

1999
Report on Electric Distribution Company
Customer Service Performance

Pennsylvania Public Utility Commission
Bureau of Consumer Services

Table of Contents

Introduction

Telephone Access

Average Busy-out Rate	4
Call Abandonment Rate.....	5
Percent of Calls Answered within 30 Seconds	6

Billing

Average Percent of Residential Bills Not Rendered Once/Billing Period.....	7
Percent of Bills to Small Commercial Customers Not Rendered Once/Billing Period	8

Meter Reading

Number and Percent of Residential Meters Not Read in Accordance with Chapter 56.12(4)(ii)	9
Number and Percent of Residential Meters Not Read in Accordance with Chapter 56.12(4)(iii)	10
Number and Percent of Residential Meters Not Read in Accordance with Chapter 56.12(5)(i).....	11

Response to Disputes

Number of Residential Disputes That Did Not Receive a Response within 30 Days	12
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Conclusion.....	13
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Introduction

At the end of 1996, Governor Tom Ridge signed into law the Electricity Generation Customer Choice and Competition Act (Act). The Act revised the Public Utility Code by adding Chapter 28, opening Pennsylvania to electric competition.

The Act included language that clearly indicates that the electric distribution companies are to maintain, at a minimum, the levels of customer service to their customers as that were in existence prior to the Act's effective date. In response, the Public Utility Commission (PUC) took steps to ensure the continued provision of high-quality customer service to customers of the electric distribution companies (EDCs). The PUC began a process by which it will establish quality of service benchmarks for Pennsylvania EDCs. As a first step in this process, the Commission developed regulations to require the EDCs to report statistics on important components of customer service (52 Pa. Code §§ 54.151—54.156). The customer service components include telephone access to the company, billing frequency, meter reading, timely response to customer disputes, the proper response to customer disputes and payment arrangement requests, compliance with customer service rules and regulations, and interacting with customers in a prompt, courteous and satisfactory manner. These elements are interrelated and are important aspects of EDC customer service. After the Commission has received and analyzed an adequate supply of data from the measurements required under this regulation, it will develop quality of service benchmarks and standards for the EDCs based on these measures. The establishment of benchmarks and standards will be the subject of a future rulemaking at the Commission.

The PUC adopted the final rulemaking that established the reporting requirements on April 23, 1998. The EDCs began reporting the required data to the Commission in August 1999 for the first six months of that year and followed up with a report on annual activity in February 2000. The last section of these reporting requirements provides for the Commission to annually produce a summary report on the customer service performance of each EDC using the statistics collected as a result of the reporting requirements. This report fulfills this requirement. The PUC's Bureau of Consumer Services (BCS) has summarized the information supplied by the EDCs into the charts and tables that appear on the following pages.

The Reporting Requirements for Quality of Service Benchmarks and Standards at §54.155 include a provision whereby the BCS is to report to the Commission various statistics associated with informal consumer complaints and payment arrangement requests that consumers file with the Commission. The BCS is to report a "justified consumer complaint rate", a "justified payment arrangement request rate", "the number of informally verified infractions of applicable statutes and regulations", and an "infraction rate" for each EDC. These statistics are also important indicators of quality of

service. The BCS has calculated and reported these statistics for a number of years in its annual report, *Utility Consumer Activities Report and Evaluation: Electric, Gas, Water and Telephone Utilities*. The BCS has already reported the 1999 data in the report released in October 2000. The report offers detailed descriptions of each of these statistics as well as a comparison with statistics from the previous year. Access to the report is available on the Commission's internet site: <http://puc.paonline.com>.

Telephone Access

The Reporting Requirements for Quality of Service Benchmarks and Standards include telephone access to an electric distribution company (EDC) because customers must be able to readily contact their EDC with questions, complaints, requests for service and to report service outages and other problems. This component of service is viewed as second only to service reliability in importance to consumers.

In order to produce an accurate picture of telephone access, the EDCs must report three separate measures of telephone access: percent of calls answered within 30 seconds, average busy-out rate and call abandonment rate. The three separate measures avert the possibility of masking telephone access problems by presenting only one or two parts of the total access picture. For example, an EDC may report that it answers every call in 30 seconds or less. If only this statistic is available, one might conclude that the access to the EDC is very good. However, if this company has only a few trunks into the company's call distribution system, once these trunks are filled, other callers receive a busy signal when they attempt to contact the company. Thus, a large percent of customers cannot get through to the company and telephone access is not very good at all. Therefore, it is important to look at both percent of calls answered within 30 seconds and busy-out rate to get a clearer picture of the telephone access to the EDC.

