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Utility Consumer Activities Report and Evaluation

**Electric, Gas, Water
and Telephone Utilities**



Pennsylvania Public Utility Commission

2001
Utility Consumer Activities Report and
Evaluation

Electric, Gas, Water & Telephone
Utilities

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(Left to right) Commissioner Terrance J. Fitzpatrick, Vice Chairman Robert K. Bloom, Chairman Glen R. Thomas, Commissioner Aaron Wilson, Jr. and Commissioner Kim Pizzingrilli

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To Our Readers:

The Commission is pleased to present the 2001 *Utility Consumer Activities Report and Evaluation: Electric, Gas, Water and Telephone Utilities* prepared by the Bureau of Consumer Services. The comprehensive report meets the goal of the Commission and BCS: to satisfy the statutory reporting requirement of 66 Pa. Code Section 308(d) and to communicate to the public and the utility industry how utilities under our jurisdiction performed in consumer activities in 2001.

In summary, the year 2001 proved another challenging year for the Commission as it continued with the ramifications of the restructuring of the electric, gas and telecommunications industries in Pennsylvania. As the Commission moves forward with the restructuring of local telephone service, we expect that lessons learned in electric and natural gas can be applied to the telecommunications industry. In 2001, the Commission began the process to discuss and recommend strategies to make customer choice in telecommunications the success it has been in electric and natural gas supply. It continues that process in 2002, working through collaborative sessions that weigh and discuss the perspectives of industry representatives, Commission staff and other interested parties such as representatives of the Office of Consumer Advocate, Office of Small Business Advocate and the Pennsylvania Utility Law Project.

For the first time, this year's report presents details about the performance of MCI Local, a competitive local exchange carrier that qualifies as a major telephone company, serving over 100,000 residential customer in 2001. Chapter 6 and the appendices contain data about this company's customer service performance. For the second year, we have included information concerning customers who sought Commission intervention in dealing with the Philadelphia Gas Works (PGW). PGW came under the Commission's jurisdiction on July 1, 2000. PGW data is presented with overall data in Chapter 1 and in the introduction to Chapter 4. Throughout the coming year, BCS and the Commission's staff will continue to closely monitor PGW's ongoing efforts to improve complaint handling and customer service.

Finally, please note that the Commission has continued its own efforts to improve our complaint handling services. We continue to contract for a call center to answer consumer calls to the Termination Hotline and to provide information about utility universal service programs. In addition, BCS has modified its procedures by directing more initial consumer complaints directly to investigators resulting in more consumers receiving an answer to their question on the first call. These measures have dramatically improved our telephone access statistics and increased the level and quality of service the Commission provides to the public.

We trust that you will find this year's report informative and valuable.

Sincerely,

A handwritten signature in black ink that reads "Glen Thomas". The signature is written in a cursive, flowing style.

Glen R. Thomas, Chairman

Mitch Miller, BCS Director

Pennsylvania Public Utility Commission

1. Consumer Contacts to the 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 reporting and deciding customer complaints. In order to fulfill its mandates, the Bureau began investigating utility consumer complaints and writing decisions on service termination cases in April 1977. Since then the Bureau has investigated 843,386 cases (consumer complaints and payment arrangement requests) and has received 627,070 opinions and requests for information (inquiries). The Bureau received 106,205 utility customer contacts that required investigation in 2001. It is important to note that 39% of these customer complaints had been appropriately handled by the subject utilities before the customers brought them to the Bureau. In these instances, the Commission has upheld the utility's actions.

The Staff of the Bureau of Consumer Services



Case Handling

The handling of utility complaint cases is the foundation for a number of Bureau 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, the 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 the Bureau of Consumer Services with a complaint or payment arrangement request (PAR), the Bureau notifies the utility that a complaint or PAR has been filed. (The vast majority of consumers contact the BCS by telephone using the Bureau's toll free numbers. In 2001, more than 97% of informal complaints were filed by telephone.) The utility sends the 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 BCS policy unit then examines the case and, among other things, classifies the complaint into one of seven major problem areas as well as one of nearly 200 specific problem categories. This case information is entered into the Consumer Services Information System database. The analysis from case information is used by the 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, the Bureau of Consumer Services surveys those customers who have contacted the Bureau with a utility-related problem or payment arrangement request. The purpose of the survey is to collect information from the consumer's perspective about the quality of the Bureau's complaint handling service. The BCS mails a written survey form to a sample of consumers who have been served by the BCS staff.

The results of the survey for fiscal year 2001-2002 show that 84% of consumers reported that they would contact the PUC again if they were to have another problem with a utility that they could not settle by talking with the company. Over 79% rated the service they received from the PUC as "good" or "excellent".

Consumer Rating of the BCS' Service

How would you rate the service you received from the PUC (BCS)?	2000-01 Fiscal Year	2001-02 Fiscal Year
Excellent	53%	55%
Good	24%	24%
Fair	13%	13%
Poor	9%	7%

Overall, 78% of consumers felt the BCS handled their complaint either very quickly or fairly quickly. In addition, 87% of consumers said that the information that the PUC gave them about the outcome of the problem was either “very easy to understand” or “fairly easy to understand”. Further, 95% of consumers indicated that the BCS staff person who took their call was either “very polite” or “fairly polite” and 91% described the BCS contact person as “very interested” or “fairly interested” in helping with the problem.¹

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

Data Bases

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

The bulk of the data presented in this report is from the Bureau's CSIS. In addition, this report includes statistics from the Bureau'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 telecommunications) provide a valuable resource 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.

¹ Consumer Feedback results as of May 2002.

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 were also excluded from the database. Although the Bureau's regulatory authority is largely confined to residential accounts, the Bureau handled 3,552 cases from commercial customers in 2001. Of these cases, 885 were related to loss of utility service and 2,667 were consumer complaints. Due to its limited jurisdiction, the Bureau does not issue decisions regarding commercial disputes. Rather, the Bureau gives the customer information regarding the company's position or attempts to mediate a mutually acceptable agreement regarding the disputed matter. All 2001 cases that involved commercial accounts were deleted from the analyses in this report. The table below illustrates that the vast majority of cases handled by the BCS in 2001 involved residential utility service.

Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 2001

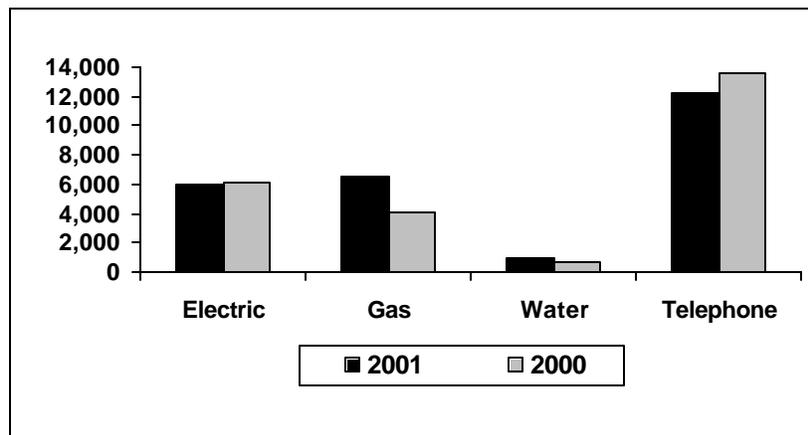
Industry	Consumer Complaints		Payment Arrangement Requests	
	Residential	Commercial	Residential	Commercial
Electric	5,186	759	41,283	569
Gas	6,046	545	31,172	249
Water	904	56	2,663	21
Telephone	11,060	1,198	4,218	45
Other	99	109	22	1
TOTAL	23,295	2,667	79,358	885

Generally, customer contacts to the Bureau fall into three basic categories: 1) consumer complaints; 2) requests for payment arrangements; and 3) inquiries. The Bureau 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 the Bureau.

