325	259	427	537	.35	.28	.22	.36	.44	-20	-20	65	26	32
UGI - LUZ.	14	23	26	33	27	.28	.47	.53	.67	.54	-64	13	27	-22	93
WEST PENN	244	281	223	200	185	.46	.55	.43	.38	.35	15	-21	-10	-8	-24
TOTAL	1,883	2,050	1,505	1,676	1,686										
RATE/%						.47	.54	.44	.45	.44	9	-27	11	1	-10
1981 - 1984 (AVE. RATE)															

.47

APPENDIX J

TABLE 2

CONSUMER COMPLAINTS BY GAS COMPANIES 1981 - 1985

	NUMBER OF CASES				COMPLAINT RATE			PERCENT CHANGES IN N			PERCENT CHANGE IN N 1981 - 1985				
	1981	1982	1983	1984	1985	1981	1982	1983	1984	1985		1981 - 1982	1982 - 1983	1983 - 1984	1984 - 1985
COLUMBIA	200	282	286	242	159	.67	.93	.94	.80	.52	41	1	-15	-34	-21
EQUITABLE	320	326	392	470	414	1.41	1.44	1.73	2.07	1.84	2	20	20	-12	29
NFG	223	261	190	199	159	1.21	1.42	1.03	1.08	.86 *	17	-27	5	-20	-29
PG&W - GAS	80	94	99	59	68	.79	.92	.94	.56	.64	18	5	-40	15	-15
PEOPLES	236	340	322	208	217	.80	1.15	1.08	.70	.72	44	-5	-35	4	-8
UGI - GAS	175	225	201	259	199	.94	1.19	1.07	1.38	1.06	29	-11	29	-23	14
TOTAL	1,234	1,528	1,490	1,437	1,216										
RATE/%						.97	1.18	1.13	1.10	.94	24	-2	-4	-15	-1

1.06

1981 - 1984 (AVE. RATE)

APPENDIX J

TABLE 3

CONSUMER COMPLAINTS BY TELEPHONE COMPANIES 1981 - 1985

	NUMBER OF CASES					COMPLAINT RATE					PERCENT CHANGES IN N			PERCENT CHANGE IN N 1981 - 1985	
	1981	1982	1983	1984	1985	1981	1982	1983	1984	1985	1981 - 1982	1982 - 1983	1983 - 1984		1984 - 1985
BELL	1,248	1,156	1,151	1,072	1,276	.38	.35	.35	.33	.39	-7	0	-7	19	2
COMMONWEALTH	59	43	44	56	78	.48	.35	.36	.45	.62	-27	2	27	39	32
CONTINENTAL*	63	30	27	37	31	1.98	.94	.85	1.16	.91	-52	-10	37	-16	-51
GENERAL	202	131	255	269	277	.67	.44	.84	.89	.86	-35	95	5	3	31
ALLTEL	93	121	103	121	122	.88	1.15	1.02	1.19	1.20	30	-15	17	1	31
UNITED	133	125	136	114	146	.66	.62	.66	.54	.66	-6	9	-16	28	10
TOTAL	1,798	1,606	1,716	1,669	1,930										
RATE/%						.84	.64	.68	.76	.77	-11	7	-3	16	7
1981 - 1984 (AVE. RATE)															.74

* Excludes Quaker State For Historical Analysis

APPENDIX J

TABLE 4

MEDIATIONS BY ELECTRIC COMPANIES 1981 - 1985

	NUMBER OF CASES			COMPLAINT RATE			PERCENT CHANGES IN N			PERCENT CHANGE IN N 1981 - 1985					
	1981	1982	1983	1984	1985	1981	1982	1983	1984		1985				
DUQUESNE	1,738	2,673	2,054	1,621	1,813	1.77	2.84	2.29	1.96	2.06	54	-23	-21	12	4
MET. ED.	454	639	483	666	407	.82	1.06	.81	1.07	.67	41	-24	38	-39	-10
PENELFC	1,045	1,442	809	610	117	1.14	1.49	.82	.56	.11	38	-44	-25	-81	-89
PENN POWER	252	260	356	319	396	.96	.93	1.32	1.14	1.38	3	37	-10	24	57
P. P. & L.	1,555	1,643	1,196	1,654	816	1.30	1.22	.86	1.16	.56	6	-27	38	-51	-48
PECO	1,759	2,651	2,918	3,258	2,720	.46	.72	.80	.88	.79	51	10	12	-17	55
UGI - ILL.	58	80	76	90	121	.55	.72	.75	1.21	1.56	38	-5	18	34	109
WEST PENN	641	942	947	753	965	.83	1.09	1.07	.78	.96	47	1	-20	28	51
TOTAL	7,502	10,330	8,839	8,971	7,355	.98	1.26	1.10	1.10	1.01	38	-14	2	-18	-2
RATE/%											1.09				
1981 - 1984 (AVE. RATE)											1.09				