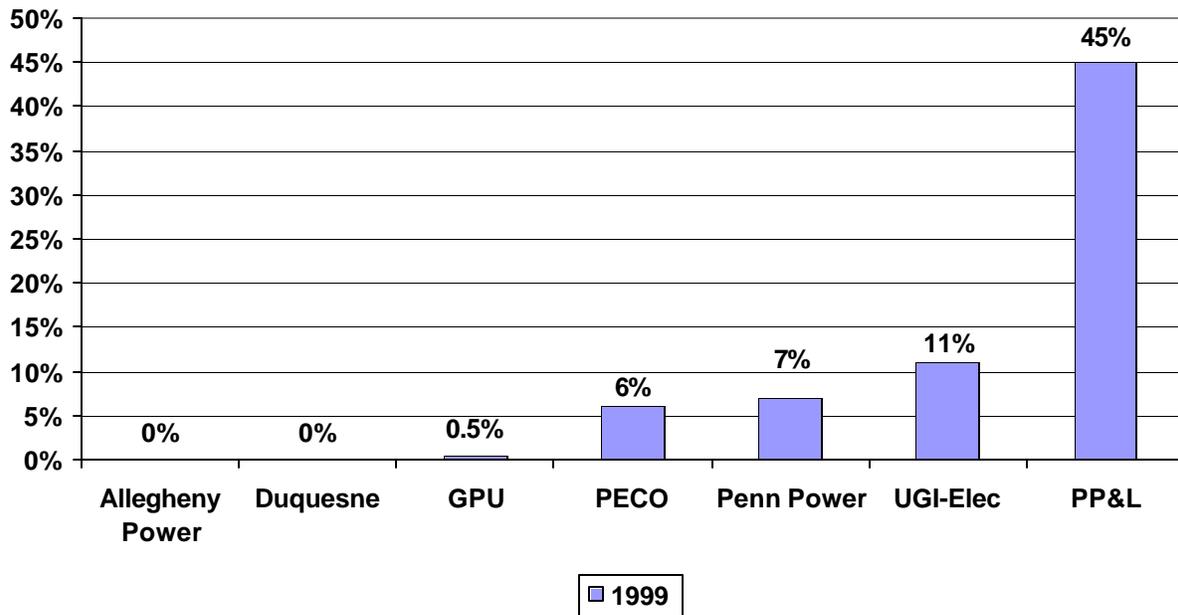
Further, the call abandonment rate indicates how many customers drop out of the queue of customers waiting to talk to an EDC representative. A high call abandonment rate is most likely an indication that the length of the wait to speak to a company representative is too long. Statistics on call abandonment are generally inversely related to statistics measuring calls answered within 30 seconds. The 1999 figures presented later in this report conform to the inverse relationship. The EDCs answering a high percent of calls within 30 seconds had low call abandonment rates and those answering a lower percent of calls within 30 seconds had higher call abandonment rates.

For the most part, attempted contacts to a call center initially have one of two results: they are either "received" by the company or they receive a busy signal and thus are not "received" by the company. Calls in the "busy-out rate" on page 4 represent those attempted calls that received a busy signal or message; they were not "received" by the company because the company lines or trunks were filled.

For the calls that are "received" by the company, the caller has several options. One option is to choose to speak to a company representative. When a caller chooses this option, the caller enters a queue to begin a waiting period until a company representative is available to take the call. Once a call enters the queue, it can take one of three routes: it will either be abandoned (the caller chooses not to wait and disconnects the call); it will be answered within 30 seconds; or it will be answered in a time period that is greater than 30 seconds. The percent of those calls answered within 30 seconds is reported to the Commission. The percent that are answered in more than 30 seconds is the inverse of this percent. Thus, if 80% were answered within 30 seconds, 20% were answered in more than 30 seconds.

This report presents the EDC statistics on telephone access in the following way. The first chart shows the busy-out rate. This is the ratio of calls to the EDC's call center(s) that received a busy signal divided by the number of calls that were "received" by the call center(s). The second chart presents the average call abandonment rates. As noted earlier, abandoned calls are those that successfully enter the queue to wait to speak to a company representative. However, at some point, the caller ended the call prior to speaking to a company representative. The last chart on telephone access shows the percent of calls answered within 30 seconds. These are customers who were able to get into the company's call center queue and waited to speak with a representative of the EDC.

