



Utility Consumer Activities Report and Evaluation

Pennsylvania Public Utility Commission



The Pennsylvania Public Utility Commission



Front row, left to right: Chairman James H. Cawley and Vice Chairman Tyrone J. Christy. Back row: Commissioner Robert F. Powelson, Commissioner Kim Pizzingrilli and Commissioner Wayne E. Gardner.

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1. Consumer Contacts to the Bureau of Consumer Services (BCS)

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer contacts. Its responsibilities were clarified under Act 114 of 1986 in regard to deciding and reporting on customer complaints. In order to fulfill its mandates, BCS began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then BCS has investigated 1,493,333 cases (consumer complaints and payment arrangement requests) and has received 1,201,193 opinions and requests for information (inquiries). BCS received 81,494 utility customer contacts that required investigation in 2008. It is important to note that nearly 75 percent of these customer complaints had been appropriately handled by the subject utilities before the customers brought them to BCS. In these instances, the Commission has upheld the utility's actions.

Case Handling

The handling of utility complaint cases is the foundation for a number of BCS's programs. The case handling process provides an avenue through which consumers can gain redress for errors and responses to inquiries. However, customers are required by Commission regulations to attempt to resolve problems directly with their utilities prior to filing a complaint or requesting a payment arrangement with the Commission. Although exceptions are permitted under extenuating circumstances, BCS generally handles those cases in which the utility and customer could not find a mutually satisfactory resolution to the problem.

Once a customer contacts BCS with a complaint or payment arrangement request (PAR), BCS notifies the utility that a complaint or PAR has been filed. The vast majority of consumers contact BCS by telephone using BCS's toll-free number. Ninety-five percent of informal complaints were filed by telephone in 2008. The utility sends BCS all records concerning the complaint, including records of its contacts with the customer regarding the complaint. The BCS investigator reviews the records, renders a decision and closes the case. The Policy Division then examines the case and, among other things, classifies the complaint into one of seven major problem areas, as well as one of nearly 40 specific problem categories. This case information is entered into the Consumer Services Information System database. The analysis from case information is used by BCS to generate reports to the Commission, utilities, legislators and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

Consumer Feedback Survey

In order to monitor its own service to consumers, BCS surveys those customers who have contacted the BCS with a utility-related problem or request for a payment arrangement. The purpose of the survey is to collect information from the consumer's perspective about the quality of BCS's complaint-handling service. BCS mails a written survey form to a sample of consumers who have been served by BCS staff. The following table shows how consumers rate the service they received from BCS.

Consumer Rating of the BCS's Service

How would you rate the service you received from the PUC (BCS)?	January-December 2007	January-December 2008
Excellent	58%	54%
Good	25%	23%
Fair	9%	11%
Poor	8%	12%

According to the 2008 results, 73 percent of consumers felt BCS handled their complaint either "very quickly" or "fairly quickly." In addition, 64 percent of consumers said that the information the Commission gave them about the outcome of the problem was either "very easy to understand" or "fairly easy to understand." Further, 93 percent of consumers indicated that the BCS staff person who took their call was either "very polite" or "fairly polite," and 89 percent described the BCS contact person as "very interested" or "fairly interested" in helping with the problem. Over 81 percent of consumers reported that they would contact the Commission again if they were to have another problem with a utility that they could not settle with the company.

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

Databases

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

The majority of the data presented in this report is from BCS's CSIS. In addition, this report includes statistics from the BCS's Collections Reporting System (CRS), Local Exchange Carrier Reporting System (LECRS) and Compliance Tracking System (CTS). Both the CRS (for electric and gas) and the LECRS (for telephone) provide valuable resources for measuring changes in company collection performance, including the number of residential service terminations, while the CTS maintains data on the number and type of apparent infractions attributable to the major utilities.

Distinctions Among Cases

A number of cases were segregated from the analyses that appear later in this report because they did not fairly represent company behavior. One treatment of the data involved the removal of complaints about problems over which the Commission has no jurisdiction, information requests that did not require investigation and most cases where the customers indicated that they had not contacted the company prior to complaining to the Commission.

Commercial customer contacts also were excluded from the database. Although BCS's regulatory authority has largely been confined to residential accounts, the Bureau handled 2,393 cases from commercial customers in 2008. Of these cases, 395 were related to loss of utility service and 1,998 were consumer complaints. With respect to the 395 cases, BCS does not make payment arrangements for commercial accounts. Due to its limited jurisdiction, BCS does not issue decisions regarding commercial disputes. Instead, Bureau investigators give commercial customers information regarding the company position or attempt to mediate a mutually acceptable agreement regarding the disputed matter. All 2008 cases that involved commercial accounts were deleted from the analyses in subsequent chapters of this report. The table below shows the vast majority of cases handled by BCS in 2008 involved residential utility service.

Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 2008

Industry	Consumer Complaints		Payment Arrangement Requests	
	Residential	Commercial	Residential	Commercial
Electric	5,230	968	38,663	258
Gas	4,177	419	16,547	122
Water	1,221	118	4,035	10
Telephone	7,790	490	1,417	5
Other	4	3	17	0
Total	18,422	1,998	60,679	395

Generally, customer contacts to BCS fall into three basic categories: consumer complaints, requests for payment arrangements and inquiries. BCS classifies contacts regarding complaints about utilities' actions related to billing, service delivery, repairs, etc., as consumer complaints and contacts involving payment negotiations for unpaid utility service as payment arrangement requests. Consumer complaints and payment arrangement requests are often collectively referred to as informal complaints. Inquiries include information requests and opinions from consumers, most of which do not require investigation on the part of BCS.

Consumer Complaints

Most of the consumer complaints regarding the electric, gas, water, sewer and steam heat industries deal with matters covered under 52 Pa. Code, Chapter 56 Standards and Billing Practices for Residential Utility Service and/or Chapter 14, the Responsible Utility Customer Protection Act (66 Pa.C.S. §§ 1401-1408). (Sewer and steam heat complaints are designated as "other" in the previous table and the tables that follow.) For the telephone industry, most of the cases found in the consumer complaint category deal with matters covered by 52 Pa. Code, Chapter 64, Standards and Billing Practices for Residential Telephone Service and Chapter 63 regulations for telephone service. For the most part, consumer complaints represent customer appeals to the Commission resulting from the inability of the utility and the customer to reach a mutually satisfactory resolution to a dispute.

Consumer Complaints by Industry* 2007-08

Industry	2007	2008	% Change
Electric	6,059	6,198	2%
Gas	5,308	4,596	-13%
Water	1,397	1,339	-4%
Telephone	7,820	8,280	6%
Other	12	7	-42%
Total	20,596	20,420	-1%

* Table includes both residential and commercial consumer complaints.

During 2008, electric and gas utilities accounted for 30 percent and 23 percent, respectively, of all consumer complaints investigated by BCS. Water utilities accounted for 7 percent of consumer complaints while telephone utilities were the subject of 41 percent of all consumer complaints.

Justified Consumer Complaints

Once a BCS investigator finishes the investigation of a consumer's complaint and makes a decision regarding the complaint, BCS reviews the utility's records to determine if the utility took appropriate action when handling the customer's contact and uses these records to determine the outcome of the case. This approach focuses strictly on the regulatory aspect of the complaint and evaluates utilities negatively only where, in the judgment of BCS, appropriate complaint handling procedures were not followed or applicable regulations were not properly applied by the utility. Specifically, a case is considered "justified" in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with Commission Orders, regulations, reports, Secretarial Letters, tariffs, etc.

Classification of Consumer Complaints

After a BCS investigator closes a case from a utility customer, the BCS Policy Division reviews the information on the case and translates it into a format so that it can be added to BCS's information system (CSIS). One part of this process is that the policy staff categorizes each complaint into a specific problem category and enters it into the computerized system. The BCS data system then aggregates the data from all complaints to produce meaningful reports for analysis by and for BCS, and for the Commission and utilities.

BCS has categorized the 2008 residential consumer complaints into 13 categories for each of the electric, gas and water utilities, and into 11 categories for each of the telephone utilities. Tables that show the percent of complaints in each category in 2008 appear in each industry chapter. The percentages shown in the tables are for all of the cases that residential consumers filed with BCS, not just the cases that are determined to be justified in coming to BCS. BCS analyzes the categories that generate complaints or problems for customers, even if the utility records indicate that the utility followed Commission procedures and guidelines in handling the complaint. BCS often discusses its findings with individual utilities so they can

use the information to review their complaint-handling procedures in categories that seem to produce large numbers of consumer complaints to the Commission. The four tables in Appendix C show the actual number of cases that fell into each category in 2008.

Payment Arrangement Requests

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

- Suspension/termination of service is pending;
- Service has been terminated and the customer needs payment terms to have service restored; or
- The customer wants to eliminate an arrearage.

All of the measures pertaining to PARs are based on assessments of contacts to BCS from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to their contact to BCS. During 2008, BCS handled 61,074 requests for payment arrangements from customers of the utilities under the Commission's jurisdiction.

On Nov. 30, 2004, Gov. Edward G. Rendell signed into law Senate Bill 677 now known as Act 201. This act went into effect on Dec. 14, 2004. The Act amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§ 1401-1418), the Responsible Utility Customer Protection Act. The legislation is applicable to most of the electric, gas and water companies in Pennsylvania. This new statute supersedes parts of Chapter 56 Standards and Billing Practices for Residential Utility Service provisions such as winter termination rules, termination procedures, credit, deposits, reconnection of service and Commission payment arrangements. This report is the fourth report on consumer complaint and PAR activity under this law.

In December 2008, the Commission issued its Second Biennial Report to the General Assembly and the Governor reviewing the implementation of Chapter 14. On Sept. 28, 2008, the Commission proposed revisions to Chapter 56 and 24 parties filed comments on these important regulations. Commission staff are currently reviewing the comments and preparing new regulations for a future Final Order. (Docket L-00060182)

In 2008, the overall volume of PARs handled by the Commission increased by 21 percent from the previous year. This is the second time that the volume of PARs increased since the enactment of Chapter 14. PARs from electric customers increased by 37 percent from 2007 to 2008, and PARs from gas customers increased by 3 percent during that time. However, PARs from water customers decreased by 3 percent. Chapter 14 does not apply to telephone companies. PARs from telephone customers decreased by 16 percent from 2007 to 2008.

The Commission strives to implement Chapter 14 in a manner that will allow it to achieve the policy goals of increasing utility account collections and to avoid the passing along of bad debt costs to paying consumers. At the same time, the Commission works to implement Chapter 14 as fairly as possible to help ensure that service remains available to all customers on reasonable terms and conditions. The Commission is dedicated to using a collaborative process that takes into account the needs of both utilities and consumers, and gives all parties an opportunity to participate in these efforts.

Payment Arrangement Requests by Industry* 2007-08

Industry	2007	2008	% Change
Electric	28,341	38,921	37%
Gas	16,232	16,669	3%
Water	4,185	4,045	-3%
Telephone	1,698	1,422	-16%
Other	9	17	89%
Total	50,465	61,074	21%

* Table includes both residential and commercial PARs.

As in past years, the majority of requests for payment arrangements in 2008 involved electric or gas companies. Sixty-four percent of the PARs (38,921 cases) were from electric customers, and 27 percent (16,669 cases) were from gas customers. Also, 7 percent of PARs (4,045 cases) came from customers of various water utilities. Only 2 percent of PARs (1,422) came from telephone customers.

Inquiries and Opinions

During 2008, BCS and its call centers received 68,695 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. BCS classified these contacts as "inquiries." The inquiries for 2008 include contacts to the Competition Hotline as well as contacts to BCS using other telephone numbers, mail service and email communication. Further discussion of the Competition Hotline appears later in this chapter.

In large part, the inquiries in 2008 involved terminations or suspensions of service. BCS also classifies certain requests for payment arrangements as inquiries. For example, BCS does not issue payment decisions on requests to restore or avoid suspension/termination of toll or nonbasic telephone service. When consumers call with these problems, BCS classifies these requests as inquiries. Similarly, if a customer has recently been through the BCS payment arrangement process and calls again with a new request regarding the same account, BCS does not open a new PAR case. In these instances, BCS classifies the customer's contact as an inquiry.

As in past years, BCS also has shifted some contacts that originated as consumer complaints and payment arrangement requests into the inquiry category because it was not appropriate to count these contacts as informal complaints. Examples of these contacts include complaints that were found to be duplicates, informal complaints filed against the wrong company, informal complaints that BCS handled in spite of the fact that customers had not previously contacted their companies about their problems, and cases that the investigators verbally dismissed. In all, these 944 cases accounted for 1.4 percent of inquiries in 2008.

BCS is able to expand its list of reasons for contact as customers' reasons grow and change. Currently, the list includes 71 reasons for contact from consumers. Possible actions by BCS intake staff include: recording the consumer's opinion; giving information to the

consumer; referring the consumer to a utility company; and referring the consumer to an agency or organization outside of the Commission. If the contact requires further action, the intake staff refers the contact to a BCS investigator, and thus the contact becomes a consumer complaint or a payment arrangement request. The following table shows the various reasons for contact for the 2008 inquiries.

Categories of 2008 Inquiries

Reason for Contact	Number	Percent
Termination or suspension of service	19,953	29%
Billing dispute	9,630	14%
CAP review - declined	7,931	12%
Unable to open new PAR - service on	5,755	8%
PUC has no jurisdiction	4,987	7%
Request for general information	2,771	4%
Competition issues and requests for information	2,587	4%
Application/deposit issue	2,469	4%
Service (company facilities)	1,325	2%
Rate protest	1,204	2%
People-delivered company service	1,073	2%
Unable to open new PAR - service off	302	<1%
Rate complaint	230	<1%
Weather outage	112	<1%
Cramming	39	<1%
Slamming	22	<1%
Other miscellaneous reasons	4,200	6%
Reason for contact is not available	4,105	6%
Total	68,695	101%

Calls to the Commission's Competition Hotline

In 2008, the Commission's call center employees used BCS's computerized information system to record information from the consumer contacts about electric and gas competition. The statistics show that 64 percent of contacts about electric and gas competition are related to the restructuring of the electric industry while 36 percent concern the gas industry.

In 2008, call center employees recorded information from 2,080 consumer contacts about competition in the energy industries. Many calls came from consumers who called about various issues associated with the customer choice programs of the Electric Distribution Companies (EDCs) and the Natural Gas Distribution Companies (NGDCs). However, most frequently consumers called to seek information about competition in general and to request information on changing a supplier (56 and 13 percent, respectively, of all contacts).

In most instances, BCS classified the contacts to the Competition Hotline as inquiries because they required no investigation or follow-up. The BCS or call center staff person took care of the consumer's request or question at the initial contact. However, some consumer contacts required further investigation and possibly action to resolve the consumer's concerns. In these cases, BCS more appropriately classified the contacts as consumer complaints and investigated the consumer's problem. In 2008, billing disputes related to competition produced the largest volume of competition-related consumer complaints. In prior years, BCS investigated a number of consumer complaints in which consumers alleged they were assigned to an electric or gas supplier without their consent or knowledge (slamming). In 2008, the BCS investigated seven allegations of electric slamming. Only one of these slamming complaints involved a residential customer. There were two allegations of slamming in the gas industry. Residential customers filed both of these complaints. Appendix B-1 explains the types of competition complaints BCS handles.