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*. For the telephone industry, most of the cases found in the consumer complaint category deal with matters covered under 52 Pa. Code, Chapter 64 *Standards and Billing Practices for Residential Telephone Service* and Chapter 63 *Quality of Service Standards for Telephone*. 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 2000-2001



The Bureau investigated 25,962 consumer complaints in 2001. Overall, the volume of consumer complaints to the Bureau increased by 5% from 2000 to 2001. Consumer complaints about electric, gas, water, sewer and steam heat increased by 24% from 2000 to 2001. The gas increase was largely a result of the significant volume of complaints against Philadelphia Gas Works, which appear in this report for the second time. Meanwhile, consumer complaints about the telephone industry decreased by 10% from 2000 to 2001. This decrease was largely due to the reduction in service complaints against Verizon Pennsylvania. During 2001, electric and gas utilities accounted for 23% and 25%, respectively, of all consumer complaints investigated by the Bureau. Water utilities accounted for 4% of consumer complaints while telephone utilities were the subject of 47% 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, the 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. There are three possible case outcome classifications: justified, inconclusive and unjustified. This approach focuses strictly on the regulatory aspect of the complaint and evaluates utilities negatively only where, in the judgment of the BCS, appropriate complaint handling procedures were not followed or the regulations were violated. Specifically, a case is considered "justified" in the appeal to the BCS if it is found that, prior to the BCS intervention, the company did not comply with PUC orders, regulations, reports, Secretarial Letters, tariffs, etc. "Unjustified" complaints are those cases in which the company demonstrates that correct procedures were followed prior to the BCS intervention. "Inconclusive" complaints are those in which incomplete records, equivocal findings or uncertain regulatory interpretations make it difficult to determine whether or not the customer was justified in the appeal to the Commission.

Classification of Consumer Complaints

After a BCS investigator closes a case from a utility customer, the BCS policy unit reviews the information on the case and translates it into a format so that it can be added to the Bureau's information system (CSIS). One part of this process is that the research 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 the Bureau, for the Commission or for the utilities.

The BCS has categorized the 2001 residential consumer complaints into 13 categories for each of the electric, gas, water and telephone utilities. Tables showing the percent of complaints in each category in 2001 appear in each industry chapter. The percentages shown in the tables are for all of the cases that consumers filed with BCS, not just the cases that are determined to be justified in coming to the Bureau. The Bureau analyzes the categories that generate complaints or problems for customers, even if the utility records indicate that the utility followed PUC procedures and guidelines in handling the complaint. The BCS often discusses its findings with individual utilities that 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 2001.

Payment Arrangement Requests

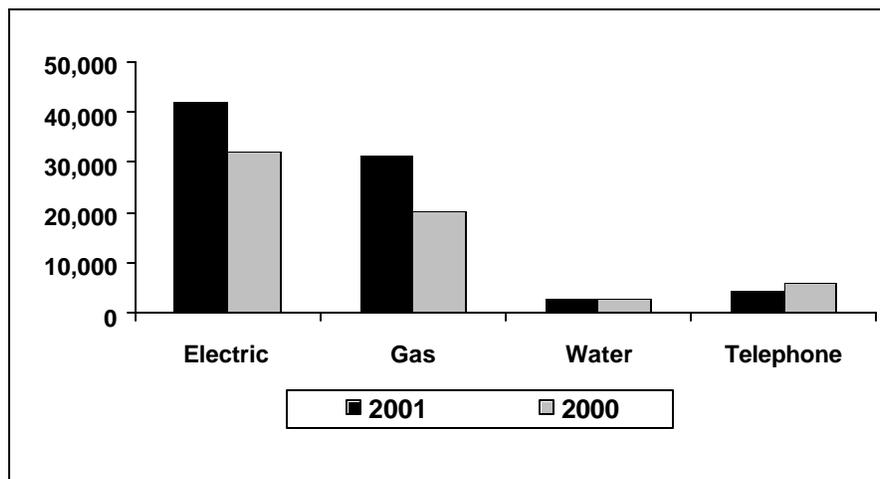
Payment arrangement requests (PARs) principally include contacts to the BCS or to utilities involving requests for payment terms in one of the following situations:

- ✓ 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 retire an arrearage.

All of the measures pertaining to PARs are based on assessments of contacts to the Bureau of Consumer Services from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to their contact to the BCS.

During 2001, the BCS handled 80,243 requests for payment arrangements from customers of the utilities under the Commission's jurisdiction. In approximately 17% of these cases, the customers had previously sought Commission help in establishing an arrangement to pay what they owe to the utility. Customers typically seek further assistance from the BCS if their incomes decrease or their financial circumstances change. These customers find that they are unable to maintain the payment terms that the BCS prescribed in response to their previous contact. The BCS reviews the customer's situation and may issue a new payment arrangement if it is warranted.

Payment Arrangement Requests By Industry 2000-2001



Payment arrangement requests for electric, gas, water, sewer and steam heat increased by 38%, from 55,204 in 2000 to 75,980 in 2001. For the telephone industry, the volume of payment arrangement requests decreased by 29%. There were 4,263 requests in 2001 compared to 5,983 in 2000. As in past years, the majority of requests for payment arrangements in 2001 involved electric or gas companies. Fifty-two percent of the PARs (41,852 cases) were from electric customers and 39% (31,421 cases) were from gas customers. Meanwhile, 3% of the PARs (2,684 cases) stemmed from customers of various water utilities.

Inquiries and Opinions

During 2001, the Bureau of Consumer Services and an independent call center received 77,355 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. The Bureau classified these contacts as “inquiries”. The 2001 inquiries include contacts to the Competition Hotline as well as contacts to the Bureau using other telephone numbers, mail service and e-mail communication. Further discussion of the Competition Hotline appears later in this chapter.

In large part, the inquiries in 2001 involved requests for information that staff handled at the time of the initial contact, referrals to utility companies for initial action and referrals to other agencies. The Bureau also classifies certain requests for payment arrangements as inquiries. For example, the Bureau 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, the 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, the Bureau does not open a new payment arrangement request case. In these instances, the BCS classifies the customer’s contact as an inquiry.

As in past years, the Bureau has also 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 the BCS handled in spite of the fact that the customers had not previously contacted their companies about their problems and cases that the investigators verbally dismissed. In all, these 1,071 cases accounted for only 1.4% of inquiries in 2001.

The BCS is now able to expand its list of reasons for contact as customers' reasons grow and change. Currently, the list includes more than 60 reasons for contact from consumers. Possible actions by the 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 the PUC. If the contact requires further action, the intake staff refers the contact to a Bureau 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 2001 inquiries.

Categories of 2001 Inquiries

Reason for Contact	Number	Percent
Termination or suspension of service	29,467	38%
Request for general information	18,741	24%
Competition issues and requests for information	12,663	16%
Billing dispute	5,814	8%
PUC has no jurisdiction	2,403	3%
Rate protest	1,763	2%
Service (company facilities)	1,477	2%
People-delivered company service	1,394	2%
Slamming	433	1%
Applicant/deposit issue	380	0%
Rate complaint	244	0%
Weather outage	52	0%
Cramming	16	0%
Other miscellaneous reasons	2,057	3%
Reason for contact is not available	451	1%
TOTAL	77,355	100%

Calls to the PUC's Competition Hotline

The independent call center employees use the BCS computerized information system to record information from the consumer contacts about electric and gas competition. In 2001, 79% of calls to the Competition Hotline were related to the restructuring of the electric industry and 21% concerned the gas industry.