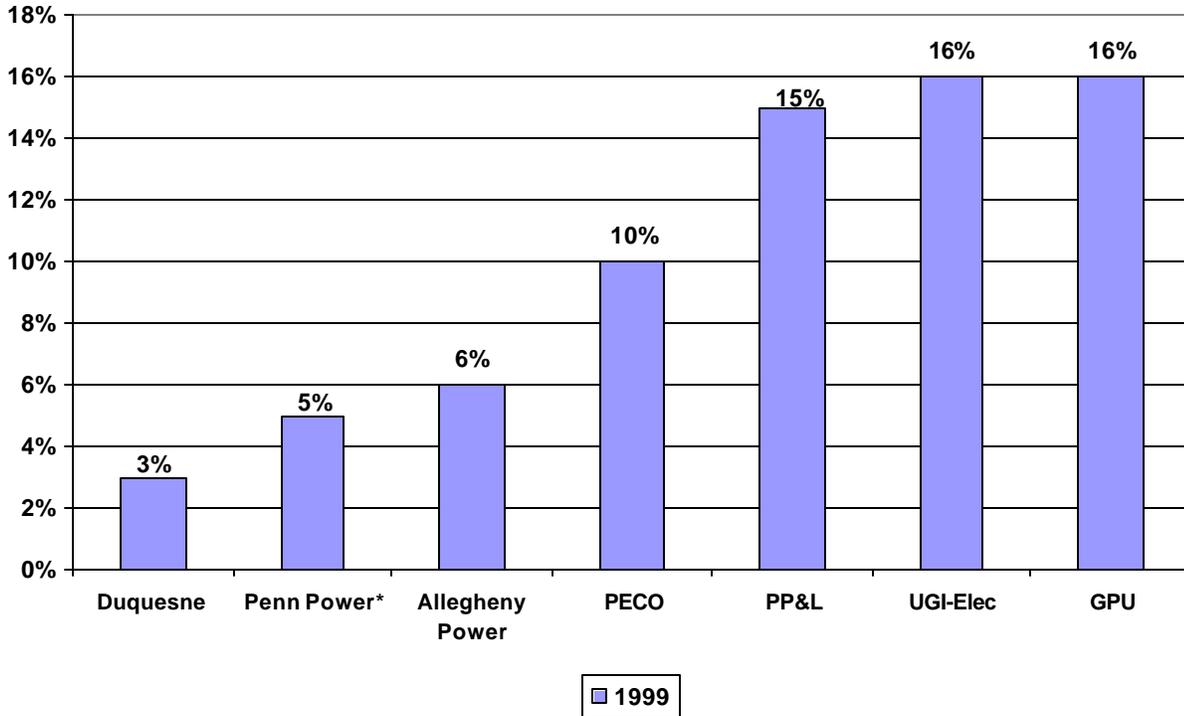
Telephone Access Average Busy-out Rate



In conformance with the Reporting Requirements for Quality of Service Benchmarks and Standards, the EDCs are to report to the Commission the average busy-out rate for each call center, business office, or both. The regulation defines busy-out rate as the number of calls to a call center that receive a busy signal divided by the total number of calls that are received at a call center. For example, an EDC with a 10 percent average busy-out rate means that 10 percent of the customers who attempted to call the company received a busy signal (and thus did not gain access) while 90% of the customer calls were received by the company. If the EDC has more than one call center, it is to supply the busy-out rates for each center as well as a combined statistic for the EDC as a whole. The chart above presents the combined busy-out rate for each major EDC during 1999.

The 1999 results give evidence of the problems that arose when one EDC converted to a new computer system related to the company's customer information system. Customers of PPL (then PP&L) experienced difficulty getting through to the company's call centers. GPU also converted to a new computerized customer information system in 1999 and, as a result also experienced some telephone access problems. However, GPU's busy-out rates were not high in 1999.

