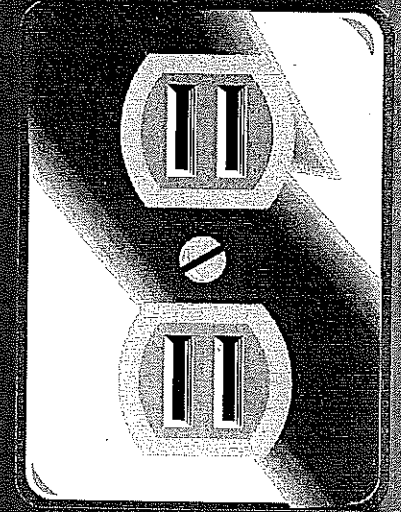
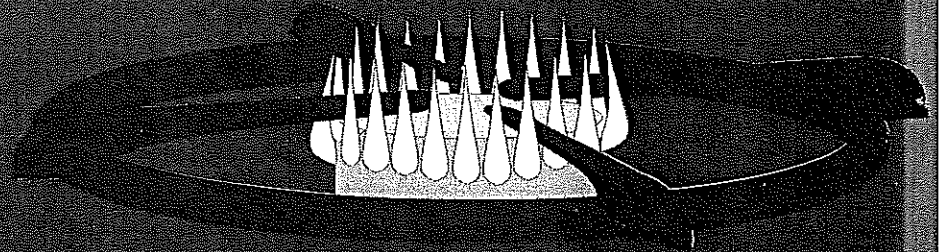


Consumer Services  
Activities Report



# Electric, Gas & Water Utilities 1993



Illinois Public Utility Commission  
Bureau of Consumer Services



# CONSUMER SERVICES ACTIVITY REPORT: 1993

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*Pennsylvania Public Utility Commission*

*Bureau of Consumer Services  
Mitchell Miller, Director*

*June 1994*

*Any opinions or conclusions reached are those of the Bureau of Consumer Services and do not necessarily reflect the opinion of the Pennsylvania Public Utility Commission.*

*with the assistance of*

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*(July 1994)*

# TABLE OF CONTENTS

		<u>Page</u>
I.	INTRODUCTION .....	1
II.	OVERALL BUREAU ACTIVITY .....	4
III.	COMPANY PROFILES .....	11
IV.	CONSUMER COMPLAINTS AND MEDIATION REQUESTS AMONG MAJOR COMPANIES .....	39
V.	CASE OUTCOME - JUSTIFIED PERCENT - JUSTIFIED RATE .....	44
VI.	RESPONSE TIME .....	57
VII.	COLLECTIONS .....	62
VIII.	COMPLIANCE .....	73
IX.	CUSTOMER ASSISTANCE PROGRAMS .....	82
X.	UTILITY HARDSHIP FUNDS .....	85
XI.	CONCLUSION .....	93

## List of Tables

1.	Primary Problems - Consumer Complaints 1992-1993 .....	9
2.	Residential Consumer Complaints - 1992-1993 .....	41
3.	Residential Mediation Requests - 1992-1993 .....	43
4.	Consumer Complaints-Justified Percent - 1992-1993 .....	46
5.	Mediation Requests-Justified Percent - 1992-1993 .....	48
6.	Justified Consumer Complaint Rate - Electric - 1992-1993 .....	50
7.	Justified Consumer Complaint Rate - Gas - 1992-1993 .....	51
8.	Justified Consumer Complaint Rate - Water - 1992-1993 .....	52
9.	Justified Mediation Rate - Electric - 1992-1993 .....	53
10.	Justified Mediation Rate - Gas - 1992-1993 .....	54
11.	Justified Mediation Rate - Water - 1992-1993 .....	55
12.	Consumer Complaint Response Time - 1992-1993 .....	58
13.	Mediation Response Time - 1992-1993 .....	60
14.	Percent of Customers in Debt 1991-1993 .....	64
15.	Residential Customer Debt in Dollars 1991-1993 .....	65
16.	Weighted Statistics for Arrearages and Agreements 1991-1993 .....	67
17.	Number of Service Terminations 1991-1993 .....	69
18.	Residential Billings Written Off as Uncollectible 1991-1993 .....	71
19.	Informal Violations - Chapter 56 - Major Electric 1991-1993 .....	77
20.	Informal Violations - Chapter 56 - Major Gas 1991-1993 .....	78
21.	Informal Violations - Chapter 56 - Major Water 1991-1993 .....	79
22.	Most Commonly Violated Sections of Chapter 56 - 1991-1993 .....	80
23.	Ratepayer/Employee Contributions to Hardship Funds .....	88
24.	Shareholder Contributions to Hardship Funds .....	90

## Appendices

	<u>Page</u>
A. Distribution of Commercial Cases .....	97
B. BCS Complaints by Industry - Residential/Commercial .....	98
C. Monthly and Annual Volume - Mediations/Consumer Complaints .....	99
D. Inquiries and Opinions - Major Problem Categories .....	101
E. Type of Industry - Mediations/Consumer Complaints .....	102
F. Number of Residential Customers - Major Companies .....	103
G. Average Usage, Average Bills and Cost Per Unit .....	104
H. Net Total Write Offs .....	106
I. Number of Non-Termination Collections Related Mediation Requests .....	107
J. Justified Consumer Complaint Rate .....	108
K. Justified Mediation Rate .....	109
L. Number of Residential Customers in Debt .....	110
M. Summary and Characteristics of CAPs - Electric/Gas .....	111
N. Hardship Fund Grants .....	115

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## I. INTRODUCTION

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This report highlights the activities of the Pennsylvania Public Utility Commission's Bureau of Consumer Services. It is also an annual overview of the performance of the major electric, gas and water companies for the year 1993. This report compares the handling of consumer complaints and payment negotiations, compliance with Chapter 56 Regulations and utility collections in three industries and among individual companies within each industry. For the first time, the activity report includes chapters on Customer Assistance Programs (CAPs) in Pennsylvania and Utility Hardship Funds. The results reported herein provide information that can be used by the Commission to evaluate company activities and to set policies and goals in the area of customer services.

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer complaints. Its responsibilities were clarified under Act 114 of 1986 in regard to reporting and deciding customer complaints. In order to fulfill its mandates, the Bureau began investigating utility consumer complaints and mediating service termination cases in April 1977. Since then the Bureau has investigated 339,011 cases and has received an additional 257,007 opinions and requests for information. To manage and use this complaint data the Bureau maintains a computer based consumer information system (CSIS) through a contract with the Pennsylvania State University. This system enables the Bureau to aggregate and analyze complaints so that it can address generic as well as individual problems. In the fall of 1993, BCS undertook a review of the CSIS to determine how the Bureau can use the system to its fullest potential. The Bureau completed the first part of the review process and will continue with this project in 1994 to improve the efficiency and value of its information system. The Bureau expects that the results may impact on future annual reports, including measures used to evaluate companies.

A number of studies have found that only a minority, often a small minority, of dissatisfied customers complain about unsatisfactory products or services. The Bureau's experience reflects this fact as it has frequently found that a seemingly small number of individual complaints from utility customers represent management failures or other systemic problems in utility operations. Consider, for example, the following evidence of the "tip of the iceberg" concept reported in 1993 by BCS in the Bureau's 1993 informal investigation report of PECO Energy:

Bureau staff reviewed BCS files for the number of apparent violations of 52 Pa Code §56.151(5). Section 56.151(5) is a straightforward provision that requires utilities to respond to customer disputes filed by residential customers directly with the utility within 30 days of the initiation of the dispute. BCS files indicated that on at least 159 occasions during 1991 and 1992, PECO failed to respond to customer disputes within the 30-day time

frame. PECO, however, acknowledged that these 159 informally verified violations of §56.151(5) were in fact indicative of a more extensive problem within PECO regarding its compliance with this section. PECO's own internal dispute tracking records showed that the company had failed to respond as required almost 24,000 times between January 1990 and September 1992. Thus, the 159 informally verified violations form the tip of an iceberg of approximately 24,000 violations. To BCS, therefore, the important point is not that BCS found 159 apparent misapplications of §56.151(5); the important point is that these violations were indicative of thousands of violations of this provision.

BCS secures information for evaluating utilities by aggregating data from the thousands of complaints that are reported to the Commission each year. This data base provides information about how effectively utilities meet consumers' needs and whether their activities comply with Commission standards. The results of this analysis are periodically communicated to companies so that they can act independently to resolve problems before a formal Commission action becomes necessary. In many cases, companies that have taken advantage of this information have been able to resolve problems and improve service. However, companies that fail to act responsibly to resolve problems have been subjected to fines and rate case adjustments of expenses and revenues.

The data in this report are aggregated in a manner that reflects natural regulatory distinctions. Cases involving termination of electric, gas and water service are distinctly different from consumer complaints. For this reason the Bureau routinely analyzes the two groups of cases separately. All cases involving termination of electric, gas or water service have been classified as "mediation" cases. Cases involving electric, gas and water billing, service problems, etc. are classified as consumer complaints. In contrast, telephone companies which fall under unique regulations are analyzed separately and reported in the annual Telephone Utilities Activity Report.

The bulk of the data presented in this report is from the Bureau's Consumer Services Information System. In addition, this report includes statistics from the Bureau's Collections Reporting System (CRS) and Compliance Tracking System (CTS). The CRS provides a valuable resource for measuring changes in company collection performance while the CTS maintains data on the number and type of violations attributable to the major utilities.

The data and performance measures in this report have been in use for a number of years. The relative rate of mediation requests and consumer complaints for each company are the most basic problem indicators. Two qualitative measures of company performance, response time and percent of cases justified, are also included in this report. The Bureau provides feedback on these measures in the form of Quarterly Closing Automated Reports Formats (ARFS) to all major electric, gas and water companies.



their performance on these measures in 1993. An explanation of these measures is included in the following chapters for readers who encounter them for the first time.

Chapter VIII of this report focuses on company failures at complying with the Commission's regulations. It explains the Bureau's compliance process and discusses the highlights of compliance activity from 1991 to 1993. Chapters IX and X are new additions to this year's activity report. Chapter IX discusses the development of the Commission's policy on Customer Assistance Programs (CAPS) and presents the current status of these programs as they are being developed by the electric and gas utilities in Pennsylvania. Chapter X presents the results of the Bureau's 1993 survey of the hardship fund activity of the major electric and gas utilities, as well as that of the one participating water utility.

A number of cases were eliminated from the data base for this report because they did not represent company behavior that is appropriate to evaluate. One treatment of the data involved the purging of complaints that did not involve residential service. The Bureau's regulatory authority is largely confined to residential accounts and thus, all 1993 cases that involved commercial accounts were deleted from the analysis and from Tables 2 through 13. (Appendix A lists the distribution of commercial cases by company for the electric, gas and water industries. See Appendix B for the industry percentage of BCS cases defined as residential and commercial). Also, residential customer contacts that did not require investigation were excluded from the data base used here. These cases included problems over which the Commission has no jurisdiction, information requests that did not require investigation and most cases where the customers indicated that they had not contacted the company prior to complaining to the Commission. See page 7 for an explanation as to how the Bureau classified these cases in 1993.

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## **II. OVERALL BUREAU ACTIVITY**

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Customer contacts with the Bureau fall into three basic categories: consumer complaints, mediation requests and inquiries. These contacts may pertain to electric, gas, water, sewer or telephone service. The Bureau received 28,408 utility customer contacts that required investigation in 1993. The 9,874 consumer complaints were about utilities' actions related to billing, service delivery, repairs, etc. In 1,406 of these contacts (477 were customers of companies covered under Chapter 56, the rest were customers of various telecommunications companies), the Bureau saved the customers \$593,957 in billing adjustments (\$348,153 for customers of the Chapter 56-covered companies). Mediation requests, of which there were 18,534, 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 suspension and termination cases are treated as consumer complaints rather than as mediation requests.) The monthly volume of mediation requests and consumer complaints for 1991, 1992 and 1993 is reported in Appendix C, Table 1. The Bureau also received 16,653 inquiries, information requests and opinions from consumers, most of which did not require investigation on the part of the Bureau.

### **Consumer Complaints**

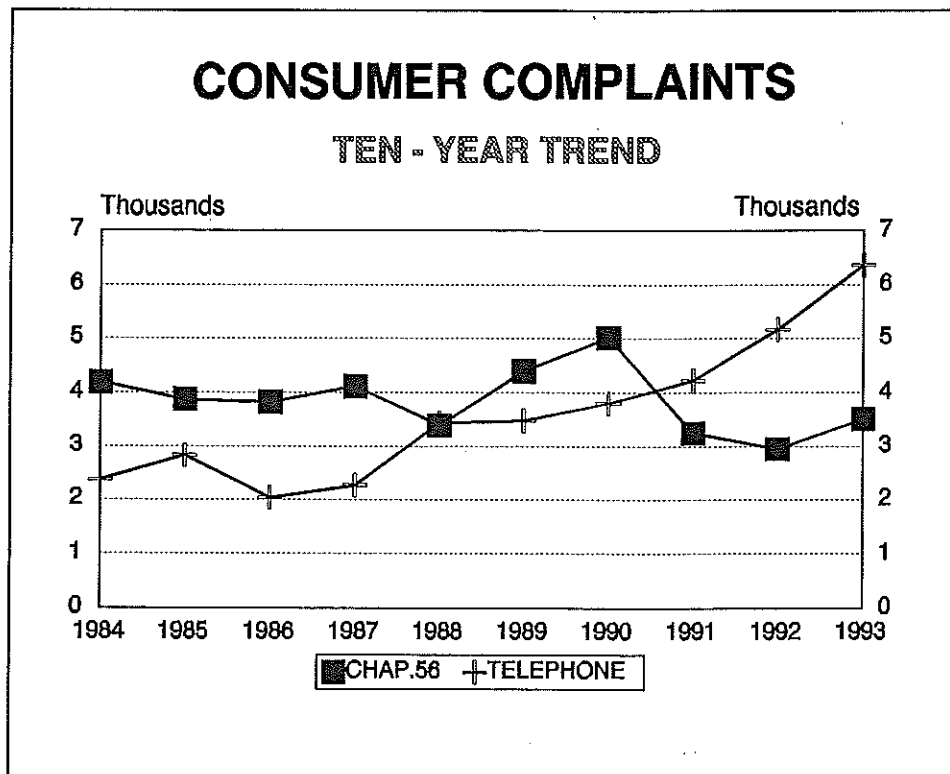
Overall, consumer complaints against the Chapter 56 covered industries (electric, gas and water) made up an aggregate share of 36% of the Bureau's total consumer complaint volume in 1993, unchanged from 1992. Consumer complaints for all industries increased by 21% from 8,152 in 1992 to 9,874 in 1993. This increase may have been partially due to the fact that more consumers were able to contact the Bureau in 1993 as a result of steps the Bureau took to improve access. The Bureau increased the size of the staff that handles calls from consumers and made enhancements to its computerized complaint-handling system to increase the speed with which the Bureau staff can take in complaints. These actions impacted on some of the complaint measures presented in this report. Therefore, the reader should take some caution when making multi-year comparisons of the complaint rate and justified complaint rate. Comparisons among companies within the same year should be unaffected by BCS access as all customers attempting to contact the Commission would be likely to have the same probability of reaching the Bureau irrespective of the utility serving them.

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 seeks to foster improvements in utility complaint handling operations so that complaints will be properly handled and customers will not find it necessary to appeal to

the Commission. Since the Bureau receives complaints from only a fraction of dissatisfied customers, this effort has benefits which go far beyond reducing the Bureau's work load.

In 1993, the Bureau saw a reversal of a trend from recent years. Consumer complaints against the Chapter 56 covered utilities had been declining over recent years, except for a dramatic increase in the number of non-termination collection complaints. Between 1992 and 1993, the number of the non-termination collections complaints, which BCS shifts out of the consumer complaint category and into the mediation request classification, decreased by 26%. On the other hand, the volume of other types of consumer complaints increased by 25%.

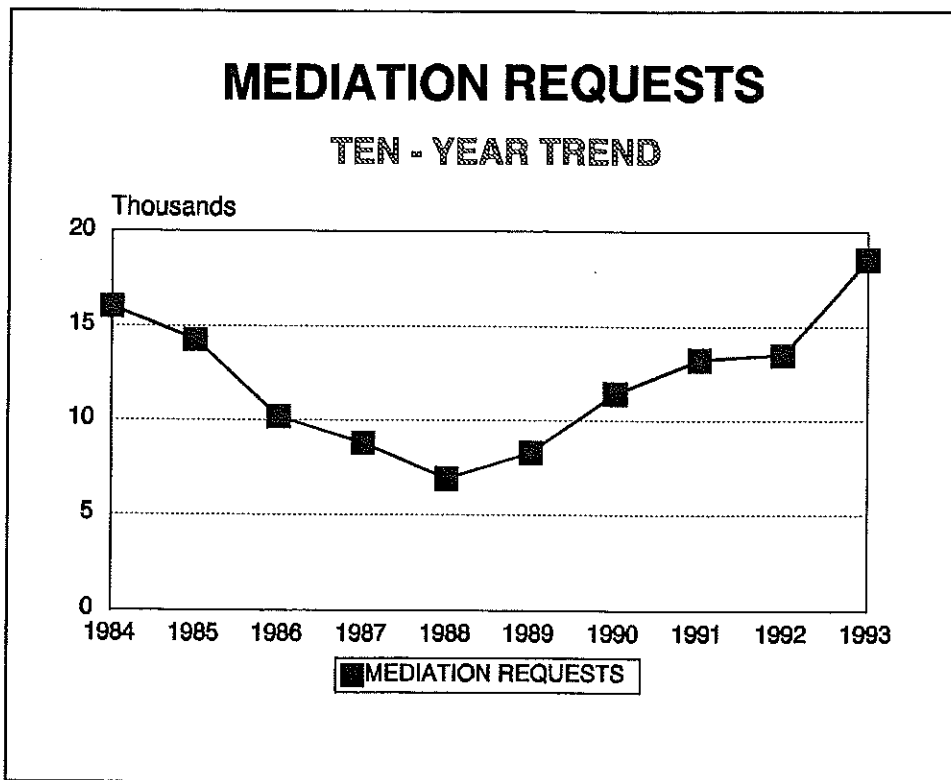
The Bureau's goal to decrease consumer complaints can be achieved only if individual companies make significant improvement in handling consumer complaints. In particular, companies with the worst performance in their respective industries will need to make significant progress in this area. The Bureau will target these problematic companies for close attention in 1994. The graph below presents a ten-year trend for both Chapter 56 and telephone consumer complaints.



## Mediation Requests

Mediation requests increased by 37% from 13,482 in 1992 to 18,534 in 1993. This is the fourth consecutive annual increase in the number of mediation requests. As with the increased volume of consumer complaints, the Bureau believes that the increase in the number of mediation requests may have been due, in part, to the improvements the Bureau made in 1993 to increase consumer access to the Bureau. The mediation volume peaked at 19,603 in 1982; the 1993 volume was only 5% less than this peak. (See Appendix C, Table 2 for annual volume of mediations from 1978 to 1993). The improved access will impact on the measures of mediation rate and justified mediation rate presented later in this report; and therefore readers should be cautious about making multi-year comparisons using these two measures. Because of the large increase in the volume of mediation requests, the Bureau did not have the resources to perform case evaluation on each of the mediation requests that customers presented to the Commission; therefore the calculations for response time and for case outcome are based on a subset of these cases. This will be explained in more detail later in this report.

The Bureau is now less concerned with the absolute volume of mediation requests than it had been in the past. However, the Bureau is more concerned with the volume of justified mediations and places a great deal of emphasis on these numbers. The following graph depicts a ten-year trend for mediation requests.



## **Inquiries and Opinions**

During 1993, the Bureau received 16,653 customer contacts that, for the most part, required no follow-up beyond the initial contact. This number is a considerable increase over the volume of similar contacts during each of the past several years. Again, this increase may be partially related to the changes BCS made in 1993 to improve access to the Bureau. These cases involved requests for information that were handled at the time of contact, protests or questions related to rates, and referrals to other Commission offices and to utility companies for initial action. For the second year in a row, the largest referral category was to regulated utilities for initial action. Rate protests were received regarding proposed rate hikes for major companies such as UGI-electric division, National Fuel Gas, Peoples Natural Gas, Blue Mountain Consolidated Water Company, Citizens Water Company-Confluence, Dauphin Consolidated Water Company, Pennsylvania- American Water Company, Pennsylvania Gas and Water Company-Water, Philadelphia Suburban Water Company, and Roaring Creek Water Company, as well as for numerous smaller companies. For 1993, BCS shifted cases that originated as mediation requests or consumer complaints into the "Inquiries and Opinions" category if the cases were found to be duplicates, untimely filed, verbally dismissed, out of the Bureau's jurisdiction, or originally filed against the wrong company, (See Appendix D for the distribution of inquiries and opinions by major problem categories).

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## **NATURE OF BCS CONSUMER COMPLAINTS**

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The Bureau classifies all consumer complaints into one of six major problem areas. However, for the purpose of this report the Bureau has expanded these six major categories into 14 specific problems. Table 1 presents a comparison of these 14 problem areas for 1992 and 1993 for the Chapter 56-covered utilities. The most common complaints in 1993 involved billing disputes, utility collection policies (other than those related to establishing payment agreements), metering problems, service quality, service extensions, and damages complaints.

Consumer complaints involving requests for payment arrangements are a result of companies actively pursuing overdue bills by contacting customers when they miss making payments. As companies have increased their use of dunning techniques over the past several years, there has been long term growth in these types of complaints to the Bureau. The customers contact the Commission only after they have been unsuccessful in establishing mutually acceptable payment agreements with the companies. Since these complaints more closely resemble mediation requests, the Bureau has moved them into the mediation request category for the analyses made in this report. (See Appendix I for the distribution of non-termination collection complaints by major company).