In 2001, the call center recorded information from 15,893 consumer contacts. Many calls came from consumers who called about various issues associated with the choice programs of the Electric Distribution Companies (EDCs) and the Natural Gas Distribution Companies (NGDCs). As electric and gas competition progressed in 2001, consumers called to request competition-related brochures and to seek information about competition in general.

In most instances, the 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 consumers' concerns. In these cases, the BCS more appropriately classified the contacts as consumer complaints and BCS staff investigated the consumer's problem. For example, the BCS investigated consumer contacts in 2001 in which consumers alleged they were assigned to an electric generation supply company without their consent or knowledge (slamming). In most cases, these contacts were classified as consumer complaints. Appendix B-1 explains the types of competition complaints that the BCS handles.

During the early phases of electric and gas competition, the BCS expected that 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. The BCS found that after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, the 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 industry. Therefore, the BCS excluded 85 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 72 such complaints in the gas industry chapter.

Residential Consumer Complaints Not Included in Industry Chapters

With the introduction of competition into the electric, gas and telephone industries, the Bureau witnessed a tremendous growth in residential consumer complaints in 2001. More customers than ever before sought the Bureau's assistance in solving problems they had, not only with their incumbent service providers, but also with the many new providers of utility service. Traditionally, the primary focus of the Bureau's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. In past reports, the Bureau did not include complaint statistics for the non-major utilities or for other providers of utility services in its annual assessment and evaluation of the electric, gas, water and telephone industries. However, the Bureau does maintain a limited amount of complaint data for the non-major utilities and the other service providers in its comprehensive database. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow. Appendix A lists non-major companies having ten or more residential consumer complaints in 2001. The table shows the company name and its number of residential consumer complaints for the year.

In 2001, Bureau staff investigated a number of consumer complaints about problems related to billing and service that involved the non-major utility companies and other utility service providers. In addition, the BCS investigated complaints related to competition issues such as complaints about having been dropped from a company's choice program, savings delays, slamming, and cramming.

With respect to slamming, the Commission has stated clearly, up front and for the record that it "...will have zero tolerance for slamming by any means and in any form." Customer slamming is viewed as among the most serious violations of consumer regulations. Future reports will describe Commission efforts to address this problem, including a review of action taken and any penalties imposed.

During the transition to customer choice in the electric and gas industries and with the many emerging choices in the telephone industry, the Bureau uncovered a variety of new problems facing utility consumers. Given the complex nature of these problems and the difficulty in determining who is at fault (the incumbent provider or the new provider), the Bureau decided to exclude many of these complaints from its evaluation of the major utilities in the industry chapters that follow. Nevertheless, in order to present a clearer picture of the types of issues that are currently facing Pennsylvania's utility consumers, the Bureau believes that it is worthwhile to present the following information about the other residential complaints it handled in 2001. A brief discussion of the complaints filed against small water companies appears in the water industry chapter.

The following tables present a summary of the complaints that the BCS handled in 2001 that are not included in the tables and charts in the three industry chapters of this report. It is important to note that these tables include complaints that were “filed” about a major utility company, complaints that were filed about smaller electric, gas or telephone companies such as Citizens Electric, T.W. Phillips or North Pittsburgh Telephone Company, as well as complaints filed about various other entities such as electric generation suppliers, long distance service providers, resellers, competitive local exchange carriers and other business entities in today’s marketplace. The gas tables that follow on pages 14 and 15 include complaints filed against the Philadelphia Gas Works. Each of the following tables shows the number of customer complaints by “reason for call” within each of the three industries. Since it began tracking “reason for call”, the Bureau has used this variable to identify early in the complaint process why consumers are calling the BCS. The variable “reason for call” attempts to capture, from the consumer’s perspective, the problem or issue that the customer raises in the initial contact to the Bureau. Because reason for call is entered into the computer database at the time of the consumer’s initial contact to the Bureau, this variable allows the BCS to do a preliminary analysis of emerging problems based on these initial customer contacts.

**2001 Residential Consumer Complaints
Electric Generation Suppliers***

Company	Number of Complaints
ACN Energy (EGS)	12
Allegheny Energy (EGS)	14
Columbia Energy (EGS)	13
Conectiv Energy (EGS)	22
Dominion Peoples Plus (EGS)	12
Electric America (EGS)	31
Exelon (EGS)	35
Green Mountain Energy Resources (CDS)	49
Green Mountain Energy Resources (EGS)	63
NewPower (CDS)	171
NewPower (EGS)	116
PG Energy Power Plus (EGS)	25
Power Choice (Pepco Services) (EGS)	78
SmartEnergy.com (EGS)	70
Total Gas & Electric Inc (EGS)	44
Utility.com (EGS)	181
TOTAL**	936

*Listing shows companies having 10 or more complaints in 2001.

**The total in this table does not equal the industry total in the following table because this table excludes other non-major electric companies with less than 10 complaints.

**2001 Consumer Complaints Not Included
In the Electric Industry Chapter
Presented by Customer's Reason for Call**

Reason for Call	Number of Consumer Complaints
Billing dispute	333
Slamming	262
Enrollment information	196
Various other competition issues	44
Deceptive advertising	43
Terms and conditions of supplier contracts	41
Delay in savings from participation in competition	31
Other problems not related to competition or reason for call not available	38
Total	988

**2001 Residential Consumer Complaints
Natural Gas Suppliers and Philadelphia Gas Works***

Company	Number of Complaints
Columbia Energy (NGS)	20
CNG Retail Services (NGS)	70
MXEnergy.com (NGS)	46
NewPower (NGS)	152
Philadelphia Gas Works (NGDC)	2,694
Titan Energy (NGS)	162
Total**	3,144

*Listing shows companies having 10 or more complaints in 2001.

**The total in this table does not equal the industry total in the following table because this table excludes non-major NGDCs, except Philadelphia Gas Works, with 10 or more complaints and other non-major gas companies with less than 10 complaints.

**2001 Consumer Complaints Not Included
In the Gas Industry Chapter
Presented by Customer's Reason for Call**

Reason for Call	Number of Consumer Complaints*
Billing dispute	2,310
People-delivered service	399
Credit/collection issues	179
Terms and conditions of supplier contracts	150
Service (company facilities)	79
Slamming	61
Various other competition issues	56
Applicant/security deposit	50
Delay in savings from participation in competition	37
Deceptive advertising	12
Other problems not related to competition	43
Total	3,376

*Includes cases filed against Philadelphia Gas Works

**2001 Residential Consumer Complaints
Interexchange Carriers and Competitive Local Exchange Carriers***

Company	Number of Complaints
AOL Long Distance	16
AT&T (IXC)	702
AT&T Local	262
Broadview Networks, Inc.	35
CAT Communications, Inc.	19
Cavalier Telephone Mid-Atlantic	31
Conectiv Communications, Inc.	14
CTSI	17
Elect Comm (Essex Comm)	40
Essential.com, Inc.	205
Excel Telecommunications	12
Full Service Network	20
ILD Telecommunications, Inc.	39
Integretal (Billing Service)	21
MCI Local	1,222
Metro Teleconnect	56
Metropolitan Telecommunications	36
OAN Services	10
Penn Telecom Inc.	12
Quest Telecommunications	12
Quest Com	64
RCN Telecom Services of PA	103
Servisense.com	51
Sprint (IXC)	141
Talk America (formerly Talk.com Holding Corp.)	674
US Billing, Inc.	16
Worldcom, Inc.	428
Z Tel Communications	506
Zero Plus Dialing	32
Total**	4,796

*Listing shows companies having 10 or more complaints in 2001.