Telephone Access Call Abandonment Rate

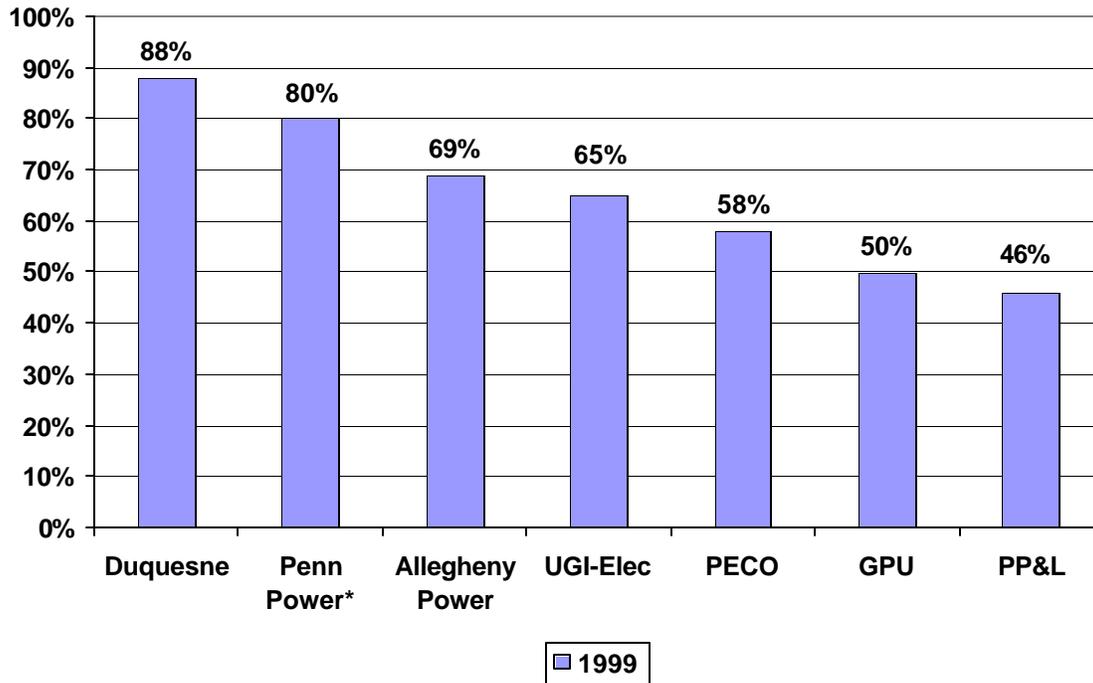


*Penn Power's telecommunications package is not able to count calls as "abandoned" until after the call has been "received" (in a queue waiting to speak to a representative) for more than 30 seconds. Thus, calls abandoned before 30 seconds have elapsed are not included in this figure. Statistics for the other EDCs include all abandoned calls.

In conformance with the Reporting Requirements for Quality of Service Benchmarks and Standards, the EDCs are to report to the Commission the average call abandonment rate for each call center, business office, or both. The regulation defines call abandonment rate as the number of calls to an EDC's call center that were abandoned divided by the total number of calls that the EDC received at its call center or business office. For example, an EDC with a 10% call abandonment rate means that 10% of the calls received were terminated by the customer prior to speaking to an EDC representative. If the EDC has more than one call center, it is to supply the call abandonment rates for each center as well as a combined statistic for the EDC as a whole. The chart above presents the combined call abandonment rate for each major EDC during 1999.

The above statistics illustrate the problems that PP&L and GPU experienced when they converted to their new computer systems. As the time that customers spent "on hold" increased, customers had a greater tendency to hang up, thus, the call abandonment rates increased.

Percent of Calls Answered within 30 Seconds



*Penn Power's telecommunications package is not able to distinguish the difference between an answered call and an abandoned call until the call has been "received" (in queue waiting to speak to a representative) for more than 30 seconds. As a result, this statistic represents calls that were both answered and abandoned. Statistics for the other EDCs represent answered calls only.

According to Reporting Requirements for Quality of Service Benchmarks and Standards at §54.153, each EDC is to "take measures necessary and keep sufficient records" to report the percent of calls answered within 30 seconds or less at the company's call center. The section specifies that "answered" means that an EDC representative is ready to render assistance to the caller. An acknowledgement that the consumer is on the line does not constitute an answer. If an EDC operates more than one call center (a center for handling billing disputes and a separate one for making payment arrangements, for example), the EDC is to provide separate statistics for each call center and a statistic that combines performance for all the call centers. The chart above presents the combined percent of calls answered within 30 seconds for each of the major EDCs in Pennsylvania during 1999.