During the early phases of electric and gas competition, BCS expected it would receive consumer complaints associated with the transition to customer choice. As expected, many customers experienced a variety of problems as they began choosing electric and gas suppliers. BCS found that, after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, BCS decided that it would be unfair to include competition complaints with consumer complaints about other issues when it calculates the performance measures it uses to evaluate and compare companies within the electric and gas industries. BCS continues this practice in 2008. Therefore, BCS excluded 78 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 53 such complaints in the gas industry chapter.

Residential Consumer Complaints Not Included in Industry Chapters

Traditionally, the primary focus of BCS's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. However, for the past several years, BCS has included a limited amount of complaint information for the non-major utilities and the other service providers in the UCARE. In 2008, BCS experienced an increase in the overall number of residential consumer complaints. For the non-major utilities, consumer complaints increased over the year in the electric industry, but decreased in the gas and telephone industries. For the water industry, consumer complaints rose sharply for the non-major companies, up 81 percent from 2007. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

In 2008, BCS staff investigated consumer complaints about a variety of problems that consumers were having with the non-major companies under the Commission's jurisdiction. For example, BCS investigated complaints related to competition issues. However, the vast majority of complaints not included in the industry chapters involved billing disputes.

Residential consumer complaints related to people-delivered service or service (company facilities) generated the next highest volume of complaints to BCS from customers of the non-major electric, gas, water and telephone companies. These types of service complaints accounted for 8 percent of the residential consumer complaints about the non-major companies in the electric industry and 16 percent of residential consumer complaints about the non-major gas companies. However, 84 percent of the complaints about the

non-major water companies and 21 percent of the complaints about the non-major telecommunications companies involved service-related issues in 2008.

With respect to slamming, the Commission has stated clearly, it “...will have zero tolerance for slamming by any means and in any form.” The Commission views customer slamming as among the most serious violations of consumer regulations. In 2008, BCS did not receive any residential consumer complaints alleging slamming against a major EGDC. There was one residential slamming consumer complaint about an electric generation supplier. There was one residential complaint about slamming against a major NGDC and one about a non-major natural gas supplier. In the telephone industry, Bureau staff investigated a total of three allegations of slamming from residential customers against the non-major companies in 2008.

BCS uncovered a variety of problems facing utility consumers related to customer choice in the electric, gas and telephone industries in 2008. As in previous years, given the complex nature of these problems in the electric and gas industries and the difficulty in determining who is at fault (the incumbent provider or the new provider), BCS excluded many of these complaints from its evaluation of the major utilities in the electric and gas industry chapters that follow. However, beginning with the 2003 report, BCS included competition-related complaints for the telephone industry. As a result, the analysis in Chapter 6 includes these types of complaints about the seven largest local telephone companies.

Appendix A presents a summary of the residential consumer complaints that are not included in the electric, gas, water and telephone chapters that follow. The table lists the non-major companies having five or more residential consumer complaints in 2008.

Informal Compliance Process and Infractions

BCS’s primary compliance effort remains its informal compliance process. This process gives each utility specific examples of apparent infractions of Chapters 14, 56, 63 and 64. The informal compliance process uses consumer complaints to identify, document and notify utilities of apparent deficiencies. The utilities can use the information to pinpoint and voluntarily correct deficiencies in their customer service operations. The process begins by BCS notifying a utility of an alleged infraction. A utility that receives notification of an allegation has an opportunity to affirm or deny the information. If the information about the allegation is accurate, BCS expects the utility to take action to correct the problem or address any deficiencies that led to the infraction. Corrective actions may entail: modifying a computer program; revising company procedures or the text of a notice, bill or letter; or providing additional staff training to ensure the proper use of a procedure.

If the utility states the information is inaccurate, it needs to provide specific details and supporting data to disprove the allegation. BCS always provides a final determination to the utility regarding the alleged infraction. For example, if the utility provides supporting data indicating that the information about the allegation is inaccurate, BCS, after reviewing all the information, would inform the utility that, in this instance, the facts do not reflect an infraction of the regulations. On the other hand, if the company agrees the information forming the basis of the allegation is accurate or if BCS does not find the data supports the utility’s position that the information is inaccurate, BCS would inform the company that the facts reflect an infraction of a particular section of the regulations. The notification process

allows utilities to receive written clarifications of Chapter 14, 56, 63 or 64 provisions and the policies of the Commission and BCS.

The significance of apparent infractions identified by the informal compliance process is frequently emphasized by the fact that some represent systematic errors that are widespread and affect many utility customers. Since BCS receives only a small portion of the complaints that customers have with their utility companies, limited opportunities exist to identify such errors. Therefore, the informal compliance process is specifically designed to help utilities identify systematic errors. One example of a systematic error is a termination notice with text that does not comply with the requirements of Chapter 56. Each recipient of the notice is affected by this error. When such an error is discovered, BCS encourages utilities to investigate the scope of the problem and take corrective action. Some utilities have developed their own information systems to identify problems by reviewing complaints before they come to the Commission's attention. BCS encourages utilities to continue this activity and share their findings with Bureau staff.

2. Performance Measures

For the most part, BCS uses the complaints it receives from customers of the major electric, gas, water and telephone utilities to assess utilities' complaint-handling performance. In nearly every case, the customer had already contacted the company about the problem prior to contacting BCS. BCS reviews the utility's record as to how the utility handled the complaint when the customer contacted the company. The review includes several classifications and assessments that form the basis of all the performance measures presented in this and the next four chapters, with the exception of the number of terminations and termination rate. The termination statistics for the electric and gas companies are drawn from reports required by Chapter 56 at §56.231(8), while telephone termination statistics are drawn from reports required by Chapter 64 at §64.201(7).

The sections that follow explain the various measures BCS employs to assess utility performance.

Consumer Complaint Rate

The calculation of consumer complaint rate (consumer complaints per 1,000 residential customers) permits the reader to make comparisons among utilities of various sizes. BCS has found high consumer complaint rates and extreme changes in consumer complaint rates from one year to the next are often indicative of patterns and trends that it should investigate. However, since many of the complaints in the consumer complaint rates are not "justified," BCS considers the "justified consumer complaint rate" (justified consumer complaints per 1,000 residential customers) to be a clear indication of a utility's complaint handling performance.

Justified Consumer Complaint Rate

BCS uses case evaluation to identify whether correct procedures were followed by the utility in responding to the customer's complaint prior to the intervention of BCS. Case evaluation is used to determine whether a case is "justified." A customer's case is considered "justified" if it is found that, prior to BCS intervention, the company did not comply with Commission Orders, policies, regulations, reports, Secretarial Letters or tariffs in reaching its final position. In the judgment of BCS, a case that is "justified" is a clear indication the company did not handle a dispute properly or effectively, or, in handling the dispute, the company violated a rule, regulation or law.

The performance measure called "justified consumer complaint rate" reflects both volume of complaints and percent of consumer complaints found justified. The justified consumer complaint rate is the number of justified consumer complaints per 1,000 residential customers. By using this ratio, the reader can use the "justified" rate to compare utilities' performance within an industry and across a time. BCS perceives the justified consumer complaint rate to be the bottom line measure of performance that evaluates how effectively a company handles complaints from its customers.

BCS monitors the complaint rates and justified rates of the major utilities, paying particular attention to the number of justified complaints that customers file with the Commission. Justified complaints may indicate areas where BCS should discuss complaint-handling

procedures with a utility so that its customers receive fair and equitable treatment when they deal with the utility. When BCS encounters company case-handling performance (justified consumer complaint rate) that is significantly worse than average, there is reason to suspect that many customers who contact the utility are at risk of improper dispute handling by the utility. As part of the monitoring process, BCS compares the “justified” rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, BCS compares the consumer complaint rates and the justified consumer complaint rates of the major utilities within the electric, gas, water and telephone industries.

Response Time to Consumer Complaints

Once a customer contacts BCS with a complaint about a utility, the utility is notified. The utility then sends BCS its records of its contact with the customer regarding the complaint. Response time is the time span in days from the date of BCS’s first contact with the utility regarding a complaint, to the date on which the utility provides BCS with its report regarding the complaint. Response time quantifies the speed of a utility’s response to BCS informal complaints. In the following chapters, response time is presented as the average number of days that each utility took to supply BCS with its utility reports in response to consumer complaints.

Payment Arrangement Request Rate

BCS normally intervenes at the customer’s request only after direct payment negotiations between the customer and the company have failed. The volume of payment arrangement requests (PARs) from a utility’s customers may fluctuate from year to year or even from month to month depending upon the utility’s collection strategy as well as economic factors. The calculation of the payment arrangement request rate (payment arrangement requests per 1,000 residential customers) permits the reader to make comparisons among utilities with differing numbers of residential customers. Nevertheless, unusually high or low rates and sizable changes in rates from one year to the next may reflect changes in company policies or bill collection philosophies, or they may be indicative of problems. BCS views such variations as potential areas for investigation. Improved access to BCS is one factor influencing the number of consumers who are able to contact BCS about payment arrangements.

Justified Payment Arrangement Request Rate

Just as with consumer complaints, once a customer contacts BCS with a payment arrangement request, BCS notifies the utility. The company sends a report to BCS that details the customer’s payments, usage and payment negotiation history. A BCS investigator considers the customer’s record and makes a decision regarding the amortization of the amount owed, and notifies the company and the customer of the decision. The BCS Policy Division reviews the record to determine if the utility negotiated properly with the customer and uses this record to determine the outcome of the case. This approach evaluates companies negatively only when BCS finds appropriate payment negotiation procedures were not followed or where the regulations have been misapplied. Specifically, a case is considered “justified” in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with Commission regulations, reports, Secretarial Letters, tariffs or guidelines.

Changes in company policy can influence not only the volume of PARs to the Commission but also the effectiveness of a utility's payment negotiations. BCS uses the "justified payment arrangement request rate" to measure a utility's performance at handling payment arrangement requests from customers. The justified payment arrangement request rate is the ratio of the number of justified PARs per 1,000 residential customers. BCS monitors the justified PAR rates of the major utilities. For example, BCS compares the "justified" rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, BCS compares the PAR rates and the justified PAR rates of the major utilities within the electric, gas, water and telephone industries. Because BCS receives a very large volume of requests for payment terms, it reviews a random sample of cases for the companies with the largest number of PARs. For these companies, justified payment arrangement request rate and response time are based on a statistically valid subset of the cases that came to BCS.

Response Time to Payment Arrangement Requests

Once a customer contacts BCS with a request for payment terms, BCS notifies the utility. The utility then sends BCS records that include the customer's payment history, the amount owed, prior payment arrangements, and the results of the most recent payment negotiation with the customer. Response time is the number of days from the date BCS first contacts the utility regarding a PAR to the date on which the utility provides BCS with its utility report so that BCS is able to issue payment terms, resolve any other issues raised by the customer and determine whether the customer was justified in seeking a payment arrangement through BCS. Response time quantifies the speed of a utility's response to BCS payment arrangement requests. In the following chapters, response time is presented as the average number of days that each utility took to supply BCS with its utility report.

Since 1999, BCS calculates response time for the major electric, gas and water companies using only their responses to payment arrangement requests from customers whose service has been terminated, who have a dispute with the company, or who have previously had a BCS payment arrangement for the amount that they owe.

Response time to PARs for the telephone companies is calculated in the same manner as it has been in prior years. In Chapter 6, response time for the major local exchange carriers is the average number of days that each telephone company took to supply BCS with a utility report for all categories of payment arrangement requests.

Infraction Rate

During 2008, BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential accounts. In order to compare utilities of various sizes within an industry, BCS has calculated a measure called "infraction rate." The infraction rate is the number of informally verified infractions for each 1,000 residential customers. BCS has reported a compliance rate for the major telephone companies since 1989. It introduced "infraction rates" for the electric, gas and water utilities in its 1997 report.

Several considerations are important to keep in mind when viewing the infraction rate charts in the chapters that follow. First, the data does not consider the causes of the individual infractions. Second, some infractions may be more serious than others because of

their systemic nature, and therefore may show ongoing or repetitive occurrences. Still other infractions may be more serious because they involve threats to the health and safety of utility customers.

The value of the infraction rate is to depict industry trends over time. The trend for 2008 is calculated using BCS's Compliance Tracking System (CTS) data as of August 2009. The 2008 trends may change if the total number of infractions increases. This would occur if new infractions are discovered from customer complaints that originated in 2008, but were still under investigation by BCS when the data was retrieved from the CTS. Often, the total number of infractions for the year will be greater than the number cited in this report. BCS will update the number of infractions found on 2008 cases in the report on 2009 complaint activity. Infraction rates for each major electric, gas, water and telephone utility company are shown for 2006, 2007 and 2008 in upcoming chapters. Appendix F shows detailed information about the infractions BCS gleaned from its review of the 2008 consumer complaints and payment arrangement requests. The information presented in Appendix F shows the infractions of Chapter 56, Chapter 14 and other regulations for the major electric, gas and water companies, and the infractions of Chapters 63 and 64 for the major telephone companies.

Termination Rate

Payment over time through a mutually acceptable payment arrangement is one possible outcome when a customer owes an outstanding balance to a utility company. Termination of the utility service is another. BCS views termination of utility service as a utility's last resort when customers fail to meet their payment obligations. The calculation of the termination rate allows the reader to compare the termination activity of utilities with differing numbers of residential customers. For the electric and natural gas industries, the termination rate is the number of service terminations divided by the number of residential customers. For the telephone industry, the termination rate is the number of terminations for each 1,000 residential customers. Any significant increase in the termination rate would indicate a trend or pattern the Commission may need to investigate. Water utilities do not report service termination statistics to the Commission. Thus, the water industry chapter does not include termination rate information.

BCS Performance Measures and Industry Chapters

The tables in the following chapters present the data alphabetically by company name. Each chapter includes tables that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are tables that show the prior year's justified consumer complaint rates and justified payment arrangement request rates for each of the major utilities. The tables also reflect the average rates of the major utilities within the industry for each of these measures. In addition, each industry chapter presents tables that show infraction rates for the major utilities, response times to consumer complaints and payment arrangement requests, and the termination rates for the major electric, gas and telephone utilities.

It is important to note that the electric and gas industry chapters present only data from those utilities that have more than 100,000 residential customers. In the water industry chapter, data for the "Class A" water utilities that have less than 100,000 residential

customers are presented together as a whole. The telephone chapter presents data from those local service providers serving more than 50,000 residential customers.

BCS has found that the inclusion of statistics for the smaller utilities can skew the average of industry statistics in ways that do not fairly represent industry performance. For this reason, BCS excluded the statistics involving UGI-Electric when it calculated the 2007 and 2008 averages for the electric industry. Similar to previous years, statistics for UGI-Electric are included in the appendices of this report. In past years, BCS included data for Comcast Phone of Pennsylvania LLC d/b/a Comcast Digital Phone (Comcast) and MCImetro Access Transmission Services LLC (MCI Local) in the telephone industry chapter. Comcast, however, stopped providing service to Pennsylvania consumers in June 2008. Also, MCI Local's customer base in Pennsylvania has been declining and in 2008 MCI Local served fewer than 50,000 residential customers. As a result, BCS did not include data for Comcast and MCI Local in this year's report.