TABLE 1

<b>PROBLEM CATEGORIES FOR CONSUMER COMPLAINTS:1992-1993</b>		
	<b>1992</b>	<b>1993</b>
Metering Problems	11.7%	11.8%
Billing Dispute	22.6%	14.9%
Discontinuance/Transfer	5.9%	5.7%
Collection Policies	15.2%	17.3%
Billing - Other	0.8%	1.0%
Credit and Deposits	3.9%	4.4%
Rates/Rate Structure	2.6%	.9%
Service Extensions	7.4%	8.9%
Service Interruptions	4.6%	5.6%
Service Quality	7.6%	8.9%
Damages	6.7%	8.4%
Scheduling Delays	1.7%	3.1%
Personnel Problems	3.7%	5.8%
All Other Problems	5.6%	3.3%

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## ***CUSTOMER CONTACTS BY TYPE OF UTILITY***

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### **Mediation Requests**

As in past years, almost all mediation cases in 1993 involved electric (66%) or gas companies (29%) (see Appendix E). Meanwhile, five percent of the mediation requests stemmed from threatened termination of water service. These results for 1993 represent a change from last year. Electric companies accounted for a greater proportion of BCS mediations in 1993 than in 1992 while the gas and water industries showed a decrease. This trend may be reflective of some major electric companies taking a more aggressive collection posture in recent years.

### **Consumer Complaints**

In 1993, the Bureau of Consumer Services received the largest number of consumer complaints it has received since 1979. The electric, gas and water industries each had an increase in the number of consumer complaints to the Bureau. Electric and gas companies accounted for 19% and 11%, respectively, of all consumer complaints investigated by the Bureau. The Bureau classifies telephone complaints related to suspension and termination as consumer complaints because they are not subject to arbitrated payment agreements based on the customer's ability to pay. Consumer complaints involving the telephone industry have risen steadily in recent years and in 1993 accounted for 64% of all the consumer complaints the Bureau received. The Bureau issues a separate activity report each year devoted exclusively to the telephone industry. Therefore, the remainder of this report will focus solely on the Chapter 56 related industries: electric, gas and water.



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### **III. COMPANY PROFILES**

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This is the third year that the Consumer Services Electric, Gas and Water Utilities Activity Report includes a chapter presenting a brief synopsis of each company's performance. Each utility profile contains company specific information while more detailed descriptions of the performance measures appear later in the report. The Bureau developed the profiles to provide readers with a quick reference to the noteworthy findings of a given utility's customer service performance. Readers are encouraged to review the full report before drawing conclusions regarding utility company performance.

Each profile contains a narrative characterization of the company's overall customer service performance summarized in three standardized measures for the electric and gas utilities and two standardized measures for the water utilities. The standardized measures for the electric and gas utilities reflect 13 separate measures in the report. The two standardized measures for water utilities reflect eight separate measures. The utility profiles also contain narrative characterizations related to consumer complaint, mediation request and collection performance for electric and gas utilities, and consumer complaint and mediation request performance for water utilities. These characterizations place a company within an industry norm group based on statistically standardized scores. While the standardized score characterizations are precise, they may not have a direct relationship to the ranks presented in the accompanying tables for consumer complaints, mediation requests and collections. For example, a rank of four among an industry containing eight companies is close to the middle. However, because of the absolute values of the performance scores of the company and the industry, the standardized score characterization may reflect that the company's performance is significantly better than or worse than the industry average. While the standardized score characterizations are a more precise rating, the Bureau will continue to present the rank information because of the positive feedback received from utilities regarding the usefulness of ranks.

The highlights in the company profiles that appear below the tables refer to performance measures that are described in detail in ensuing chapters of this report. However, there are two measures that are used in the analysis of both consumer complaint and mediation request performance that warrant a clarification at this time. Specifically, these measures are the justified rate and the response time. In the highlights of this chapter, "effectiveness" refers to the justified rate while "responsiveness" refers to the response time. For more details on these measures, see the Chapter V analysis of justified rates and the Chapter VI focus on response time.

# DUQUESNE LIGHT

In terms of the measures the Bureau uses to evaluate a company's performance, Duquesne's overall performance was significantly worse than average in the electric industry. In the first measure, consumer complaints, Duquesne's performance was better than average. In the second measure, which focuses on mediation requests, Duquesne's performance was worse than average. The third measure reflects residential collections and it shows Duquesne to be significantly worse than average.

The following table lists Duquesne's ranking and the trend for each measure.

## Customer Services Performance: Duquesne

MEASURES	RANK	TREND
Consumer Complaints	4	Deteriorating
Mediation Requests	6	Stable
Collections	7	Stable
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of Duquesne's performance in 1993. These are based on the analysis of complaints the Bureau received from Duquesne customers, on collection data that Duquesne provided to the Bureau and on information from the Bureau's compliance records.

### Consumer Complaints

In 1993, Duquesne's response time to consumer complaints was worse than the Bureau's informal ten-day standard. In particular, Duquesne's inefficient response to metering problems, billing disputes, discontinuance/transfer problems, service extension and service interruption complaints, service quality complaints and damage complaints caused the company's consumer complaint response time to be slow.

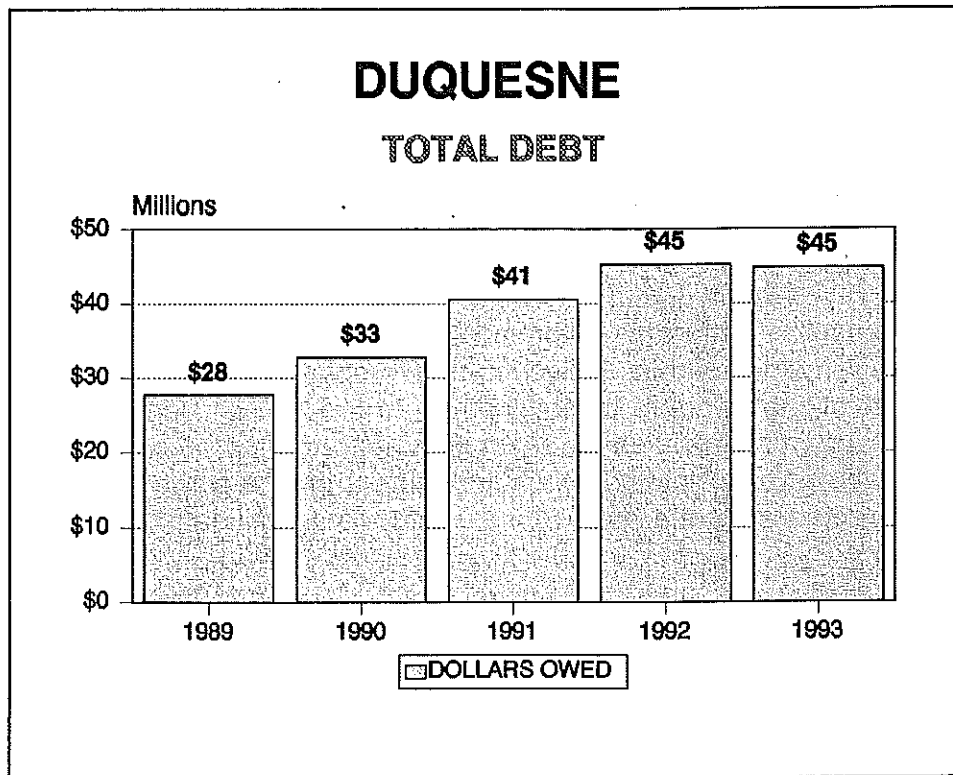
### Mediation Requests

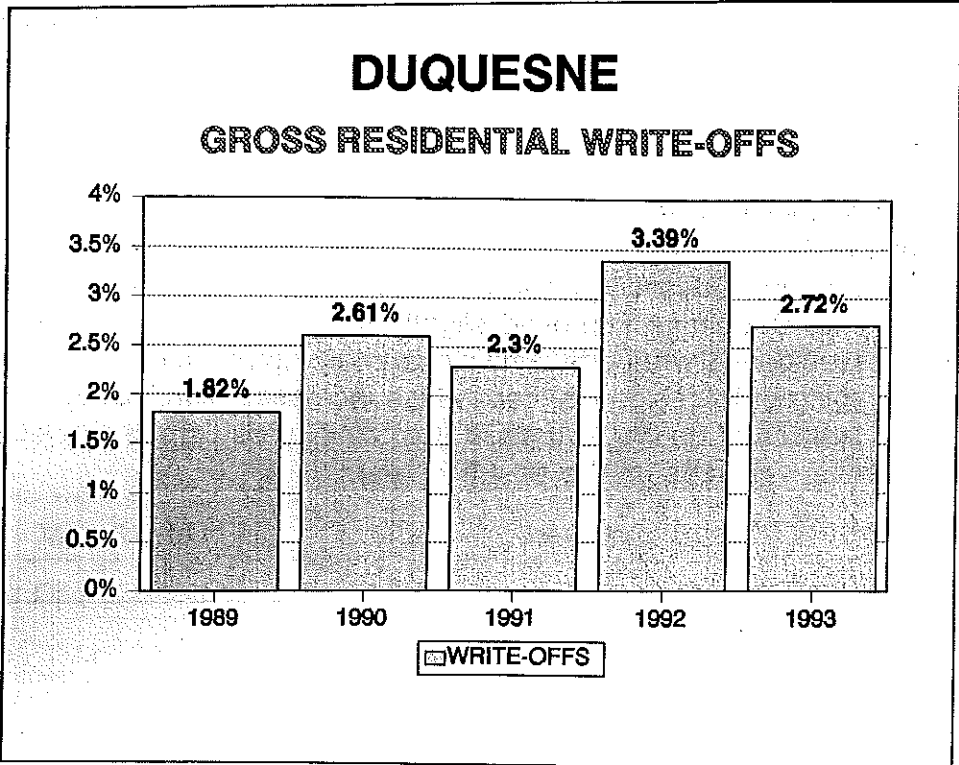
Duquesne's poor justified mediation rate in 1993 was primarily caused by the high volume of mediation requests filed by Duquesne customers. Although the Bureau is less concerned with the absolute volume of mediation requests than it once was, the Bureau believes that there are certain parameters within which a company's level of mediations could reasonably fall. Duquesne's level of mediations fell well beyond those reasonable

parameters in 1993. Nevertheless, Duquesne has the best response time of the major electric companies to mediation requests and a comparatively low percentage of mediations found to be justified.

### Collections

Duquesne's collection performance showed deterioration from 1991 to 1993 as Duquesne's total residential debt, weighted total score and gross residential write-offs worsened. The Bureau is encouraged to note that on one of these measures, gross residential write-offs, Duquesne improved slightly from 1992 to 1993. Nevertheless, Duquesne's gross residential write-offs remain extremely high. Duquesne must also work on reducing the aging of its residential debt which increased significantly from 1992 to 1993. The table below and on the next page illustrate Duquesne's total residential debt and gross residential write-offs for the past five years.





### Compliance

On the basis of informally verified violation data, Duquesne's compliance performance has remained stable. However, the company's compliance activity is being reviewed as part of the informal investigation into the use of contracted employees. Findings from an informal investigation often demonstrate that the Bureau receives only the "tip of the iceberg" of violations. Final judgement on the compliance performance, therefore, will be more accurate based on the informal investigation report.

# METROPOLITAN EDISON

In terms of the measures the Bureau uses to evaluate a company's performance, Met-Ed's overall performance was significantly better than average in the electric industry. In the first measure, consumer complaints, Met-Ed's performance was significantly better than average. In the second measure, which focuses on mediation requests, Met-Ed's performance was significantly better than average. The third measure reflects residential collections and it shows Met-Ed to be better than average.

The following table lists Met-Ed's industry ranking and the trend for each measure.

## Customer Services Performance: Met-Ed

MEASURES	RANK	TREND
Consumer Complaints	3	Stable
Mediation Requests	2	Improving
Collections	5	Deteriorating
Scale: Rank: 1 = Best 8 = Worst		

The following highlight of Met-Ed's performance in 1993 is based on the analysis of complaints the Bureau received from Met-Ed customers.

## Consumer Complaints

For the second year in a row, Met-Ed was one of the three most effective companies at handling consumer complaints. However, Met-Ed's response time to consumer complaints in 1993 was slower than the industry average and more than five days greater than the Bureau's informal standard of ten days. An analysis of these complaints shows that Met-Ed's slow response time was primarily caused by inefficient handling of metering problems, billing disputes, service extension problems and problems with service interruptions.

# PENNSYLVANIA ELECTRIC

In terms of the measures the Bureau uses to evaluate a company's performance, Penelec's overall performance was significantly better than average in the electric industry. In the first measure, consumer complaints, Penelec's performance was better than the average. In the second measure, which focuses on mediation requests, Penelec's performance was significantly better than average. The third measure reflects residential collections and it also shows Penelec to be significantly better than average.

The following table lists Penelec's industry ranking and the trend for each measure.

## Customer Services Performance: Penelec

MEASURES	RANK	TREND
Consumer Complaints	5	Deteriorating
Mediation Requests	3	Stable
Collections	2	Stable
Scale: Rank: 1 = Best 8 = Worst		

The following highlight of Penelec's performance in 1993 is based on collection data that Penelec provided to the Bureau.

## Collections

Penelec is the only major electric company that has been able to maintain a relatively stable collection performance according to the Bureau's standards.

# PENNSYLVANIA POWER

In terms of the measures the Bureau uses to evaluate a company's performance, Penn Power's overall performance was the best in the electric industry. In the first two measures, consumer complaints and mediation requests, Penn Power's performance was the best in the industry. The third measure reflects residential collections and it shows Penn Power to be better than average.

The following table lists Penn Power's industry ranking and the trend for each measure.

## Customer Services Performance: Penn Power

MEASURES	RANK	TREND
Consumer Complaints	1	Improving
Mediation Requests	1	Improving
Collections	4	Stable
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of Penn Power's performance in 1993. These are based both on the analysis of complaints the Bureau received from Penn Power customers and on collection data that Penn Power provided to the Bureau.

### Consumer Complaints

Penn Power was one of the electric industry's three most effective companies at handling consumer complaints in 1993. This represents a significant improvement from 1992. In addition, Penn Power was the most responsive of the electric companies to consumer complaints with an average response time of 4.9 days.

### Mediation Requests

Penn Power was the most effective company in the electric industry at negotiating payment agreements.

### Collections

The percentage of residential accounts at risk for Penn Power is one of the highest in the electric industry.

# PENNSYLVANIA POWER & LIGHT

In terms of the measures the Bureau uses to evaluate a company's performance, PP&L's overall performance was average in the electric industry. In the first measure, consumer complaints, PP&L's performance was significantly better than average in the industry. In the second measure, which focuses on mediation requests, PP&L's performance was the industry's worst. The third measure reflects residential collections and it shows PP&L to be average.

The following table lists PP&L's industry ranking and the trend for each measure.

## Customer Services Performance: PP&L

MEASURES	RANK	TREND
Consumer Complaints	2	Stable
Mediation Requests	8	Deteriorating
Collections	6	Stable
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of PP&L's performance in 1993. These are based on the analysis of complaints the Bureau received from PP&L customers and on information from Bureau compliance records.

### Mediation Requests

PP&L's effectiveness at payment negotiations deteriorated considerably from 1992 to 1993. This deterioration was primarily due to the relatively high percent of mediations found to be justified. The Bureau recommends that PP&L target this area for improvement in 1994.

### Compliance

PP&L experienced a 72% increase in the number of informally verified violations from 1992 to 1993. This increase concerns the Bureau. Additionally, in 1993, PP&L was subject to the PUC Law Bureau's ongoing investigation into the use of contractors to perform sensitive customer service functions. Findings of this investigation may help to pinpoint at least some of the root causes of PP&L's compliance problems.



# PECO

In terms of the measures the Bureau uses to evaluate a company's performance, PECO's overall performance was the worst in the electric industry. In the first measure, consumer complaints, PECO's performance was significantly worse than average. In the second measure, which focuses on mediation requests, PECO's performance was worse than average. The third measure reflects residential collections and it shows PECO to be the worst in the industry.

The following table lists PECO's industry ranking and the trend for each measure.

## Customer Services Performance: PECO

MEASURES	RANK	TREND
Consumer Complaints	7	Stable
Mediation Requests	5	Deteriorating
Collections	8	Stable
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of PECO's performance in 1993. These are based on the analysis of complaints the Bureau received from PECO customers, on collection data that PECO provided to the Bureau and on Bureau compliance records.

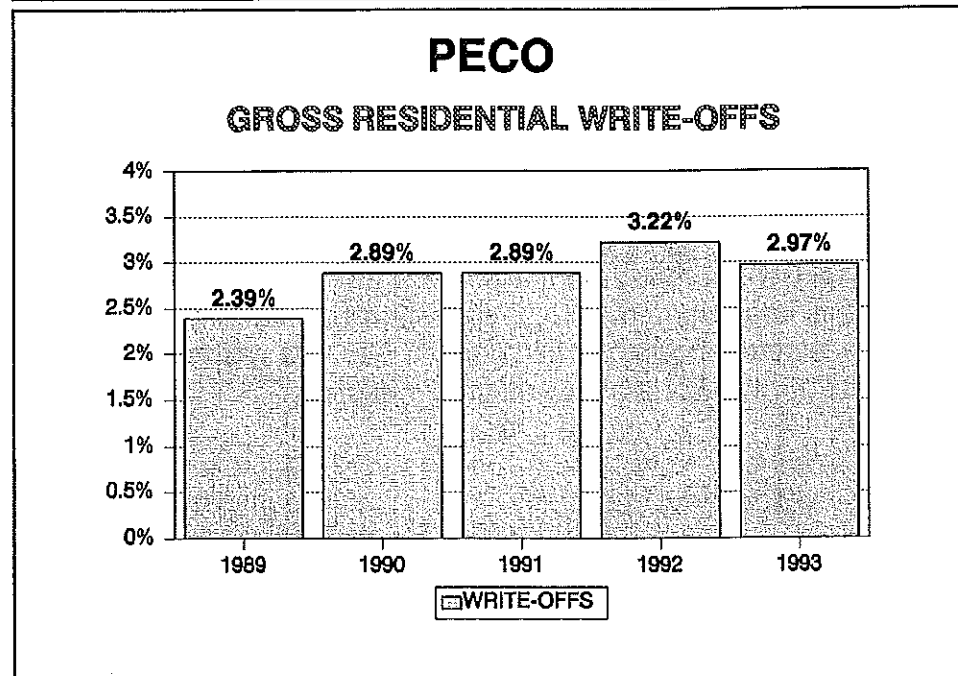
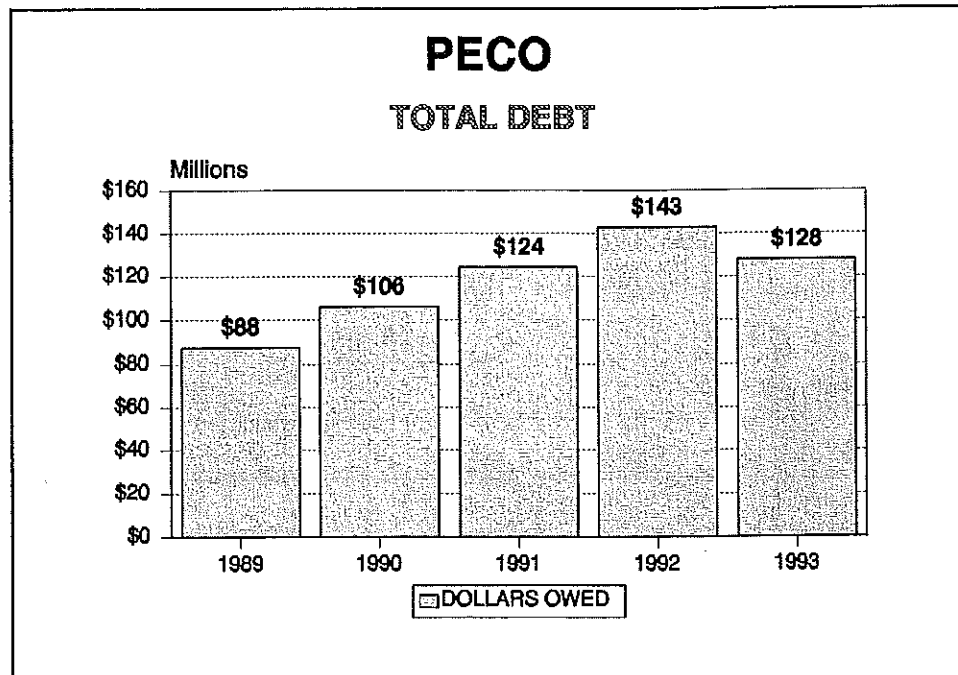
## Consumer Complaints

PECO's justified consumer complaint rate improved slightly from 1992 to 1993 primarily because PECO improved on the percent of consumer complaints found to be justified. Despite this improvement, PECO's justified consumer complaint rate was next to the worst in the electric industry. In addition, PECO's response time to consumer complaints was next to the worst in the electric industry.

## Collections

For 1993, PECO had the worst collection record in the electric industry with the highest percent of accounts overdue and the highest level of gross residential write-offs. From 1991 to 1993, PECO's residential debt increased from \$124 million to almost \$128 million and gross residential write-offs equaled almost 3% during this period. In 1992 and 1993, PECO terminated more customers than all of the other electric utilities combined.

In fact, PECO accounted for 47% of all the terminations performed by the major electric and gas companies in the state during that time. The Bureau notes that PECO's total debt and write-off statistics improved from 1992 to 1993 and hopes PECO can continue this positive trend. The tables below illustrate the seriousness of PECO's collection problems.



## **Compliance**

In 1993, the Public Utility Commission's Law Bureau initiated an informal investigation into PECO's unacceptable compliance record. Beginning in May 1993, BCS began meeting with company staff on an ongoing basis in an effort to improve PECO's application of Chapter 56. As a result of the informal investigation, Commission staff and PECO worked out a settlement agreement which the Commission approved in February 1994. As noted in the Compliance Section of this report, PECO experienced a 37% decrease in informally verified violations from 1992 to 1993. BCS attributes this decrease, in part, to the increased attention given to this area of operations by PECO as a result of the previously noted informal investigation.

# UGI - LUZERNE

In terms of the measures the Bureau uses to evaluate a company's performance, UGI's overall performance was worse than average in the electric industry. In the first measure, consumer complaints, UGI's performance was the worst in the electric industry. In the second measure, which focuses on mediation requests, UGI's performance was significantly worse than average. The third measure reflects residential collections and it shows UGI to be the best in the industry.

The following table lists UGI's industry ranking and the trend for each measure.

## Customer Services Performance: UGI-Luzerne

MEASURES	RANK	TREND
Consumer Complaints	8	Stable
Mediation Requests	7	Deteriorating
Collections	1	Deteriorating
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of UGI's performance in 1993. These are based on the analysis of complaints the Bureau received from UGI-Luzerne customers, on collection data that UGI provided to the Bureau and on Bureau compliance records.