These 1999 results again give evidence of the problems that arose when GPU and PP&L converted to new computer systems. Customers of both EDCs experienced a great deal of difficulty receiving timely assistance to their calls. The BCS and the Commission were aware of the problems and worked with each of the companies to remedy the situation and improve telephone access.

Billing
Average Percent of Residential Bills
Not Rendered Once/Billing Period

According to the Standards and Billing Practices for Residential Utility Service (Chapter 56, Section 11), a utility is to render a bill once every billing period to every residential ratepayer. The customer bill is extremely important to customers in that it is often the only communication between the company and a customer. An EDC must be able to produce and send this very fundamental statement to customers at regular intervals. The failure of a customer to receive a bill each month frequently generates consumer complaints to the EDC and sometimes to the Commission.

Company	Avg. % of Residential Bills Not Rendered Once/Billing Period in 1999
Duquesne	0%
Penn Power	0%
Allegheny Power	0.01%
GPU	0.12%
PECO	0.47%
PP&L	0.68%

The Reporting Requirements for Quality of Service Benchmarks and Standards require the EDCs to report the number and percent of residential bills that the EDC failed to render in accordance with the Chapter 56 provision. The above table presents the average monthly percent of residential bills that each major EDC failed to render once every billing period during 1999. The Public Utility Commission granted a temporary waiver of this reporting requirement to UGI-Electric. As a result, a statistic for UGI-Electric is not included in the above chart.

As with the telephone access statistics, PP&L's data reflect the problems that its new computer system generated. The Commission was aware of these problems long before the due date of the quality of service reports and worked with PP&L to resolve the company's billing issues. PECO reported that Choice impacted its computer programs, affecting the level of performance in rendering bills in 1999. The company also indicated that computer-programming failures over-reported the numbers of residential bills not rendered.

Billing
Average Percent of Bills to Small Commercial
Customers not Rendered Once/Billing Period

Company	Avg. % of Bills to Small Commercial Customers Not Rendered Once/Billing Period in 1999
Duquesne	0%
Penn Power	0%
Allegheny Power	0.07%
GPU	0.15%
PECO	1.57%
PP&L	1.87%

In accordance with 66 Pa.C.S. § 1509, all utility customers are to be permitted to receive bills monthly. The Reporting Requirements for Quality of Service Benchmarks and Standards require the EDCs to report the number and percent of small commercial bills that the EDC failed to render in accordance with the this provision. The above regulation defines small business customer as a person, sole proprietorship, partnership, corporation, association or other business that receives electric service under a small commercial, small industrial or small business rate classification. In addition, the maximum registered peak load for the small business customer must be less than 25 kilowatt hours within the last 12 months.

The above table presents the average monthly percent of bills to small commercial customers that each major EDC failed to render once every billing period during 1999. The Public Utility Commission granted a temporary waiver of this reporting requirement to UGI-Electric. As a result, a statistic for UGI-Electric is not included in the above chart. As with residential bills, PP&L's new computer system produced many billing problems involving small commercial customers, including the inability to render bills each month.

PECO reported that Choice impacted its computer programs, affecting the level of performance in rendering bills in 1999. The company also indicated that computer-programming failures over-reported the numbers of bills not rendered for small commercial customers during the year.

Meter Reading

Regular meter reading is important to produce accurate bills for customers who expect to receive bills based on the amount of service they have used. The concern that regular meter reading may be one of the customer service areas where EDCs might reduce service under electric competition was responsible for the following measures being included in the reporting requirements. The Commission's experience is that the lack of actual meter readings generates large numbers of complaints to companies, as well as to the Commission. The reporting requirements include three measures of meter reading performance that correspond with the meter reading requirements of the Chapter 56 regulations.

Number and Percent* of Residential Meters Not Read In Accordance with Chapter 56, Section 12(4)(ii)

Company	Number* of Residential Meters Not Read in Accordance with §54.12(4)(ii)	Percent* of Residential Meters Not Read in accordance with §54.12(4)(ii)
Penn Power	0	0.000%
PP&L	47	0.004%
UGI-Electric	2	0.004%
Duquesne	54	0.010%
Allegheny Power	195	0.030%
GPU	534	0.057%
PECO	6,229	0.340%

*12-month average

According to Chapter 56, Section 12(4)(ii), an EDC may estimate the bill of a residential ratepayer if EDC personnel are unable to gain access to obtain an actual meter reading. However, at least every 6 months, the EDC must obtain an actual meter reading or ratepayer supplied reading to verify that the estimated readings are accurate. The Reporting Requirements for Quality of Service Benchmarks and Standards require EDCs to report the number and percent of residential meters for which they have failed to comply with this section of Chapter 56.