Universal Service and Energy Conservation Programs

The Commission has a long history of involvement in universal service and energy conservation programs that help utility consumers obtain and keep service, and conserve energy. At the end of the water and telephone chapters that follow, readers will find highlights of the water and telephone programs that the Commission has supported and encouraged, not only in 2008, but in prior years as well.

The Commission's Bureau of Consumer Services monitors and evaluates the universal service and energy conservation programs of the electric and gas companies. The Commission's goal in monitoring these programs is to help the Commission fulfill its oversight responsibilities by increasing the effectiveness of utility collections while protecting the public's health and safety.

The electric and gas programs include: Customer Assistance Programs; the Low-Income Usage Reduction Programs; Utility Hardship Fund Programs; Customer Assistance and Referral Evaluation Services programs; and other programs to assist low-income customers. BCS's reporting on these programs is no longer included in this report.

In July 2009, the Commission released the ninth annual report on Universal Service Programs and Collections Performance. BCS prepared the report, which presents 2008 universal service and collections data for the major electric and natural gas distribution companies. The report is available on the Commission's website at http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2008.pdf.

3. Electric Industry

In 2008, the Commission had jurisdiction over 16 electric distribution companies (EDCs). However, the majority of the consumer complaints and payment arrangement requests involving the electric industry were from residential customers of the seven largest EDCs: Allegheny Power (Allegheny); Duquesne Light Company (Duquesne); Metropolitan Edison (Met-Ed) – a FirstEnergy Company; PECO Energy (PECO); Pennsylvania Electric (Penelec) – a FirstEnergy Company; Pennsylvania Power Company (Penn Power) – a FirstEnergy Company; and PPL Utilities Inc. (PPL). This chapter will focus exclusively on those seven companies. Most of the complaints and payment arrangement requests dealt with matters covered under 52 Pa. Code, Chapter 56 Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14 Responsible Utility Customer Protection. For the most part, these consumer complaints and payment arrangement requests represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major electric utilities in 2008. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. BCS investigated complaints in 2008 generated as a result of the Electric Choice program that allowed customers to choose an electric generation supply company. However, as mentioned in the first chapter, BCS removed these complaints from the database it used to prepare the tables on consumer complaints and payment arrangement requests. Appendices C through F present statistics on the performance of the seven largest EDCs and UGI-Electric in 2007 and 2008.

Consumer Complaints

During 2008, BCS handled 5,212 consumer complaints from residential customers of the various electric distribution companies (EDCs) and 18 consumer complaints from residential customers of electric generation supply companies. Of these residential complaints, 97 percent (5,088) were from customers of the seven largest EDCs. For the analyses in this chapter, BCS excluded a total of 14 consumer complaints about the major EDCs that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2008 complaints from residential customers of the seven largest EDCs in each of the 13 categories used by the BCS Policy Division to categorize consumer complaints about electric, gas and water utilities. Appendix C, Table 1, provides the actual number of cases that fell into each category in 2008.

Consumer Complaint Categories: 2008 Major Electric Distribution Companies

Categories	Allegheny Power	Duquesne	Met-Ed	PECO+	Penelec	Penn Power	PPL	Electric Majors
Personnel Problems	13%	22%	12%	28%	12%	8%	12%	17%
Billing Disputes	8%	16%	17%	13%	13%	21%	13%	14%
Credit and Deposits	22%	12%	10%	13%	9%	12%	2%	11%
Service Interruptions	10%	12%	12%	3%	8%	17%	7%	9%
Metering	15%	2%	9%	5%	10%	6%	11%	8%
Discontinuance/Transfer	2%	6%	1%	14%	3%	4%	12%	7%
Service Quality	4%	5%	10%	3%	7%	4%	8%	6%
Damages	10%	2%	4%	2%	12%	5%	7%	6%
Other Payment Issues	2%	6%	4%	7%	6%	1%	6%	5%
Service Extensions	3%	3%	8%	1%	7%	5%	6%	4%
Scheduling Delays	3%	3%	3%	2%	5%	3%	3%	3%
Rates	1%	1%	0%	1%	0%	7%	1%	1%
All Other Problems	8%	10%	12%	9%	9%	7%	13%	10%
Total-Percent*	101%	100%	102%	101%	101%	100%	101%	101%
Total-Number**	392	467	269	520	230	119	416	2,413

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

** Based on residential complaints evaluated by BCS as of June 26, 2009.

+ PECO statistics include electric and gas.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix B, Table 1, for an explanation of complaint categories and Appendix C, Table 1, for the number of cases in each category.
- In 2008, personnel problems accounted for 17 percent of the consumer complaints about the major EDCs. Billing disputes accounted for 14 percent of the consumer complaints, and credit and deposit disputes accounted for 11 percent of the consumer complaints. These three categories accounted for 42 percent of consumer complaints about the major EDCs.

2008 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Allegheny Power	0.83	0.13
Duquesne	1.22	0.07
Met-Ed	0.77	0.11
PECO+	1.77	0.22*
Penelec	0.64	0.10
Penn Power	1.30	0.09
PPL	0.46	0.06
Average	1.00	0.11

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

+ PECO statistics include electric and gas.

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is almost 10 times greater than the average of the justified consumer complaint rates.
- Appendix D, Table 1, presents the number of consumer complaints and justified consumer complaints for each major EDC in 2007 and 2008.

2007-08 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies

Company	2007	2008
Allegheny Power	0.10	0.13
Duquesne	0.09	0.07
Met-Ed	0.15	0.11
PECO*+	0.37	0.22
Penelec	0.10	0.10
Penn Power	0.07	0.09
PPL	0.04	0.06
Average	0.13	0.11

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the major electric distribution companies decreased from 0.13 in 2007 to 0.11 in 2008.
- Of the seven major EDCs, five have justified consumer complaint rates that are the same as or lower than the industry average, one EDC has a rate just slightly higher than the industry average, and one EDC's justified consumer complaint rate is double the 2008 industry average.
- Appendix D, Table 1, presents the number of consumer complaints, the consumer complaint rate and justified consumer complaints for each major EDC in 2007 and 2008.

2007-08 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies

Company	Number of Days 2007	Number of Days 2008	Change in Days 2007 to 2008
Allegheny Power	14.1	22.1	8.0
Duquesne	23.6	22.9	-0.7
Met-Ed	16.6	13.0	-3.6
PECO+	20.7	19.3	-1.4
Penelec	12.5	12.0	-0.5
Penn Power	14.9	11.5	-3.4
PPL	22.5	19.5	-3.0
Average	17.8	17.2	-0.6

+ PECO statistics include electric and gas.

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the major electric companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- Overall, the average response time decreased by 0.6 day.
- Penn Power had the shortest consumer complaint response time in 2008 at 11.5 days while Duquesne had the longest at 22.9 days.

Payment Arrangement Requests

In 2008, BCS handled 38,662 payment arrangement requests (PARs) from residential customers of the EDCs and one PAR from residential customers of electric generation suppliers. Ninety-eight percent (38,011) of the residential PARs were from customers of the seven largest EDCs. In 2008, BCS reviewed a representative sample of the PARs for each of the seven largest EDCs: Allegheny, Duquesne, Met-Ed, PECO, Penelec, Penn Power and PPL. Thus, the calculation for justified payment arrangement request rate that appears in the pages that follow is based on a subset of cases that BCS received from the customers of these utilities. BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix E, Table 1, provides additional statistics regarding the payment arrangement requests from residential customers of the major EDCs.

**2008 Residential Payment Arrangement Request (PAR) Rates/
Justified PAR Rates*
Major Electric Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Allegheny Power	4.69	0.62
Duquesne	9.71	0.96
Met-Ed	5.92	1.14
PECO+	9.50	2.26
Penelec	5.25	0.68
Penn Power	9.23	1.97
PPL	8.13	2.41
Average	7.49	1.43

* Justified PAR rates based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than seven PARs to BCS for each 1,000 residential customers of the major EDCs in 2008. There were fewer than two justified PARs for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2008 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix E, Table 1, presents the number of PARs and justified PARs for each major EDC in 2007 and 2008.

**2007-08 Justified Residential
Payment Arrangement Request (PAR) Rates*
Major Electric Distribution Companies**

Company	2007	2008
Allegheny Power	0.25	0.62
Duquesne	1.15	0.96
Met-Ed	0.87	1.14
PECO+	1.07	2.26
Penelec	0.47	0.68
Penn Power	1.25	1.97
PPL	1.63	2.41
Average	0.96	1.43

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major EDCs increased significantly from 0.96 in 2007 to 1.43 in 2008.
- The implementation of Chapter 14 had an impact on the 2007 and 2008 justified PAR rates. See the “Payment Arrangement Requests” section in Chapter 1 for a discussion of the implications of this legislation.
- The justified PAR rates increased for six of the seven major EDCs from 2007 to 2008. Three of the major EDCs have justified PAR rates greater than the 2008 industry average while four of the major EDCs have justified PAR rates below the industry average.
- Appendix E, Table 1, presents the number of PARs, the PAR rates and justified PARs for each major EDC in 2007 and 2008.

**2007-08 Response Time to BCS
Residential Payment Arrangement Requests (PARs)
Major Electric Distribution Companies**

Company	Number of Days 2007	Number of Days 2008	Change in Days 2007 to 2008
Allegheny Power	13.8	22.9	9.1
Duquesne	22.7	16.9	-5.8
Met-Ed	2.7	2.3	-0.4
PECO+	13.7	13.0	-0.7
Penelec	2.7	2.5	-0.2
Penn Power	2.7	2.3	-0.4
PPL	6.1	8.1	2.0
Average	9.2	9.7	0.5

+ PECO statistics include electric and gas.

- Beginning in 2007, the calculation for average response time includes all residential PARs for the major electric companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- The average response time for the seven major EDCs increased by 0.5 day, from 9.2 days in 2007 to 9.7 days in 2008.
- There is a wide range of PAR response times among the major EDCs for 2008, from a low of 2.3 days for Met-Ed and Penn Power to a high of 22.9 days for Allegheny Power.

Termination and Reconnection of Service

Each month, the electric companies report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Some EDCs maintain a fairly consistent pattern of termination behavior while others fluctuate from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The EDC reconnects a customer's terminated service when a customer either pays his/her debt in full or makes a significant payment on the debt and agrees to a payment arrangement for the balance owed to the company. The following tables indicate the annual number of residential accounts each of the seven largest EDCs terminated and reconnected in 2006, 2007 and 2008. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Electric Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2006	2007	2008	% Change in # 2007-08	2006	2007	2008
Allegheny Power	21,514	21,689	19,650	-9%	3.54	3.55	3.21
Duquesne	20,885	22,624	22,081	-2%	3.98	4.31	4.21
Met-Ed	8,465	15,432	16,359	6%	1.78	3.22	3.39
PECO+	42,336	53,729	84,323	57%	3.01	3.82	5.95
Penelec	11,307	14,061	13,442	-4%	2.24	2.78	2.66
Penn Power	3,016	4,598	4,030	-12%	2.17	3.30	2.88
PPL	21,221	25,873	38,917	50%	1.79	2.16	3.23
Major Electric	128,744	158,006	198,802	26%			
Average of Rates					2.64	3.31	3.65

+ PECO statistics include electric and gas.

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major EDCs terminated 26 percent more residential accounts in 2008 than in 2007.

Residential Service Reconnections Major Electric Distribution Companies

Company	2006	2007	2008	% Change in # 2007-08
Allegheny Power	13,766	14,184	12,308	-13%
Duquesne	14,587	16,360	16,443	1%
Met-Ed	6,338	12,457	14,002	12%
PECO+	24,874	36,468	58,296	60%
Penelec	7,482	10,162	10,754	6%
Penn Power	2,178	3,740	3,687	-1%
PPL	15,578	18,595	29,053	56%
Major Electric	84,803	111,966	144,543	29%

+ PECO statistics include electric and gas.

- Overall, the seven major EDCs reconnected 29 percent more residential accounts in 2008 than in 2007.

Compliance

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

The infraction rates in the table that follows are based on all informal complaints that residential consumers filed with BCS from 2006 through 2008. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix F, Table 1, presents detailed information about the infractions identified on 2008 cases to the BCS.

Commission Infraction Rates Major Electric Distribution Companies

Company	2006	2007	2008
Allegheny Power	0.05	0.04	0.07
Duquesne	0.04	0.07	0.03
Met-Ed	0.10	0.01	0.04
PECO+	0.03	0.11	0.07
Penelec	0.05	0.04	0.03
Penn Power	0.04	0.03	0.01
PPL	0.02	0.02	0.02

+ PECO statistics include electric and gas.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- There were four companies with infraction rates below the industry average, one company with an infraction rate equal to the industry average and two companies with infraction rates above the industry average.
- Appendix F, Table 1, presents the actual number of infractions for 2008 categorized by infraction category.

4. Natural Gas Industry

In 2008, the Commission had jurisdiction over 31 natural gas distribution companies (NGDCs). However, the majority of the consumer complaints and payment arrangement requests involving the gas industry came from residential customers of the seven major NGDCs: Columbia Gas of Pennsylvania (Columbia); Dominion Peoples (Dominion); Equitable Gas (Equitable); National Fuel Gas Distribution Corporation (NFG); Philadelphia Gas Works (PGW); UGI-Gas; and UGI Penn Natural f/k/a PG Energy. This chapter will focus exclusively on those seven utilities. As with the electric industry, most of the complaints and payment arrangement requests dealt with matters covered under 52 Pa. Code, Chapter 56 Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14 Responsible Utility Customer Protection. These consumer complaints and payment arrangement requests, for the most part, represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major gas utilities in 2008. Appendices C through F provide statistics for these utilities from 2007 and 2008.

Consumer Complaints

During 2008, BCS handled 4,147 consumer complaints from residential customers of the various natural gas distribution companies (NGDCs) and 30 consumer complaints from residential customers of natural gas suppliers. Of these residential complaints, 97 percent (4,035) were from customers of the seven largest NGDCs. For the analyses of the seven major gas companies that appear in this chapter, BCS excluded 27 consumer complaints that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2008 complaints from residential customers of the seven major gas utilities in each of the 13 categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. The percentages shown in the table are for all the cases residential customers of the major gas utilities filed with BCS, not just cases determined to be justified in coming to BCS. Appendix C, Table 2, provides the actual number of cases that fell into each category in 2008.

Consumer Complaint Categories: 2008 Major Natural Gas Distribution Companies

Categories	Columbia	Dominion	Equitable	NFG	PGW	UGI-Gas	UGI Penn	Gas Majors
Billing Disputes	12%	14%	14%	14%	27%	24%	12%	16%
Personnel Problems	14%	10%	16%	11%	21%	13%	18%	14%
Metering	14%	15%	16%	21%	6%	7%	2%	13%
Other Payment Issues	9%	10%	16%	7%	12%	7%	6%	11%
Credit and Deposits	3%	17%	8%	5%	5%	23%	15%	11%
Discontinuance/Transfer	7%	7%	9%	8%	7%	6%	14%	8%
Scheduling Delays	9%	7%	3%	14%	5%	3%	5%	7%
Service Quality	12%	10%	3%	4%	1%	2%	5%	6%
Damages	9%	3%	3%	3%	2%	1%	1%	4%
Service Extensions	4%	3%	3%	4%	1%	2%	6%	3%
Service Interruptions	1%	1%	1%	1%	0%	1%	0%	1%
Rates	0%	1%	1%	1%	<1%	1%	0%	1%
All Other Problems	4%	2%	7%	8%	12%	10%	16%	7%
Total-Percent*	98%	100%	100%	101%	99%	100%	100%	102%
Total-Number**	392	553	470	191	298	232	85	2,221

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

** Based on residential complaints evaluated by BCS as of June 26, 2009.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix B, Table 1, for an explanation of complaint categories and Appendix C, Table 2, for the number of cases in each category.
- In 2008, billing disputes generated 16 percent of the complaints about the major gas utilities followed by personnel problems (14 percent). Complaints about metering accounted for 13 percent.