### Consumer Complaints

UGI-Luzerne's 1993 consumer complaint response time of 20.4 days is unacceptable, although the Bureau does note that this was an improvement from 1992. A review of data from UGI case records indicates that UGI-Luzerne's slow response time was primarily caused by inefficient handling of metering problems, billing disputes and service quality complaints.

### Mediation Requests

In 1993, UGI-Luzerne made a vast improvement in its responsiveness to mediations. However, UGI should strive to improve further as its response time is still above the Bureau's informal five-day standard. More than 50% of UGI-Luzerne's mediations were found to be justified in 1993. UGI-Luzerne should work toward improving in this area.

## **Collections**

Overall, UGI-Luzerne's collection performance continues a long term trend of being among the electric industry's best according to the Bureau's standards.

## **Compliance**

UGI-Luzerne's compliance performance raises concern because of the high number of verified violations (seven and five more pending) gleaned from a relatively low number of mediations (84) and consumer complaints (18). BCS encourages UGI-Luzerne to undertake a root cause analysis of the violations uncovered by BCS.

# WEST PENN POWER

In terms of the measures the Bureau uses to evaluate a company's performance, West Penn's overall performance was average in the electric industry. In the first measure, consumer complaints, West Penn's performance was average. In the second measure, which focuses on mediation requests, West Penn's performance was slightly worse than average. The third measure reflects residential collections and it shows West Penn to be better than average.

The following table lists West Penn's industry ranking and the trend for each measure.

## Customer Services Performance: West Penn

MEASURES	RANK	TREND
Consumer Complaints	6	Stable
Mediation Requests	4	Deteriorating
Collections	3	Deteriorating
Scale: Rank: 1 = Best 8 = Worst		

The following are some of the highlights of West Penn's performance in 1993. These are based both on the analysis of complaints the Bureau received from West Penn customers, on collection data that West Penn provided to the Bureau and on Bureau compliance records.

## Consumer Complaints

West Penn's response time to consumer complaints was considerably worse than the Bureau's informal ten day standard in 1993. An analysis of West Penn's slow response time reveals that the company was slow in handling all different types of customer complaints.

## Collections

In 1993, West Penn saw its number of overdue accounts increase by 6% from the previous year and by 7% from 1991.

## **Compliance**

BCS staff monitored actions of West Penn Power Company until January 1994 to assure compliance with a two year settlement agreement approved by the Commission in January 1992. The agreement, in part, required West Penn to pay a civil penalty in the amount of \$25,000 and contribute \$75,000 to the Dollar Energy Fund. West Penn also agreed to correct many practices that had contributed to its poor compliance with Chapter 56. BCS informally verified violation data shows improvement in compliance from 1992 to 1993.

# COLUMBIA GAS

In terms of the measures the Bureau uses to evaluate a company's performance, Columbia's overall performance was better than average in the gas industry. In the first measure, consumer complaints, Columbia's performance was the best in the industry. In the second measure, which focuses on mediation requests, Columbia's performance was worse than average. The third measure reflects residential collections and it shows Columbia to be better than average.

The following table lists Columbia's industry ranking and the trend for each measure.

## Customer Services Performance: Columbia Gas

MEASURES	RANK	TREND
Consumer Complaints	1	Deteriorating
Mediation Requests	4	Stable
Collections	5	Stable
Scale: Rank: 1 = Best 6 = Worst		

The following highlights of Columbia's performance in 1993 are based on the analysis of complaints the Bureau received from Columbia customers and on collection data that Columbia provided to the Bureau.

### Consumer Complaints

In 1993, Columbia was the most effective major gas company at handling consumer complaints.

### Mediation Requests

Columbia's justified mediation rate deteriorated from 1992 to 1993 primarily due to an increase in the volume of mediations. The company's justified mediation rate was worse than the industry average in 1993.

### Collections

Columbia's percentage of overdue accounts was the lowest in the gas industry and was stable from 1991 to 1993.



# EQUITABLE GAS

In terms of the measures the Bureau uses to evaluate a company's performance, Equitable's overall performance was the worst in the gas industry. In the first measure, consumer complaints, Equitable's performance was the worst in the industry. In the second measure, which focuses on mediation requests, Equitable's performance was better than average. The third measure reflects residential collections and it also shows Equitable to be the worst in the industry. The Bureau recognizes the difficult task that Equitable faces in its efforts to improve its overall industry ranking. However, Equitable is aware of its relative position and appears to be making genuine efforts to address these deficiencies. Nevertheless, the Bureau notes that while Equitable's 1993 performance did not deteriorate, it also did not improve, thus indicating that Equitable must make a stronger effort in these areas.

The following table lists Equitable's industry ranking and the trend for each measure.

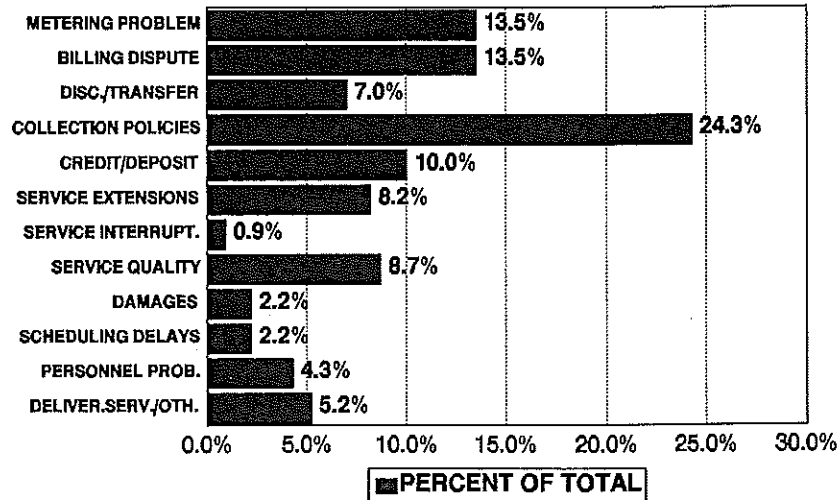
## Customer Services Performance: Equitable

MEASURES	RANK	TREND
Consumer Complaints	6	Stable
Mediation Requests	3	Stable
Collections	6	Stable
Scale: Rank: 1 = Best 6 = Worst		

The following are some of the highlights of Equitable's performance in 1993. These are based on the analysis of complaints the Bureau received from Equitable customers, on collection data that Equitable provided to the Bureau and on Bureau compliance records. The first table provides a breakdown of 1993 consumer complaints into a number of generic problem categories.

## EQUITABLE

### CONSUMER COMPLAINTS - 1993

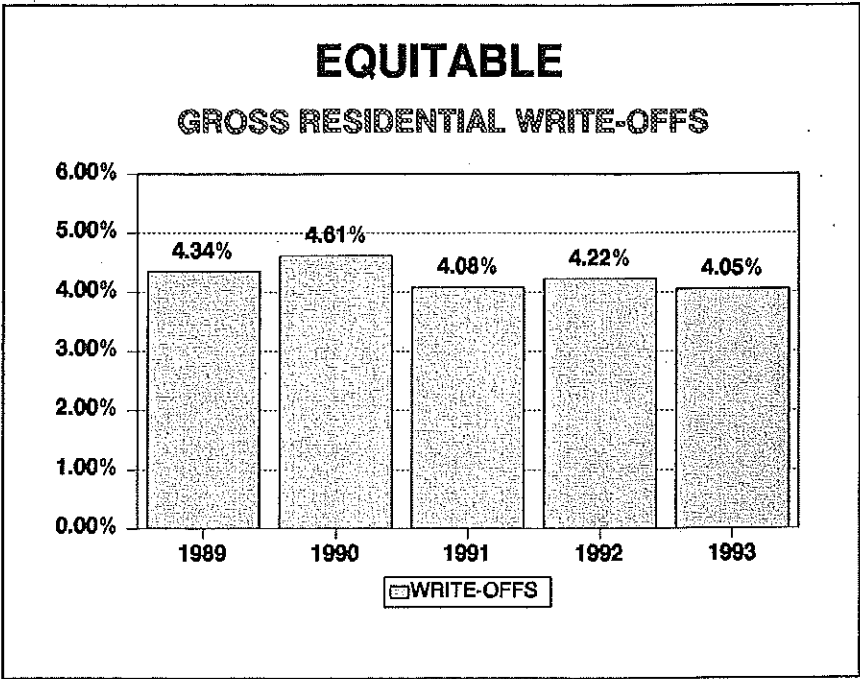
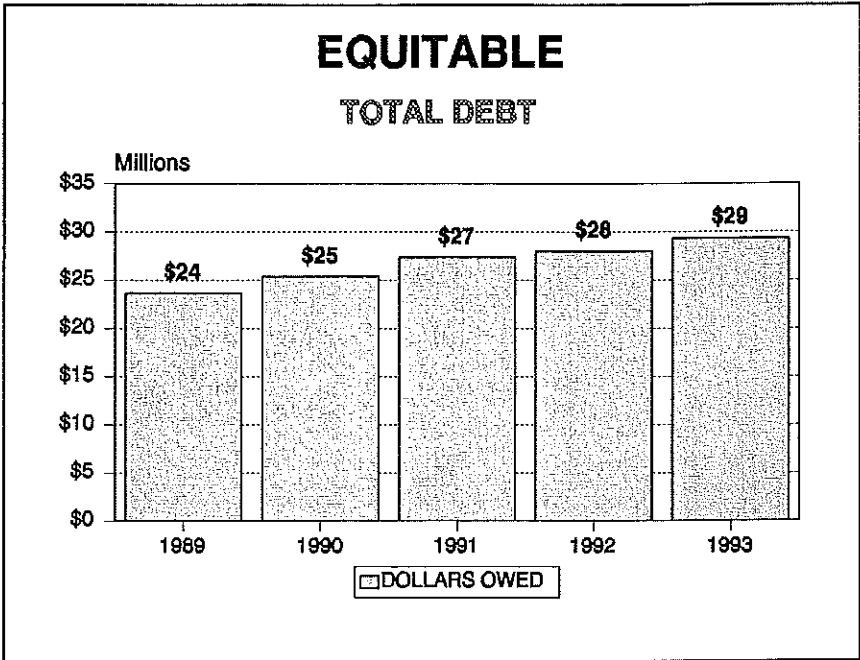


### Consumer Complaints

Equitable's poor performance in effectively handling consumer complaints was partially due to a high volume of consumer complaints to the Bureau, in particular complaints about metering problems, billing disputes, collection policies and credit and deposits. Equitable's consumer complaint response time was the slowest in the gas industry and was caused primarily by slow response to complaints about metering problems, billing disputes, collection policies and service quality.

### Collections

Although Equitable's collection picture was relatively stable from 1991 to 1993, Equitable's overdue population, residential customer debt and residential write-offs are so extremely high that the company is faced with an enormous collection problem. The Bureau has attempted to work with Equitable to improve its situation but the evidence indicates that Equitable must focus even greater attention to this problem. Equitable ranks as the worst in the gas industry on every measure in collections. The tables below highlight the enormous collection task that Equitable is facing.



**Compliance**

Equitable's compliance performance has improved from 1992 to 1993. However, this company's compliance activity is being reviewed as part of the informal investigation into the use of contracted employees. Findings from the informal investigation will help Equitable determine whether the informally verified violations gleaned by BCS are indicative of systematic compliance problems.

# NATIONAL FUEL GAS

In terms of the measures the Bureau uses to evaluate a company's performance, NFG's overall performance was average in the gas industry. In the first measure, consumer complaints, NFG's performance was slightly better than average. In the second measure, which focuses on mediation requests, NFG's performance was worse than average. The third measure reflects residential collections and it shows NFG to be better than average.

The following table lists NFG's industry ranking and the trend for each measure.

## Customer Services Performance: National Fuel Gas

MEASURES	RANK	TREND
Consumer Complaints	4	Stable
Mediation Requests	5	Stable
Collections	3	Improving

Scale: Rank: 1 = Best 6 = Worst

# PENNSYLVANIA GAS & WATER - GAS

In terms of the measures the Bureau uses to evaluate a company's performance, Pennsylvania Gas & Water Company's (PG&W) overall performance was the best in the gas industry. In the first measure, consumer complaints, PG&W's performance was significantly better than average. In the second measure, which focuses on mediation requests, PG&W's performance was the best in the industry. The third measure reflects residential collections and it also shows PG&W to be the best in the industry.

The following table lists PG&W's industry ranking and the trend for each measure.

## Customer Services Performance: PG&W

MEASURES	RANK	TREND
Consumer Complaints	3	Deteriorating
Mediation Requests	1	Deteriorating
Collections	1	Improving
Scale: Rank: 1 = Best 6 = Worst		

The following highlights of PG&W's performance in 1993 are based on the analysis of complaints the Bureau has received from PG&W customers and on Bureau compliance records.

## Consumer Complaints

PG&W was the most responsive major gas company to consumer complaints in 1993.

## Compliance

PG&W had the highest percent of cases with apparent violations in the gas industry in 1993. PG&W's compliance performance raises concern because of the high number of verified violations (19 with two more pending) gleaned from the relatively low number of mediations (249) and consumer complaints (62).

# PEOPLES GAS

In terms of the measures the Bureau uses to evaluate a company's performance, Peoples' overall performance was significantly better than average in the gas industry. In the first measure, consumer complaints, Peoples' performance was significantly better than average. In the second measure, which focuses on mediation requests, Peoples' performance was also significantly better than average. The third measure reflects residential collections and it shows Peoples Gas to be better than average.

The following table lists Peoples' industry ranking and the trend for each measure.

## Customer Services Performance: Peoples Gas

MEASURES	RANK	TREND
Consumer Complaints	2	Deteriorating
Mediation Requests	2	Deteriorating
Collections	4	Stable
Scale: Rank: 1 = Best 6 = Worst		

The following highlight of Peoples' performance in 1993 is based on the analysis of Bureau compliance records.

## Compliance

Peoples' compliance performance appears to be the best in the electric and gas industry because of the low number of verified violations identified from the number of mediations and consumer complaints filed by Peoples' customers. Peoples is included in the ongoing investigation into the use of contractors to perform sensitive customer service functions. Therefore the Bureau may reevaluate the company's compliance performance depending on the findings of the informal investigation.

# UGI - GAS

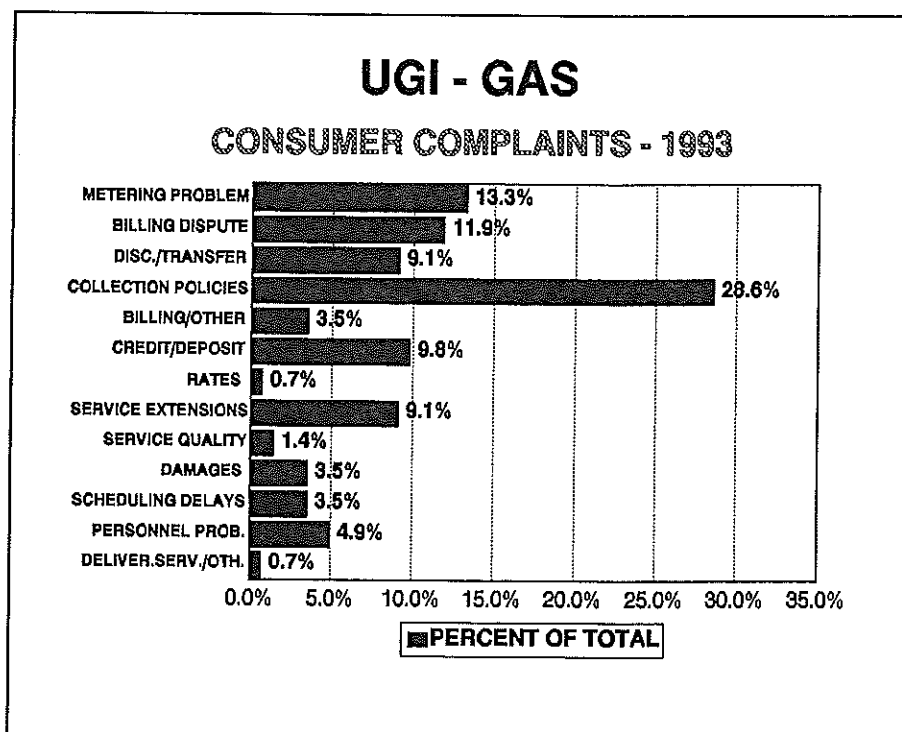
In terms of the measures the Bureau uses to evaluate a company's performance, UGI's overall performance was significantly worse than average in the gas industry. In the first measure, consumer complaints, UGI's performance was significantly worse than average. In the second measure, which focuses on mediation requests, UGI's performance was the industry's worst. The third measure reflects residential collections and it shows UGI - Gas to be better than average.

The following table lists UGI's industry ranking and the trend for each measure.

## Customer Services Performance: UGI-Gas

MEASURES	RANK	TREND
Consumer Complaints	5	Deteriorating
Mediation Requests	6	Deteriorating
Collections	2	Stable
Scale: Rank: 1 = Best 6 = Worst		

The following highlights of UGI's performance in 1993 are based on the analysis of complaints the Bureau received from UGI customers and on collection data that UGI provided to the Bureau. The table below provides a breakdown of 1993 consumer complaints into a number of generic problem categories.



## **Consumer Complaints**

UGI-Gas' high justified consumer complaint rate was caused by a combination of two factors. First, UGI-Gas had a high volume of consumer complaints, especially regarding collection policies. Second, UGI-Gas' percent of cases found to be justified was the highest, not only of the gas industry, but of all the utilities analyzed in this report.

## **Mediation Requests**

UGI was the least effective major gas company at payment negotiations for the second year in a row. UGI's high volume of mediation requests as well as a high percentage of justified mediations caused this poor ranking.

## **Collections**

UGI's collection picture has been relatively stable over the past several years.



# **PENNSYLVANIA-AMERICAN WATER**

In terms of the measures the Bureau uses to evaluate a water company's performance, PAWC's overall performance was average in the water industry. In the first measure, consumer complaints, PAWC's performance was significantly better than average. In the second measure, which focuses on mediation requests, PAWC's performance was worse than average.

The following table lists PAWC's industry ranking and the trend for each measure:

## **Customer Services Performance: PAWC**

<b>MEASURES</b>	<b>ASSESSMENT</b>	<b>TREND</b>
Consumer Complaints	Significantly better than average	Stable
Mediation Requests	Worse than average	Improving

The following are some of the highlights of PAWC's performance in 1993. These are based on the analysis of complaints that the Bureau has received from PAWC customers and on Bureau compliance records.

### **Mediation Requests**

Despite improvement in the justified percent of mediation requests, PAWC was the least effective major water company at negotiating payment arrangements in 1993. This result was primarily due to a high volume of mediation requests from PAWC customers.

### **Compliance**

PAWC has continued to show improvement in compliance with Chapter 56 regulations. In 1993, PAWC had the lowest compliance rate (percent of consumer complaint and mediation cases with apparent violations) in the water industry.

# PENNSYLVANIA GAS & WATER - WATER

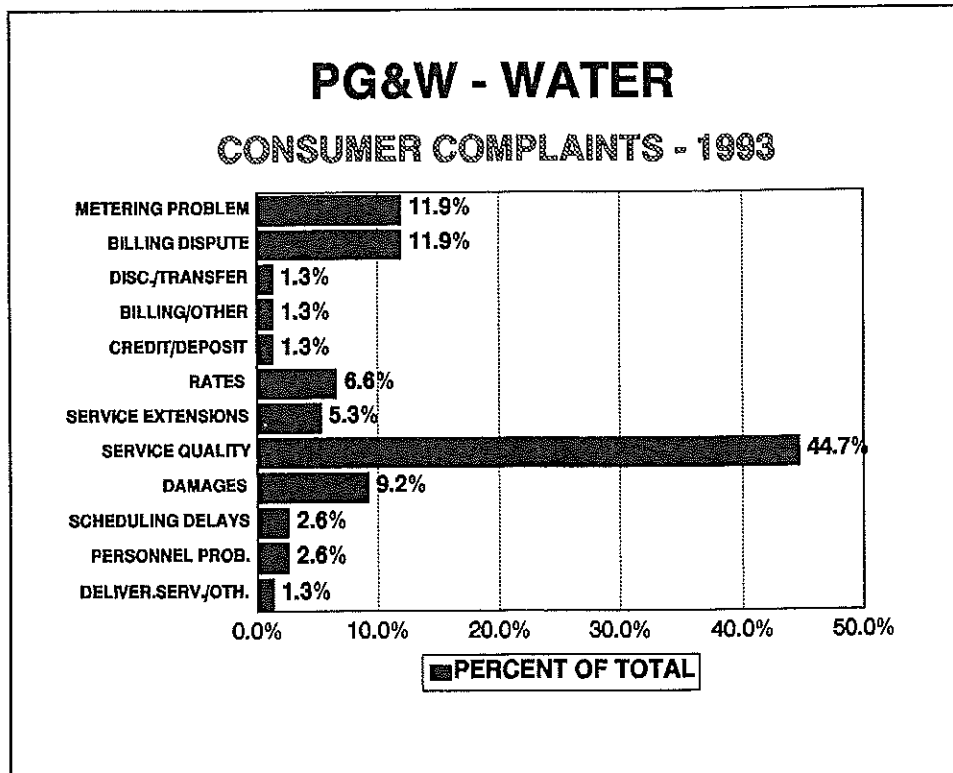
In terms of the measures the Bureau uses to evaluate a water company's performance, PG&W's overall performance was significantly worse than average in the water industry. In the first measure, consumer complaints, PG&W's performance was significantly worse than average. In the second measure, which focuses on mediation requests, PG&W's performance was worse than average.

The following table lists PG&W's industry ranking and the trend for each measure.

## Customer Services Performance: PG&W - Water

MEASURES	ASSESSMENT	TREND
Consumer Complaints	Significantly worse than average	Deteriorating
Mediation Requests	Worse than average	Deteriorating

The following are some of the highlights of PG&W's performance in 1993. These are based on the analysis of complaints the Bureau received from PG&W customers. The table below provides a breakdown of 1993 consumer complaints into a number of generic problem categories.



## **Consumer Complaints**

PG&W-Water's high justified consumer complaint rate is caused by a high volume of complaints, particularly about service quality.

## **Mediation Requests**

PG&W tied with PAWC to be the least effective major water company at negotiating payment arrangements in 1993. A high volume of mediation requests as well as a high justified percent of mediation requests contributed to PG&W's ineffectiveness.