**The total in this table does not equal the industry total in the following table because this table excludes non-major LECs and other non-major telephone companies.

**2001 Residential Telephone Consumer Complaints
Not Included In the Telephone Industry Chapter
By Customer's Reason for Call**

Reason for Call	Number of Consumer Complaints
Billing dispute	2,652
Competition quality of service	768
People-delivered service	551
Local slamming	389
Service (company facilities)	381
Suspension related disputes	362
Slamming	270
Deceptive advertising sales	98
Application deposits	39
Cramming	34
Other problems not related to competition	29
Various competition problems	10
Payphone conversions	6
Rates	6
Total	5,595

As noted earlier, the number of complaints to the BCS about entities other than the major EDCs, gas utilities or local telephone companies is growing. Appendix A lists the non-major companies having ten or more residential consumer complaints in 2001.

Informal Compliance Process & Infractions

The Bureau's primary compliance effort remains its informal compliance process. This process gives each utility specific examples of apparent infractions of Chapter 56, 63 and 64. The utilities can use the information to pinpoint and voluntarily correct deficiencies in their customer service operations. The informal compliance process uses consumer complaints to identify, document, and notify utilities of apparent deficiencies. The process begins by the 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, the utility indicates the cause of the problem (i.e., employee error, procedures, a computer program, etc.). In addition, the utility informs the BCS of the date and action it took to correct this problem.

Corrective actions may entail modifying a computer program; revising the text of a notice, bill, letter or company procedures; or providing additional staff training to ensure the proper use of a procedure. If the utility states that the information is inaccurate, the utility provides specific details and supporting data to disprove the allegation. The 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, the 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 that the information forming the basis of the allegation is accurate or if the BCS does not find that the data supports the utility's position that the information is inaccurate, the 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 56, 63 or 64 provisions and Commission and BCS policies.

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 the 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, the 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. The BCS encourages utilities to continue this activity and share their findings with Bureau staff.

2. Performance Measures

For the most part, the Bureau of Consumer Services 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 the BCS. The 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 56.231(8) while telephone termination statistics are drawn from reports required by Chapter 64.201(7).

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

Consumer Complaint Rate

The calculation of consumer complaint rate (consumer complaints per one thousand residential customers) permits the reader to make comparisons among utilities of various sizes. The BCS has found that 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, many of the complaints in the consumer complaint rate are not "justified". The "justified consumer complaint rate" (justified consumer complaints per one thousand residential customers) is a truer indication of a utility's complaint handling performance.

Justified Consumer Complaint Rate

The Bureau of Consumer Services uses case evaluation to identify whether or not correct procedures were followed by the utility in responding to the customer's complaint prior to the intervention of the Bureau. In other words, 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 PUC orders or policies, regulations, reports, Secretarial Letters or tariffs in reaching its final position. In the judgment of the BCS, a case that is "justified" is a clear indication that the company did not handle a dispute properly or effectively, or in handling the dispute, the company violated a rule, regulation or law. There are two additional complaint resolution categories. "Unjustified" complaints are those cases in which the company demonstrates that correct procedures were followed prior to BCS intervention. "Inconclusive" complaints are those

in which insufficient records or equivocal findings make it difficult to determine whether or not the customer was justified in the appeal to the Bureau. The majority of cases fall into either the “justified” or “unjustified” category.

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

The Bureau of Consumer Services 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 indicate that the subject utilities did not follow the PUC’s rules, procedures or regulations when they dealt with their customers. Justified complaints may indicate areas where the 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 the 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, the BCS compares the “justified” rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, the 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 the BCS with a complaint about a utility, the Bureau notifies the utility. The utility then sends the BCS records of its contact with the customer regarding the complaint. Response time is the time span in days from the date of the Bureau of Consumer Services’ first contact with the utility regarding a complaint, to the date on which the utility provides the BCS with all of the information needed to resolve the complaint. Response time quantifies the speed of a utility’s response to BCS informal complaints. In the following chapters and in Appendix E, response time is presented as the average number of days that each utility took to supply the BCS with complete complaint information.

Payment Arrangement Request Rate

The Bureau of Consumer Services normally intervenes at the customer's request only after direct payment negotiations between the customer and the company 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, as stated earlier, or they may be indicative of problems. The BCS views such variations as potential areas for investigation. Clearly, improved access to the Bureau of Consumer Services has impacted the number of consumers who are able to contact the BCS about payment arrangements. In addition, as utilities have become more aggressive in seeking to collect outstanding bills, the number of PARs to the BCS continues to increase. Many of the payment arrangement requests in the PAR rates are not "justified". The "justified payment arrangement request rate" (justified payment arrangement requests per one thousand residential customers) is a truer indication of a utility's payment negotiation performance.

Justified Payment Arrangement Request Rate

Just as with consumer complaints, once a customer contacts the Bureau with a payment arrangement request, the Bureau notifies the utility. The company sends a report to the BCS that details the customer 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 unit reviews the record to determine if the utility negotiated properly with the customer and uses this record to determine the outcome of the case. There are three possible case outcome classifications: "justified", "inconclusive" and "unjustified". This approach evaluates companies negatively only where, in the judgment of the BCS, appropriate payment negotiation procedures were not followed or where the regulations have been violated. Specifically, a case is considered "justified" in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with PUC regulations, reports, Secretarial Letters, tariffs, or guidelines. "Unjustified" payment arrangement requests are those in which the company demonstrates correct procedures were followed prior to BCS intervention. "Inconclusive" PARs are those in which incomplete records or equivocal accounts make it difficult to determine whether or not the customer was justified in the appeal to the Bureau.

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. The Bureau 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 for each 1,000 residential customers. The Bureau of Consumer Services monitors the justified PAR rates of the major utilities. For example, the BCS compares the "justified" rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, the BCS compares the PAR rates and the justified PAR rates of the major utilities within the electric, gas, water and telephone industries. Because the 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 subset of the cases that came to the BCS.

Response Time to Payment Arrangement Requests

Once a customer contacts the BCS with a payment arrangement request (PAR), the Bureau notifies the utility. The utility then sends the 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 the BCS first contacts the utility regarding a PAR to the date on which the utility provides the BCS with all of the information BCS needs to issue payment terms, to resolve any other issues raised by the customer, and to determine whether or not the customer was justified in seeking a payment arrangement through the BCS. Response time quantifies the speed of a utility's response to BCS payment arrangement requests. In the following chapters and in Appendix G, response time is presented as the average number of days that each utility took to supply the BCS with the necessary information.

In 1999, the BCS made changes in the case processing of certain payment arrangement requests. These procedural changes made it necessary for the Bureau to revise its method of calculating response time to PARs for the electric, gas and water industries. Beginning in 1999, the Bureau calculates response time for the major electric, gas and water companies using only their responses to payment arrangement requests from customers 1) whose service has been terminated, 2) who have a dispute with the company, or 3) who have previously had a BCS payment arrangement on 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. Thus, in Chapter 6 and in Appendix G, response time for the major local exchange carriers is the average number of days that each telephone company took to supply the BCS with all the information it needed for all categories of payment arrangement requests.