**Number and Percent* of Residential Meters Not Read
In Accordance with Chapter 56, Section 12(4)(iii)**

Company	Number* of Residential Meters Not Read in Accordance with §56.12(4)(iii)	Percent* of Residential Meters Not Read in Accordance with §56.12(4)(iii)
Penn Power	0	0%
UGI Electric	0	0%
PP&L	8	0%
Duquesne	10	0%
Allegheny Power	33	.01%
GPU	55	.01%
PECO	3,864	.21%

*12-month average

According to Chapter 56, Section 12 (4)(iii), a company may estimate the bill of a residential ratepayer if company personnel are unable to gain access to obtain an actual meter reading. However, at least once every 12 months, the company must obtain an actual meter reading to verify the accuracy of either the estimated or ratepayer supplied readings. The Reporting Requirements for Quality of Service Benchmarks and Standards require the EDCs to report the number and percent of residential meters for which they fail to meet the requirements of this section.

**Number and Percent* of Residential Meters Not Read
In Accordance with Chapter 56, Section 12(5)(i)**

Company	Number* of Residential Meters Not Read in Accordance with §56.12(5)(i)	Percent* of Residential Meters Not Read in Accordance with §56.12(5)(i)
GPU	0	0%
Penn Power	0	0%
UGI-Electric	0	0%
Duquesne	15	.003%
PECO	483**	21% **
Allegheny Power	Not applicable***	Not applicable***
PP&L	Not applicable***	Not applicable***

*12-month average

**6-month average. PECO was unable to supply these numbers for the first six months of 1999.

***No remotely read meters

According to Chapter 56 regulations, a utility may render a bill on the basis of reading from a remote reading device. However the utility must obtain an actual meter reading at least once every five years to verify the accuracy of the remote reading device. Under the quality of service reporting requirements, the EDCs must report to the Commission the number and percent of residential remote meters for which it failed to obtain an actual meter reading under the timeframe described in Chapter 56.

Response to Disputes

Number of Residential Disputes That Did Not Receive a Response within 30 Days

When a ratepayer advises a utility that he or she disputes any matter covered by Chapter 56 regulations, each utility covered by the regulations must issue its report to the complaining party within 30 days of the initiation of the dispute. A complaint or dispute filed with a company is not necessarily a negative indicator of service quality. However, a company's failure to promptly respond to the customer's complaint is an indication of poor service. Further, to respond beyond the 30-day limit is an infraction of Chapter 56 and the cause of complaints to the Commission.

Company	Number of Disputes Receiving No Response within 30 Days during 1999
UGI-Electric	14
Penn Power	21
Duquesne	55
GPU	193
PECO	2,125
PP&L	2,930
Allegheny Power	The Commission granted this company a temporary waiver of the section that requires reporting this statistic.

The Reporting Requirements for Quality of Service Benchmarks and Standards at 54.153(4) require each EDC to report to the Commission the actual number of disputes for which the company did not provide a response as required under the Chapter 56 regulations, in other words, not within 30 days.

Conclusion

This report fulfills the Commission's responsibility to summarize the quality of service statistics that the EDCs reported to the Commission. In 1999 the regulations required the EDCs to report data two times; the first report contained data for the first six months of 1999 and the second report contained data for the second six months of the year and for the year as a whole. From this point forward, the companies will report data annually.

Next year's report will include additional information that the companies will report to the Commission about their customer service performance in the year 2000. The regulations specify that each EDC conduct a survey of customers who have had a recent interaction, customer-initiated, with the company. The EDCs began to conduct the surveys in January 2000 and reported results for the first six months in October 2000. Reports on survey results for the whole year are due to the Commission in April 2001. The Commission's quality of service report for the year 2000 will include a summary of customer survey results. For the charts and tables on telephone access, billing, metering, etc., next year's report will include 2000 performance data as well as 1999 data to offer a comparison of each EDC's performance for the past two years. The BCS report, *Utility Consumer Activities Report and Evaluation*, will again provide statistics associated with consumer complaints and payment arrangements requests filed with the Commission about the major EDCs.