APPENDIX J

TABLE 5

MEDIATIONS BY GAS COMPANIES 1981 - 1985

	NUMBER OF CASES					COMPLAINT RATE					PERCENT CHANGES IN N			PERCENT CHANGE IN N 1981 - 1985	
	1981	1982	1983	1984	1985	1981	1982	1983	1984	1985	1981 - 1982	1982 - 1983	1983 - 1984		1984 - 1985
COLUMBIA	1,120	1,664	1,612	1,662	977	2.79	3.72	3.69	4.20	2.72	49	- 3	3	- 41	- 13
EQUITABLE	3,051	2,066	376	682	1,528	6.64	4.19	1.00	1.97	4.65	-32	-82	81	124	- 50
NEG	1,123	650	470	681	374	3.08	1.86	1.66	2.52	1.40	-42	-28	45	- 45	- 67
PG&W - GAS	414	463	310	297	262	1.39	1.54	1.89	1.84	1.09	12	-33	- 4	- 12	- 37
PEOPLES	1,810	2,329	1,777	1,300	1,731	3.22	4.72	4.59	3.24	4.46	29	-24	-27	33	- 4
UGI - GAS	359	640	910	813	646	.90	1.44	2.17	2.87	2.23	78	42	-11	- 21	80
TOTAL	7,877	7,812	5,455	5,435	5,518	3.00	2.91	2.50	2.77	2.76	- 1	-30	0	2	- 30
RATE/%	2.79														
1981 - 1984 (AVE. RATE)	2.79														

APPENDIX K

Commercial
Consumer Complaints
Major Telephone Companies

Company	<u>1984</u> N	<u>1985</u> N
Bell	235	214
Commonwealth	10	13
Continental*	16	22
General	50	58
Alltel	14	16
United	13	29
Total	338	352

* Includes Quaker State

APPENDIX L

Average Monthly Customer Usage*

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>Percent Change</u> <u>1983-1985</u>
Duquesne	480 KWH	477 KWH	468 KWH	- 3%
Met. Ed.	639 KWH	655 KWH	635 KWH	- 1%
Penelec	560 KWH	578 KWH	564 KWH	1%
Penn Power	650 KWH	657 KWH	657 KWH	1%
PP&L	755 KWH	774 KWH	753 KWH	no change
PECo - electric	578 KWH	580 KWH	563 KWH	- 3%
UGI - Luzerne	630 KWH	648 KWH	639 KWH	1%
West Penn	708 KWH	738 KWH	724 KWH	2%
Columbia	10.2 MCF	10.8 MCF	9.8 MCF	- 4%
Equitable	10.9 MCF	11.8 MCF	10.5 MCF	- 4%
NFG	11.0 MCF	11.7 MCF	10.7 MCF	- 3%
PG&W	10.3 MCF	11.0 MCF	9.9 MCF	- 4%
Peoples	11.9 MCF	12.1 MCF	11.5 MCF	- 3%
PECo - gas	7.6 MCF	6.6 MCF	7.3 MCF	- 4%
UGI - gas	6.2 MCF	8.1 MCF	6.0 MCF	- 3%

* Total annual usage divided by average number of customers

APPENDIX M

Write-Offs As A Proportion of Revenues*

Net Write-Offs to Revenues

Company	1983	1984	1985	Percent Change 1983-1985
Duquesne	.005956	.005485	.004956	-17%
Met. Ed.	.004272	.003309	.004157	- 3%
Penelec	.004995	.003885	.004200	-16%
Penn Power	.002298	.001500	.001868	-19%
P.P.&L.	.003477	.003824	.004109	18%
P.E. Co.#	.007538	.006866	.008051	7%
UGI-Electric	.002936	.003915	.003748	28%
West Penn	.004554	.001561	.003086	-32%
Columbia	.004456	.006367	.010152	128%
Equitable	.015946	.015680	.017364	9%
National Fuel	.007264	.007453	.008310	14%
P.G.&W.-Gas	.005319	.006980	.007023	32%
Peoples	.007145	.006256	.012167	70%
UGI-Gas	.007358	.006292	.006468	-12%
Average	.006101	.005545	.006629	9%

*Source: Company reported data
#electric and gas combined