The Commission continues to work on a project to transfer data electronically from utilities to the BCS. When this project is successfully completed, utility response time may decrease.

Infraction Rate

During 2001, the 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, the Bureau has calculated a measure called “infraction rate”. The infraction rate is the number of informally verified infractions for each 1,000 residential customers. Although the 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. Secondly, 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 2001 is calculated using the BCS’ Compliance Tracking System’s (CTS) data as of June 2002. The 2001 trends may change if the total number of infractions increases. This would occur if new infractions are discovered from customer complaints that originated in 2001 but were still under investigation by the Bureau 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. The Bureau will update the number of infractions found on 2000 cases in the report on 2002 complaint activity. Infraction rates for each major electric, gas, water and telephone company are shown for 1999, 2000 and 2001 in the chapters that follow. Appendix H shows additional 1999-2001 infraction statistics.

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. The Bureau of Consumer Services views termination of utility service as a utility's last resort when customers fail to meet their payment obligations. The calculation of termination rate allows the reader to compare the termination activity of utilities with differing numbers of residential customers. Termination rate is the number of service terminations for each 1,000 residential customers. Any significant increase in termination rate would indicate a trend or pattern that 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 & Industry Chapters

The industry chapters that follow present charts that depict the performance of each of the major electric, gas, water and telephone utilities. Each chapter includes charts that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are charts that show the 2001 payment arrangement request rates and the justified payment arrangement request rates for each of the major utilities. The charts also show the average of the rates of the major utilities within the industry for each of these measures. In addition, each industry chapter presents charts and tables that show infraction rates for the major utilities, response time to both consumer complaints and payment arrangement requests, and termination rates for the major electric, gas, and telephone utilities.

It is important to note that the industry chapters present only data from those utilities that have more than 100,000 residential customers. In the Water Industry Chapter, data for the 11 Class A water utilities that have less than 100,000 residential customers are presented together as a whole. The BCS has found that the inclusion of scores for the smaller utilities can skew the average of industry scores in ways that do not fairly represent industry performance. For this reason, the BCS has excluded the statistics involving smaller utilities when it calculated the 2001 averages of industry scores. In the future, the Commission may undertake a project in which it calculates and reports performance measure statistics for the smaller utilities and other utility service providers.

3. Electric Industry

In 2001, the Commission had jurisdiction over 16 electric distribution companies. However, the majority of the consumer complaints and payment arrangement requests involving the electric industry were from residential customers of the six largest electric distribution companies (EDCs): Allegheny Power, Duquesne Light Company, GPU Energy, PECO Energy, Pennsylvania Power Company and PPL Utilities, Inc. This chapter will focus exclusively on those six 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*. 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 tables and charts on the pages that follow depict the performance of each of the six largest EDCs in 2001. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. The Bureau investigated complaints in 2001 that were generated as a result of the electric choice programs that allowed customers to choose an electric generation supply company. However, as mentioned in the first chapter, the BCS removed these complaints from the database it used to prepare the tables and charts on consumer complaints and payment arrangement requests. Appendices C through H present the actual statistics that the Bureau used to produce the charts in this chapter.

Consumer Complaints

During 2001, the BCS handled 4,208 consumer complaints from residential customers of the various electric distribution companies (EDCs). Of these residential complaints, almost 99% (4,155) were from customers of the six largest EDCs. For the analysis in this chapter, the BCS excluded a total of 85 consumer complaints that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS policy unit 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 2001 complaints from residential customers of the six largest EDCs in each of the 13 categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. The number of billing and metering related complaints increased in 2001. Appendix C, Table 1 provides the actual number of cases that fell into each category in 2001.

**Consumer Complaint Categories: 2001
Major Electric Distribution Companies**

Categories	Allegheny Power	Duquesne	GPU	PECO*	Penn Power	PPL Utilities	Electric Majors
Billing Disputes	18%	18%	24%	17%	9%	34%	22%
Metering	18%	12%	16%	17%	9%	18%	17%
Discontinuance/ Transfer	11%	15%	6%	5%	6%	13%	9%
Service Interruptions	10%	6%	11%	8%	11%	6%	8%
Service Quality	8%	5%	6%	10%	14%	5%	7%
Personnel Problems	5%	3%	7%	8%	6%	3%	6%
Damages	4%	7%	4%	6%	14%	2%	5%
Service Extensions	7%	5%	6%	2%	11%	6%	5%
Other Payment Issues	3%	4%	4%	5%	0%	6%	4%
Scheduling Delays	2%	4%	3%	5%	0%	1%	3%
Credit & Deposits	2%	6%	2%	1%	9%	1%	2%
Rates	1%	2%	1%	1%	6%	1%	1%
All Other Problems	10%	13%	9%	14%	6%	4%	10%
TOTAL-Percent	99%**	100%	99%**	99%**	101%**	100%	99%**
TOTAL-Number***	223	226	482	638	35	359	1,963

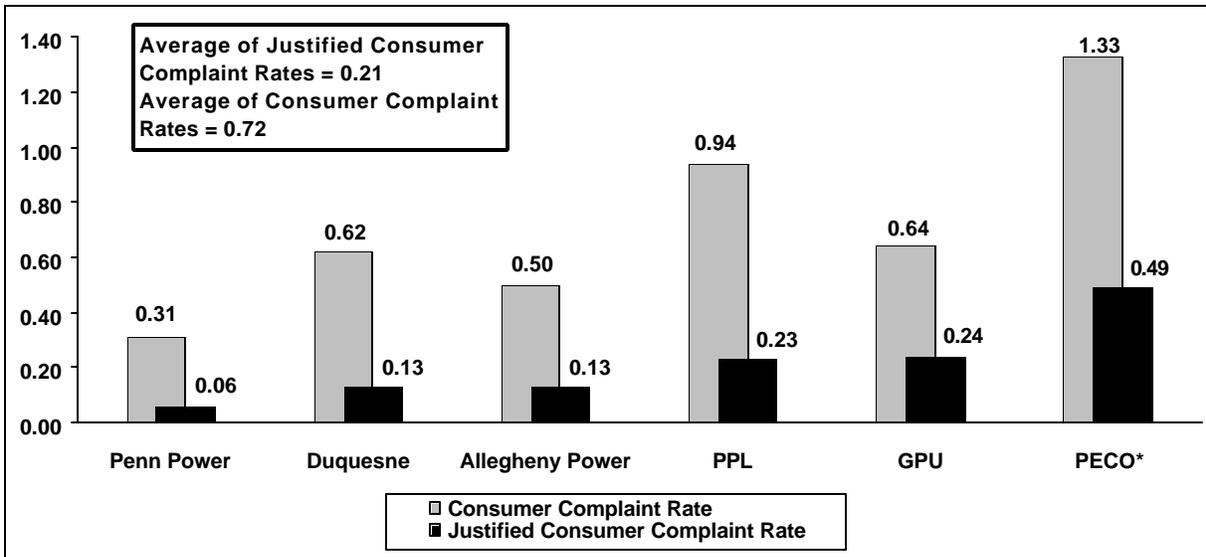
*PECO statistics include electric and gas

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

***Based on residential complaints evaluated by BCS as of June 21, 2002.

- Categories are for residential complaints filed with BCS: justified, inconclusive and unjustified. See Appendix B-1 for an explanation of complaint categories and Appendix C-1 for the number of cases in each category.
- In 2001, billing disputes accounted for 22% while metering complaints comprised 17% of the consumer complaints about the major electric distribution companies.