2008 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Columbia	1.42	0.24
Dominion	2.40	0.60
Equitable	2.52	0.39
NFG	1.32	0.18
PGW	2.97	0.78*
UGI-Gas	1.06	0.13
UGI Penn Natural	0.80	0.10
Average	1.78	0.35

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2008, the average of the consumer complaint rates is more than five times the average of the justified consumer complaint rates for the seven major gas companies.
- Appendix D, Table 2, presents the number of consumer complaints and justified consumer complaints for each major gas company in 2007 and 2008.

2007-08 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	2007	2008
Columbia	0.15	0.24
Dominion	0.63	0.60
Equitable	0.43	0.39
NFG	0.14	0.18
PGW*	0.93	0.78
UGI-Gas	0.14	0.13
UGI Penn Natural	0.06	0.10
Average	0.35	0.35

* Based on a probability sample of cases.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- Four of the major gas companies have justified consumer complaint rates less than the 2008 industry average while only three of the major gas companies have justified consumer complaint rates greater than the industry average.
- There was a wide range in the justified consumer complaint rates among the major gas companies, from a low of 0.10 for UGI Penn Natural to a high of 0.78 for PGW in 2008. Overall, the industry average justified consumer complaint rate remained at 0.35 from 2007 to 2008.
- Appendix D, Table 2, shows the number of consumer complaints, the consumer complaint rate and justified consumer complaints for each major gas company in 2007 and 2008.

**2007-08 Response Time to BCS
Residential Consumer Complaints
Major Natural Gas Distribution Companies**

Company	Number of Days 2007	Number of Days 2008	Change in Days 2007 to 2008
Columbia	8.4	9.1	0.7
Dominion	21.5	21.7	0.2
Equitable	5.0	4.2	-0.8
NFG	17.8	15.2	-2.6
PGW	4.5	10.3	5.8
UGI-Gas	20.7	15.0	-5.7
UGI Penn Natural	33.2	46.2	13.0
Average	15.9	17.4	1.5

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the major gas companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- The average of response times for the major gas companies increased by 1.5 days from 15.9 days in 2007 to 17.4 days in 2008.
- Consumer complaint response time performance varied widely among the major gas companies in 2008, from a low of 4.2 days for Equitable to a high of 46.2 days for UGI Penn Natural.

Payment Arrangement Requests

In 2008, BCS handled 16,545 payment arrangement requests (PARs) from residential customers of the natural gas distribution companies (NGDCs) and two PARs from residential customers of natural gas supply companies. Ninety-six percent (15,876) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2008, BCS reviewed a representative sample of the PARs for case outcome for all the major gas companies. Thus, the calculation for justified payment arrangement request rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these utilities. BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix E, Table 2, provides additional statistics regarding the payment arrangement requests from residential customers of the major natural gas distribution companies.

**2008 Residential Payment Arrangement Request (PAR) Rates/
Justified PAR Rates*
Major Natural Gas Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Columbia	3.99	0.98
Dominion	6.13	0.81
Equitable	9.27	1.55
NFG	9.06	1.17
PGW	8.50	1.28
UGI-Gas	8.83	1.05
UGI Penn Natural	11.55	1.82
Average	8.19	1.24

* Justified PAR rates based on a probability sample of cases.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- In 2008, the average of the PAR rates is more than six times the average of the justified PAR rates.
- The implementation of Chapter 14 had an impact on the 2008 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix E, Table 2, presents the number of PARs and justified PARs for each major gas company in 2007 and 2008.

**2007-08 Justified Residential
Payment Arrangement Request (PAR) Rates*
Major Natural Gas Distribution Companies**

Company	2007	2008
Columbia	0.26	0.98
Dominion	0.76	0.81
Equitable	1.54	1.55
NFG	0.86	1.17
PGW	1.37	1.28
UGI-Gas	0.77	1.05
UGI Penn Natural	1.22	1.82
Average	0.97	1.24

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major gas utilities increased from 0.97 in 2007 to 1.24 in 2008.
- The implementation of Chapter 14 had an impact on the 2007 and 2008 justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- There was a wide range in justified PAR rates among the major NGDCs in 2008, from a low of 0.81 for Dominion to a high of 1.82 for UGI Penn Natural.
- Appendix E, Table 2, presents the number of PARs, the PAR rates and justified PARs for each major gas company in 2007 and 2008.

**2007-08 Response Time to BCS
Residential Payment Arrangement Requests (PARs)
Major Natural Gas Distribution Companies**

Company	Number of Days 2007	Number of Days 2008	Change in Days 2007 to 2008
Columbia	5.4	5.6	0.2
Dominion	14.5	11.6	-2.9
Equitable	2.2	2.2	0.0
NFG	8.1	10.3	2.2
PGW	3.9	6.2	2.3
UGI-Gas	19.1	6.0	-13.1
UGI Penn Natural	32.1	24.7	-7.4
Average	12.2	9.5	-2.7

- Beginning in 2007, the calculation for average response time includes all residential PARs for the major gas companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- From 2007 to 2008, the average of response times decreased by almost three days.
- The 2008 PAR response times for the major NGDCs varied from a low of 2.2 days for Equitable to a high of 24.7 days for UGI Penn Natural.

Termination and Reconnection of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The NGDC reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment arrangement for the balance owed to the company. The tables that follow indicate the annual number of residential accounts each of the seven largest gas utilities terminated and reconnected in 2006, 2007 and 2008. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Natural Gas Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2006	2007	2008	% Change in # 2007-08	2006	2007	2008
Columbia	14,571	12,825	12,188	-5%	4.00	3.48	3.29
Dominion	5,083	5,302	7,867	48%	1.57	1.63	2.41
Equitable	12,793	12,593	11,979	-5%	5.51	5.28	5.01
NFG	13,243	11,138	11,022	-1%	6.86	5.62	5.57
PGW	30,808	23,437	28,674	22%	6.44	4.87	5.96
UGI-Gas	13,778	14,577	16,415	13%	4.85	4.96	5.50
UGI Penn Natural	5,179	7,065	7,735	9%	3.68	4.95	5.38
Major Gas	95,455	86,937	95,880	10%			
Average of Rates					4.70	4.40	4.73

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major gas companies terminated 10 percent more residential accounts in 2008 than in 2007.

Residential Service Reconnections Major Natural Gas Distribution Companies

Company	2006	2007	2008	% Change in # 2007-08
Columbia	7,973	7,489	7,212	-4%
Dominion	1,854	2,380	4,048	70%
Equitable	10,529	9,393	7,988	-15%
NFG	8,284	7,234	7,192	-1%
PGW	22,873	22,247	27,434	23%
UGI-Gas	8,639	9,182	10,018	9%
UGI Penn Natural	2,853	3,716	4,524	22%
Major Gas	63,005	61,641	68,416	11%

- Overall, the seven major NGDCs reconnected 11 percent more residential accounts in 2008 than in 2007.

Compliance

BCS's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Commission regulations. Often, through the informal notification process, BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2006 through 2008. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix F, Table 2, presents detailed information about the infractions identified on 2008 cases to the BCS.

Commission Infraction Rates Major Natural Gas Distribution Companies

Company	2006	2007	2008
Columbia	0.13	0.06	0.09
Dominion	0.71	0.56	0.62
Equitable	1.36	0.38	0.47
NFG	0.21	0.12	0.14
PGW	0.32	0.49	0.37
UGI-Gas	0.20	0.09	0.09
UGI Penn Natural	0.04	0.06	0.10

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rate for five of the seven major gas companies increased from 2007 to 2008.
- Appendix F, Table 2, presents the actual number of infractions for 2008 categorized by infraction category.

5. Water Industry

In 2008, the Commission had jurisdiction over 108 water utilities, including 26 municipal water companies. The Commission categorizes the non-municipal water utilities into one of three classifications: A, B and C. These three classifications are based on the amount of the utility's annual revenues.

The non-municipal water utilities with the largest annual revenues are classified as "Class A" water utilities. "Class A" water companies must have annual revenues of \$1,000,000 or more for three years in a row. In 2008, there were nine "Class A" water companies that served residential water customers. The number of residential customers for these companies ranged from 2,260 for United Water Bethel to 582,797 residential customers for Pennsylvania-American Water Company. In 2008, the "Class A" water companies were Aqua Pennsylvania Southeast f/k/a Philadelphia Suburban (Aqua Pennsylvania), Audubon Water Company, Columbia Water Company, Newtown Artesian Water Company, Pennsylvania-American Water Company (PA-American), Superior Water Company, United Water Bethel, United Water of Pennsylvania Inc., and York Water Company. The tables in this chapter present individual statistics for the two largest water companies, PA-American and Aqua Pennsylvania, and for the "Other Class A" companies as a whole.

The other classes of water companies have lower annual revenues and, typically, fewer residential customers. In 2008, there were 10 "Class B" companies. "Class B" water companies have annual revenues between \$200,000 and \$999,999. In 2008, the number of residential customers for the "Class B" companies ranged from 295 to 2,947. There were 63 "Class C" companies in 2008. "Class C" water companies have annual revenues of less than \$200,000. The number of residential customers for the "Class C" companies ranged from one to 1,053 in 2008.

The municipal water companies are companies owned by municipalities that serve customers outside their boundaries. The Commission's jurisdiction is limited to regulating the rates and service of customers outside the municipalities.

As would be expected, the majority of the residential consumer complaints and payment arrangement requests to BCS came from customers of the "Class A" water utilities. Most of the complaints and payment arrangement requests from water customers dealt with matters covered by 52 Pa. Code, Chapter 56 Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14 Responsible Utility Customer Protection. These consumer complaints and payment arrangement requests represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The tables on the pages that follow depict the performance of the "Class A" water utilities in 2008. Appendices C through F also present statistics about the performance of the "Class A" water companies.

Consumer Complaints

During 2008, BCS handled a total of 1,221 consumer complaints from residential customers of the various water companies. Of those complaints, 88 percent (1,074) were from customers of the “Class A” companies. The remaining 12 percent were from customers of smaller water companies. In spite of the fact that the vast majority of consumer complaints involved the “Class A” water utilities in 2008, the Commission devoted a significant amount of attention to the smaller water utilities. Sometimes the amount of time BCS spends on a few complaints from customers of a smaller company exceeds the amount of time it spends dealing with the larger number of complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and payment arrangement requests as compared to smaller water companies with limited resources.

In 2008, customers of the small water companies filed complaints with BCS for a variety of reasons. Of the 147 consumer complaints filed about the “Non-Class A” water companies, 86 percent of the complaints about the small water companies involved complaints about service, including people-delivered service, service quality or other aspects of the companies’ service to customers (126 cases). An additional 10 percent involved billing disputes (15 cases). This year, for the first time, Appendix A provides information on the number of consumer complaints residential customers filed against the “Non-Class A” water companies in 2008.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS’s computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2008 complaints from residential customers of the “Class A” water utilities in each of the categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. The percentages shown in the table are for all the cases residential customers of these water utilities filed with BCS, not just cases determined to be justified in coming to BCS. Appendix C, Table 3, provides the actual number of cases that fell into each category in 2008.

Consumer Complaint Categories: 2008 Major Water Utilities

Categories	Aqua Pennsylvania	PA-American	"Other Class A"	All "Class A" Water
Billing Disputes	26%	26%	17%	26%
Metering	25%	19%	4%	20%
Service Quality	14%	22%	9%	19%
Personnel Problems	8%	5%	22%	7%
Damages	2%	7%	9%	6%
Other Payment Issues	6%	3%	4%	4%
Discontinuance/Transfer	4%	2%	4%	3%
Scheduling Delays	4%	2%	9%	3%
Service Extensions	2%	2%	4%	2%
Service Interruptions	<1%	2%	4%	2%
Credit and Deposits	1%	1%	4%	1%
Rates	1%	1%	4%	1%
All Other Problems	7%	7%	4%	7%
Total-Percent*	100%	99%	98%	101%
Total-Number**	223	493	23	739

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

** Based on residential complaints evaluated by BCS as of June 26, 2009.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix B, Table 1, for an explanation of complaint categories and Appendix C, Table 3, for the number of cases in each category.
- Sixty-five percent of residential complaints for the Class A water companies fell into one of three complaint categories: billing disputes, metering complaints or service quality. Billing disputes generated the highest number of complaints in 2008.

2008 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Water Utilities

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Aqua Pennsylvania	0.86	0.41
PA-American	1.24	0.34
"Other Class A"	0.21	0.01
Average	0.77	0.25

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The consumer complaint rate for PA-American is more than three times greater than its justified consumer complaint rate.
- Appendix D, Table 3, presents the number of consumer complaints and justified consumer complaints for Aqua Pennsylvania, PA-American and the "Other Class A" companies in 2007 and 2008.

2007-08 Justified Residential Consumer Complaint Rates Major Water Utilities

Company	2007	2008
Aqua Pennsylvania	0.35	0.41
PA-American	0.25	0.34
"Other Class A"	0.03	0.01
Average	0.21	0.25

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the "Class A" water companies increased from 2007 to 2008.
- Appendix D, Table 3, shows the number of consumer complaints, the consumer complaint rate and justified consumer complaints for Aqua Pennsylvania, PA-American and the "Other Class A" water companies in 2007 and 2008.

2007-08 Response Time to BCS Residential Consumer Complaints Major Water Utilities

Company	Number of Days 2007	Number of Days 2008	Change in Days 2007 to 2008
Aqua Pennsylvania	25.5	27.3	1.8
PA-American	4.3	3.5	-0.8
"Other Class A"	11.0	9.3	-1.7
Average	13.6	13.4	-0.2

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the "Class A" water companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- The average response time for Aqua Pennsylvania increased by 1.8 days from 2007 to 2008. Meanwhile, the average response time for PA-American decreased slightly from 4.3 days in 2007 to 3.5 days in 2008.

Payment Arrangement Requests

In 2008, BCS handled 4,035 payment arrangement requests (PARs) from residential customers of the water industry. Ninety-nine percent (3,979) of the residential PARs were from customers of the "Class A" water utilities. As in past years, for the companies with the largest volume of requests, the BCS Policy Division reviewed a representative sample of PARs for case outcome. In 2008, BCS reviewed a sample of the PARs for Aqua Pennsylvania and PA-American. Thus, the calculation for justified payment arrangement request rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these two companies. BCS believes the size of the sample gives a reasonable indication of the performance of this company. Appendix E, Table 3, provides additional statistics regarding the payment arrangement requests from residential customers of the "Class A" water utilities.