# PHILADELPHIA SUBURBAN WATER

In terms of the measures the Bureau uses to evaluate a water company's performance, Philadelphia Suburban's overall performance was better than average in the water industry. In the first measure, consumer complaints, Philadelphia Suburban's performance was better than average. In the second measure, which focuses on mediation requests, Philadelphia Suburban's performance was also better than average.

The following table lists Philadelphia Suburban's industry ranking and the trend for each measure.

## Customer Services Performance: Philadelphia Suburban

MEASURES	ASSESSMENT	TREND
Consumer Complaints	Better than average	Improving
Mediation Requests	Better than average	Deteriorating

The following highlights of Philadelphia Suburban's performance in 1993 are based on the analysis of complaints the Bureau received from Philadelphia Suburban customers.

### Consumer Complaints

Philadelphia Suburban's slow response time to consumer complaints is unacceptable. An analysis of the 1993 consumer complaints against Philadelphia Suburban show that the company was slow to respond to all types of complaints. This problem is disturbing to the Bureau because it is so widespread.

### Mediation Requests

Despite improvement from 1992 to 1993, Philadelphia Suburban's slow response time to mediations remains unacceptable. Philadelphia Suburban must continue to reduce the time it takes to respond to BCS mediation requests.

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## **IV. CONSUMER COMPLAINTS AND MEDIATIONS AMONG MAJOR COMPANIES**

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The remainder of this report focuses on the performance of the major electric, gas and water utilities that are regulated by the Pennsylvania Public Utility Commission. This chapter presents statistics on the relative number of consumer complaints and mediation requests brought to the attention of the BCS by customers of the various utilities. Subsequent chapters will address individual utility performance regarding the timeliness and adequacy of complaint handling, collection performance and compliance with the Commission's customer service regulations. The final chapters present information on the current status of customer assistance programs among the major utilities and the results of the BCS survey of hardship fund activities.

This report presents several measures that evaluate different aspects of utility performance as they relate to consumer complaints and mediation requests. All of the measures are based on assessments of utility consumer complaints or mediation requests that were presented to the Bureau of Consumer Services by individual customers. Given the condition that in almost all cases, the customer has already contacted the utility about the problem, the Bureau takes the opportunity to review the utility's record as to how the utility handled the case when the customer contacted the company. The review includes several assessments and classifications and the data from these assessments form the basis of the measures presented in this report.

In this and subsequent chapters each utility will receive several comparative ratings on consumer complaints and mediation requests. Comparisons of the volume of BCS cases will be made using the consumer complaint rate and the mediation rate. The effectiveness of a utility's consumer complaint or mediation handling will be measured using the percent of cases that are justified. A third set of measures, the justified consumer complaint rate and the justified mediation rate combine the quantitative measure of consumer complaint rate or mediation rate with the qualitative measure of effectiveness reflected in the justified percent. Finally, the Bureau compares the utilities on response time to consumer complaints and mediation requests.

A narrative that precedes the presentation of the statistics discusses the meaning of each of these measures. What may not be readily apparent from the discussion of the consumer complaint and mediation rates, the percent of justified cases and the justified rate is their interrelationship and relative importance to the Bureau. Because the justified consumer complaint rate and justified mediation rate are a function of two other measures (complaint/mediation rates and justified percent), they are the most comprehensive and important to the Bureau. The Bureau's perspective is that a utility's performance will not

be viewed as deficient because the Bureau receives a moderate number of consumer complaints or mediation requests from the utility's customers, as long as the vast majority of these cases are not justified.

## Consumer Complaints

Consumer complaints include all complaints regarding billing, rates, deposits and service. The Commission has established a process in which the companies play the primary role in handling consumer complaints until negotiations between the customer and the company fail. Thus, a high rate of complaints to the Bureau may indicate that a company is unable to effectively resolve consumer problems. In addition, significant decreases in the frequency of problems over time may indicate that a company is improving.

The wide variation in the number of residential customers served by the major utilities makes comparisons that use raw numbers of complaints insupportable. The need to compare and contrast individual company performance has led to the calculation of uniform measures based on the rate of cases per thousand residential customers (see Appendix F for the number of residential customers for the major electric, gas and water companies). Unusually high mediation and consumer complaint rates often indicate situations which require investigation. Thus, information on consumer complaint rates and mediation rates is used to reveal patterns and trends that help to focus BCS research and compliance activities. Table 2 reports consumer complaint volume and consumer complaint rates for the major companies for 1992 and 1993.

The formulas for mediation and complaint rates are:

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

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

TABLE 2

RESIDENTIAL CONSUMER COMPLAINTS					
Company	1992		1993		1992-1993
	No.	Complaint Rate	No.	Complaint Rate	Percent Change In Number
Duquesne	128	.25	202	.39	58%
Met-Ed	79	.20	70	.18	-11%
Penelec	136	.28	192	.40	41%
Penn Power	60	.50	48	.39	-20%
PP&L	209	.20	239	.23	14%
PECO	618	.47	614	.47	-1%
UGI-Luzerne	20	.38	18	.34	-10%
West Penn	178	.32	244	.43	37%
<b>Major Electric</b>	<b>1,428</b>	<b>.33</b>	<b>1,627</b>	<b>.36</b>	<b>14%</b>
Columbia	90	.28	150	.47	67%
Equitable	253	1.11	273	1.20	8%
NFG	93	.49	116	.61	25%
PG&W-Gas	31	.25	62	.50	100%
Peoples	94	.30	173	.55	84%
UGI-Gas	127	.62	161	.77	27%
<b>Major Gas</b>	<b>688</b>	<b>.51</b>	<b>935</b>	<b>.67</b>	<b>36%</b>
PA-American	125	.37	109	.32	-13%
PG&W-Water	45	.38	93	.77	107%
Phila. Suburban	35	.15	27	.12	-23%
Other Class "A"	36	.37	30	.24	-17%
<b>Major Water</b>	<b>241</b>	<b>.32</b>	<b>259</b>	<b>.32</b>	<b>7%</b>

## Mediation Requests

The Commission's service termination procedures protect utility customers' rights. The Bureau normally intervenes at the customer's request only after direct negotiations between the customer and the company have failed. In 1994, the Bureau continues to focus on having companies improve payment negotiations.

As with consumer complaints, differences in the number of customers served by each utility make comparisons between utilities based on raw numbers of mediations invalid. In order to account for these differences, the Bureau uses the number of mediation requests per 1,000 overdue residential customers - the mediation rate - 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 justified mediation cases or high justified mediation rates as error signals. Table 3 shows the mediation volume and mediation rates for the major companies for 1992 and 1993.

Several companies have escalated the use of dunning techniques in the collection of overdue bills. This is a departure from earlier collection practices which primarily involved the issuance of termination notices. This new approach has resulted in a number of informal complaints to the Bureau. Because these complaints are collection related, BCS classifies them as mediation requests, even though the customers did not receive termination notices. The number of these complaints for each major company for 1991, 1992 and 1993 is shown in Appendix I.



TABLE 3

RESIDENTIAL MEDIATION REQUESTS					
Company	1992		1993		1992-1993
	No.	Mediation Rate	No.	Mediation Rate	Percent Change in Number
Duquesne	2,246	2.81	2,999	6.09	34%
Met-Ed	632	1.12	583	1.04	-8%
Penelec	501	.66	682	.93	36%
Penn Power	498	1.78	387	1.44	-22%
PP&L	698	.44	1,921	1.20	175%
PECO	2,954	.98	4,413	1.53	49%
UGI-Luz.	78	.99	84	1.05	8%
West Penn	314	.26	638	.49	103%
<b>Major Electric</b>	<b>7,921</b>	<b>1.13</b>	<b>11,707</b>	<b>1.48</b>	<b>48%</b>
Columbia	679	2.31	785	2.95	16%
Equitable	808	2.42	1,065	3.35	32%
NFG	369	1.34	471	1.78	28%
PG&W-Gas	152	.83	249	1.30	64%
Peoples	999	2.20	1,559	3.75	56%
UGI-Gas	777	2.59	928	2.93	19%
<b>Major Gas</b>	<b>3,784</b>	<b>1.95</b>	<b>5,057</b>	<b>2.85</b>	<b>34%</b>
PA-American	436	1.29	456	1.33	5%
PG&W-Water	80	.67	140	1.16	75%
Phila. Suburban	133	.58	182	.78	37%
All Other "Class A"	82	.85	102	.81	24%
<b>Major Water</b>	<b>731</b>	<b>.85</b>	<b>880</b>	<b>1.07</b>	<b>20%</b>

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## **V. CASE OUTCOME - JUSTIFIED PERCENT - JUSTIFIED RATE**

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Commission regulations require that electric, gas and water 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 been unable to work out their problems with the company. One of the Bureau's primary goals is to have utilities handle customer contacts effectively before they are brought to the Bureau's attention. This will have two desirable effects. First, proper case handling minimizes customer dissatisfaction, thereby negating the need for customers to seek complaint resolution with the Bureau. Second, proper case handling guarantees that customer complaints that do reach the Bureau will be resolved in the same manner the company recommended.

Informal complaints to the Bureau represent customer appeals to the Commission regarding disputes with utilities. These cases are a result of the inability of the utility and the customer to reach a mutually satisfactory resolution to a dispute. Once the Bureau is contacted, there are three possible case outcome classifications: complaint "justified", "inconclusive" and complaint "unjustified". This approach focuses strictly on the regulatory aspect of the complaint and evaluates companies negatively only where appropriate complaint handling procedures were not followed or where the regulations have been violated. Specifically, a case is considered "justified" in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with PUC orders, regulations, reports, Secretarial Letters, tariffs, etc. "Unjustified" complaints are those cases in which the company demonstrates that correct procedures were followed prior to BCS intervention. "Inconclusive" complaints are those in which incomplete records, equivocal findings or uncertain regulatory interpretations make it difficult to determine whether or not the customer was justified in the appeal to the Bureau. It is anticipated that the vast majority of cases will fall into either the "justified" or "unjustified" category.

In 1993, Bureau staff met individually with representatives of several of the major electric, gas and water companies to discuss its policies for evaluating company case handling performance. In addition, at a seminar it held in December, the Bureau presented an explanation of what it believes to be proper payment negotiation and complaint handling and how the Bureau judges company performance on the consumer complaint and mediation cases it receives. Representatives of every major company attended the seminar. Therefore, the major companies are well aware of the complaint handling standards the Bureau uses to evaluate complaint handling performance.

During 1993, the Bureau of Consumer Services received a much larger than normal number of consumer complaints and mediation requests from customers of major gas, electric and water utilities. Despite this increased volume of customer contacts that came without advance warning, the Bureau did fulfill its obligation to record and classify the consumer complaint and mediation requests that were presented to us. Responses to utility customers and the utilities involved were routinely processed. Case evaluation, the process whereby cases are evaluated to determine how well (justified percent) and how timely (response time) utilities handled customer contacts prior to BCS involvement, was handled in the customary manner for consumer complaint cases.

However, the Bureau did not have the resources to perform case evaluation on each of the mediation requests presented to the Commission. Therefore, the percentage of mediation cases that were evaluated for response time and case outcome (justified percent) is lower than it has been historically. Whereas in the past the Bureau sought to perform case evaluation on 90% or more of cases and report the findings in the Annual Activity Report, the percent of mediation cases evaluated in 1993 was approximately 63%. Therefore, the calculations for case outcome and response time that appear in this report are based on a subset of the cases received by BCS.

### **Consumer Complaint Justified Percent**

The electric, gas and water companies are more effective in handling consumer complaints than in negotiating payment agreements with their customers. The 1993 statistics corroborate this trend of the past several years. This finding is somewhat puzzling to the Bureau in that consumer complaints involve a number of very diverse problems and their resolution requires considerable expertise. In contrast, mediation cases involve a portion of the regulations that is procedurally less complex. Nevertheless, substantially more mediation cases than consumer complaints were found to be "justified" in 1993. See Table 4 for the percent of consumer complaints found to be "justified" in 1992 and 1993.

TABLE 4

JUSTIFIED CONSUMER COMPLAINTS			
			Net Change 1992 to 1993
Company	1992	1993	
Duquesne	18%	17%	-1%
Met-Ed	27%	32%	5%
Penelec	17%	21%	4%
Penn Power	38%	15%	-23%
PP&L	29%	26%	-3%
PECO	37%	26%	-11%
UGI-Luzerne	32%	38%	6%
West Penn	24%	18%	-6%
<b>Major Electric</b>	<b>28%</b>	<b>24%</b>	<b>-4%</b>
Columbia	20%	25%	5%
Equitable	23%	21%	-2%
NFG	35%	33%	-2%
PG&W-Gas	36%	35%	-1%
Peoples	16%	24%	8%
UGI-Gas	23%	40%	17%
<b>Major Gas</b>	<b>25%</b>	<b>30%</b>	<b>5%</b>
PA-American	26%	32%	6%
PG&W-Water	28%	33%	5%
Philadelphia Suburban	50%	25%	-25%
All Other "Class A"	10%	17%	7%
<b>Major Water</b>	<b>29%</b>	<b>27%</b>	<b>-2%</b>

## **Mediation Justified Percent**

Company effectiveness at 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 that are "justified" 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 failed to conform to long-standing regulatory requirements and Bureau policies and guidelines, the case is said to be "justified". The following analysis focuses on the effectiveness of the major electric, gas and water companies in this area.

TABLE 5

JUSTIFIED MEDIATION REQUESTS			
Company			Net Change 1992 to 1993
	1992	1993	
Duquesne	25%	12%	-13%
Met-Ed	42%	23%	-19%
Penelec	31%	32%	1%
Penn Power	31%	10%	-21%
PP&L	50%	58%	8%
PECO	39%	38%	-1%
UGI-Luzerne	48%	54%	6%
West Penn	44%	55%	11%
<b>Major Electric</b>	<b>39%</b>	<b>35%</b>	<b>-4%</b>
Columbia	40%	37%	-3%
Equitable	25%	25%	No Change
NFG	58%	48%	-10%
PG&W-Gas	34%	46%	12%
Peoples	29%	21%	-8%
UGI-Gas	50%	51%	1%
<b>Major Gas</b>	<b>39%</b>	<b>38%</b>	<b>-1%</b>
PA-American	44%	36%	-8%
PG&W-Water	26%	41%	15%
Philadelphia Suburban	33%	37%	4%
All Other "Class A"	34%	30%	-4%
<b>Major Water</b>	<b>34%</b>	<b>36%</b>	<b>2%</b>

## Summary

Case outcome, measured in terms of the percentage of cases that BCS determines to be "justified", is the central measure of the quality of utility customer complaint handling. Justified cases represent company failures at complying with the Commission regulations and rules or with Commonwealth statutes. When the Bureau encounters company case handling performance that is significantly worse than average, then there is reason to suspect that customers who contact the company are at risk of improper dispute handling by the company.

### Justified Rate - An Improved Measure

In the past, the Bureau has presented two measures of company performance in both consumer complaints and mediation cases. Comparisons of the volume of BCS cases are made using the consumer complaint and mediation rates. The effectiveness of a utility's complaint handling or payment negotiations is measured using the percent of cases that are justified. Each of these indicators supports meaningful analysis of company performance. However, both indicators can be affected by changes in company policy. In practice, it is possible for a company to improve in just one of the measures and draw praise from the Bureau. Thus, a separate and independent analysis of these two measures does not provide the most accurate picture of a company's overall performance.

In response to this problem, a performance measure called "justified rate", which reflects both the volume and percent of cases justified, is presented in this report. (See Appendices J and K for an historical comparison of justified mediation and consumer complaint rates). Justified rates are applicable to both mediation requests and consumer complaints. The formulas for justified rates are:

$$\text{Justified Consumer Complaint Rate} = \text{Consumer Complaint Rate} \times \text{Consumer Complaint Justified Percent}$$

$$\text{Justified Mediation Rate} = \text{Mediation Rate} \times \text{Mediation Justified Percent}$$

These evaluative measures combine the quantitative measure of consumer complaint rate or mediation rate with the qualitative measure of justified percent. The Bureau perceives this to be a bottom line measure of performance that evaluates either company complaint handling or payment negotiations as a whole, and as such, allows for general comparisons to be made among companies and across time. See Tables 6, 7 and 8 for justified consumer complaint rates while Tables 9, 10 and 11 report justified mediation rates.

## Justified Consumer Complaint Rate

TABLE 6

<b>JUSTIFIED CONSUMER COMPLAINT RATE MAJOR ELECTRIC COMPANIES (1992-1993)</b>			
			<b>Net Change 1992 to 1993</b>
<b>Company</b>	<b>1992</b>	<b>1993</b>	
Duquesne	.05	.07	.02
Met-Ed	.05	.06	.01
Penelec	.05	.08	.03
Penn Power	.19	.06	-.13
PP&L	.06	.06	No Change
PECO	.18	.12	-.06
UGI-Luzerne	.12	.13	.01
West Penn	.08	.08	No Change
<b>Major Electric</b>	<b>.10</b>	<b>.08</b>	<b>-.02</b>

Among the highlights of Table 6:

- \* Penn Power made a significant improvement in 1993 and joined several other electric utilities that have favorable justified consumer complaint rates.
- \* PECO appears to have made significant improvement at consumer complaint handling; nevertheless, PECO is still worse than the industry average.



TABLE 7

JUSTIFIED CONSUMER COMPLAINT RATE MAJOR GAS COMPANIES (1992-1993)			
			Net Change 1992 to 1993
Company	1992	1993	
Columbia	.06	.12	.06
Equitable	.25	.25	No Change
NFG	.17	.20	.03
PG&W-Gas	.09	.18	.09
Peoples	.05	.13	.08
UGI-Gas	.14	.31	.17
<b>Major Gas</b>	<b>.13</b>	<b>.20</b>	<b>.07</b>

Among the highlights of Table 7:

- \* The performance of the major gas companies as a whole deteriorated in 1993. The gas industry's effectiveness at handling consumer complaints is now much worse than that of the electric industry.
- \* With the exception of Equitable, every major gas company deteriorated in consumer complaint handling performance from 1992 to 1993. Although Equitable's performance did not change, it remains one of the worst major companies analyzed in this report at consumer complaint handling.
- \* UGI-Gas showed significant deterioration in 1993. Consequently, UGI-Gas was the least effective of the major electric and gas companies at handling consumer complaints.

TABLE 8

JUSTIFIED CONSUMER COMPLAINT RATE MAJOR WATER COMPANIES (1992-1993)			
			Net Change 1992 to 1993
Company	1992	1993	
Pennsylvania-American	.10	.10	No Change
PG&W-Water	.11	.25	.14
Philadelphia Suburban	.08	.03	-.05
All Other "Class A"	.04	.04	No Change
<b>Major Water</b>	<b>.08</b>	<b>.11</b>	<b>.03</b>

Among the highlights of Table 8:

- \* In 1993, the water industry ended a seven year trend of steady improvement in handling consumer complaints. Nevertheless, the water industry's performance at effectively handling consumer complaints is much better than that of the gas industry.
- \* After several years of steady improvement, PG&W-Water's consumer complaint handling performance deteriorated notably in 1993. The Bureau recommends that PG&W-Water assess its problematic performance quickly and take remedial steps to improve its consumer complaint handling.
- \* In 1993, Philadelphia Suburban maintained its rank as the most effective major water company at consumer complaint handling. In addition, the company improved its performance in this measure. The Bureau is pleased with the company's exemplary performance.

## Justified Mediation Rate

TABLE 9

<b>JUSTIFIED MEDIATION RATE MAJOR ELECTRIC COMPANIES (1992-1993)</b>			
			<b>Net Change 1992 to 1993</b>
<b>Company</b>	<b>1992</b>	<b>1993</b>	
Duquesne	.71	.73	.02
Met-Ed	.47	.24	-.23
Penelec	.21	.30	.09
Penn Power	.56	.14	-.42
PP&L	.22	.70	.48
PECO	.38	.58	.20
UGI-Luzerne	.47	.57	.10
West Penn	.12	.27	.15
<b>Major Electric</b>	<b>.39</b>	<b>.44</b>	<b>.05</b>

Among the highlights of Table 9:

- \* In 1993, there was once again a wide range in the payment negotiation performance of the major electric companies. The performance of the electric industry as a whole deteriorated from 1992 to 1993.
- \* Duquesne and PP&L were the least effective major companies at payment negotiations in 1993. PP&L's marked deterioration is a source of concern to the Bureau.
- \* Penn Power showed significant improvement in payment negotiation performance from 1992 to 1993 and was one of only two electric companies to improve in this area. As a result of its dramatic improvement, Penn Power ranked as the most effective company at payment negotiations in 1993.

- \* The Bureau is concerned that six of the eight major electric companies were less effective in 1993 at payment negotiations than they were in 1992. The Bureau hopes that these companies will target this area for improvement in 1994.

**TABLE 10**

<b>JUSTIFIED MEDIATION RATE MAJOR GAS COMPANIES (1992-1993)</b>			
<b>Company</b>	<b>1992</b>	<b>1993</b>	<b>Net Change</b>
			<b>1992 to 1993</b>
Columbia	.93	1.09	.16
Equitable	.61	.84	.23
NFG	.78	.85	.07
PG&W-Gas	.28	.60	.32
Peoples	.64	.79	.15
UGI-Gas	1.30	1.49	.19
<b>Major Gas</b>	<b>.76</b>	<b>.94</b>	<b>.18</b>

Among the highlights of Table 10:

- \* The gas industry continued its steady deterioration in effective payment negotiations. The gas industry's performance has been a source of concern to the Bureau for many years. In 1993, every major gas company deteriorated in payment negotiation performance.
- \* Despite significant deterioration from 1992 to 1993, PG&W-Gas was the most effective gas company at payment negotiations for the third year in a row.
- \* UGI-Gas was the least effective gas company at payment negotiations for the second year in a row. UGI must assess its performance and reverse this negative trend.

- \* Columbia showed significant deterioration in payment negotiations from 1992 to 1993 and continued to be the second least effective company in the industry.