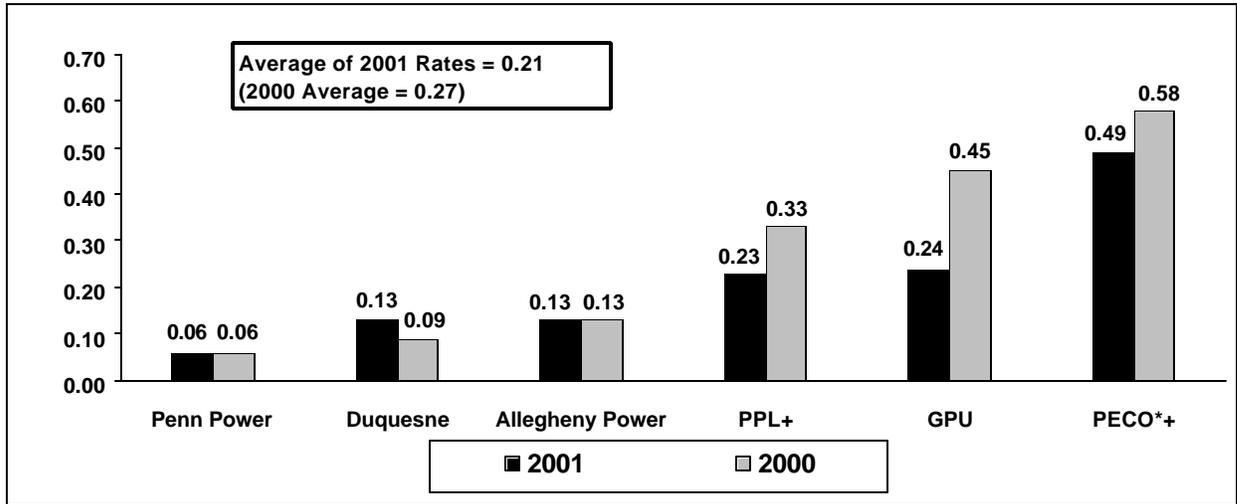
2001 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies



*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 consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is more than three 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 2001.

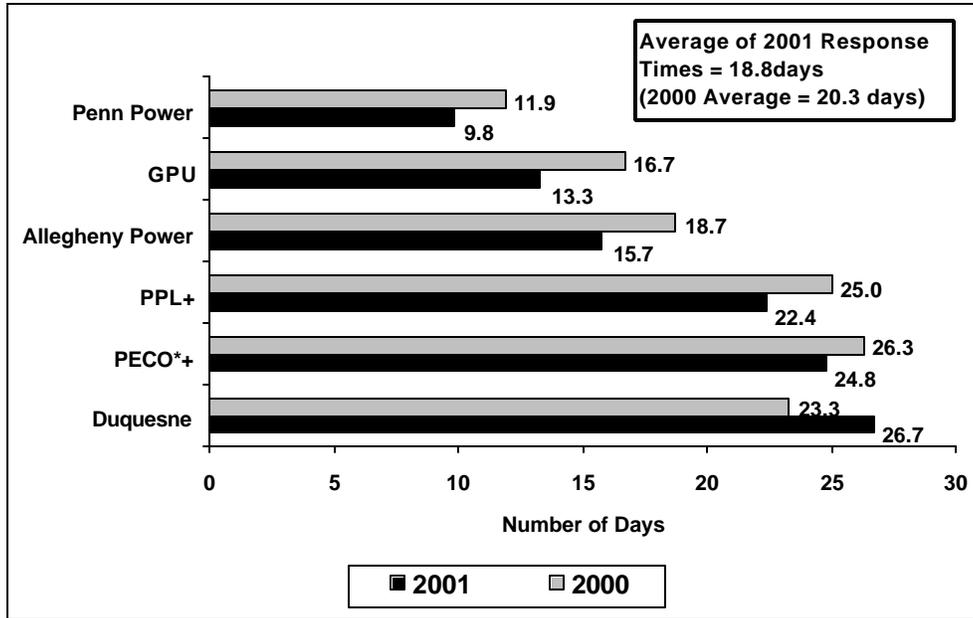
2000-2001 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies



+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 2000 to 2001. The justified rate for only one of the six major EDCs increased from 2000 to 2001.
- Appendix D, Table 1 presents the number of justified consumer complaints for each major EDC in 2000 and 2001.

2000-2001 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies



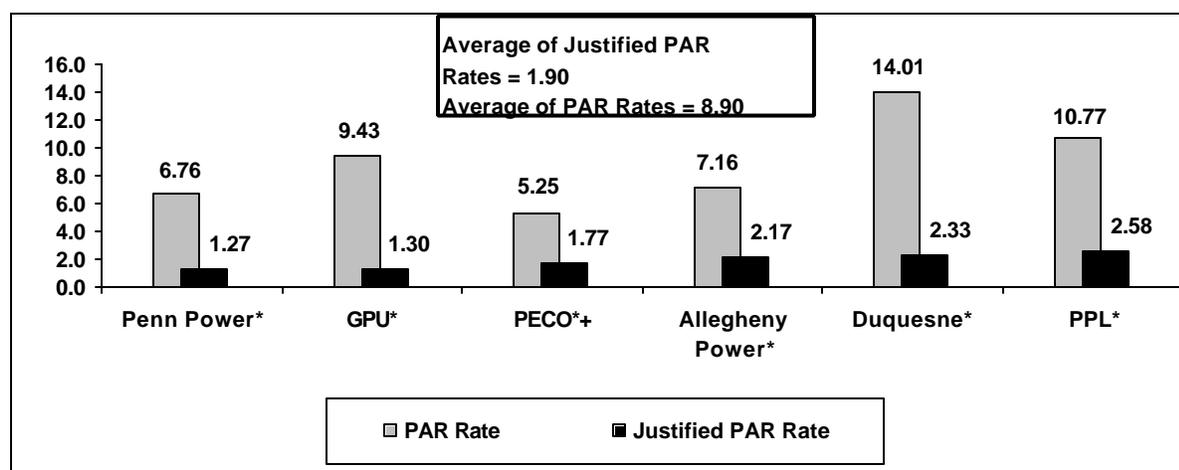
+Based on a probability sample of cases
*PECO statistics include electric and gas

- Overall, the average response time decreased by 1.5 days from 2000 to 2001. In 2001, the average response time to consumer complaints decreased for five of the six major EDCs.
- Appendix E shows the 2000 and 2001 response times to consumer complaints for each of the major EDCs as well as for the major gas, water and telephone utilities.

Payment Arrangement Requests

In 2001, the Bureau of Consumer Services handled 41,257 payment arrangement requests (PARs) from residential customers of the electric distribution companies. Almost ninety-nine percent (40,774) of the residential PARs were from customers of the six largest EDCs. In 2001, the BCS reviewed a representative sample of the PARs for each of the six largest EDCs: Allegheny Power, Duquesne, GPU, PECO, Penn Power and PPL Utilities. Thus, the calculations for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of these utilities. The BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix F, Table 1 provides additional statistics regarding the payment arrangement requests from residential customers of the major EDCs.