**2008 Residential Payment Arrangement Request (PAR) Rates/
Justified PAR Rates
Major Water Utilities**

Company	PAR Rate	Justified PAR Rate
Aqua Pennsylvania	3.30	0.39*
PA-American	4.39	1.24*
"Other Class A"	1.32	0.07
Average	3.00	0.57

*Justified PAR rates based on a probability sample of cases.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the PAR rate (3.00) is more than five times the average of the justified PAR rate (0.57).
- The implementation of Chapter 14 had an impact on the 2008 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix E, Table 3, presents the number of PARs and justified PARs for PA-American, Aqua Pennsylvania and the "Other Class A" water companies in 2007 and 2008.

2007-08 Justified Residential Payment Arrangement Request (PAR) Rates Major Water Utilities

Company	2007	2008
Aqua Pennsylvania	0.34	0.39*
PA-American	0.64*	1.24*
"Other Class A"	0.03	0.07
Average	0.34	0.57

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The justified PAR rates increased from 2007 to 2008 for Aqua Pennsylvania and PA-American, as well as for the "Other Class A" water companies as a whole.
- The implementation of Chapter 14 had an impact on the 2007 and 2008 justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix E, Table 3, presents the number of PARs, the PAR rates and justified PARs for the "Class A" water companies in 2007 and 2008.

**2007-08 Response Time to BCS
Residential Payment Arrangement Requests (PARs)
Major Water Utilities**

Company	Number of Days 2007	Number of Days 2008	Change in Days 2007 to 2008
Aqua Pennsylvania	17.0	19.4	2.4
PA-American	4.0	1.8	-2.2
"Other Class A"	6.1	6.9	0.8
Average	9.0	9.4	0.4

- Beginning in 2007, the calculation for average response time includes all residential PARs for the "Class A" water companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- Aqua's response time increased from 2007 to 2008 while PA-American's response time decreased to 1.8 days in 2008.

Compliance

BCS's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Commission regulations. Often, through the informal notification process, BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2006 through 2008. Appendix F, Table 3, presents detailed information about the infractions identified on 2008 cases to the BCS.

Commission Infraction Rates Major Water Utilities

Company	2006	2007	2008
Aqua Pennsylvania	0.09	0.33	0.54
PA-American	0.23	0.20	0.31
"Other Class A"*	0.02	0.02	0.02

* BCS was unable to review enough 2006 consumer complaints and PARs to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The number of informally verified infractions for Aqua Pennsylvania increased from 0.33 in 2007 to 0.54 in 2008.
- Appendix F, Table 3, presents the actual number of infractions for 2008 categorized by infraction category.

Programs that Assist Low-Income Customers

Several water utilities voluntarily operate programs to help low-income customers maintain water service.

Aqua Pennsylvania Inc. (Aqua) – In 1994, Aqua Pa implemented a pilot program that provided payment assistance and conservation services to low-income customers. Aqua named this program "Helping Hand." In 1996, Aqua made the program a permanent part of its low-income assistance program.

Helping Hand is for customers at 200 percent of the federal poverty level and below. On April 1, 2009, in recognition of the current economic climate, the company eased the remaining minimum requirements: the company reduced the minimum amount due from \$150 to \$110, and the minimum number of days past due from 30 to 21.

Each household enrolled in the Helping Hand receives a plumbing inspection and, in many cases, minor repairs. The customer also receives water usage and conservation information. Customers who make their payments on time and in full receive a credit of \$10 per month applied to the customer's arrearage.

At the end of 2008, there were 545 active participants in the Helping Hand program. During the year, Aqua spent \$63,509 to complete eligibility interviews and household audits. In addition, the company provided \$17,470 in arrearage forgiveness credits to 555 program participants.

Pennsylvania-American Water Company (PA-American) – In 1991, Pennsylvania American established the "Help to Others" (H2O) program. The H2O program provides customers with a 65 percent discount on their monthly service fees – a savings of about \$8 per month. The

program also provides water saving devices and conservation education. At the end of 2008, there were 7,085 customers receiving the discounted rate. (As of March 2009, 9,051 customers were receiving the discount.)

As part of the H2O program, Pennsylvania American also participates with the Dollar Energy Fund to provide cash grants of up to \$500 per year to low-income customers. Dollar Energy Fund is a hardship fund administrator that provides cash assistance to utility customers who need help in paying their utility bills. During the 2007-08 program year, Pennsylvania American's shareholders and customers provided \$167,800 in hardship fund benefits to 543 customers for an average benefit of \$309.

United Water of Pennsylvania Inc. (United Water) – In 2005, United Water implemented the "UW Cares" program. UW Cares is a hardship fund program that provides cash grants up to \$100 to help low-income customers pay their water bills. To be eligible for a grant, a customer's household income must be below 100 percent of the federal poverty guidelines and the customer must have made a payment of at least \$20 within the last 180 days. During the 2007-08 program year, the company gave out 71 grants in the amount of \$6,311 for an average benefit of \$89.

York Water Company – In 2005, the York Water Company established the "York Water Cares" program. This program offers qualified customers up to \$120 in arrearage forgiveness benefits and \$400 in plumbing repairs. The customer can also receive a water usage audit and conservation information. During 2008, the company expended \$1,937 for plumbing repairs for 69 customers. In addition, 68 customers received arrearage forgiveness benefits totaling \$3,455.

6. Telephone Industry

During 2008, BCS handled consumer complaints, payment arrangement requests (PARs) and inquiries from the customers of a variety of telecommunications service providers, including incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), long-distance companies and resellers. Slightly more than 700 providers of telecommunications services were certificated and able to conduct business in Pennsylvania in 2008. Of this group of telecommunications providers, 37 were ILECs. Thirty-two of these ILECs were non-major utilities each serving fewer than 50,000 residential customers. The remaining five ILECs were major companies, each with more than 50,000 residential customers. Collectively, these five major telephone companies served nearly 3.3 million residential customers in 2008.

This chapter will focus exclusively on the five major ILECs in 2008 - Embarq Pennsylvania f/k/a United Telephone Company of Pennsylvania (Embarq); Frontier Communications Commonwealth Telephone Company (Frontier Commonwealth); Verizon North Inc. (Verizon North); Verizon Pennsylvania (Verizon PA); and Windstream Communications f/k/a ALLTEL Pennsylvania (Windstream) – and the two largest CLECs – Cavalier Telephone Mid-Atlantic (Cavalier) and RCN Telecom Services Inc. (RCN). The CLECs listed above each served more than 50,000 residential customers in Pennsylvania during 2008. Prior reports included data about MCI Local and Comcast Digital Phone. However, in this year's report, MCI Local is not included in this chapter because the company reported it served fewer than 50,000 residential customers during 2008. Comcast Digital Phone is also omitted since the company stopped serving residential customers in June 2008.

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

Consumer Complaints

Although BCS handled consumer complaints about different types of telecommunications service providers in 2008, the complaints predominantly came from the residential customers of the five major ILECs and the two largest CLECs. Overall, BCS handled 7,790 consumer complaints from residential customers of telecommunications service providers in 2008. Of these complaints, 7,047 were from residential customers of all of Pennsylvania's ILECs while 7,015 were from customers of the five major ILECs. Meanwhile, 655 consumer complaints were from residential customers of the CLECs operating in Pennsylvania, with 259 of the CLEC complaints filed by residential customers of Cavalier and RCN. The remaining 88 consumer complaints were from residential customers of other providers of telecommunications services such as long-distance carriers, resellers and Voice over Internet Protocol (VoIP) providers.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into the Bureau's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2008 consumer complaints from residential customers of the major telephone companies in each of the 11 categories used by the BCS policy unit to categorize consumer complaints about telephone companies.

Consumer Complaint Categories: 2008 Major Local Telephone Companies

Categories	Cavalier	Embarq	Frontier Common- wealth	RCN	Verizon North	Verizon PA	Wind- stream	Telephone Majors
Billing Disputes	23%	46%	39%	14%	32%	30%	28%	30%
Service Delivery	19%	13%	25%	8%	22%	26%	18%	24%
Unsatisfactory Service	11%	7%	9%	22%	28%	25%	31%	23%
Service Terminations	19%	17%	8%	29%	5%	7%	7%	8%
Toll Services	0%	6%	1%	0%	4%	5%	0%	4%
Competition	19%	3%	4%	16%	3%	2%	8%	4%
Credit and Deposits	1%	0%	4%	0%	2%	2%	3%	2%
Discontinuance/Transfer	5%	2%	4%	0%	1%	1%	1%	1%
Non-Recurring Charges	0%	1%	0%	0%	1%	<1%	0%	<1%
Annoyance Calls	0%	1%	0%	2%	<1%	<1%	1%	<1%
All Other Problems	4%	4%	6%	8%	2%	3%	1%	3%
Total-Percent*	101%	100%	100%	99%	100%	101%	98%	100%
Total-Number**	167	149	79	49	338	3,187	71	4,040

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

** Based on residential complaints evaluated by BCS as of June 19, 2009.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix B, Table 2, for an explanation of complaint categories and Appendix C, Table 4, for the number of cases in each category.
- Seventy-seven percent of all complaints for the major telephone companies fall into one of three complaint categories: billing disputes, service delivery or unsatisfactory service.
- Billing disputes account for 30 percent of the total number of consumer complaints against the seven major telephone companies. In 2007, billing disputes accounted for 25 percent of consumer complaints about the major telephone companies.
- The table shows that 24 percent of all the consumer complaints filed against the seven major companies are about service delivery, while unsatisfactory service accounts for 23 percent of the complaints.

The 2007 and 2008 consumer complaint figures for consumer complaint rates, justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages. Appendix D, Table 4, provides additional statistics about the consumer complaints from residential customers of the seven major local telephone companies.

2008 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Cavaller	3.60	2.47
Embarq	0.83	0.26
Frontier Commonwealth	0.57	0.28
RCN	0.67	0.42
Verizon North	1.04	0.53
Verizon PA	2.64	1.36*
Windstream	0.54	0.23
Average	1.41	0.79

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the seven major telephone companies, the average of their consumer complaint rates is 1.8 times greater than the average of their justified rates.
- Embarq’s consumer complaint rate is more than three times higher than its justified consumer complaint rate. For Frontier Commonwealth and Windstream, the consumer complaint rate is more than two times higher than its justified consumer complaint rate.
- Appendix D, Table 4, shows the number of consumer complaints and justified consumer complaints for each major telephone company in 2007 and 2008.

**2007-08 Justified Residential
Consumer Complaint Rates
Major Local Telephone Companies**

Company	2007	2008
Cavalier	3.77	2.47
Embarq	0.35	0.26
Frontier Commonwealth	0.32	0.28
RCN	0.41	0.42
Verizon North	0.57	0.53
Verizon PA*	1.01	1.36
Windstream	0.19	0.23
Average	0.95	0.79

* Based on a probability sample of cases.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2008, the industry average of justified consumer complaint rates decreased by 17 percent from the 2007 average. For Cavalier, the 2008 justified consumer complaint rate decreased by 34 percent from 2007.
- There was a wide range in justified consumer complaint rates among the major companies, from a low of 0.23 for Windstream to a high of 2.47 for Cavalier.
- Appendix D, Table 4, shows the number of consumer complaints, the consumer complaint rate and justified consumer complaints for each major telephone company in 2007 and 2008.

2007-08 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies

Company	Number of Days 2007	Number of Days 2008	Change in Days 2007 to 2008
Cavalier	26.5	26.7	0.2
Embarq	12.6	15.1	2.5
Frontier Commonwealth	14.9	20.0	5.1
RCN	25.1	23.8	-1.3
Verizon North	10.4	11.8	1.4
Verizon PA*	11.4	11.9	0.5
Windstream	13.9	12.0	-1.9
Average	16.4	17.3	0.9

* Based on a probability sample of cases.

- For the seven major companies, the average response time to consumer complaints increased by nearly one day from 2007 to 2008.
- Only RCN and Windstream reduced their average response times from 2007 to 2008. The average response time for Frontier Commonwealth increased by more than five days from 2007 to 2008.

Payment Arrangement Requests

Telephone service consists of three components: basic service, nonbasic service and toll service. BCS does not handle customer requests for payment arrangements that involve toll or nonbasic services. For the telephone industry, payment arrangement requests (PARs) are principally contacts to BCS or to companies involving a request for payment terms for arrearages associated with basic service. Most PARs are cases relating to the suspension of basic telephone service for nonpayment. Suspension of basic telephone service involves the temporary cessation of service without the consent of the customer and occurs when the customer owes the local telephone company money. If the customer does not pay or make arrangements to pay the amount owed, the company proceeds to terminate the customer's service, which is the permanent cessation of service. The majority of PARs are from customers who contact BCS to request payment arrangements after they have received a suspension notice.

Under Chapter 64, a customer contact in response to a suspension notice is a dispute (as the term is defined in §64.2) only if the contact includes a disagreement with respect to the application of a provision of Chapter 64. Where telephone cases involving telephone service suspension are concerned, failure to negotiate a payment arrangement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve PARs have been separated from telephone PARs that also involve a dispute. For

the telephone industry, PARs that involve a dispute are classified as consumer complaints. During 2008, BCS handled 1,417 PARs from residential customers of telecommunications service providers. Of these PARs, 1,294 were from residential customers of the seven major telephone companies: Cavalier, Embarq, Frontier Commonwealth, RCN, Verizon North, Verizon PA and Windstream.

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

The 2007 and 2008 payment arrangement request figures for justified payment arrangement request rates and response times for the major telephone companies are presented in the tables that follow.

**2008 Residential Payment Arrangement Request (PAR) Rates/
Justified PAR Rates
Major Local Telephone Companies**

Company	PAR Rate	Justified PAR Rate
Cavaller	0.88	0.09
Embarq	0.14	0.01
Frontier Commonwealth	0.08	0.00
RCN	0.20	0.03
Verizon North	0.13	0.01
Verizon PA	0.47	0.08*
Windstream	0.18	0.01
Average	0.30	0.03

* Justified PAR rate based on a probability sample of cases.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The overall 2008 PAR rate is 10 times the overall justified PAR rate for the seven major telephone companies.
- For the individual companies, the ratio between the PAR rate and the justified PAR rate varies. For Windstream, the company's 2008 PAR rate is 18 times the company's justified PAR rate.
- Frontier Commonwealth had no justified PARs in 2008. All PARs received from Frontier Commonwealth customers were reviewed and evaluated.
- Appendix E, Table 4, presents the number of PARs and justified PARs for each major telephone company in 2007 and 2008.

**2007-08 Justified Residential
Payment Arrangement Request (PAR) Rates
Major Local Telephone Companies**

Company	2007	2008
Cavallier	0.57	0.09
Embarq	0.03	0.01
Frontier Commonwealth	0.01	0.00
RCN	0.02	0.03
Verizon North	0.03	0.01
Verizon PA*	0.11	0.08
Windstream	0.02	0.01
Average	0.11	0.03

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The 2008 average of justified PAR rates (0.03) for the seven major telephone companies decreased from the 2007 industry average of PAR rates (0.11). The justified PAR rate decreased from 2007 to 2008 for each of the companies except RCN. Frontier Commonwealth had no justified PARs in 2008.
- Appendix E, Table 4, presents the number of PARs, the PAR rates and justified PARs for each major telephone company in 2007 and 2008.