**TABLE 11**

<b>JUSTIFIED MEDIATION RATE<sup>1</sup> MAJOR WATER COMPANIES (1992-1993)</b>			
			<b>Net Change 1992 to 1993</b>
<b>Company</b>	<b>1992</b>	<b>1993</b>	
Pennsylvania-American	.56	.48	-.08
PG&W-Water	.18	.48	.30
Philadelphia Suburban	.19	.29	.10
All Other "Class A"	.29	.24	-.05
<b>Major Water</b>	<b>.31</b>	<b>.37</b>	<b>.06</b>

Among the highlights of Table 11:

- \* The water industry's effectiveness at payment negotiations declined for the second year in a row. Pennsylvania American, PG&W-Water and Philadelphia Suburban all need to assess their payment negotiation procedures to avoid further deterioration. For the first time, the performance of the other "Class A" water companies surpassed that of each of these three companies.
- \* Pennsylvania American's performance improved for the first time in several years. The Bureau hopes that this is the beginning of a trend of steady improvement for PAWC.

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<sup>1</sup> *Water companies are not required to provide the Commission with their number of overdue customers. As a result, their mediation rates are calculated in the same manner as their consumer complaint rates. Because of this, the water companies' justified mediation rates are calculated differently from electric and gas companies and cannot be compared to those industries.*

- \* Both PG&W-Water and Philadelphia Suburban deteriorated in payment negotiation performance in 1993. Previously, these two companies had similar performance; however, 1993 saw a significant deterioration for PG&W-Water and its performance became much worse than that of Philadelphia Suburban.

## Summary

Justified rates combine the quantitative measure of consumer complaint or mediation rate and the qualitative measure justified percent. The Bureau believes that this combined measure will enable companies to focus on how effectively they are handling consumer complaints and mediation requests. While it may be difficult for companies to control the volume of complaints coming to the Commission, companies can influence the number of complaints that BCS evaluates as justified by following proper procedures, rules and regulations when investigating consumer complaints and negotiating payment arrangements.

Overall, the effectiveness of consumer complaint handling deteriorated from 1992 to 1993. In addition, the electric, gas and water companies negotiated payment arrangements less effectively in 1993 than in 1992. Gas companies continue to negotiate payment arrangements significantly less effectively than electric companies. This is a source of concern to the Bureau in light of the attention it has given to the companies regarding this measure. The Bureau's report to the Commission on uncollectible accounts encouraged more aggressive collection practices but not at the expense of breaching Commission regulations, rules and policies. The Bureau expects companies to target this area for improvement in 1994.

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## **VI. RESPONSE TIME**

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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. Response time quantifies the speed of a utility's response ("responsiveness") to BCS informal complaints. In this report, response time is presented as the mean number of days for each company. Mediation requests and consumer complaints are reviewed separately.

Response time is important for two reasons. First, a short response time means that a company has moved quickly to supply BCS with the required information to address the customer's problem. Second, a short response time is a clear indication that a company maintains adequate records. These records are required by Commission regulations and their routine presence indicates that companies generally have the resources on hand that are necessary to resolve a dispute before it becomes necessary for the Bureau to become involved. For these reasons, significant improvements or deteriorations in response time performance, as well as failure to improve on conspicuously bad performance, are the focus of the analysis here.

### **Consumer Complaint Response Time**

Slow response to consumer complaints registered with BCS is an indication of inadequate complaint handling procedures. If a company is unresponsive to a BCS complaint, there is an indication that it is also unresponsive in handling the large majority of customer disputes that never reach the Bureau. Detailed investigations have verified the existence of the relationship between poor response time to the Bureau and unresponsiveness to customers. Responsiveness is thus an important index of the quality of utility complaint handling. See Table 12 for the consumer complaint response times for the major electric, gas and water companies for 1992 and 1993.

TABLE 12

RESPONSE TIME CONSUMER COMPLAINTS			
Company	Average Time in Days		Change in Days 1992 to 1993
	1992	1993	
Duquesne	14.5	14.8	0.3
Met-Ed	17.8	15.5	-2.3
Penelec	13.7	11.4	-2.3
Penn Power	10.4	4.9	-5.5
PP&L	11.1	12.3	1.2
PECO	13.7	17.8	4.1
UGI-Luzerne	26.3	20.4	-5.9
West Penn	8.0	16.9	8.9
<b>Major Electric</b>	<b>14.4</b>	<b>14.3</b>	<b>-0.1</b>
Columbia	7.0	7.0	No Change
Equitable	14.0	11.7	-2.3
NFG	7.4	6.2	-1.2
PG&W-Gas	3.8	5.9	2.1
Peoples	6.3	8.3	2.0
UGI-Gas	9.9	8.0	-1.9
<b>Major Gas</b>	<b>8.1</b>	<b>7.9</b>	<b>-0.2</b>
Pennsylvania-American	3.8	3.8	No Change
Philadelphia Suburban	18.5	20.7	2.2
PG&W-Water	6.2	7.3	1.1
All Other "Class A"	11.3	17.3	6.0
<b>Major Water</b>	<b>10.0</b>	<b>12.3</b>	<b>2.3</b>



Among the highlights:

- \* Consumer complaint response time was relatively stable from 1992 to 1993 for the major electric and gas utilities as a whole. However, many of the individual major companies within the industries either improved or deteriorated greatly in their responsiveness to consumer complaints.
- \* The water industry deteriorated in 1993 and therefore, failed to attain the Bureau's informal ten day standard for response time. The electric industry, though stable, also failed to attain this standard.
- \* Although UGI-Luzerne had the worst response time in 1993, it did improve for the second year in a row. UGI-Luzerne should continue to work to improve its response time to consumer complaints with a short-term goal of achieving at least average performance according to industry standards.
- \* Penn Power, PG&W-Gas, and Pennsylvania-American were the most responsive companies in their respective industries to consumer complaints in 1993. Pennsylvania-American is the most responsive of all the major companies analyzed in this report and has maintained a stable response time to consumer complaints for several years.

### **Mediation Response Time**

For every day that a mediation case remains open and unresolved the customer may continue to accumulate a larger debt to the company. As a result, there is a strong, inherent economic incentive for a company to process mediation requests expeditiously so that a final disposition of the complaint can be determined. The statistics in Table 13 seem to reflect this logic. With a few exceptions, the major companies have brought their mean response times to reasonable levels, i.e., five days or less.

TABLE 13

RESPONSE TIME MEDIATION REQUESTS			
Company	Average Time in Days		Change in Days 1992 to 1993
	1992	1993	
Duquesne	1.1	0.9	-0.2
Met-Ed	3.3	2.5	-0.8
Penelec	4.2	2.7	-1.5
Penn Power	1.7	1.1	-0.6
PP&L	2.8	4.3	1.5
PECO	2.8	6.0	3.2
UGI-Luzerne	18.0	8.1	-9.9
West Penn	4.1	13.6	9.5
<b>Major Electric</b>	<b>4.8</b>	<b>4.9</b>	<b>0.1</b>
Columbia	3.0	3.0	No Change
Equitable	3.2	2.3	-0.9
NFG	4.1	4.7	0.6
PG&W-Gas	1.7	2.5	0.8
Peoples	2.2	2.2	No Change
UGI-Gas	3.6	3.0	-0.6
<b>Major Gas</b>	<b>3.0</b>	<b>3.0</b>	<b>No Change</b>
Pennsylvania-American	2.2	2.3	0.1
PG&W-Water	2.6	3.6	1.0
Philadelphia Suburban	12.4	9.1	-3.3
All Other "Class A"	11.5	12.5	1.0
<b>Major Water</b>	<b>7.2</b>	<b>6.9</b>	<b>-0.3</b>

Among the highlights:

- \* The mediation response time for each of the three industries was relatively stable from 1992 to 1993.
- \* UGI-Luzerne was one of the companies that BCS monitored during 1993. The Bureau is pleased that the company made a vast improvement in its responsiveness to mediation requests and hopes that the company will continue to improve in this area.
- \* West Penn Power went from having an average response time in 1992 to being the least responsive major company to mediation requests in 1993. The Bureau will monitor West Penn's responsiveness in 1994 and encourages the company to take steps to decrease the time it takes to respond to routine BCS mediation requests.
- \* Philadelphia Suburban decreased its response time from 1992 to 1993; however, the company has a long way to go until it matches the response times of PAWC and PG&W-Water. The Bureau encourages Philadelphia Suburban to continue to work on reducing the time it takes to respond to mediation requests.

## Summary

Response time is an important indicator of a company's responsiveness at handling disputes. A quick response time indicates that a company generally has the resources on hand necessary to resolve a dispute before it comes to BCS. Overall, mediation response time was stable from 1992 to 1993 in all three industries. Consumer complaint response time for the electric and gas industries was also stable from 1992 to 1993. However, the response time to consumer complaints for the water industry deteriorated in 1993.

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## VII. COLLECTIONS

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The Bureau measures the status of utility collections through statistics on the number of customers who owe utilities money, the amounts owed, how long the money has been owed, and finally, the amounts owed that have been written off by the companies. The primary indicators of collection performance are the amounts owed and the amounts that companies have written off as uncollectible.

The Bureau has historically tracked money owed to utilities through arrearages. An arrearage is an unpaid balance that is not covered by a payment agreement. The longer a customer goes without paying and the greater the amount owed, the greater the pressure the company applies to secure payment. Initial payment reminder notices are followed by collection letters and, if these fail, by a threat of service termination. Most delinquent customers succumb to this pressure and either pay their bills or make arrangements to pay over time. Once a customer makes a payment agreement with the company, and as long as scheduled payments are made, the company removes the amount owed from the "arrearage" category and places it into a payment agreement category.

In order to accurately portray the total amount of money owed to utilities, arrearages as well as money owed in payment arrangements must be considered. The Bureau combines these two distinct sources of arrearages in order to provide an accurate picture of the total outstanding residential debt for a utility.

### Overview

The significant variations among companies in the amount of debt in arrearages and agreements appear to be indicative, in part, of different collection policies. The Bureau is aware of these variations and in its Final Report on the Investigation of Uncollectible Balances, the Bureau recommended standard collection policies to be implemented by the major gas and electric utilities.

From the Commission's perspective, one of the keys to implementing an effective collection system is identifying whether the customers who owe the utility money are low income. The debt owed by middle and upper income customers may be less at risk than that owed by low income customers because middle and low income customers are more likely to have the income and/or assets to pay off their utility debt. Additionally, the cost to the utility for carrying this debt should be offset by the assessment and collection of late payment charges.

On the other hand, the debt owed by low income customers may be at more risk because of income levels or assets that are grossly inadequate to address the debt. In these cases, the assessment of late payment charges may further threaten the utility's ability to recover billings.

If a utility is in a position of knowing which customers who owe money are low income (through application information, the receipt of energy assistance and/or income reporting related to payment agreements), the utility can pursue collections and make referrals to assistance programs before the debt reaches an unmanageable level. The earlier the utility identifies low income accounts and the sooner it makes referrals to assistance programs, the better chance the low income customer has of keeping debt at a manageable level.

### **Percent of Residential Customers Who Owe Money**

In reporting the statistic "Percent of Customers Overdue" in Table 14, the Bureau presents a percentage figure that combines customers who are overdue and not on payment agreements with customers who are overdue and maintaining active payment agreements with the utility. Appendix L reports the number of residential customers in debt for each of the major electric and gas companies.

TABLE 14

PERCENT OF CUSTOMERS IN DEBT				
Company	1991	1992	1993	Percent Change
				From 1991 to 1993
Duquesne	19.9%	19.4%	15.1%	-24%
Met-Ed	12.5%	14.5%	14.4%	15%
Penelec	16.0%	16.7%	16.2%	1%
Penn Power	23.0%	24.5%	24.2%	5%
PP&L	17.8%	18.2%	18.3%	3%
PECO	28.4%	29.0%	29.2%	3%
UGI-Luzerne	12.9%	13.6%	14.0%	9%
West Penn	21.1%	21.3%	22.6%	7%
<b>Electric-Average</b>	<b>19.0%</b>	<b>19.7%</b>	<b>19.3%</b>	<b>2%</b>
Columbia	11.2%	11.9%	11.2%	No Change
Equitable	21.6%	21.4%	21.6%	No Change
NFG	15.8%	16.0%	15.8%	No Change
PG&W-Gas	15.5%	15.2%	15.4%	-1%
Peoples	13.4%	13.4%	16.3%	22%
UGI-Gas	14.2%	14.1%	14.5%	2%
<b>Gas - Average</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.8%</b>	<b>3%</b>

Among the highlights from Table 14:

- \* PECO, Penn Power, West Penn and Equitable face the highest levels of customer accounts at risk and, as such, have a larger collection task than the other major electric and gas companies.
- \* Peoples saw its number of overdue customers grow substantially from 1992-1993. Duquesne was the only major company to experience a substantial decline in the number of customers in debt.

## Amount of Money at Risk

The percent of customers in debt reflects the general state of collections. However, the risk of loss is better determined through a review of the amount and aging of the money involved. Table 15 shows a combined total of the money that is owed by customers in arrears and by those with agreements. The total amount of money owed by customers is the most important collections figure reported herein.

**TABLE 15**

<b>RESIDENTIAL CUSTOMER DEBT</b>				
<b>Company</b>	<b>1991 (\$000) Total Debt</b>	<b>1992 (\$000) Total Debt</b>	<b>1993 (\$000) Total Debt</b>	<b>Percent Change in Total 1991-1993</b>
Duquesne	\$ 40,595	\$ 45,297	\$ 44,859	11%
Met-Ed	8,072	13,248	14,761	83%
Penelec	11,667	12,558	12,907	11%
Penn Power	3,956	4,956	4,848	23%
PP&L	44,120	46,931	48,815	11%
PECO	124,387	143,031	127,975	3%
UGI-Luzerne	741	946	1,132	53%
West Penn	15,648	15,805	17,771	14%
<b>Electric-Total</b>	<b>\$249,186</b>	<b>\$282,412</b>	<b>\$273,072</b>	<b>10%</b>
Columbia	9,769	9,687	9,258	-5%
Equitable	27,398	28,004	29,350	7%
NFG	5,965	5,057	5,255	-12%
PG&W - Gas	3,098	2,724	2,742	-11%
Peoples	8,893#	9,556	9,660	9%
UGI - Gas	3,389	3,574	4,178	23%
<b>Gas - Total</b>	<b>\$ 58,512</b>	<b>\$ 58,602</b>	<b>\$60,446</b>	<b>3%</b>
<b>TOTAL</b>	<b>\$307,698</b>	<b>\$341,013</b>	<b>\$333,518</b>	<b>8%</b>

# Overstated - Includes delinquent finaled accounts.

Among the highlights from Table 15:

- \* Columbia, NFG and PG&W-Gas were the only major electric and gas companies to show reductions in residential customer debt from 1991 to 1993.
- \* Although residential customer debt grew by 8% from \$308 million in 1991 to \$334 million in 1993, the debt decreased by 2% from 1992 to 1993. This is the first overall decrease in total residential debt among the major electric and gas companies in more than six years.

### **Weighted Measures - A Tool for Comparison**

Notwithstanding the divergent collection performance as presented above, some comparisons between companies based on total residential debt can be misleading because of differences in the average size of bills. For this reason, the Bureau calculates a weighted statistic so that the effect of these differences is taken into consideration.

The "Total Score" in Table 16 represents the total aging of all residential customer debt. It is calculated by dividing the average monthly customer bill into the average monthly customer arrearage. (See Appendix G, Table 1 and Table 2, for monthly average bills for heating and non-heating customers for the major companies).



TABLE 16

<b>WEIGHTED STATISTICS FOR ARREARAGES</b>			
<b>Company</b>	<b>1991 Weighted Total Score</b>	<b>1992 Weighted Total Score</b>	<b>1993 Weighted Total Score</b>
Duquesne	5.6	6.6	8.2
Met-Ed	2.6	3.6	3.9
Penelec	3.0	3.1	3.1
Penn Power	1.7	2.0	2.2
PP&L	3.5	3.5	3.5
PECO	4.3	5.0	4.3
UGI-Luzerne	2.1	2.4	2.8
West Penn	2.8	2.8	2.6
<b>Electric- Average</b>	<b>3.2</b>	<b>3.6</b>	<b>3.8</b>
Columbia	5.0	4.3	4.2
Equitable	7.4	7.1	7.4
NFG	3.3	2.8	2.6
PG&W-Gas	2.9	2.6	2.4
Peoples	3.5	3.5	3.4
UGI-Gas	2.6	2.5	2.7
<b>Gas-Average</b>	<b>4.1</b>	<b>3.8</b>	<b>3.8</b>
<b>OVERALL - AVERAGE</b>	<b>4.0</b>	<b>3.7</b>	<b>3.8</b>

Among the highlights of Table 16:

- \* The interpretation of these scores is straightforward. Higher scores represent greater risk, and therefore, indicate less effective overall management of accounts. Companies with the highest total scores such as Duquesne and Equitable raise concerns about the long term ability of these companies to keep collection costs under control.

- \* The large increase in the total weighted score for Duquesne from 1992 to 1993 concerns the Bureau. Duquesne should investigate this area and take steps to decrease the aging of its residential debt.

## **Termination of Service**

Service termination is expensive in many regards. It costs utilities a great deal to make pre-termination contacts, to terminate service, and to then attempt to collect the final bill. Alternately, the cost of not terminating customers who are delinquent in their payments can also be very significant to utilities. The non-economic costs of termination are difficult to quantify, but are obviously important. The threat to health and safety posed by the lack of utility service is not something to be overlooked. Each year in Pennsylvania, tragic deaths occur as consumers try to compensate for terminated electric or gas service by using alternative, less safe, sources of heat and light.

Nevertheless, given the rise in the amount of debt owed by residential customers and the possible relationship of these costs to collection strategies, including termination, the Commission and utilities need to reexamine the value of termination as a collection tool. This assessment should include consideration of the appropriateness and value of termination for willful nonpayment, as well as provisions for maintaining utility service for those customers who, despite their best efforts at paying their bills, fall short in the ability to cover the entire cost of their utility service. The Bureau has recommended that utilities take a more aggressive collection strategy for non-low income, delinquent customers and termination will be regarded as an acceptable outcome for customers who do not negotiate in good faith with the companies. However, the Bureau does not see merit in utilities relying on termination solely as a collection device. The Bureau notes that several utilities have attempted such a strategy in the past with unsuccessful results. Evidence in this report demonstrates that there is no correlation between large numbers of terminations and successful collection performance. In addition, the Bureau does not believe it is economically wise for companies to pursue termination when customers miss paying just one month's bill. Companies who expend valuable resources threatening termination on accounts with arrearages under \$100 or less than 60 days overdue are wasting money and aggravating their customers. In addition, these terminations present potential threats to the health and safety of the affected ratepayers and their families for undue justification. Accordingly, the Commission asked the major electric and gas utilities to voluntarily refrain from pursuing termination on these overdue accounts. See Table 17 for the number of residential terminations from 1991 to 1993.

TABLE 17

<b>NUMBER OF RESIDENTIAL SERVICE TERMINATIONS</b>				
<b>Company</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>Percent Change 1991-1993</b>
Duquesne	3,454	8,507	9,251	168%
Met-Ed	1,794	2,288	2,418	35%
Penelec	3,508	4,477	4,367	24%
Penn Power	1,125	1,251	1,124	No Change
PP&L	6,683	5,453	8,210	23%
PECO#	18,778	27,723	64,603	244%
UGI-Luzerne	743	635	746	No Change
West Penn	3,941	4,288	4,432	12%
<b>Electric - Total</b>	<b>40,026</b>	<b>54,622</b>	<b>95,151</b>	<b>138%</b>
Columbia	1,487	3,539	4,201	183%
Equitable	4,371	3,646	3,513	-20%
NFG	4,444	3,358	3,183	-28%
PG&W - Gas	1,733	1,847	2,137	23%
Peoples	4,502	4,514	5,660	26%
UGI - Gas	4,657	4,795	4,595	-1%
<b>Gas - Total</b>	<b>21,194</b>	<b>21,699</b>	<b>23,289</b>	<b>10%</b>
<b>TOTAL</b>	<b>61,220</b>	<b>76,321</b>	<b>118,440</b>	
<b>PERCENT CHANGE</b>				<b>93%</b>

# Combined electric and gas

Among the highlights from Table 17:

- \* PECO's tremendous increase in the number of terminations from 1991-1993 may indicate that the company is relying too heavily on termination as a collection tool. Since PECO's collections performance did not improve in 1993, BCS recommends that the company reevaluate its collection strategy.
- \* Duquesne terminated almost three times as many residential accounts in 1993 as it did in 1991. Duquesne and PECO accounted for more than three quarters of the terminations performed by the electric industry in 1993.

### **Uncollectible Accounts**

The most commonly used long-term measure of collection system performance is the proportion of revenues written off as uncollectible, the "write-offs ratio". In order to report a statistic that is easier to comprehend and compare, BCS changes the ratio of write-offs to revenues to the percentage of residential billings written off as uncollectible. The statistics in Table 18 use 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 percentage of residential billings written off as uncollectible is used as the most appropriate measure of performance in collecting bills. (Appendix H provides a listing of net total write-offs as a percentage of total revenues from 1991 to 1993).

TABLE 18

PERCENTAGE OF GROSS RESIDENTIAL BILLINGS WRITTEN OFF AS UNCOLLECTIBLE				
Company	1991	1992	1993	Percent Change 1991-1993
Duquesne	2.30%	3.39%	2.72%	18%
Met-Ed	1.54%	1.69%	1.86%	21%
Penelec	1.20%	1.32%	1.26%	5%
Penn Power	1.08%	1.18%	1.03%	-5%
PP&L	2.35%	1.90%	2.05%	-13%
PECO	2.89%#	3.22%#	2.97%#	3%
UGI-Luzerne	0.86%	0.88%	1.00%	16%
West Penn	0.89%	1.00%	1.05%	18%
<b>Electric-Total</b>	<b>1.64%</b>	<b>1.82%</b>	<b>1.74%</b>	<b>6%</b>
Columbia	2.80%	2.45%	2.70%	-4%
Equitable	4.08%	4.22%	4.05%	-1%
NFG	2.66%	2.58%	1.89%	-29%
PG&W - Gas	1.65%	1.85%	1.29%	-22%
Peoples	1.40%	1.33%	1.57%	12%
UGI - Gas	2.01%	2.06%	1.94%	-3%
<b>Gas - Total</b>	<b>2.43%</b>	<b>2.42%</b>	<b>2.24%</b>	<b>-8%</b>

# Excludes CAP (Customer Assistance Program) write-offs.

Among the highlights of Table 18:

- \* Overall, the electric industry wrote off a higher percentage of residential billings in 1993 than in 1991. Meanwhile, the gas industry showed a modest decrease during this time.