2001 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Electric Distribution Companies



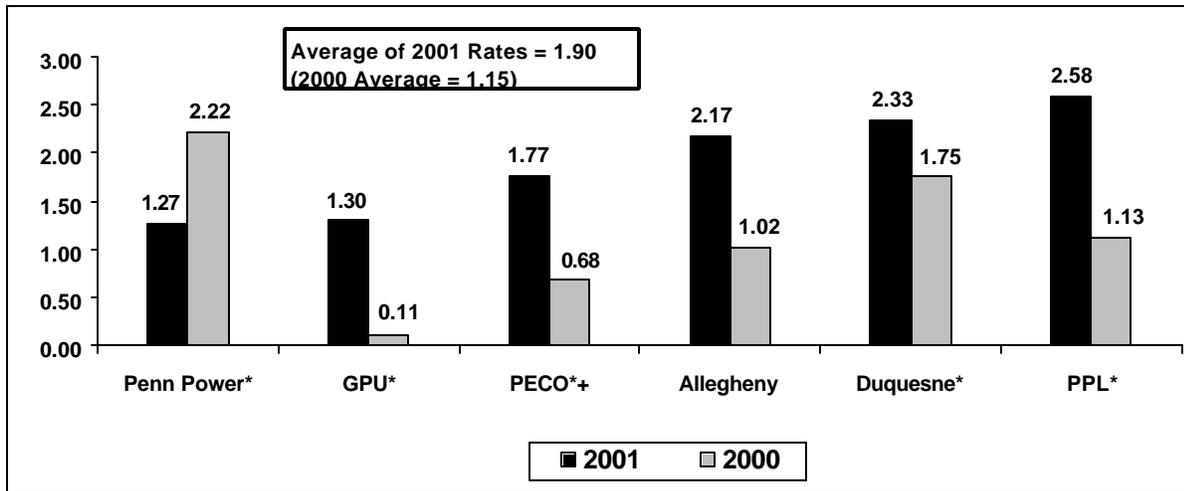
* Justified PAR Rates based on a probability sample of cases

+PECO statistics include electric and gas

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- On average, there were nearly nine payment arrangement requests to the BCS for each 1,000 residential customers of the major EDCs in 2001. There were nearly two justified PARs for each 1,000 residential customers.

- Appendix F, Table 1 presents the number of payment arrangement requests and justified payment arrangement requests for each major EDC in 2001.

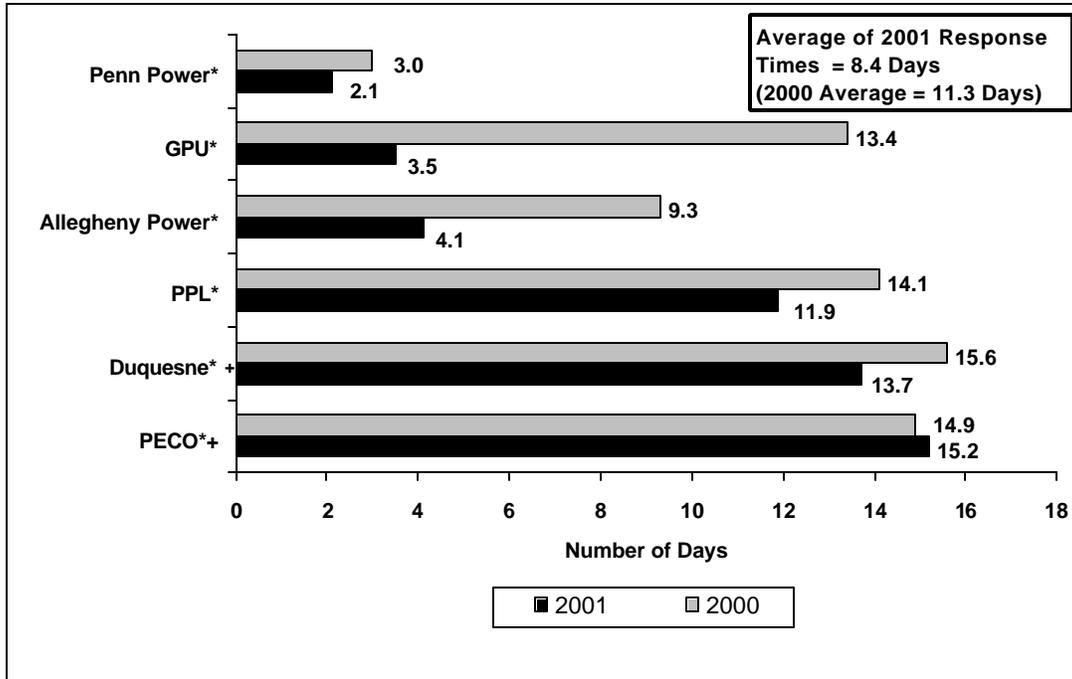
2000-2001 Justified Residential Payment Arrangement Request Rates Major Electric Distribution Companies



*Based on a probability sample of cases
+PECO statistics include electric and gas

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average of the justified PAR rates for the six major EDCs increased from 1.15 in 2000 to 1.90 in 2001. The justified PAR rates for five of the six major electric distribution companies increased from 2000 to 2001.
- Appendix F, Table 1 presents the number of justified payment arrangement requests for each major EDC in 2000 and 2001.

2000-2001 Response Time to BCS Residential Payment Arrangement Requests Major Electric Distribution Companies



*Based on a probability sample of cases
+PECO statistics include electric and gas

- From 2000 to 2001, the average response time for the six major EDCs decreased by more than three days.
- Four of the six major EDCs reduced their response times to PARs in 2001 compared to 2000.
- Appendix G shows the 2000 and 2001 response times to payment arrangement requests for each of the major EDCs as well as for the major gas, water and telephone companies.

Termination of Service

Each month the electric companies report to the Commission the number of residential accounts that they terminated during the previous month. Some EDCs maintain a fairly consistent pattern of termination behavior while others fluctuate from year to year. The table below indicates the annual number of residential accounts each of the six largest EDCs terminated in 1999, 2000 and 2001. The table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Electric Distribution Companies

Company Name	Residential Service Terminations				Termination Rates		
	1999	2000	2001	% Change in # 2000-2001	1999	2000	2001
Allegheny Power	5,186	7,887	5,808	-26%	8.86	13.39	9.82
Duquesne	9,358	4,764	5,788	21%	18.14	9.11	11.01
GPU	2,263	4,635	12,631	172%	2.44	4.95	13.42
PECO*	28,460	32,403	34,957	8%	20.94	23.62	25.32
Penn Power	1,326	1,423	1,460	3%	10.16	10.78	10.94
PPL Utilities	5,222	7,117	8,082	14%	4.75	6.36	7.17
Major Electric	51,815	58,229	68,726	18%			
Average of Rates					10.88	11.37	12.95