**2007-08 Response Time to BCS
Residential Payment Arrangement Requests (PARs)
Major Local Telephone Companies**

Company	Number of Days 2007	Number of Days 2008	Change in Days 2007 to 2008
Cavallier	26.1	20.0	-6.1
Embarq	7.1	7.1	0.0
Frontier Commonwealth	5.9	16.1	10.2
RCN	18.8	22.9	4.1
Verizon North	6.0	6.0	0.0
Verizon PA*	4.7	6.6	1.9
Windstream	2.4	1.2	-1.2
Average	10.1	11.4	1.3

* Based on a probability sample of cases.

- The average response time to PARs for the seven major telephone companies increased from 10.1 in 2007 to 11.4 in 2008.
- Only Cavallier and Windstream reduced their response times to PARs in 2008. The response times for Embarq and Verizon North were unchanged.

Termination of Service

Chapter 64 defines suspension as a temporary termination of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent end of service after a suspension without the consent of the customer. Most payment arrangement requests are cases relating to the termination of telephone service and are registered during the suspension phase. Many customers who have their basic service suspended are able to make payment arrangements and avoid termination. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. Shifts in terminations can signal potential problems with customers maintaining basic telephone service and reflect the impact of Universal Service programs.

Residential Service Terminations/Termination Rates Major Local Telephone Companies

Company	Residential Service Terminations				Termination Rates		
	2006	2007	2008	% Change in # 2007-08	2006	2007	2008
Cavalier	6,108	N/A	8,844	N/A	102.85	N/A	159.33
Embarq	5,100	5,364	7,776	45%	19.60	22.50	35.94
Frontier Commonwealth	5,424	3,864	1,380	-64%	30.59	21.96	8.28
RCN	6,252	12,156	8,232	-32%	79.85	146.48	93.02
Verizon North	14,040	11,904	15,348	29%	32.79	29.19	41.88
Verizon PA	123,624	85,272	114,564	34%	45.25	32.79	48.09
Windstream	5,424	4,608	4,284	-7%	33.49	29.93	29.21
Major Telephone	165,972	123,168	160,428	30%			
Average of Rates					49.20	47.14	59.39

N/A = Not Available. Due to changes in Cavalier's billing system, Cavalier was not able to supply the number of residential service terminations for 2007.

- The termination rate equals the number of basic service terminations for each 1,000 residential customers.
- Overall, the average service termination rate for major telephone companies increased from 2007 to 2008.
- From 2007 to 2008, the number of terminations and the termination rates increased for Embarq, Verizon North and Verizon PA. Termination and termination rates decreased for Frontier Commonwealth and RCN. Windstream's termination rate was relatively stable from 2007 to 2008.

Compliance

BCS's primary compliance effort is the informal compliance process. Through informal compliance notifications, this process provides companies with specific examples of apparent problems that may reflect infractions of the Commission's Standards and Billing Practices for Residential Telephone Service (Chapter 64) and the telephone regulations for quality of service (Chapter 63). The informal notification process also enables BCS to provide companies with written clarifications and explanations of Chapter 63 and Chapter 64 provisions and BCS policies. The informal compliance process is specifically designed to identify systematic errors. Companies can then investigate the scope of the problem and take corrective action. Appropriate corrective action usually involves modifying a computer program; revising the text of a notice, a billing or a letter; changing a company procedure; or providing additional staff training to ensure the proper implementation of a sound procedure.

Each year BCS retrieves infraction data from the BCS Compliance Tracking System and produces tables that present Chapter 63 and Chapter 64 infraction statistics for the major telephone companies reviewed in this chapter. The infraction statistics are typically drawn from all cases that residential consumers filed with BCS in 2006, 2007 and 2008. Appendix F, Tables 4 and 5, present detailed information about the infractions identified on 2008 cases to the BCS.

Commission Infraction Rates – Chapter 63 Major Local Telephone Companies

Company	2006	2007*	2008
Cavalier	N/A	4.02	2.82
Embarq	0.14	0.10	0.03
Frontier Commonwealth	0.08	0.15	0.26
RCN	0.18	0.40	0.29
Verizon North	0.91	0.88	0.67
Verizon PA	0.86	1.03	2.15
Windstream	0.12	0.15	0.17

* BCS revised the 2007 infraction rates from those reported in the 2007 UCARE. In last year's report, the 2007 infraction statistics included infractions from informal complaints filed in both 2007 and part of 2008.

N/A = Not Available. BCS did not evaluate enough 2006 residential consumer complaints about Cavalier to calculate a valid infraction rate for Cavalier.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- In 2008, there was a wide variation in infraction rates among the seven major telephone companies. Cavalier, at 2.82, and Verizon PA, at 2.15, had the highest Chapter 63 infraction rates. Embarq had the lowest rate at 0.03.
- Appendix F, Table 4, presents the actual number of infractions of Chapter 63 found on 2008 informal complaints for the major local telephone companies by infraction category.

Commission Infraction Rates – Chapter 64 Major Local Telephone Companies

Company	2006	2007*	2008
Cavaller	N/A	4.17	2.68
Embarq	0.73	0.44	0.32
Frontier Commonwealth	0.11	0.16	0.19
RCN	0.88	0.49	0.28
Verizon North	0.29	0.14	0.25
Verizon PA	0.25	0.14	0.48
Windstream	0.32	0.16	0.14

* BCS revised the 2007 infraction rates from those reported in the 2007 UCARE. In last year's report, the 2007 infraction statistics included infractions from informal complaints filed in both 2007 and part of 2008.

N/A = Not Available. BCS did not evaluate enough 2006 residential consumer complaints and PARs about Cavalier to calculate a valid infraction rate for Cavalier.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- As with Chapter 63, there was a wide variation in Chapter 64 infraction rates among the seven major telephone companies. In 2008, Cavalier had the highest rate at 2.68 while Windstream had the lowest rate at 0.14 infractions of Chapter 64 for each 1,000 residential customers.
- Appendix F, Table 5, presents the actual number of infractions of Chapter 64 found on 2008 informal complaints for the major local telephone companies by infraction category.

Universal Service Programs

As part of its ongoing responsibilities, BCS monitors the universal service programs of local telephone companies. For the telephone industry, universal service programs¹ include Link-Up America (Link-Up), Lifeline Service (Lifeline) and the Universal Telephone Assistance Program (UTAP). These programs ensure that low-income consumers have access to telephone service by providing discounts or credits for service installation and basic telephone service. The Commission approved the implementation of Pennsylvania's first universal service program in 1989 with the implementation of Link-Up. By December 1997, the Commission approved Lifeline service plans for 44 telephone companies and marked the statewide implementation of telephone companies' Lifeline programs in 1998.

The initial Lifeline program targeted those customers who had incomes at or below 100 percent of the federal poverty guidelines, who received Supplemental Security Income or

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

who participated in certain Pennsylvania Department of Public Welfare (DPW) programs. Lifeline service customers could not subscribe to call waiting or other optional services².

On Sept. 30, 1999, the Commission approved a Global Telecommunication Order that created the Lifeline 150 program. Under the Lifeline 150 program, customers were allowed to subscribe to one optional service such as voice mail or call waiting at cost. Customers with incomes up to 150 percent of the federal poverty guidelines and who participated in certain assistance programs³ were eligible for this program. The Commission directed telephone companies to discontinue the initial Lifeline program and implement the Lifeline 150 program. However, the Commission allowed Verizon f/k/a Bell of PA to continue its 1999 Lifeline program along with implementing the Lifeline 150 program. As a result of the merger of Bell Atlantic PA and GTE North, Verizon North f/k/a GTE North also is required to offer Lifeline service.

The discussion below describes the status of universal service programs for the telephone industry in 2008.

Lifeline, Lifeline 150 and Lifeline 135 Service

On May 23, 2005, the Commission entered its Final Lifeline Order (Final Order), at Docket No. M-00051871, that resulted in major changes to the Lifeline programs. The Final Order expanded the Lifeline and Link-Up program eligibility to be consistent with the Federal Communications Commission's (FCC) default Lifeline/Link-Up programs⁴. It added the National School Free Lunch Program and an income-only based criterion (income at or below 135 percent of the federal poverty guidelines) as new criteria for Pennsylvania's Lifeline/Link-Up program eligibility. Second, the Final Order directed all jurisdictional eligible telecommunications carriers⁵ (ETCs) to implement the Lifeline provisions contained in Chapter 30. Under these provisions⁶, ETCs are to inform new and existing customers about the availability of Lifeline and Link-Up services. They also must permit eligible Lifeline service customers to purchase any number of optional services (i.e. call waiting) at the tariffed rates for these services. Third, the Final Order requires all local telephone ETCs to implement these changes. It also encourages non-ETCs to continue to offer Lifeline service even though they are no longer required to do so. Finally, the Final Order eliminates the Lifeline 150 program and designates the Lifeline 135 program as the primary telephone universal service program in Pennsylvania.

²Lifeline service customers were permitted to subscribe to call trace service under special circumstances.

³These programs are as follows: General Assistance (GA); Supplemental Security Income (SSI); Temporary Assistance for Needy Families (TANF); Food Stamps; Low-Income Home Energy Assistance Program (LIHEAP); Medicaid; Federal Public Housing Assistance; and the State Blind Pension.

⁴FCC Report and Order and Further Notice of Proposed Rulemaking in the Matter of Lifeline and Link-Up, at CC Docket No. 04-87, WC Docket No. 03-109.

⁵To provide Lifeline and Link-Up services, telephone companies must be designated Eligible Telecommunications Carriers (ETC) by their state commission or the FCC. ETCs may receive universal service funding.

⁶66 P.a. C.S. §§ 30 (f)(1-4). These rules apply to all Pennsylvania incumbent local exchange carriers and three competitive local exchange carriers.

On Dec. 18, 2008, the Commission adopted the initial decision of a PUC administrative law judge ordering Verizon PA and Verizon North to revise their tariffs to permit their Lifeline 135 customers the opportunity to subscribe to three types of bundled service plans⁷. These customers may now subscribe to a bundled service package plan that offers 1) local service with three optional services; 2) local service with three optional services plus regional toll service; or 3) local service with three optional services plus regional toll service and long-distance service at a single monthly rate.

The following table shows enrollment activity for the various Lifeline programs in 2007 and 2008. Cavalier is a non-ETC and does not offer either Lifeline 135 or Link-Up to its customers.

Lifeline Service Activity 2007-08

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2007	2008	2007	2008
Embarq	5,412	5,787	4,107	4,452
Frontier Commonwealth	5,041	5,440	4,189	4,586
RCN	465	536	384	453
Verizon North*	18,568	20,681	11,945	10,835
Verizon PA*	201,045	197,129	120,898	105,675
Windstream	5,784	6,640	5,591	5,325
Total	236,315	236,213	147,114	131,326

* The figures for Verizon PA and Verizon North include customers enrolled in both the Lifeline and Lifeline 135 programs. Verizon's efforts to recertify the eligibility of 100 percent of its PA Lifeline and Lifeline 135 participants in the fourth quarter of 2007 resulted in a reduction in the companies' enrollment figures in 2008. Over 16,000 customers failed to provide the required proof of income to retain their discount and consequently were removed from the program.

As of July 2009, the monthly credit⁸ ranged from \$7.64 to \$8.25 for the Lifeline 135 program, and \$11.39 to \$12 for the Verizon companies' Lifeline program.

Link-Up

Link-Up helps make telephone service more affordable for low-income customers who apply for new telephone service or who transfer telephone service to a new location. Link-Up provides qualified customers with a 50 percent discount, up to \$30, on line connection charges for one residential telephone line. The program targets those customers who have incomes at or below 135 percent of the federal poverty guidelines, who receive Supplemental Security Income, or who participate in certain DPW assistance programs. The following table presents the number of Link-Up connections reported by major local companies.

⁷See Dockets C-20077916 and C-20077917.

⁸The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

Link-Up Connections 2007-08

Company	Number of Connections 2007	Number of Connections 2008
Embarq	1	75
Frontier Commonwealth	351	178
RCN	0	0
Verizon North	3,101	2,848
Verizon PA	38,853	32,371
Windstream	501	512
Total	42,807	35,984

Universal Telephone Assistance Program (UTAP)

Verizon PA implemented a Universal Telephone Assistance Program (UTAP) along with its Lifeline service program as part of a settlement agreement that was approved by the Commission in 1995. Verizon PA is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a pre-existing basic service arrearage) to restore their basic telephone service. The Dollar Energy Fund manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2008 was \$80. Overall, UTAP distributed \$933,844 in financial assistance to 11,629 of Verizon PA's qualified customers in 2008.

Automatic Notification Program

The Lifeline service automatic notification provision at 66 Pa.C.S. § 3019(f)(5) requires that all jurisdictional ETCs provide DPW with service descriptions, subscription forms, contact telephone numbers and service area information so DPW can notify its clients about the availability of Lifeline service. In 2005, a working group consisting of representatives of the Pennsylvania Telephone Association, the Office of Consumer Advocate and the Public Utility Law Project worked with DPW to implement this provision. Commission staff coordinated with members of the working group to develop subscription forms and listings of company contacts by county. Commission staff continues to provide DPW with copies of informational brochures and a link to the Commission's website for information about companies that offer Lifeline and Link-Up programs.

For more information about the telephone universal service programs, readers may contact Tawana Dean of the PUC's Bureau of Consumer Services at (717) 772-0806 or by email at tadean@state.pa.us.

Glossary of Terms

Competitive Local Exchange Carrier (CLEC) - A telecommunications provider that competes with other already established telecommunications providers to provide local telephone service.

Consumer Complaint Rate - The number of consumer complaints per 1,000 residential customers.

Consumer Complaints - Cases to BCS involving billing, service, rates and other issues not related to requests for payment terms.

Cramming - The submission or inclusion of unauthorized, misleading or deceptive charges for products or services on an end-user customer's local telephone bill.

Customer Assistance Programs (CAPs) - Alternative collection programs set up between a utility company and a customer that allow low-income, payment-troubled customers to pay utility bills that are based on household size and gross household income. CAP participants agree to make regular monthly payments, which are usually less than the current bill, in exchange for continued utility service.

Electric Distribution Company (EDC) - Owner of the power lines and equipment necessary to deliver purchased electricity to the customer.

Electric Generation Supplier (EGS) - A person or corporation, generator, broker, marketer, aggregator or other entity that sells electricity, using the transmission or distribution facilities of an electric distribution company (EDC).

Hardship Funds - Utility-sponsored funds that provide cash assistance to low-income utility customers to help them pay their utility bills.

Incumbent Local Exchange Carriers (ILEC) - A telecommunications company that was providing local telephone service in 1996 to customers in a specific geographic area designated by the Federal Communications Commission and held a certificate from the Public Utility Commission.

Infraction - A misapplication or infringement of a Commission regulation, particularly the standards and billing practices for residential utility service.

Infraction Rate - The number of informally verified infractions per 1,000 residential customers (includes infractions drawn from both consumer complaints and payment arrangement requests).

Inquiries - Consumer contacts to BCS that, for the most part, require no follow-up investigation beyond the initial contact.

Justified Consumer Complaint Rate - The number of justified consumer complaints per 1,000 residential customers.

Justified Payment Arrangement Request Rate - The number of justified payment arrangement requests per 1,000 residential customers.

Local Exchange Carrier (LEC) - A public utility that provides basic telephone service either exclusively or in addition to toll service.