- \* Peoples was the only gas company to experience an increase in gross residential write-offs from 1991 to 1993, while all of the electric utilities except Penn Power and PP&L increased their levels of residential write-offs during this period.
- \* The companies with the worst gross residential write-offs in 1993 were Duquesne, PECO, Columbia and Equitable.
- \* On a positive note, both the electric industry and the gas industry reported a decrease from 1992-1993 in gross residential write-offs.

## Summary

The state of residential collections was relatively stable from 1992 to 1993. The aging of the residential debt and the number of customers owing money appears to have stabilized. The size of the debt increased from 1991 to 1993 but decreased slightly from 1992 to 1993. It appears that a relatively stable number of customers owe an increasing amount of money to their utilities. As these overdue accounts become even more difficult for companies to manage, it is expected to cause the rising gross residential write-offs to increase to even higher levels. Payment problems have clearly become more serious in recent years and both the Commission and the utilities have a major task ahead of them in trying to offer solutions to this problem.

In its Final Report to the Commission on the investigation into uncollectible accounts, the Bureau recommended a variety of measures to improve collection performance. Unfortunately, none of the companies have fully adopted these recommendations or the collection recommendations made by the Commission almost since the promulgation of Chapter 56. From the Bureau's perspective, the key to an effective collection system is the early identification of the income status of a company's delinquent customers. Until utilities acquire this very basic information, they will be unable to successfully implement the other recommended collection strategies.

The overall goals reflected in the Bureau's collection recommendations are to achieve a balance between protecting health and safety and limiting utility collection costs. The recommendations seek to enable low income households to maintain utility service through affordable payments and cost-effective customer assistance programs. For those customers who have the resources to pay their bills, the Bureau recommends minimizing utility expenses through aggressive collection activities.

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## **VIII. COMPLIANCE**

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The activities of the Bureau of Consumer Services include efforts to ensure that public utilities' customer services conform with the standards of conduct for residential service established in statute and regulation, particularly 52 PA Code, Chapter 56. The purpose of Chapter 56, as stated in §56.1, is to ". . . establish and enforce uniform, fair, and equitable residential utility service standards governing eligibility criteria, credit and deposit practices, and account billing, termination, and customer complaint procedures." During 1993 the BCS engaged in the following activities to improve compliance with applicable statutes and regulations relating to treatment of residential accounts: (1) BCS proposed revisions of three sections of Chapter 56; (2) BCS took proactive steps to ensure utilities properly implement Act 1993-54 amending the landlord-tenant provisions of the Public Utility Code; (3) BCS, in conjunction with the Commission's Law Bureau, initiated two separate informal investigations consistent with Sections 506 of the Public Utility Code, 66, Pa. C.S. 506, and 52 PA Code §3.113; and (4) BCS continued its informal compliance process whereby BCS provides utilities with specific examples of apparent violations of Chapter 56 so that utilities can use the errors to pinpoint and correct inappropriate practices.

### **Proposed Revisions of Chapter 56**

BCS initiated revisions to three provisions in Chapter 56. Two of the proposed amendments, namely, Sections 56.17 and 56.57, are necessary to implement specific recommendations from the BCS Final Report (Docket No. I-900002). The third revision involves §56.98 and is necessary to resolve the policy issue arising from increased use by utilities of this provision in instances of unauthorized use.

The revision of §56.17 is necessary to implement the BCS recommendation that companies develop pilot programs to offer prepaid metering as an alternative to termination of non-low income, delinquent customers. The revision would allow advance payments for electric service rendered through prepayment meters.

The BCS has also recommended revision of §56.57 to reduce the interest rate paid on security deposits from 11% to a reasonable rate. The reduction should give utilities greater incentive to secure deposits from delinquent, non-low income ratepayers to encourage timely payments and reduce write-offs. The rate proposed in the revision is the legal rate of interest as provided for in 41 P.S. §202 (relating to legal rate of interest), currently 6%.

Finally, BCS is recommending revision of §56.98 to conform with the original intent of this provision by requiring that terminations without prior notice be confined to instances that the utility honestly believes endanger health and safety. In other terms, a utility should always consider the "health and safety" factor and decide on a case-by-case basis whether termination without prior notice is warranted, even in instances of unauthorized use of utility service. If health and safety are not endangered, utilities should apply the standard termination notifications (§§56.91-56.96) for grounds established at §56.81(4) (relating to unauthorized use of utility service delivered on or about the affected dwelling). Since the utility industry refuses to adopt a case-by-case approach to the problem of unauthorized use of utility service, the BCS believes it is necessary to again amend §56.98.

### **Act 1993-54**

On July 2, 1993, Act 1993-54 was signed by the Governor amending 66 Pa. C.S. §§1521, et seq. The amended law relates to termination of service at residential dwellings where service is in the name of the landlord. The amended law also requires utilities to develop and make available for distribution a uniform explanation of tenant rights. BCS, PA Electric Association, PA Gas Association, and the National Association of Water Companies developed the tenant rights information required by the revised law. On February 24, 1994 the Commission approved the explanation of rights and responsibilities of tenants (M-00930495). The BCS has notified utilities that it will enforce utilities' compliance with the amended law through complaint handling. In addition, monthly data is being submitted by utilities showing the activity on landlord-ratepayer accounts. The BCS believes its aggressive focus on the amended law will result in better compliance by utilities.

### **Informal Investigations**

BCS became involved in two informal investigations during 1993. By letter dated June 3, 1993, the PA Public Utility Commission's Law Bureau initiated an informal investigation into Philadelphia Electric Company's ongoing poor performance relating to the company's daily application of Chapter 56. In a report dated October 1993, BCS presented its findings from the informal investigation. BCS has engaged in a collaborative effort with PECO since May 1993 on corrective action to address the concerns in the report. Commission Staff and the company also engaged in negotiations towards resolving this matter in a settlement agreement. The settlement agreement between The Pennsylvania Public Utility Commission and Philadelphia Electric Company was adopted by the Commission on January 20, 1994 (M-00930423).

In October 1993, the PUC's Law Bureau initiated an informal investigation of the use of contractors to perform sensitive customer service functions for public utilities (M-



00930487). To date, BCS has made visits to Duquesne Light Company, Equitable Gas Company, and PP&L and interviewed utility personnel concerning the use of contractors. In addition, BCS has conducted interviews of three vendor services. The utilities involved are working with BCS and taking corrective action to ensure future compliance. The investigation is pending and will be concluded during 1994.

### **Informal Compliance Process**

The Bureau's primary compliance effort remains its informal compliance process. This process provides utilities with specific examples of apparent violations of Chapter 56. They can use the information to pinpoint and voluntarily correct deficiencies in their customer service operations. The informal compliance process uses consumer complaints to identify, document, and notify utilities of apparent violations. A utility that receives notification of an apparent violation has an opportunity to refute the allegation of a violation. Failing to satisfactorily disprove the allegation, the utility is to take appropriate corrective action to prevent further occurrences. Corrective actions may entail modifying a computer program; revising the text of a notice, bill, letter or company procedures; or providing additional staff training to ensure the proper implementation of a procedure. The notification process also affords utilities the opportunity to receive written clarifications of Chapter 56 provisions and Commission and Bureau policies.

During 1991, 1992, and 1993 the Bureau determined that there were 2,558 informally verified violations of Chapter 56 by the fixed utilities under the PUC's jurisdiction. The significance of these informally verified violations is frequently underscored by the fact that many informally verified violations represent systematic errors that are widespread and affect numerous utility customers. However, because the Bureau receives only a small fraction of the complaints customers have with their utility companies, the Bureau has only limited opportunities to identify such errors. Therefore, the informal compliance process is specifically designed to identify systematic errors. Utilities must then investigate the scope of the problem and take corrective action.

Utilities that wish to avoid BCS compliance actions have several options. First, they may take advantage of the Bureau's informal compliance process. They can also develop their own information system to identify compliance problems by reviewing complaints before they come to the Commission's attention. Companies that analyze their mistakes and take appropriate corrective action can prevent the ill will generated when customers are denied their rights. Additionally, by tracking violations and treating them as potential error signals, utilities can locate problematic procedures and employee errors that cause violations and complaints. Company operations can then be improved to the satisfaction of the PUC, utility customers, and the utility management.

The following data and analysis come from the informal complaints filed with the PUC by residential customers during 1991, 1992, and 1993. The informally verified

violation statistics for the major electric, gas and water companies are presented by company and year in Tables 19-21. The data in Table 22 show the sections of Chapter 56 that are most commonly violated by the fixed utilities based on compliance findings for the past three years.

The Bureau of Consumer Services views each informally verified violation as an error signal. A single infraction can suggest a system-wide misapplication of a particular section of the regulations. Because consumers are reluctant to complain, and because the PUC gets involved with only a small fraction of the total number of complaints to utilities, there is sufficient reason to believe that there are many violations occurring which will go undetected by the PUC. Therefore, the apparent violations that do come to the attention of the Bureau warrant careful analysis and consideration by the target utility. The informal compliance process is intended to help utilities in their identification of deficiencies and consideration of corrective action. Additionally, findings from the other two methods used by BCS to effect compliance with Chapter 56 support the perspective that informally verified violations often represent larger compliance problems.

Several considerations are important to keep in mind when viewing the aggregate informally verified violation figures. First, the data on the number of violations do not consider the causes of the individual violations. Some violations may be more serious because of their systemic nature, and therefore may show ongoing or repetitive violations. Other violations may be more serious because they involve threats to the health and safety of utility customers.

Another consideration to keep in mind when viewing aggregate violation measures is that, as a performance measure, they are most important because they demonstrate infractions of PUC regulations. Therefore, while a utility may show a significant decrease in an aggregate figure, it should be kept in mind that the criterion for good performance is still zero violations.

For these reasons, the aggregate figures presented in Tables 19-21 are considered by BCS along with other information that is case specific. The value of the aggregate figures is to depict apparent trends over time and point out extreme deviations.

In Tables 19-21, the total number of apparent violations for 1993 (column 3) is comprised mostly of informally verified violations (column 4) and sometimes, a smaller proportion of pending violations (column 5). The total number of violations for 1993 may increase as new violations are discovered and cited from customer complaints that originated in 1993 but are still under investigation by the Bureau. Often, the actual total number of apparent violations for 1993 will be equal to or greater than the number reported in column three. The data used for this chapter was retrieved from BCS' Compliance Tracking System as of April 11, 1994.

TABLE 19

INFORMALLY VERIFIED VIOLATIONS OF CHAPTER 56 MAJOR ELECTRIC COMPANIES					
Company	1991	1992	1993 Total	1993 Total Verified	1993 Total Pending
Duquesne	15	27	27	26	1
Met-Ed	10	15	16	12	4
Penelec	20	16	14	12	2
Penn Power	18	11	5	4	1
PP&L	98	68	133	117	16
PECO	241	360	247	227	20
UGI-Luz.	9	17	12	7	5
West Penn	27	27	25	21	4
<b>TOTAL</b>	<b>438</b>	<b>541</b>	<b>479</b>	<b>426</b>	<b>53</b>

The electric industry from 1992 to 1993 has improved in the number of informally verified violations.

- \* PP&L is the only major electric company to have experienced an increase in the number of informally verified violations from 1992 to 1993. This increase of 72% causes great concern. PP&L should determine the reason(s) for this drastic increase and take appropriate corrective measures.
- \* PECO experienced a 37% decrease in informally verified violations from 1992 to 1993. BCS is encouraged by this decrease and attributes it to the increased attention given to this area of operations by PECO as a result of the previously noted informal investigation. However, PECO's violations still represent more than one-half of the total violations reported for the major electric utilities.
- \* Met-Ed, Penelec, and West Penn each decreased the number of informally verified violations between 20-25% from the previous year. These improvements in compliance are noteworthy and BCS encourages these companies to continue their efforts to improve.

TABLE 20

INFORMALLY VERIFIED VIOLATIONS OF CHAPTER 56 MAJOR GAS COMPANIES					
Company	1991	1992	1993 Total	1993 Total Verified	1993 Total Pending
Columbia	46	30	36	31	5
Equitable	42	32	32	20	12
NFG	27	14	27	21	6
PG&W-Gas	11	14	21	19	2
Peoples	24	17	33	25	8
UGI - Gas	34	33	34	25	9
<b>TOTAL</b>	<b>184</b>	<b>140</b>	<b>183</b>	<b>141</b>	<b>42</b>

The gas utilities as a industry have remained consistent with Chapter 56 compliance from 1992 to 1993.

- \* NFG and Peoples, however, experienced a substantial increase in the number of informally verified violations. Each of these companies increased the number of violations from 1992 to 1993 by approximately 50%. BCS believes these companies should determine the reason(s) for the increase and take appropriate corrective action.
- \* PG&W experienced a 36% increase over the previous year's figures. This makes PG&W the only major gas company that continues to show an increase in the number of informally verified violations during the past years. Continued poor performance may lead to other enforcement activities.
- \* Equitable and UGI are the only major gas companies to reduce the number of informally verified violations for 1993. BCS commends these companies and encourages them to continue their efforts to improve.

TABLE 21

INFORMALLY VERIFIED VIOLATIONS OF CHAPTER 56 MAJOR WATER COMPANIES					
Company	1991	1992	1993 Total	1993 Total Verified	1993 Total Pending
PA-American (PAWC)	38	49	23	16	7
PG&W-Water	13	22	27	22	5
Philadelphia Suburban	47	42	29	22	7
All Other "Class A" Companies	10	20	12	11	1
<b>TOTAL</b>	<b>108</b>	<b>133</b>	<b>91</b>	<b>71</b>	<b>20</b>

Water utilities as an industry have improved compliance activity from 1992 to 1993. There has been a substantial decrease in the total number of informally verified violations for all "Class A" water companies.

- \* PAWC and Philadelphia Suburban had major decreases (67% and 48% respectively) in the number of informally verified violations from 1992 to 1993. BCS applauds this improvement and encourages continued efforts to further improve.
- \* PG&W has maintained its compliance performance from 1992-1993. However, the 1993 number of informally verified violations is 69% greater than in 1991.

**TABLE 22**

<b>MOST COMMONLY VIOLATED AREAS OF CHAPTER 56 MAJOR ELECTRIC, GAS AND WATER COMPANIES</b>						
<b>Sections</b>	<b>1991</b>		<b>1992</b>		<b>1993</b>	
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
56.11 Billing Frequency	14	2	16	2	6	1
56.12 Meter Reading	81	11	88	11	66	10
56.14 Make-up Bill	30	4	24	3	25	4
56.16 Transfer of Accounts	35	5	37	5	24	4
56.32-37 Credit Standards	17	2	28	3	23	4
56.81-83 Termination Grounds	54	7	66	8	76	12
56.91-97 Termination Procedures	108	15	115	15	71	11
56.121-126 Landlord-Ratepayer Termination Procedures	46	6	55	7	28	4
56-141-152 Dispute Handling	201	28	256	31	136	21
56.163 Informal Complaint	44	6	27	3	35	6
All Other Sections	100	14	102	12	148	23
<b>TOTAL</b>	<b>730</b>	<b>100</b>	<b>814</b>	<b>100</b>	<b>638</b>	<b>100</b>

A common compliance problem continues to be failure by utilities to handle customer complaints in full accord with the Chapter 56 dispute handling provisions (Section 56.141 - Section 56.152). This still remains troubling since these provisions are intended to insure basic due process rights to consumers.

Obtaining meter readings through automatic meter reading devices and the installation of remote meters continue to aid in the reduction of violations of §56.12.

Informally verified violations of the Chapter 56 provisions relating to termination of service (Section 56.81 through Section 56.126) account for 28% of the apparent violations by the major utilities over the past three years. This suggests that utilities have not established and/or properly implemented procedures that ensure day-to-day compliance with these important Chapter 56 standards.

Overall, the number of informally verified violations reported by BCS has decreased 22% from 1992 to 1993. Although any drop is encouraging, the criterion for good performance is zero violations. Utilities have had ample time to adjust their operations to comply with Chapter 56 service standards. Thus, the 2,182 apparent violations by the major electric, gas and water companies that BCS gathered over the past three years indicate utilities have not fully incorporated Chapter 56 into their daily customer service operations.

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## **IX. CUSTOMER ASSISTANCE PROGRAMS**

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This chapter is divided into two sections. The first section presents a brief history of the development of the Commission's policy regarding customer assistance programs (CAPs). The second section presents a progress report on the implementation of the Commission CAP policy by the major electric and gas utilities in Pennsylvania.

### **Development of CAP Policy**

On October 11, 1990, the Commission initiated an investigation at Docket No. I-900002 into the problems of uncollectible balances and payment troubled customers. The purpose of the investigation was to assist the Commission in formulating applicable policy. As a result of this investigation, the Bureau of Consumer Services submitted a Final Report to the Commission proposing a total of 83 recommendations. On July 25, 1992, the Commission adopted a Policy Statement that implements 12 of the recommendations in the BCS report that relate to customer assistance programs. CAPs provide alternatives to traditional collection methods for low income, payment troubled utility customers. Generally, customers enrolled in a CAP agree to make monthly payments to the utility based on household family size and gross income. These regular monthly payments, which may be for an amount that is less than the current bill for utility service, are made in exchange for continued provision of the service.

As a result of the BCS investigation and Final Report, the Commission endorsed the idea that an appropriately designed and well-implemented CAP, as an integrated part of a company's rate structure, is in the public interest. The purpose of the Commission's Policy Statement is to increase the number of CAPs in Pennsylvania and to provide guidelines for those utilities that voluntarily implement CAPs. These guidelines prescribe a model CAP that is designed to be a more cost-effective approach for dealing with issues of customer inability to pay than are traditional collection methods. In these guidelines, the Commission encourages CAP funding that makes maximum use of existing low income energy assistance programs, most notably LIHEAP. The guidelines also recommend that utilities incorporate a series of control features into their CAPs to limit program costs.

Although utilities may use program designs that differ from the CAP policy statement guidelines to address problems associated with payment troubled customers and uncollectible balances, the Commission explicitly requested that the utilities be able to support such alternative programs as clearly being in the public interest. Further, the Commission stressed that any utilities that choose to pursue collection from low income,



payment troubled customers in a more traditional manner must have reasonable uncollectible expense. Therefore, the Commission requested that a utility that chooses to use an alternate program design, or chooses to continue using traditional collection practices and not implement a CAP, address in rate proceedings its overall level of arrearages, collection costs and write-off of bad debt. The utility must also address the question of whether the implementation of a CAP in accordance with Commission guidelines could produce net economic benefits to the utility and its ratepayers relative to the alternative program or traditional collection practices. Further, the Commission intends that utilities with existing CAPs that differ from Commission guidelines address these matters in subsequent rate proceedings.

## **Progress Report**

In the almost two years since the adoption of the CAP Policy Statement, 12 of the 15 major utilities have either operational CAPs or CAP proposals that are in some phase of implementation. As of March 31, 1994, approximately 49,000 participants are enrolled in utility-sponsored CAPs. Because these pilots are in the early implementation stages, it will be several years before the impact evaluations will be completed. Appendix M provides a summary of the details of each of the utility-sponsored CAPs in Pennsylvania. In the sections below, BCS presents some preliminary observations about the administration (enrollment, solicitation and payment plans) and the cost-effectiveness (payment history) of CAPs.

### **Enrollment and Solicitation**

Most utilities that have started pilot programs have needed at least six months from the Commission's date of approval for the CAP before they could actually begin enrollment. It appears that this start-up time period is necessary to ensure that programming is completed for the CAP database, procedures are written and implemented and training for all staff is completed. The BCS has found that it is better to delay the start of enrollment than to push a company to begin enrollment before all the administrative details are complete. Once enrollment into a pilot begins, it generally takes at least six months to a year for pilots to reach their enrollment limit. The BCS strongly encourages utilities to solicit customers for enrollment into CAP whenever the utility has actual contact with their customers. In other words, when a low income customer calls the utility to make a payment arrangement, the BCS believes the utility has a perfect opportunity to make a referral to CAP at that time. This point of referral is preferable to written solicitation. As programs move beyond the pilot stage, the BCS expects that most referrals to CAP will occur during the payment arrangement stage.

## **Payment Plans**

BCS asked those utilities that have had their CAPs approved since the Policy Statement took effect to analyze the payment records of potential program participants for the most recent year. These companies were asked to determine the annual payment amounts actually paid to the utility and the corresponding percentage of the customers' incomes that these payments represent. The analyses show that some low income customers as a group have actually been making payments that are higher than those recommended in the Policy Statement guidelines. BCS does not believe it is appropriate for customers, as participants of CAP, to make payments that are significantly less than what analysis shows they have historically been paying. On the other hand, because these analyses are based on some estimated data, both utilities and BCS are not comfortable deviating drastically from the guidelines of the CAP Policy Statement. As a result, the Commission has approved payment plans that deviate from the CAP Policy Statement payment guidelines by 1 to 2% for utilities that have completed this kind of payment history analysis. Independent evaluation of these CAPs should provide more definitive information as to the appropriate payment levels for CAP participants.

## **Preliminary CAP Payment History**

The preliminary information on the number of customers who make their monthly CAP payments is encouraging. It appears that at least 70% of the CAP participants are making their agreed upon payments in any given month.

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## **X. UTILITY HARDSHIP FUNDS**

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Utility company hardship funds were created to provide cash assistance to deserving utility customers to help them pay their utility bills. The funds make payments directly to companies on behalf of eligible customers. Contributions from shareholders, utility employees and customers are the primary sources of funding for these programs. In recent years, monies from formal complaint settlements, overcharge settlements, off-system sales, special solicitations of business corporations and natural gas purchase arrangements with Citizens Energy corporation have expanded the funding for these assistance programs. The hardship funds provide assistance grants to customers who "fall through the cracks" of other programs or to those who still have a critical need for assistance after other resources have been exhausted. These funds often make the difference between households being able to maintain necessary utility service and the potentially life-threatening termination of service.

The Pennsylvania Electric Company and Metropolitan Edison Company began hardship fund programs in the late 1970's. With encouragement from the Pennsylvania Public Utility Commission, many other major companies began supporting hardship funds in the mid-1980's. In 1985, the Pennsylvania Public Utility Commission issued a Secretarial letter to all major utilities urging them to develop and support a utility company hardship fund. The utilities were responsive and by 1986 each major electric and gas company sponsored a utility hardship fund in its service territory.