Natural Gas Distribution Company (NGDC) - A natural gas utility regulated by the PUC that owns the gas lines and equipment necessary to deliver natural gas to the consumer.

Natural Gas Supplier (NGS) - An entity other than an NGDC that sells or arranges to sell natural gas to customers using the distribution lines of an NGDC.

Payment Arrangement Request Rate - The number of payment arrangement requests per 1,000 residential customers.

Payment Arrangement Requests (PARs) - Consumer requests for payment arrangements principally include contacts to BCS involving a request for payment terms in one of the following situations: suspension/termination of service is pending; service has been suspended/terminated and the customer needs payment terms to have service restored; or the customer wants to retire an arrearage.

Problem Categories - A breakdown of residential consumer complaints by specific problem categories such as billing, credit and deposits, service quality, rates, etc.

Response Time in Days - Response time is the time span in days from the date of BCS's first contact with the company regarding a complaint, to the date on which the utility provides BCS with its report regarding the complaint. Response time quantifies the speed of a utility's response to BCS consumer complaints and payment arrangement requests.

Slamming - The unauthorized switching of a customer's service provider. In telecommunications, slamming refers to changing a customer's local exchange carrier or primary long-distance service provider without the customer's consent. In electric and gas, slamming refers to changing the customer's supply provider without customer authorization.

Termination Rate - For the electric and gas industries, termination rate is the number of service terminations divided by the number of residential customers. For the telephone industry, termination rate is the number of service terminations per 1,000 residential customers.

Appendices

Appendix A

2008 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
ELECTRIC	
Wellsboro Electric Company (EDC)	7
Other Non-Major Electric Distribution Companies (EDCs)**	15
Commerce Energy (EGS)	9
Peoples Plus (EGS)	9
Other Electric Generation Suppliers (EGSs)**	0
Total Non-Major Electric	40
GAS	
Herman Oil and Gas (NGDC)	7
PPL Utilities (NGDC)	47
T.W. Phillips (NGDC)	41
Other Non-Major Natural Gas Distribution Companies (NGDCs)**	17
CNG Retail Services Corp. (NGS)	22
Other Natural Gas Suppliers (NGSs)**	8
Total Non-Major Gas	142
WATER	
Emlenton Water	8
Nittany Water	83
North Heidelberg Water	5
Swatara Village Water	5
Total Environmental Solutions	5
Twin Lakes Water	10
W.P. Water Inc.	6
Other Private Water**	14
Other Municipal Water**	11
Total Non-Major Water	147

* Only those non-major companies having five or more residential consumer complaints in 2008 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2008 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix A (Continued)

2008 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
TELEPHONE	
Consolidated Communications of PA (ILEC)	5
Other Non-Major Incumbent Local Exchange Carriers (ILECs)**	27
ACN Communications Services (CLEC)	8
AT&T Local (CLEC)	71
Comcast Digital Phone (CLEC)	17
Cordia Communications Corp. (d/b/a CLEC)	84
Fairpoint Communications Corp. (CLEC)	7
Frontier Communications CTSI (CLEC)	7
Full Service Network (d/b/a CLEC)	46
IDT America (CLEC)	27
MCI Local (CLEC)	43
Metropolitan Telecommunications (CLEC)	45
Mytel Company Inc. (CLEC)	13
Northstar Telecom Inc. (CLEC)	5
Trinsic (CLEC)	9
Other Competitive Local Exchange Carriers (CLECs)**	14
AT&T (IXC)	15
Full Service Network (Prepaid)	8
VOIP (Voice Over Internet Protocol)	32
Other Providers of Telecommunications Services**	33
Total Non-Major Telephone	516

* Only those non-major companies having five or more residential consumer complaints in 2008 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2008 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix B-1

Classification of Consumer Complaints Electric, Gas & Water

Billing Disputes - Complaints about bills from the utility: high bills; inaccurate bills or balances; installation charges; customer charges; service charges; repair charges; late payment charges; frequency of bills; and the misapplication of payment on bills.

Competition - Complaints about issues that are directly related to competition: enrollment/eligibility; application and licensing; supplier selection; changing/switching suppliers, which includes slamming; advertising and sales; billing; contracts; and credit and deposits. This category also includes any complaints about more general competition issues such as consumer education, pilot programs and restructuring.

Credit & Deposits - Complaints about a company's requirements to provide service: applicant must pay another person's bill, applicant must complete an application, applicant must provide identification, or applicant must pay a security deposit. This category also includes complaints about the amount of or the amortization of a deposit, the payment of interest on a deposit or the failure of a company to return a deposit to the customer.

Damages - Complaints about a company's lack of payment or lack of restored property related to damages to equipment, appliances or property due to service outages, company construction or repair, and improperly delivered or transferred service.

Discontinuance/Transfer - Complaints related to the responsibility for or the amount of bills after discontinuance or transfer of service: the customer requested discontinuance of service, and the company failed to finalize the account as requested or the company transferred a balance to a new or existing account from the account of another person or location.

Metering - Billing complaints directly related to the reading of or the failure to read the customer's meter and the accuracy of the meter readings (company reading, customer supplied reading, misreading).

Other Payment Issues - Complaints about the amount of budget bills or the transfer of a customer's debt to a collection agency.

Personnel Problems - Complaints about performance by company personnel: a company representative did not finish the job correctly; a meter reader entered a customer's home to read the meter without knocking; company personnel will not perform a requested service; business office personnel treated the customer rudely; and overall mismanagement of a utility. This category also includes any complaints about sales such as appliance sales by the utility.

Rates - General or specific complaints about a utility's rates: general or specific rates are too high, the company's rates are being used to recover advertising costs, or the customer is being billed on the incorrect rate.

Scheduling Delays - Complaints about problems with a company's scheduling: delays in scheduling or repairing service or relocating poles, failures to keep scheduled meeting or appointments, and lack of accessibility to customers.

Service Extensions - Complaints about line extensions or installation of service: the responsibility for line extensions; the cost and payment for line extensions; inspection requirements; delay in installation; connection or disconnection of service; and denial of service extensions.

Service Interruptions - Complaints about service interruptions: the frequency of service interruptions, the duration of interruptions or the lack of prior notice regarding interruptions.

Service Quality - Complaints about a utility's product: the quality of the product is poor (water quality, voltage, pressure); the company's equipment is unsatisfactory or unsafe; the company fails to act on a complaint about safety; the company plans to abandon service; the company does not offer needed service; the company wants to change location of equipment; or the company providing service is not certified by the Commission (defactos).

All Other Problems - All other complaints that do not fit into the above categories, including, but not limited to, complaints about termination procedures when there is no need for payment arrangements and complaints about delivered service from the utility.

Appendix B-2

Classification of Consumer Complaints Telephone

Annoyance Calls - Complaints about the company's failure to resolve problems related to receiving unsolicited sales calls or harassing calls. This includes the company's failure to change the phone number or initiate an investigation, and problems with auto dialers and fax machines.

Audiotex - Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services. In 2008, BCS evaluated two residential consumer complaints in this category. Due to this low volume, the complaints about audiotex are included in the "all other problems" category.

Billing Disputes - Complaints about bills from the utility: high bills; inaccurate bills or balances; installation charges; customer charges; service charges; repair charges; late payment charges; frequency of bills; and the misapplication of payment on bills.

Competition - Complaints about changing/switching service providers, slamming, cramming, competition-related billing problems, contracts, competition-related service problems and all other problems associated with competition in the telecommunications marketplace.

Credit & Deposits - Complaints about a company's requirements to provide service: applicant payment of another person's bill; completion of an application; provision of identification; or payment of a security deposit. This category also includes complaints about the amount of or the amortization of a deposit, the payment of interest on a deposit or the failure of a company to return a deposit to the customer.

Discontinuance/Transfer - Complaints related to responsibility for or the amount of bills after discontinuance or transfer of service; company failure to finalize the account as requested; or the company's transfer of a balance to a new or existing account from the account of another person or location.

Extended Area of Service (EAS) - Complaints about a limited local calling area. In 2008, BCS evaluated two residential consumer complaints about EAS. Due to this low volume, the complaints in this category are included in the "all other problems" category.

Non-Recurring Charges - Complaints about one-time charges for installation of basic and/or nonbasic services.

Rates - General or specific complaints about a utility's rates: general or specific rates are too high or the customer is being billed on the incorrect rate. In 2008, BCS evaluated three residential consumer complaints about rates. Due to this low volume, the complaints in this category are included in the "all other problems" category.

Sales Nonbasic Services - Complaints related to the sale of nonbasic services, including the availability of certain services. In 2008, BCS evaluated only one residential consumer complaint about sales of nonbasic services. Due to this low volume, the complaint in this category is included in the "all other problems" category.

Service Delivery - Complaints about delays in service installations or disconnections of service and failures to keep scheduled appointments; lack of facilities to provide service; unauthorized transfer of service; unavailability of special services; and the rudeness of business office personnel.

Service Terminations - Complaints about suspension or termination procedures when there is no need for a payment arrangement.

Toll Services - Complaints about charges for local toll and/or long-distance toll services.

Unsatisfactory Service - Complaints about poor service quality, problems with the assignment of phone numbers, incorrect information in phone directories, lack of directories, equal access to toll network, and service interruptions and outages.

All Other Problems - All other complaints that do not fit into the above categories, including, but not limited to, complaints about extended area of service and the expansion of local calling areas, excessive rates from operator services that provide phone service to hospitals and hotels, and excessive coin phone rates. Also included are complaints about audiotex and sales of nonbasic service.

Appendix C - Table 1

Consumer Complaint Categories: 2008*

Major Electric Distribution Companies

Categories**	Allegheny Power	Duquesne	Met-Ed	PECO***	Penelec	Penn Power	PPL	UGI-Elec.	Electric Majors
Personnel Problems	49	101	31	144	27	10	49	11	422
Billing Disputes	32	76	47	67	29	25	56	16	348
Credit and Deposits	85	57	26	66	21	14	7	25	301
Service Interruptions	38	57	32	17	19	20	28	2	213
Metering	58	8	25	25	23	7	45	7	198
Discontinuance/ Transfer	9	29	2	72	6	5	49	2	174
Service Quality	14	24	27	18	16	5	33	2	139
Damages	38	11	10	12	28	6	29	0	134
Other Payment Issues	9	27	10	34	13	1	24	4	122
Service Extensions	13	13	21	3	17	6	23	2	98
Scheduling Delays	11	12	7	12	11	4	13	1	71
Rates	4	4	0	5	0	8	6	0	27
All Other Problems	32	48	31	45	20	8	54	4	242
Total*	392	467	269	520	230	119	416	76	2,489

* Categories are for residential complaints evaluated by BCS as of June 26, 2009, whether or not the case outcome was found to be "justified."

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

*** PECO statistics include electric and gas.

Appendix C - Table 2
Consumer Complaint Categories: 2008*
Major Natural Gas Distribution Companies

Categories**	Columbia	Dominion	Equitable	NFG	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	47	76	68	27	80	55	10	363
Personnel Problems	54	53	77	21	62	31	15	313
Metering	56	84	75	40	19	17	2	293
Other Payment Issues	35	54	77	14	36	16	5	237
Credit and Deposits	13	94	36	10	15	54	13	235
Discontinuance/Transfer	29	41	40	16	20	14	12	172
Scheduling Delays	37	40	16	26	16	6	4	145
Service Quality	48	54	14	7	4	5	4	136
Damages	34	18	13	5	7	2	1	80
Service Extensions	17	18	15	7	2	4	5	68
Service Interruptions	5	5	3	1	0	2	0	16
Rates	0	4	5	1	1	3	0	14
All Other Problems	17	12	31	16	36	23	14	149
Total*	392	553	470	191	298	232	85	2,221

* Categories are for residential complaints evaluated by BCS as of June 26, 2009, whether or not the case outcome was found to be "justified."

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

Appendix C - Table 3
Consumer Complaint Categories: 2008*
Major Water Utilities

Categories**	Aqua Pennsylvania	PA-American	"Other Class A" Water	All "Class A" Water
Billing Disputes	57	129	4	190
Metering	55	92	1	148
Service Quality	32	109	2	143
Personnel Problems	17	26	5	48
Damages	5	36	2	43
Other Payment Issues	14	15	1	30
Discontinuance/Transfer	10	11	1	22
Scheduling Delays	8	11	2	21
Service Extensions	4	9	1	14
Service Interruptions	1	11	1	13
Credit and Deposits	3	4	1	8
Rates	2	5	1	8
All Other Problems	15	35	1	51
Total*	223	493	23	739

* Categories are for residential complaints evaluated by BCS as of June 26, 2009, whether or not the case outcome was found to be "justified."

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

Appendix C - Table 4
Consumer Complaint Categories: 2008*
Major Local Telephone Companies

Categories**	Cavalier	Embarq	Frontier Common- wealth	RCN	Verizon North	Verizon PA	Wind- stream	Telephone Majors
Billing Disputes	38	69	31	7	109	943	20	1,217
Service Delivery	31	19	20	4	74	825	13	986
Unsatisfactory Service	18	10	7	11	95	782	22	945
Service Termination	32	26	6	14	18	227	5	328
Toll Services	0	9	1	0	14	155	0	179
Competition	32	4	3	8	11	78	6	142
Credit and Deposits	2	0	3	0	6	51	2	64
Discontinuance/ Transfer	8	3	3	0	2	30	1	47
Non-Recurring Charges	0	2	0	0	2	10	0	14
Annoyance Calls	0	1	0	1	1	6	1	10
All Other Problems	6	6	5	4	6	80	1	108
Total*	167	149	79	49	338	3,187	71	4,040

* Categories are for residential complaints evaluated by BCS as of June 19, 2009, whether or not the case outcome was found to be "justified."

** An explanation of the various complaint categories appears in Appendix B-2.

Appendix D - Table 1

2007-08 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2008 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2007	2008	% Change in #	2007	2008	Numbers ² / Rates ³ 2007	Numbers ² / Rates ³ 2008	Numbers ² / Rates ³ 2008	
Allegheny Power	612,896	458	509	11%	0.75	0.83	60	0.10	77	0.13
Duquesne	524,296	440	639	45%	0.84	1.22	49	0.09	37	0.07
Met-Ed	482,596	338	371	10%	0.71	0.77	73	0.15	52	0.11
PECO ⁵	1,417,027	2,762	2,512	-9%	1.96	1.77	523*	0.37*	309*	0.22*
Penelec	504,968	301	323	7%	0.60	0.64	50	0.10	49	0.10
Penn Power	139,701	137	181	32%	0.98	1.30	10	0.07	12	0.09
PPL	1,204,132	526	553	5%	0.44	0.46	45	0.04	69	0.06
UGI-Electric	54,695	128	102	-20%	2.35	1.86	7	0.13	15	0.27
Major Electric	4,940,311	5,090	5,190	2%	0.90⁴	1.00⁴	817		620	
Average of Rates								0.13⁴		0.11⁴

¹ Consumer complaint rate = consumer complaints per 1,000 residential customers.

² Estimated based on the number of cases on CSIS as of June 26, 2009.

³ Justified consumer complaint rate = justified consumer complaints per 1,000 residential customers.

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

* Based on a probability sample of cases.

Appendix D - Table 2

2007-08 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	2008 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints		
		2007	2008	% Change in #	2007	2008	Numbers ² / Rates ³ 2007	Numbers ² / Rates ³ 2008	
Columbia	369,922	411	524	27%	1.12	1.42	55	87	0.24
Dominion	326,622	846	784	-7%	2.59	2.40	206	197	0.60
Equitable	239,185	788	605	-23%	3.31	2.52	103	93	0.39
NFG	197,850	257	262	2%	1.30	1.32	27	36	0.18
PGW	481,218	1,737	1,429	-18%	3.61	2.97	449*	374*	0.78*
UGI-Gas	298,547	419	316	-25%	1.43	1.06	42	39	0.13
UGI Penn Natural	143,718	100	115	15%	0.70	0.80	8	15	0.10
Major Gas	2,057,062	4,558	4,035	11%			890	841	
Average of Rates					2.01	1.78			0.35

¹ Consumer complaint rate = consumer complaints per 1,000 residential customers.

² Estimated based on the number of cases on CSIS as of June 26, 2009.

³ Justified consumer complaint rate = justified consumer complaints per 1,000 residential customers.

* Based on a probability sample of cases.

Appendix D - Table 3
2007-08 Residential Consumer Complaint Statistics
Major Water Utilities

Company Name	2008 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints		
		2007	2008	% Change in #	2007	2008	Numbers ² / Rates ³ 2007	Numbers ² / Rates ³ 2008	
Aqua Pennsylvania	378,665	365	325	-11%	0.98	0.86	129	156	0.41
PA-American	582,797	758	721	-5%	1.31	1.24	145	197	0.34
"Other Class A" Water	130,689	56	28	-50%	0.45	0.21	4	1	0.01
Major Water	1,092,151	1,179	1,074	-9%			278	354	
Average of Rates					0.91	0.77			0.21

¹ Consumer complaint rate = consumer complaints per 1,000 residential customers.

² Estimated based on the number of cases on CSIS as of June 26, 2009.

³ Justified consumer complaint rate = justified consumer complaints per 1,000 residential customers.

Appendix D - Table 4

2007-08 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2008 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints		
		2007	2008	% Change in #	2007	2008	2007	2008	
Cavalier	55,509	313	200	-36%	5.22	3.60	226	137	2.47
Embarq	216,354	224	180	-20%	0.94	0.83	83	57	0.26
Frontier Commonwealth	166,671	110	95	-14%	0.63	0.57	56	47	0.28
RCN	88,499	56	59	5%	0.67	0.67	34	37	0.42
Verizon North	366,474	411	382	-7%	1.01	1.04	234	196	0.53
Verizon PA	2,382,491	5,118	6,279	23%	1.97	2.64	2,614*	3,243*	1.36*
Windstream	146,659	86	79	-8%	0.56	0.54	30	34	0.23
Major Telephone	3,422,657	6,318	7,274	15%			3,277	3,751	
Average of Rates					1.57	1.41			0.95

¹ Consumer complaint rate = consumer complaints per 1,000 residential customers.

² Estimated based on the number of cases on CSIS as of June 19, 2009.

³ Justified consumer complaint rate = justified consumer complaints per 1,000 residential customers.

* Based on a probability sample of cases.

Appendix E - Table 1
2007-08 Residential Payment Arrangement Request (PAR) Statistics
Major Electric Distribution Companies

Company Name	2008 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2007	2008	% Change in #	2007	2008	Numbers ² / Rates ³ 2007	Numbers ² / Rates ³ 2008		
Allegheny Power	612,896	2,441	2,874	18%	3.99	4.69	153	0.25	378	0.62
Duquesne	524,296	3,507	5,089	45%	6.69	9.71	604	1.15	505	0.96
Met-Ed	482,596	2,800	2,858	2%	5.84	5.92	418	0.87	551	1.14
PECO ⁵	1,417,027	7,734	13,460	74%	5.49	9.50	1,509	1.07	3,197	2.26
Penelec	504,968	2,915	2,653	-9%	5.77	5.25	239	0.47	341	0.68
Penn Power	139,701	1,222	1,289	5%	8.76	9.23	175	1.25	275	1.97
PPL	1,204,132	6,988	9,788	40%	5.84	8.13	1,952	1.63	2,897	2.41
UGI-Electric	54,695	529	616	16%	9.73	11.26	68	1.25	72	1.32
Major Electric	4,940,311	28,136	38,627	37%			5,118		8,216	
Average of Rates					6.06⁴	7.49⁴		0.96⁴		1.43⁴

¹ PAR rate = PARs per 1,000 residential customers.

² With the exception of UGI Electric, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for UGI Electric is based on the number of cases on CSIS as of June 26, 2009.

³ Justified PAR rate = justified PARs per 1,000 residential customers.

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

Appendix E - Table 2
2007-08 Residential Payment Arrangement Request (PAR) Statistics
Major Natural Gas Distribution Companies

Company Name	2008 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2007	2008	% Change in #	2007	2008	Numbers ² / Rates ³ 2007	Numbers ² / Rates ³ 2008		
Columbia	369,922	1,120	1,475	32%	3.04	3.99	94	0.26	364	0.98
Dominion	326,622	2,052	2,003	-2%	6.29	6.13	249	0.76	265	0.81
Equitable	239,185	2,607	2,217	-15%	10.94	9.27	367	1.54	371	1.55
NFG	197,850	1,641	1,793	9%	8.29	9.06	171	0.86	232	1.17
PGW	481,218	4,058	4,092	1%	8.43	8.50	661	1.37	614	1.28
UGI-Gas	298,547	2,403	2,636	10%	8.18	8.83	225	0.77	313	1.05
UGI Penn Natural	143,718	1,482	1,660	12%	10.39	11.55	174	1.22	262	1.82
Major Gas	2,057,062	15,363	15,876	3%			1,941		2,421	
Average of Rates					7.94	8.19		0.97		1.24

¹ PAR rate = PARs per 1,000 residential customers.

² Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 26, 2009.

³ Justified PAR rate = justified PARs per 1,000 residential customers.

Appendix E - Table 3
2007-08 Residential Payment Arrangement Request (PAR) Statistics
Major Water Utilities

Company Name	2008 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs		
		2007	2008	% Change in #	2007	2008	Numbers ² / Rates ³ 2007	Numbers ² / Rates ³ 2008	
Aqua Pennsylvania	378,665	1,309	1,251	-4%	3.50	3.30	126	149*	0.39*
PA-American	582,797	2,631	2,556	-3%	4.55	4.39	371*	724*	1.24*
"Other Class A" Water	130,689	182	172	-5%	1.46	1.32	4	9	0.07
Major Water	1,092,151	4,122	3,979	-3%			501	882	
Average of Rates					3.17	3.00		0.34	0.57

¹ PAR rate = PARs per 1,000 residential customers.

² Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 26, 2009.

³ Justified PAR rate = justified PARs per 1,000 residential customers.

* Based on a probability sample of cases.

Appendix E - Table 4

2007-08 Residential Payment Arrangement Request (PAR) Statistics Major Local Telephone Companies

Company Name	2008 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2007	2008	% Change in #	2007	2008	Numbers ² / Rates ³ 2007	Numbers ² / Rates ³ 2008		
Cavallier	55,509	88	49	-44%	1.47	0.88	34	0.57	5	0.09
Embarq	216,354	53	30	-43%	0.22	0.14	6	0.03	3	0.01
Frontier Commonwealth	166,671	13	14	8%	0.07	0.08	2	0.01	0	0.00
RCN	88,499	13	18	38%	0.16	0.20	2	0.02	3	0.03
Verizon North	366,474	81	49	-40%	0.20	0.13	13	0.03	3	0.01
Verizon PA	2,382,491	1,248	1,108	-11%	0.48	0.47	291*	0.11*	185*	0.08*
Windstream	146,659	19	26	37%	0.12	0.18	3	0.02	1	0.01
Major Telephone	3,422,657	1,515	1,294	-15%			351		200	
Average of Rates					0.39	0.30		0.11		0.03

¹ PAR rate = PARs per 1,000 residential customers.

² Estimated based on the number of cases on CSIS as of June 19, 2009.

³ Justified PAR rate = justified PARs per 1,000 residential customers.

* Based on a probability sample of cases.

Appendix F – Table 1

Chapter 56, Chapter 14 and Other Infraction Categories: 2008*

Major Electric Distribution Companies

Description	Allegheny Power		Duquesne		Met-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	0	0%	0	0%	3	16%	7	7%	2	12%	0	0%	2	9%	1	20%
Meter Reading (56.12)	1	3%	0	0%	3	16%	5	5%	4	24%	0	0%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9(C))	4	10%	0	0%	0	0%	2	2%	2	12%	0	0%	3	13%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third party request for service)	0	0%	1	6%	0	0%	5	5%	0	0%	0	0%	1	4%	1	20%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	12	30%	6	33%	2	11%	13	13%	0	0%	0	0%	2	9%	0	0%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	2	5%	0	0%	2	11%	2	2%	1	6%	0	0%	1	4%	1	20%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	1	3%	0	0%	1	5%	2	2%	0	0%	0	0%	0	0%	1	20%
Reconnection of Service (56.191 and 1407 (A)-(C))	5	13%	2	11%	0	0%	2	2%	2	12%	0	0%	1	4%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	3	8%	5	28%	0	0%	2	2%	1	6%	0	0%	1	4%	1	20%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	0	0%	1	6%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141- 152 and 1410)	12	30%	4	22%	8	42%	59	60%	4	24%	1	100%	12	52%	0	0%
Other	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total**	40	102%	18	100%	19	101%	99	100%	17	102%	1	100%	23	99%	5	100%

* # equals the number of verified infractions identified by BCS as of Sept. 3, 2009.
 % equals the percent of the total number of infractions for a particular company.
 ** % columns may total more or less than 100 percent due to rounding.
 + PECO statistics include electric and gas.

Appendix F – Table 2
Chapter 56, Chapter 14 and Other Infraction Categories: 2008*
Major Natural Gas Distribution Companies

Description	Columbia		Dominion		Equitable		NFG		PGW		UGI - Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	4	12%	9	4%	47	42%	0	0%	6	3%	4	15%	1	7%
Meter Reading (56.12)	2	6%	18	9%	30	27%	8	29%	5	3%	3	12%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9(C))	3	9%	17	8%	3	3%	1	4%	16	9%	2	8%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third party request for service)	15	44%	18	9%	7	6%	2	7%	5	3%	0	0%	1	7%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	2	6%	54	27%	5	4%	5	18%	54	31%	5	19%	6	40%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	1	3%	4	2%	3	3%	1	4%	15	8%	2	8%	1	7%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	1	3%	0	0%	0	0%	0	0%	5	3%	0	0%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	2	6%	9	4%	1	1%	5	18%	16	9%	6	23%	1	7%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	0	0%	4	2%	1	1%	1	4%	3	2%	1	4%	1	7%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	0	0%	1	1%	0	0%	2	13%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 1410)	4	12%	67	33%	15	13%	4	14%	42	24%	3	12%	2	13%
Other (56.1, 56.202, 66.1312 and 66.1501)	0	0%	1	<1%	1	1%	1	4%	9	5%	0	0%	0	0%
Total**	34	101%	201	98%	113	101%	28	102%	177	101%	26	101%	15	101%

* # equals the number of verified infractions identified by BCS as of Sept. 3, 2009.

% equals the percent of the total number of infractions for a particular company.

** % columns may total more or less than 100 percent due to rounding.

Appendix F - Table 3
Chapter 56, Chapter 14 and Other Infraction Categories: 2008*
Major Water Companies

Description	Aqua Pennsylvania		PA-American		"Other Class A"	
	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	33	16%	19	11%	0	0%
Meter Reading (56.12)	47	23%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9(C))	31	15%	27	15%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third party request for service)	9	4%	1	1%	0	0%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	1	<1%	4	2%	0	0%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	6	3%	9	5%	0	0%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	5	2%	1	1%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	0	0%	5	3%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	1	<1%	2	1%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	2	1%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 1410)	70	34%	109	61%	3	100%
Other (66.1312)	0	0%	1	1%	0	0%
Total**	203	97%	180	102%	3	100%

* # equals the number of verified infractions identified by BCS as of Sept. 3, 2009.
 % equals the percent of the total number of infractions for a particular company.
 ** % columns may total more or less than 100 percent due to rounding.

Appendix F – Table 4
Chapter 63 Infraction Categories: 2008*
Major Local Telephone Companies

Description	Cavalier		Embarq		Frontier Commonwealth		RCN		Verizon North		Verizon PA		Wind-stream	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Complaint Procedures (63.15)	17	11%	0	0%	8	19%	5	19%	14	6%	257	5%	2	8%
Service Records (63.22)	4	3%	0	0%	28	65%	4	15%	8	3%	59	1%	4	16%
Customer Trouble Reports (63.57)	114	73%	5	83%	5	12%	13	50%	221	90%	4,714	92%	19	76%
Installation of Service (63.58)	0	0%	0	0%	0	0%	0	0%	0	0%	1	<1%	0	0%
Migration (63.201-221)	21	13%	1	17%	0	0%	4	15%	1	<1%	57	1%	0	0%
Other (63.21, 63.24, 63.53 and 63.59)	1	1%	0	0%	2	5%	0	0%	1	<1%	37	1%	0	0%
Total**	157	101%	6	100%	43	101%	26	99%	245	100%	5,125	100%	25	100%

* # equals the number of verified infractions identified by BCS as of Sept. 3, 2009.
 % equals the percent of the total number of infractions for a particular company.
 ** % columns may total more or less than 100 percent due to rounding.

Appendix F – Table 5
Chapter 64 Infraction Categories: 2008*
Major Local Telephone Companies

Description	Cavalier		Embarq		Frontier Common- wealth		RCN		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (64.1, 64.12-14 and 64.16-21)	31	21%	21	30%	6	19%	0	0%	16	18%	341	30%	8	40%
Slamming and Cramming (64.23)	1	1%	3	4%	1	3%	0	0%	7	8%	15	1%	1	5%
Credit and Deposits (64.31-37)	2	1%	0	0%	3	9%	0	0%	6	7%	37	3%	2	10%
Suspension and Termination (64.61-63, 64.71- 74, 64.81, 64.105, 64.121-123, 64.133 and 64.181)	35	23%	25	36%	5	16%	18	72%	6	7%	67	6%	4	20%
Dispute Procedures (64.141-142 and 64.153)	62	42%	21	30%	16	50%	6	24%	54	59%	651	57%	4	20%
Other (64.2, 64.52-53, 64.171 and 64.192)	18	12%	0	0%	1	3%	1	4%	2	2%	41	4%	1	5%
Total**	149	100%	70	100%	32	100%	25	100%	91	101%	1,152	101%	20	100%

* # equals the number of verified infractions identified by BCS as of Sept. 1, 2009.
 % equals the percent of the total number of infractions for a particular company.
 ** % columns may total more or less than 100 percent due to rounding.

Consumer Access to the Public Utility Commission

The Pennsylvania Public Utility Commission provides access to consumers through the following telephone numbers:

PUC Hotline:	1-800-692-7380 (toll free)
General Information Line:	717-783-1740 (not toll free)

Consumers can also reach the Commission by mail at the following address:

Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Information about the PA PUC is available on the Internet:
www.puc.state.pa.us

Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
www.puc.state.pa.us