As part of its Final Report, the Bureau of Consumer Services included two recommendations specifically related to utility company hardship funds and subsequently, the Commission issued a Secretarial letter in November 1992 based on those recommendations. The Secretarial letter recommended the following guidelines for utility hardship funds:

1. Utilities should continue to support and expand company hardship fund programs that provide cash grants to needy utility customers. Companies should advocate shareholder increases in contributions through offering a shareholder and/or employee matching contribution provision, or outright grants.
2. All major gas and electric companies should consider adopting the "dollar check-off provision", or a similar provision, on utility bills to enable customers to make contributions with minimal effort.
3. Each company should join with a highly visible charitable organization to increase the effectiveness of its hardship fund program.

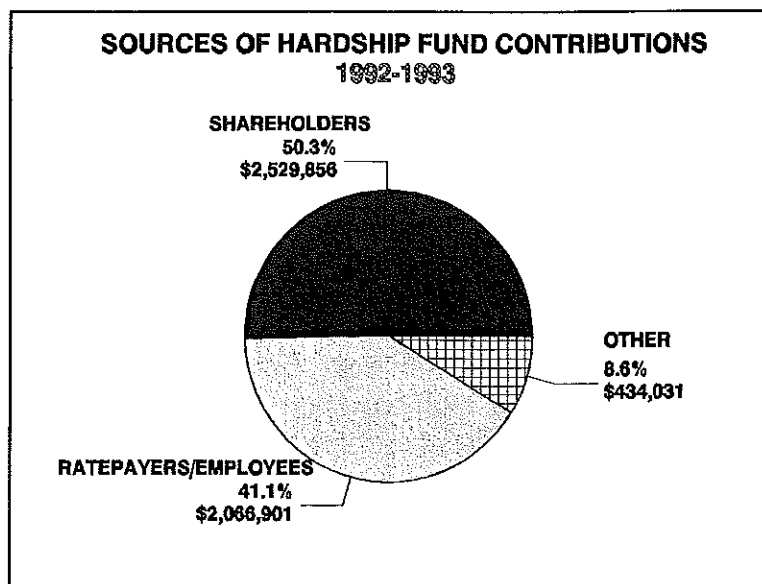
4. Utilities should continue to seek donations from community and corporate neighbors and increase visibility in the community through fund raising events and use of mass media.

## 1993 Survey Results

The Bureau of Consumer Services annually surveys the major electric and gas utilities to gather information about their hardship funds. In 1993, the Bureau also included Pennsylvania American Water Company (PAWC) in its survey. For the 1992-93 program year, total contributions to the hardship funds equaled \$5,030,788. Total contributions to the gas and electric hardship funds were \$4.95 million, a 2.5% increase from the previous program year. PAWC reported total contributions of over \$74,000 for the 1992-93 program year.

### Sources of Contributions

As stated earlier, contributions from shareholders, employees, ratepayers and business corporations all provide funding for the various utility hardship funds in Pennsylvania. In addition, formal complaint settlements, overcharge settlements, off-system sales and natural gas purchase arrangements increase the amount of money available to these programs. The figure below shows the sources of hardship fund contributions for the 1992-93 program year. The "other" category in the figure encompasses contributions from a variety of sources. For 1992-93, the "other" contributions to the utility hardship funds totaled \$434,031 and came from a gas purchase arrangement with Citizens Energy Corporation by Columbia Gas (\$375,000); settlements as in the case of Met-Ed, PECO, West Penn Power and T.W. Phillips (\$49,746) and special solicitations of vendors by Pennsylvania Gas and Water (\$9,285).



## **Employee Contributions**

In answering the BCS survey questionnaire, not all companies are able to separately report contributions from ratepayers and contributions from employees; therefore, it is not possible to compare the companies on this measure. However, utilities that report employee contributions separately showed contributions of over \$95,000 from their employees, a 13% increase from the previous year. Utility employees engage in a variety of activities such as flower sales and payroll deduction plans to raise money for the hardship funds and their contribution levels appear to indicate a genuine concern for ratepayers who are financially unable to pay for their utility service. For example, the employees of PP&L contributed more than \$62,000 to their hardship fund during the 1992-93 program year.

## **Ratepayer Contributions**

Since not all companies keep separate records of the amounts their employees contribute to the company's hardship fund, BCS has historically combined the contributions from ratepayers with contributions from employees when reporting the results of its annual survey. Table 28 reports the combined contributions from employees and ratepayers for each company for the past two program years. The table also shows the average ratepayer/employee contribution rate for each residential customer.

**TABLE 23**

<b>Ratepayer/Employee Contributions</b>			
<b>Company</b>	<b>1991-92</b>	<b>1992-93</b>	<b>1992-93 Average Ratepayer/Employer Contribution Per Customer</b>
Duquesne	\$286,116	\$294,621	\$.58
Met. Ed.	47,801	69,469	\$.18
Penelec	34,050	52,903	\$.11
Penn Power	52,808	61,786	\$.51
PP&L	321,816	304,691	\$.29
PECO*	437,936	521,779	\$.40
West Penn	167,147	181,560	\$.32
Columbia	94,667	106,616	\$.33
Equitable	101,281	106,081	\$.47
NFG	37,847	37,834	\$.20
PG&W	9,857	10,762	\$.09
Peoples	241,399	241,319	\$.77
T.W. Phillips	14,363	19,779	\$.39
UGI*	28,582	25,562	\$.10
PAWC	N/A	32,139	\$.10
<b>TOTAL</b>	<b>N/A</b>	<b>2,066,901</b>	<b>\$.33</b>

**\* Includes gas and electric divisions**

Highlights of Table 23 include the following:

- \* The ratepayers/employees of ten of the major electric and gas companies increased their contributions to the hardship funds for the 1992-93 program year.
- \* The ratepayers and employees of Peoples and Duquesne

were the most generous in 1992-93, consistent with their past performance.

- \* Penelec's ratepayer/employee contribution level increased 55% from 1991-92 to 1992-93. Based on recommendations from the Bureau, Penelec made a serious effort to increase contributions from its ratepayers. The successful result was that Penelec ratepayers more than doubled their contributions in 1992-93 compared to the previous program year.

### **Shareholder Contributions**

Shareholders contribute to utility hardship funds in three ways: grants for administration of the programs, outright grants to the funds and grants that match the contributions of ratepayers. In past years the Bureau has recommended that shareholders demonstrate their commitment to their company's hardship fund either by establishing a minimum ratio of 1:1 for matching contributions, or if necessary, by approving outright grants. Only UGI shareholders currently have a matching provision other than the one recommended by BCS. UGI shareholders have a 2:1 matching ratio. The Bureau believes that a more generous match provision could greatly increase the amount of money available to the company's low income, delinquent customers and perhaps generate more contributions from UGI ratepayers. The Bureau suggests that utility shareholders carefully consider contributing outright grants to these programs or increasing the size of the grants they already make, rather than relying on matching provisions. In this way, deficient ratepayer contributions would not cause potential shareholder contributions to go unused. Table 29 presents information regarding shareholder contributions to hardship funds for the past two program years.

TABLE 24

Shareholder Contributions				
Company	Amount Contributed		% Change	1992-93 Contribution/ Residential Revenues
	1991-92	1992-93		
Duquesne	\$180,000	\$348,000	+93%	.081%
Met. Ed.	94,533	122,000	+29%	.040%
Penelec	128,242	124,795	-3%	.042%
Penn Power	35,000	40,000	+14%	.036%
PP&L	300,000	309,000	+3%	.035%
PECO*	427,311	550,553	+29%	.037%
WPPCo	120,000	120,000	0	.037%
<b>Elec. Co's</b>	<b>1,285,086</b>	<b>1,614,348</b>	<b>26%</b>	<b>.042%</b>
Columbia	100,000	100,000	0	.042%
Equitable	240,000	240,000	0	.105%
NFG	33,333	33,333	0	.023%
PG&W	44,367	47,394	+7%	.057%
Peoples	360,000	360,000	0	.146%
T.W. Phillips	30,000	30,000	0	.095%
UGI*	63,000	62,781	0	.040%
<b>Gas Co's</b>	<b>870,700</b>	<b>873,508</b>	<b>0</b>	<b>.077%</b>
<b>Total Gas &amp; Electric</b>	<b>2,155,786</b>	<b>2,487,856</b>	<b>+15%</b>	<b>.050%</b>
PAWC	N/A	42,000	N/A	.043%
<b>TOTAL</b>	<b>N/A</b>	<b>2,529,856</b>	<b>N/A</b>	<b>.050%</b>

\* Includes gas and electric divisions



Among the highlights of Table 24:

- \* The shareholders of the major electric and gas companies increased contributions to hardship funds by more than 15% from the 1991-92 program year to the 1992-93 program year.
- \* Duquesne shareholders increased their contributions by 93%, thus making them the most generous shareholders in the electric industry based on contributions compared to residential revenues. The shareholders of Peoples were the most generous of all the utilities and the shareholders of Equitable were the second most generous.

### **Benefits**

As benefits from the Low Income Energy Assistance Program (LIHEAP) shrink, the utility hardship funds take on an increasing importance in helping low income households maintain their home energy services. In addition, as the cost of water increases, more and more low income households will have difficulty keeping up with payments for water service and therefore hardship funds for these customers will become more important. Appendix N compares the benefits and disbursement of the major electric and gas utilities for the past two program years. This information is presented only for the 1992-93 program year for PAWC as this is the first year this company has been included in the Bureau's survey.

### **Summary**

Great disparities exist among shareholder contribution levels of the various companies. Some of the utility shareholders are very generous while others are not. Some shareholders have not increased their level of contributions for several years. The Bureau continues to recommend that utility shareholders evaluate their funding levels and consider contributing outright grants and/or increasing the size of these grants and increasing their matching levels or eliminating matching provisions altogether. In addition, Bureau findings show that only a very small fraction of utility ratepayers contribute to their companies' hardship funds. The utilities need to find ways to increase the visibility of their programs and increase the level of support from their ratepayers.

Shareholders, employees and ratepayers have all shown increasing commitment to utility hardship fund programs since their inception. The Bureau believes that the current efforts are commendable. However, current census data show that there is an increasing number of Pennsylvania households living below the federal poverty standard, thus increasing the number of households that may need help paying utility bills. In addition, the uncertainty of LIHEAP funding each year increases the importance of the

hardship funds, as they may be the only source of assistance with utility bills for many low income households. For these reasons, utility companies must continue to support these programs and explore opportunities to expand contributions so that there are monies available to help low income households in Pennsylvania maintain utility service.

Finally, as the cost of water service increases, more and more low income households will most likely be faced with water bills they cannot afford. The Bureau encourages the other water companies to follow the example of PAWC and establish hardship funds to aid their payment troubled, low income customers.

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## **XI. CONCLUSION**

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The discussion above has fulfilled the Bureau's responsibility to make assessments of utility customer services performance generally available. This report provides an overview and a general analysis of complaints that consumers presented to BCS about electric, gas and water companies during 1993. The volume of both consumer complaints and mediation requests increased in 1993. The steps that the Bureau took to improve consumer access to its field services division may have been at least partially responsible for these increases. The consumer complaint and mediation rates used here are quantitative problem indicators related to utility company performance in various customer services areas. Response time, percent of complaints "justified", and justified rate are qualitative performance measures that reflect a company's responsiveness and effectiveness in handling customer complaints. These measures support the Bureau's emphasis on improvement in all areas of complaint handling. In addition, the analysis of collection statistics provides a basis for comparing company performance at managing unpaid accounts. The review of compliance statistics shows which companies are least successful at operating in conformity with Commission regulations.

The Bureau measures utility effectiveness in consumer complaint and mediation handling through justified rates. This evaluative measure combines the quantitative measure of consumer complaint or mediation rate with the qualitative measure justified percent. The Bureau perceives this to be a bottom line measure of performance that evaluates the effectiveness of company complaint handling and payment negotiations as a whole and, as such, allows for general comparisons to be made among companies and across time. Overall, the electric companies have shown improvement at consumer complaint handling from 1992 to 1993 while the gas and water companies have deteriorated. The worst companies in each industry will be closely monitored by the Bureau in 1994. The effectiveness of the electric, gas and water industries at payment negotiations showed deterioration from 1992 to 1993. Again, the companies that show evidence of poor negotiations will be targeted for close scrutiny in 1994. The Bureau continues to urge ineffective companies to study their own problems and to identify ways to address these problems.

Responsiveness to Bureau cases is measured by response time. From 1992 to 1993, seven out of the 17 major companies became more responsive to BCS consumer complaints. Once again, the gas industry maintained its position as the most responsive industry. Mediation response time was relatively stable for each of the three industries. Overall, the gas industry responded faster than the electric industry and more than two times faster than the water industry to mediation requests.

Overall, the utility collection picture in Pennsylvania was relatively stable from 1992 to 1993. For the electric industry, the percentage of residential billings written off as uncollectible increased from 1991 to 1993 but decreased slightly from 1992 to 1993. The gas industry reported a decrease in gross residential write-offs for both these time periods. The Bureau is concerned about the collection performance of some of the major gas and electric companies in 1993 and urges these companies to carefully study their collection policies so that they can improve in 1994.

BCS has placed renewed emphasis on collections and the Bureau will request all companies to perform a thorough review of their collection policies and practices. This report finds a wide disparity in collection performance. The Bureau is concerned with the large increase in the number of service terminations in 1993, especially by two of the utilities. The Bureau questions if this increase may indicate that some utilities are relying too heavily on terminations as a collection device. Meanwhile, a number of utilities demonstrated that they can improve collection performance, while others, such as Penelec, proved they can maintain an acceptable level of performance over a number of years. Utility management should not accept collection deterioration as an unavoidable part of doing business.

Utility compliance with the Commission's regulations continued to improve in 1993. This continuing improvement is largely due to the higher priority placed on compliance with Chapter 56 by the major companies. BCS is particularly pleased to see some major companies taking corrective action not only from feedback provided through the informal compliance process, but also as a result of the companies' internal systems designed to track compliance activity.

Finally, the review of the customer assistance programs and the presentation of the results of the hardship fund survey give some evidence of the level at which utilities are adopting the policies and recommendations of the Commission regarding low income, payment troubled customers. In the future, BCS will recommend that companies be required to justify noncompliance with past Commission secretarial letters regarding these issues; particularly the requirement that companies identify low income accounts as part of both tracking and referral and monthly collections. BCS believes that this identification is a core requirement for utilities to implement the tailored collection systems the Commission has previously recommended.

The Bureau continues to recommend that utilities implement tailored, aggressive collection systems. Seriously delinquent non-low income accounts should be aggressively pursued and, if payment is not made, termination may be the only recourse. Low income accounts should also be pursued in a timely manner. For low income customers who have an ability to pay their utility bills, good faith payment negotiations should be pursued. If these efforts fail to produce customer payments, then termination may be a reasonable recourse. However, utilities must also recognize that some low income customers have a negative ability to pay and that CAPs are the option of choice

for maximizing customer payments and minimizing collection related expenses.

Throughout this report there are numerous examples of results that point to opportunities for companies to make significant improvements in customer services. Individual company performance varied greatly in 1993. Some companies have done a better job of effectively managing and running their customer services operations. These companies include Met-Ed, Penelec, Penn Power, Peoples and PAWC. The efforts of the better companies warrant careful study by those companies that did not perform well. At the same time, no company came close to being the best in all areas. Thus, even the better companies can resolve to improve their performance with a reasonable expectation of success. On the other hand, the Bureau is very concerned about those companies that the statistics in this report show have generally ineffective customer services. These companies are PECO, Equitable and PG&W-Water. Once again, the Bureau will be closely monitoring these companies in the current year and requests that these companies target their own individual problem areas for improvement in 1994.

There is ample evidence to show that companies that make a sincere effort to improve complaint handling have been successful. To foster this approach, the Bureau attempts to assist company efforts at self-monitoring. In addition to periodic reviews of company procedures, the Bureau provides most of the data used in the preparation of this report to companies on a quarterly basis. Companies that seek to improve performance and confront problems can determine causes for problems and respond appropriately long before BCS becomes involved. The Bureau will continue to criticize those companies that show deterioration in the measures of customer services performance that are presented in this report. The objective of the criticism is to encourage companies to undertake efforts to insure that customers who voice their problems through complaints receive the best possible response.

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***APPENDICES***

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## APPENDIX A

<b>DISTRIBUTION OF COMMERCIAL CASES</b>				
<b>Company</b>	<b>1992</b>		<b>1993</b>	
	<b>Mediations</b>	<b>Consumer Complaints</b>	<b>Mediations</b>	<b>Consumer Complaints</b>
Duquesne	50	18	41	21
Met-Ed	65	10	61	17
Penelec	26	18	10	23
Penn Power	8	8	14	9
PP&L	70	24	84	29
PECO	383	76	250	67
UGI-Luzerne	2	1	2	1
West Penn	16	15	18	21
Columbia	9	11	4	9
Equitable	8	10	18	21
NFG	3	6	4	10
PG&W-Gas	0	1	1	2
Peoples	7	9	17	8
UGI-Gas	12	13	12	14
PA-American	6	10	4	9
PG&W-Water	3	15	4	3
Phila. Suburban	0	2	3	4

## APPENDIX B

<b>BCS COMPLAINTS - 1993 RESIDENTIAL - COMMERCIAL</b>					
<b>MEDIATIONS</b>					
<b>Industry</b>	<b>Total Mediations</b>	<b>Residential Mediations</b>	<b>Percent Residential Mediations</b>	<b>Commercial Mediations</b>	<b>Percent Commercial Mediations</b>
Electric	12,199	11,717	96%	482	4%
Gas	5,353	5,291	99%	62	1%
Water	952	940	99%	12	1%
Other	30	30	100%	0	0%
<b>TOTAL</b>	<b>18,534</b>	<b>17,978</b>	<b>97%</b>	<b>556</b>	<b>3%</b>
<b>CONSUMER COMPLAINTS</b>					
<b>Industry</b>	<b>Total C.C.</b>	<b>Residential C.C.</b>	<b>Percent Residential</b>	<b>Commercial C.C.</b>	<b>Percent Commercial</b>
Electric	1,827	1,635	89%	192	11%
Gas	1,108	1,039	94%	69	6%
Telephone	6,363	5,723	90%	640	10%
Water	553	526	95%	27	5%
Other	23	13	57%	10	43%
<b>TOTAL</b>	<b>9,874</b>	<b>8,936</b>	<b>91%</b>	<b>938</b>	<b>9%</b>



## APPENDIX C

Table 1

<b>MONTHLY VOLUME</b>						
<b>Company</b>	<b>Mediation Requests</b>			<b>Consumer Complaints</b>		
	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>
January	360	348	404	714	689	973
February	285	374	558	601	689	826
March	611	750	902	633	642	835
April	1,582	1,419	1,873	535	482	725
May	1,813	1,383	1,751	600	570	747
June	1,489	1,495	2,215	603	646	908
July	1,509	1,418	2,128	790	701	893
August	1,430	1,375	2,201	734	654	971
September	1,258	1,514	1,977	563	681	887
October	1,528	1,608	1,860	631	705	644
November	1,053	1,303	1,690	539	745	673
December	303	495	975	579	948	792
<b>TOTAL</b>	<b>13,221</b>	<b>13,482</b>	<b>18,534</b>	<b>7,522</b>	<b>8,152</b>	<b>9,874</b>

## APPENDIX C

Table 2

<b>BCS ACTIVITY</b>				
<b>Year</b>	<b>Mediations</b>	<b>Consumer Complaints*</b>	<b>Inquiries</b>	<b>Total</b>
1978	11,749	11,441	7,095	30,285
1979	14,976	10,207	42,000**	67,183
1980	15,006	7,454	15,229	37,689
1981	16,599	6,762	20,636	43,997
1982	19,603	7,084	23,553	50,240
1983	15,896	6,563	20,128	42,587
1984	16,014	6,603	18,808	41,425
1985	14,272	6,738	26,144	47,154
1986	10,181	5,896	14,663	30,740
1987	8,782	6,433	11,187	26,402
1988	6,913	7,478	10,581	24,972
1989	8,290	7,978	9,784	26,052
1990	10,416	8,892	8,820	28,128
1991	13,221	7,522	5,198	25,941
1992	13,482	8,152	6,528	28,162
1993	18,534	9,874	16,653	45,061
<b>TOTAL</b>	<b>213,934</b>	<b>125,077</b>	<b>257,007</b>	<b>596,018</b>
Avg.	13,371	7,817	16,063	37,251

\* Includes telephone complaints

\*\* Includes 27,000 TMI Protests

## APPENDIX D

<b>MAJOR PROBLEM CATEGORIES FOR INQUIRIES AND OPINIONS* 1993</b>		
<b>Category</b>	<b>Number</b>	<b>%</b>
Referral to Company	5,271	32%
Referral to Other BCS/Other Bureau	2,126	13%
Referral to Other Agency	3,741	22%
Specific Information Request	3,062	18%
Rate Protest and Opinion	817	5%
Opinion - General	343	2%
Company Changed	54	<1%
Duplicate	136	1%
Verbally Dismissed	178	1%
No Jurisdiction	35	<1%
Untimely Filed	259	2%
Other	631	4%
<b>TOTAL</b>	<b>16,653</b>	<b>100%</b>

\* Includes telephone inquiries and opinions

## APPENDIX E

TYPE OF INDUSTRY				
Industry	Mediation Requests		Consumer Complaints	
	1992	1993	1992	1993
Electric	64%	66%	20%	19%
Gas	30%	29%	10%	11%
Telephone	Not Applicable	Not Applicable	63%	64%
Water	6%	5%	6%	6%
Other	0%	0%	1%	0%

## APPENDIX F

<b>MONTHLY AVERAGE NUMBER OF RESIDENTIAL CUSTOMERS - 1993</b>	
Duquesne	513,480
Met-Ed	396,748
Penelec	485,525
Penn Power	121,996
PP&L	1,051,413
PECO	1,313,627
UGI-Luzerne	52,951
West Penn	561,896
<b>Major Electric - Total</b>	<b>4,497,636</b>
Columbia	322,553
Equitable	228,327
NFG	191,473
PG&W - Gas	124,007
Peoples	313,821
UGI - Gas	210,136
<b>Major Gas - Total</b>	<b>1,390,317</b>
Pennsylvania-American	342,541
PG&W - Water	120,315
Philadelphia Suburban	232,684
All Other "Class A" Companies	125,553
<b>"Class A" Water - Total</b>	<b>821,093</b>

# APPENDIX G

TABLE 1

RESIDENTIAL HEATING BILLS* IN 1993			
Company	Monthly Averages		Cost Per Unit (\$/KWH or MCF)
	Usage	Bills	
Duquesne	1048 KWH	\$99.77	.0952
Met-Ed	1374 KWH	108.39	.0789
Penelec	1285 KWH	96.42	.0750
Penn Power	1623 KWH	114.88	.0708
PP&L	1456 KWH	112.92	.0776
PECO-Electric	1411 KWH	144.00	.1021
UGI-Luzerne	1647 KWH	106.47	.0646
West Penn	1538 KWH	91.63	.0596
Columbia	10.1 MCF	62.28	6.17
Equitable	10.0 MCF	81.72	8.17
NFG	10.8 MCF	66.27	6.14
PG&W - Gas	12.6 MCF	66.96	5.31
Peoples	11.1 MCF	55.75	5.02
PECO - Gas	9.3 MCF	62.00	6.67
UGI - Gas	8.9 MCF	61.00	6.85

\* Source: Data reported by companies - Figures used are for average bills and usage for each company, not typical bills.

# APPENDIX G

TABLE 2

RESIDENTIAL NON-HEATING BILLS* IN 1993			
Company	Monthly Averages		Cost Per Unit (\$/KWH or MCF)
	Usage	Bills	
Duquesne	537 KWH	\$76.15	.1418
Met-Ed	645 KWH	56.28	.0873
Penelec	558 KWH	47.37	.0849
Penn Power	699 KWH	70.83	.1013
PP&L	622 KWH	53.89	.0866
PECO-Electric	558 KWH	76.00	.1362
UGI-Luzerne	502 KWH	42.65	.0850
West Penn	722 KWH	46.56	.0645
Columbia	1.9 MCF	18.88	.9.94
Equitable	1.8 MCF	20.56	11.42
NFG	5.2 MCF	37.82	7.27
PG&W - Gas	1.7 MCF	13.53	7.96
Peoples	2.3 MCF	19.14	8.32
PECO - Gas	2.3 MCF	21.00	9.13
UGI - Gas	1.6 MCF	16.53	10.33

\* Source: Data reported by companies - Figures used are for average bills and usage for each company, not typical bills.

## APPENDIX H

<b>NET TOTAL WRITE-OFFS AS A PERCENTAGE OF TOTAL REVENUES*</b>				
<b>Company</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>Percent Change 1991-1993</b>
Duquesne	0.93%	1.33%	0.93%	No Change
Met-Ed	0.62%	0.66%	0.69%	11%
Penelec	0.39%	0.41%	0.39%	No Change
Penn Power	0.74%	3.18%x	0.42%	-43%
PP&L	1.03%	0.75%	0.76%	-26%
PECO#	1.34%	1.54%	1.98%	48%
UGI-Luzerne	0.48%	0.52%	0.53%	10%
West Penn	0.32%	0.37%	0.36%	13%
<b>Electric-Average</b>	<b>0.73%</b>	<b>1.09%</b>	<b>0.76%</b>	<b>4%</b>
Columbia	1.80%	1.63%	1.60%	-11%
Equitable	2.60%	2.78%	2.69%	3%
NFG	1.91%	1.79%	1.41%	-26%
PG&W - Gas	1.04%	1.14%	0.97%	-7%
Peoples	1.13%	1.06%	1.35%	19%
UGI - Gas	0.86%	1.03%	0.84%	-2%
<b>Gas - Average</b>	<b>1.56%</b>	<b>1.57%</b>	<b>1.48%</b>	<b>-5%</b>

\* Source: Company reported data

# Electric and gas combined

x Includes industrial write-offs of \$7,251,444. This amount is unusually high.



## APPENDIX I

<b>NUMBER OF NON-TERMINATION COLLECTIONS RELATED MEDIATION REQUESTS</b>			
<b>Company</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>
Duquesne	99	165	133
Met-Ed	52	73	65
Penelec	29	24	28
Penn Power	10	17	10
PP&L	71	77	93
PECO	331	231	52
UGI - Luzerne	1	4	4
West Penn	10	16	34
Columbia	26	40	28
Equitable	80	85	64
NFG	4	7	10
PG&W - Gas	6	2	6
Peoples	31	24	29
UGI - Gas	19	26	28
PA American	11	5	7
PG&W - Water	0	2	3
Philadelphia Suburban	3	2	1
Other "A"	0	2	2
<b>TOTAL</b>	<b>783</b>	<b>802</b>	<b>597</b>

## APPENDIX J

<b>JUSTIFIED CONSUMER COMPLAINT RATE</b>			
<b>Company</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>
Duquesne	.07	.05	.07
Met-Ed	.04	.05	.06
Penelec	.08	.05	.08
Penn Power	.09	.19	.06
PP&L	.06	.06	.06
PECO	.17	.18	.12
UGI - Luzerne	.10	.12	.13
West Penn	.08	.08	.08
<b>Major Electric</b>	<b>.09</b>	<b>.10</b>	<b>.08</b>
Columbia	.08	.06	.12
Equitable	.33	.25	.25
NFG	.16	.17	.20
PG&W - Gas	.17	.09	.18
Peoples	.07	.05	.13
UGI - Gas	.15	.14	.31
<b>Major Gas</b>	<b>.16</b>	<b>.13</b>	<b>.20</b>
PA American	.11	.10	.10
PG&W - Water	.21	.11	.25
Philadelphia Suburban	.05	.08	.03
Other "A"	.09	.04	.04
<b>Major Water</b>	<b>.12</b>	<b>.08</b>	<b>.11</b>

## APPENDIX K

<b>JUSTIFIED MEDIATION RATE</b>			
<b>Company</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>
Duquesne	.34	.71	.73
Met-Ed	.65	.47	.24
Penelec	.22	.21	.30
Penn Power	.33	.56	.14
PP&L	.78	.22	.70
PECO	.63	.38	.58
UGI - Luzerne	.42	.47	.57
West Penn	.09	.12	.27
<b>Major Electric</b>	<b>.43</b>	<b>.39</b>	<b>.44</b>
Columbia	1.36	.93	1.09
Equitable	.69	.61	.84
NFG	.71	.78	.85
PG&W - Gas	.30	.28	.60
Peoples	.59	.64	.79
UGI - Gas	.82	1.30	1.49
<b>Major Gas</b>	<b>.75</b>	<b>.76</b>	<b>.94</b>
PA American	.27	.56	.48
PG&W - Water	.17	.18	.48
Philadelphia Suburban	.18	.19	.29
Other "A"	.34	.29	.24
<b>Major Water</b>	<b>.24</b>	<b>.31</b>	<b>.37</b>

## APPENDIX L

<b>NUMBER OF RESIDENTIAL CUSTOMERS IN DEBT</b>			
<b>Company</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>
Duquesne	101,569	99,296	77,590
Met-Ed	48,198	56,574	57,110
Penelec	76,353	80,455	78,779
Penn Power	27,470	29,538	29,518
PP&L	182,800	189,504	191,991
PECO	368,482	378,319	384,072
UGI-Luzerne	6,763	7,131	7,433
West Penn	116,103	118,468	126,831
<b>Electric - Total</b>	<b>927,738</b>	<b>959,285</b>	<b>953,318</b>
Columbia	35,517	37,982	36,157
Equitable	48,843	48,584	49,196
NFG	30,040	30,541	30,263
PG&W - Gas	18,519	18,517	19,075
Peoples	41,450	41,779	51,282
UGI - Gas	28,736	29,115	30,406
<b>Gas - Total</b>	<b>203,105</b>	<b>206,518</b>	<b>216,379</b>
<b>TOTAL</b>	<b>1,130,843</b>	<b>1,165,803</b>	<b>1,169,697</b>

**SUMMARY OF STATUS OF UTILITY SPONSORED  
CUSTOMER ASSISTANCE PROGRAMS (CAPs)  
Electric Industry**

UTILITY	CUSTOMER ASSISTANCE PROGRAM NAME	FUNDING SOURCE	PROGRAM PARTICIPATION LIMIT	NUMBER OF PARTICIPANTS CURRENTLY ENROLLED IN PROGRAM	EVALUATOR/DATE IMPACT EVALUATION DUE
DUQUESNE	CAP "Discussion Paper" submitted to BCS January 27, 1994.				
MET-ED	Pilot Customer Assistance Program (CAP)	1. Customer payments. 2. One LIHEAP grant. 3. Residential Rates. \$500,000 (R-00922314)	1,200	800 as of March 31, 1994	RFP due Q2 1994
PENELEC	Pilot Customer Assistance Program (CAP) (Petition to implement pilot is pending Commission approval, P-00930718)	1. Customer payments. 2. One LIHEAP grant. 3. O&M expenses. 4. Deferred accounting 5. PURTA tax refund.	1,300	Enrollment to tentatively begin July 1994	
PENN POWER	No Program. Delaying CAP development until financial situation improves.				
PP&L	On Track Payment Program	1. Customer payments. 2. One LIHEAP grant. 3. Hardship fund grant. 4. O&M expenses.	2,000	25 as of March 31, 1994	RPM Systems, Inc./Interim impact - July 1996; Final impact - July 1997
PECO	Customer Assistance Program (CAP)	1. Customer payments. 2. One LIHEAP grant. 3. Rates - \$18.6m R-(891364)	29,000	38,560 as of March 31, 1994	RPM Systems, Inc./ Spring, 1994
UGI-Luzerne	No Program. No plans to implement a CAP.				
WEST PENN POWER	Low Income Payment and Usage Reduction Pilot (LIPURP)	1. Customer payments. 2. One LIHEAP grant 3. Residential Rates \$907,000 (R-922378).	2,000	Program approved April 29, 1993. Enrollment to begin May 1994.	A. Gil Peach Assoc./Draft impact - April 1996; Final impact - June 1999

**SUMMARY OF STATUS OF UTILITY SPONSORED  
CUSTOMER ASSISTANCE PROGRAMS (CAPs)  
Gas Industry**

UTILITY	CUSTOMER ASSISTANCE PROGRAM NAME	FUNDING SOURCE	PROGRAM PARTICIPATION LIMIT	NUMBER OF PARTICIPANTS CURRENTLY ENROLLED IN PROGRAM	EVALUATOR/DATE IMPACT EVALUATION DUE
COLUMBIA	Customer Assistance Program (CAP)	1. Customer payments. 2. One LIHEAP grant. 3. Residential Rates - \$1.125m (R-891468)	1,000	1,000	A&C Enercom / December 1996
EQUITABLE	Energy Assistance Program (EAP)	1. Customer payments. 2. Both cash and crisis LIHEAP grants and DEF grant. 3. Residential Rates - \$1.8m (R-901595)	7,000	6,714 as of 3/31/94	H. Gil Peach Assoc./RFP due Q2 1994
NFG	Low Income Residential Assistance Rate (LIRAR)	1. Customer payments. 2. Cash LIHEAP grants. 3. Residential Rates - \$405,000 (R-911912)	1,000	1,000	Temple-Institute of Public Policy / June 1995
PG&W	CAP plan submitted to BCS September 1993.				
PEOPLES	Pilot Customer Assistance Program (CAP)	1. Customer payments. 2. One LIHEAP grant. 3. Residential Rates - \$679,818 (R-932664)	1,000	Program approved 12/3/93. Enrollment to begin 7/94.	Wirthshafter and Assoc./ Initial impact - July 1996; Final impact - December 1997
TW PHILLIPS	No Program. CAP plan to be submitted in next rate case (early 1994). Will continue to operate an alternative design (Energy Help Fund) until CAP is implemented.				
UGI GAS	Draft proposal submitted to BCS in April 1994.				

**APPENDIX M  
Table 3**

CAP

Company	Eligibility	Payment Plan	Arrearage Forgiveness+														
			Poverty Level	Customer Co-Pay	Utility Arrearage Forgiveness												
Duquesne																	
Met-Ed	<ol style="list-style-type: none"> <li>1. Ratepayer or new applicant status. Payment troubled customers.</li> <li>2. Verified income ≤ 150% poverty (Target payment troubled).</li> <li>3. Appeal process.</li> </ol>	<p>Percentage of bill variation</p> <table border="0"> <tr> <td><b>Poverty Level</b></td> <td><b>% of Income Payment (Non-heat)</b></td> <td><b>% of Income Payment (Heat)</b></td> </tr> <tr> <td>0-50%</td> <td>4%</td> <td>9%</td> </tr> <tr> <td>51-100%</td> <td>5%</td> <td>11%</td> </tr> <tr> <td>101-150%</td> <td>6%</td> <td>15%</td> </tr> </table>	<b>Poverty Level</b>	<b>% of Income Payment (Non-heat)</b>	<b>% of Income Payment (Heat)</b>	0-50%	4%	9%	51-100%	5%	11%	101-150%	6%	15%	<p>0-50% 51-100% 101-150%</p>	<p>\$2 \$6 \$8</p>	<p>1/12 of arrears every 3 months</p>
<b>Poverty Level</b>	<b>% of Income Payment (Non-heat)</b>	<b>% of Income Payment (Heat)</b>															
0-50%	4%	9%															
51-100%	5%	11%															
101-150%	6%	15%															
Penelec	<ol style="list-style-type: none"> <li>1. Ratepayer or new applicant status. Payment troubled customers.</li> <li>2. Verified income ≤ 150% poverty (Target payment troubled).</li> <li>3. Ability to pay ≥ \$100.</li> <li>4. Appeal process.</li> </ol>	<p>Percentage of bill variation</p> <table border="0"> <tr> <td><b>Poverty Level</b></td> <td><b>% of Income Payment (Non-heat)</b></td> <td><b>% of Income Payment (Heat)</b></td> </tr> <tr> <td>0-50%</td> <td>4%</td> <td>9%</td> </tr> <tr> <td>51-100%</td> <td>5%</td> <td>10%</td> </tr> <tr> <td>101-150%</td> <td>6%</td> <td>15%</td> </tr> </table>	<b>Poverty Level</b>	<b>% of Income Payment (Non-heat)</b>	<b>% of Income Payment (Heat)</b>	0-50%	4%	9%	51-100%	5%	10%	101-150%	6%	15%	<p>N/A</p>	<p>N/A</p>	<p>3 initial payments then 1/12 arrears monthly.</p>
<b>Poverty Level</b>	<b>% of Income Payment (Non-heat)</b>	<b>% of Income Payment (Heat)</b>															
0-50%	4%	9%															
51-100%	5%	10%															
101-150%	6%	15%															
Penn Power																	
PP&L	<ol style="list-style-type: none"> <li>1. Ratepayer or new applicant status.</li> <li>2. Verified income ≤ 150% poverty (Target negative ability to pay).</li> <li>3. Arrears of at least \$150.</li> <li>4. Resided twelve months at current address</li> <li>5. Appeal process.</li> </ol>	<p>Percentage of bill and % of income plan</p> <table border="0"> <tr> <td><b>Poverty Level</b></td> <td><b>% of Income Payment (Non-heat)</b></td> <td><b>% of Income Payment (Heat)</b></td> </tr> <tr> <td>0-50%</td> <td>2%</td> <td>7%</td> </tr> <tr> <td>51-100%</td> <td>4%</td> <td>11%</td> </tr> <tr> <td>101-150%</td> <td>6%</td> <td>15%</td> </tr> </table>	<b>Poverty Level</b>	<b>% of Income Payment (Non-heat)</b>	<b>% of Income Payment (Heat)</b>	0-50%	2%	7%	51-100%	4%	11%	101-150%	6%	15%	<p>0-50% 51-100% 101-150%</p>	<p>\$4 \$6 \$8</p>	<p>Monthly for 1-3 years depending on balance</p>
<b>Poverty Level</b>	<b>% of Income Payment (Non-heat)</b>	<b>% of Income Payment (Heat)</b>															
0-50%	2%	7%															
51-100%	4%	11%															
101-150%	6%	15%															
PECO	<ol style="list-style-type: none"> <li>1. Ratepayer or new applicant status.</li> <li>2. Verified income ≤ 150% poverty and \$10 or less disposable income. (Target payment troubled).</li> <li>3. Appeal process.</li> </ol>	<p>Percentage of bill variation</p> <table border="0"> <tr> <td><b>Poverty Level</b></td> <td><b>Percent of Bill Payment Required</b></td> </tr> <tr> <td>0-50%</td> <td>40%</td> </tr> <tr> <td>51-100%</td> <td>60%</td> </tr> <tr> <td>101-150%</td> <td>80%</td> </tr> </table>	<b>Poverty Level</b>	<b>Percent of Bill Payment Required</b>	0-50%	40%	51-100%	60%	101-150%	80%	<p>N/A</p>	<p>N/A</p>	<p>Arrears always forgiven quarterly. \$500 is held on the account so that customer remains eligible for LIHEAP crisis.</p>				
<b>Poverty Level</b>	<b>Percent of Bill Payment Required</b>																
0-50%	40%																
51-100%	60%																
101-150%	80%																
UGI-Luz.																	
WPP	<ol style="list-style-type: none"> <li>1. Ratepayer.</li> <li>2. Verified income ≤ 100% of poverty.</li> <li>3. Appeal process.</li> <li>4. Negative ability to pay.</li> <li>5. Resident for 12 months at current address.</li> <li>6. Arrearage ≤ \$2000.</li> </ol>	<p>Percentage of bill variation</p> <table border="0"> <tr> <td><b>% of Monthly Income for Residential Electric (Nonheat)</b></td> <td><b>% of Monthly Income Payment Heat</b></td> </tr> <tr> <td>0-50%</td> <td>2%</td> </tr> <tr> <td>51-100%</td> <td>4%</td> </tr> <tr> <td></td> <td>7%</td> </tr> <tr> <td></td> <td>11%</td> </tr> </table>	<b>% of Monthly Income for Residential Electric (Nonheat)</b>	<b>% of Monthly Income Payment Heat</b>	0-50%	2%	51-100%	4%		7%		11%	<p>0-150%</p>	<p>\$5</p>			
<b>% of Monthly Income for Residential Electric (Nonheat)</b>	<b>% of Monthly Income Payment Heat</b>																
0-50%	2%																
51-100%	4%																
	7%																
	11%																

+ Customer's CAP agreement must be current to qualify for arrearage forgiveness.

**APPENDIX M**  
**Table 4**

**CAP**

Company	Eligibility	Payment Plan	Arrearage Forgiveness +		
			Poverty Level	Customer Co-Pay	Utility Arrearage Forgiveness
Columbia	<ol style="list-style-type: none"> <li>1. Ratepayer or new applicant status.</li> <li>2. Income ≤ 150% of poverty level.</li> <li>3. Appeal process.</li> <li>4. Payment troubled.</li> <li>5. Resident of one of the following counties: Allegheny, Beaver, Fayette, Lawrence, Washington, or Westmoreland.</li> <li>6. Heating customer.</li> </ol>	<p>Percentage of bill Poverty Level      % of Monthly Gross Income Payment</p> <p>0-50%                =                5%</p> <p>51-100%            =                7%</p> <p>101-150%          =                9%</p>	\$5	1/4 of arrears every 12 months	
Equitable	<ol style="list-style-type: none"> <li>1. Income ≤ 150% of poverty level.</li> <li>2. Home ownership or 6 month lease.</li> <li>3. No appeal process.</li> </ol>	Percentage of income. 8% of gross income.	N/A	None	
NFG	<ol style="list-style-type: none"> <li>1. Ratepayer or new applicant status.</li> <li>2. Verified income ≤ 150% poverty (Target payment troubled).</li> <li>3. Appeal process.</li> <li>4. Home ownership or 6-month lease.</li> </ol>	<p>Rate Discount \$5.15 - Service charge (55% discount) \$0.32173 - per 100 ccf (29% discount)</p>	N/A	3 initial payments then arrears forgiven.	
PG&W					
Peoples	<ol style="list-style-type: none"> <li>1. Ratepayer for 12 months.</li> <li>2. Verified income ≤ 150% poverty (Target payment troubled).</li> <li>3. Appeal process.</li> </ol>	<p>Percentage of bill Poverty Level      % of Income Payment (Heat)</p> <p>0-50%                7%</p> <p>51-100%            8%</p> <p>101-150%          9%</p>	\$5	Arrears frozen	
TW Phillips					
UGI					



APPENDIX N

UTILITY HARDSHIP FUND GRANTS

Company	Hardship Fund Name	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
		1991-92	1992-93	1991-92	1992-93	1991-92	1992-93
DUQUESNE	DOLLAR ENERGY FUND	1,245	2,052	\$241	\$283	\$300,000	\$580,000
MET. ED.	PROJECT GOOD NEIGHBOR	1,636	1,753	\$86	\$91	\$140,308	\$159,957
PENELEC	PROJECT GOOD NEIGHBOR	3,211	1,740	\$110	\$97	\$353,300	\$169,605
PENN POWER	PROJECT REACH	571	357	\$117	\$170	\$66,815	\$60,680
PP&L	OPERATION HELP	2,708	2,856	\$206	\$192	\$557,442	\$549,728
PECO*	MATCHING ENERGY ASSISTANCE FUND (UESF AND OTHERS)	3,344	2,915	\$327	\$259	\$1,093,411	\$756,220
WEST PENN	DOLLAR ENERGY FUND	1,281	926	\$199	\$229	\$255,090	\$212,420
COLUMBIA	DOLLAR ENERGY FUND (WESTERN PA.) PROJECT WARM - UP (CENTRAL PA.)	2,401	2,477	\$196	\$198	\$469,963	\$489,984
EQUITABLE	DOLLAR ENERGY FUND	1,487	1,618	\$269	\$247	\$400,000	\$400,000
NFG	NEIGHBOR FOR NEIGHBOR	398	327	\$186	\$190	\$74,041	\$62,109
PG&W	PROJECT OUTREACH	652	792	\$85	\$79	\$55,622	\$62,412
PEOPLES	DOLLAR ENERGY FUND	2,318	2,445	\$259	\$245	\$600,000	\$600,000
T.W. PHILLIPS	DOLLAR ENERGY FUND	238	312	\$251	\$169	\$59,800	\$52,670
UGI*	OPERATION SHARE	1,052	1,078	\$99	\$91	\$104,595	\$98,526
PA American	DOLLAR ENERGY FUND	N/A	505	N/A	\$139	N/A	\$70,000
TOTAL		22,542	22,153	\$201	\$195	\$4,530,387	\$4,324,311

\* Includes gas and electric divisions