*PECO statistics include electric and gas

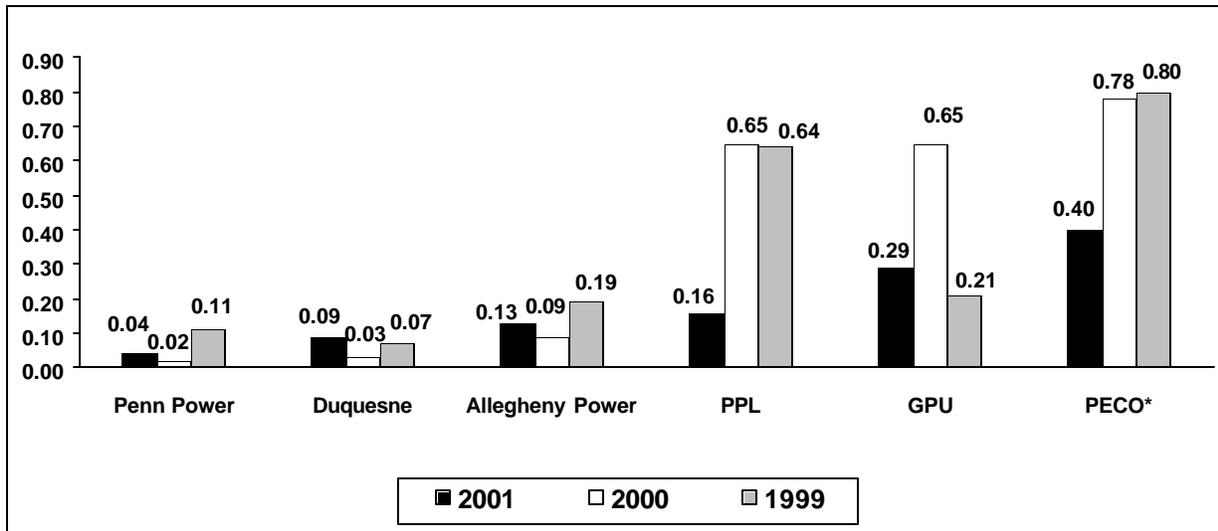
- Termination rate is the number of service terminations for each 1,000 residential customers.
- Overall, the six major EDCs terminated 18% more residential accounts in 2001 than in 2000. Only one company terminated fewer residential accounts in 2001 than in 2000.

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.

During 1999, 2000 and 2001, the Bureau determined that the six major EDCs together logged 5,790 infractions of regulations. The chart that follows and the infraction statistics in Appendix H, Table 1 are drawn from all informal complaints that residential consumers filed with the BCS from 1999 through 2001. Infractions identified on complaints involving competition issues are included in the infraction statistics.

PUC Infraction Rates Major Electric Distribution Companies



*PECO statistics include electric and gas

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, the number of informally verified infractions attributed to the major EDCs decreased in 2001.
- Appendix H, Table 1 presents the actual number of infractions for each major EDC in 1999, 2000 and 2001.

4. Natural Gas Industry

In 2001, the Commission had jurisdiction over 35 gas utilities. However, the majority of the consumer complaints and payment arrangement requests involving the gas industry came from residential customers of the six major gas utilities: Columbia Gas of Pennsylvania, Dominion Peoples, Equitable Gas, National Fuel Gas Distribution Corporation, PG Energy and UGI-Gas. This chapter will focus exclusively on those six 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*. 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 bureau continues to play a key role in the Commission's transition to full regulatory jurisdiction over the Philadelphia Gas Works. During the past year the Bureau initiated or completed several projects designed to improve customer services in a number of areas at PGW.

Bureau staff completed one performance review that dealt with the problems PGW had with long-term estimated bills, and is now monitoring the company's implementation of the recommendations stemming from that review. Following this review the Bureau began a second performance review designed to improve the quality of service in PGW's various call centers. This review will be completed soon.

The Bureau continues to work with the company on tariff revisions in order to bring the company's rules and procedures into compliance with the Commission's customer service regulations. The Bureau supplied the company with a prioritized listing of the key areas where the tariff was not consistent with regulations. The company completed a tariff-revision filing in early 2002, and others will be completed as needed.

The Bureau also continues to work with the company in revising PGW's customer assistance program in order to make it comparable to other PUC-approved programs. The Customer Responsibility Program, as it is known, is scheduled to go through a major overhaul during PGW's restructuring process.

Other areas where the Bureau has had significant input into PGW's customer service-related operations are the automated metering program and the company's restructuring filing. In addition, the Bureau maintains a sizeable staff devoted solely to handling consumer complaints and payment arrangement requests from PGW customers.

The tables and charts on the pages that follow depict the performance of each of the six major gas utilities in 2001 exclusive of Philadelphia Gas Works. Appendices C through H present the actual statistics that the Bureau used to produce the charts in this chapter.

Consumer Complaints

During 2001, the BCS handled 5,540 consumer complaints from residential customers of the various natural gas distribution companies (NGDCs). Of these residential complaints, 48% (2,670) were from customers of the six largest NGDCs and 49% (2,694) were from customers of the Philadelphia Gas Works. For the analysis of the six major gas companies that appears in this chapter, the BCS excluded a total of 72 consumer complaints that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS policy unit 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 2001 complaints from residential customers of the six 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 the Bureau. Appendix D, Table 2 provides the actual number of cases that fell into each category in 2001.

**Consumer Complaint Categories: 2001
Major Natural Gas Distribution Companies**

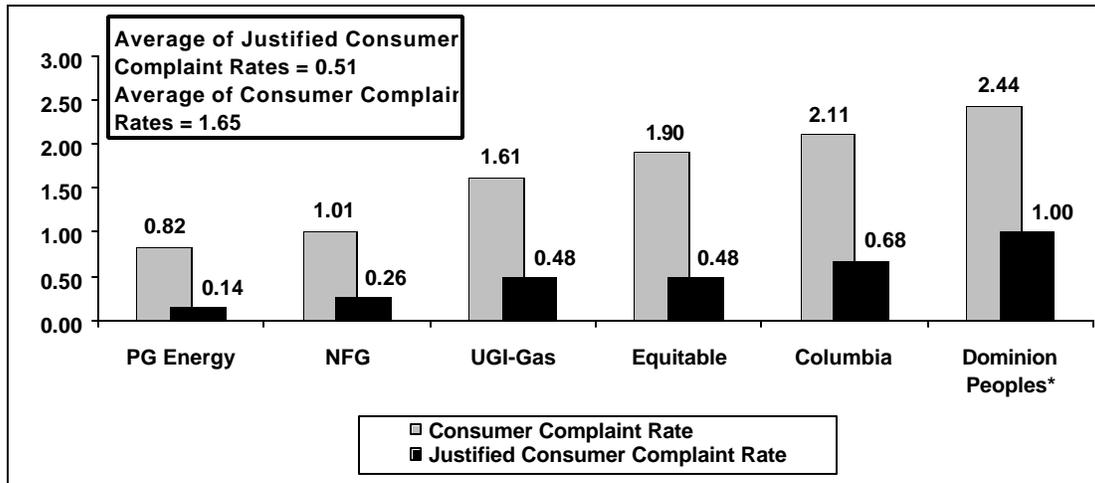
Categories	Columbia	Dominion Peoples	Equitable	NFG	PG Energy	UGI-Gas	Gas Majors
Metering	37%	31%	26%	22%	14%	35%	31%
Billing Disputes	15%	28%	22%	13%	23%	21%	20%
Discontinuance/ Transfer	7%	5%	17%	15%	9%	11%	10%
Other Payment Issues	3%	9%	7%	8%	8%	6%	6%
Personnel Problems	6%	4%	7%	6%	6%	3%	5%
Credit & Deposits	2%	2%	9%	4%	0%	4%	3%
Service Extensions	4%	3%	<1%	6%	4%	3%	3%
Service Quality	4%	3%	3%	2%	3%	1%	3%
Scheduling Delays	5%	2%	2%	1%	1%	1%	3%
Rates	4%	2%	<1%	3%	4%	1%	3%
Damages	3%	2%	<1%	4%	10%	2%	2%
Service Interruptions	<1%	0%	1%	0%	3%	0%	<1%
All Other Problems	9%	9%	6%	15%	15%	13%	10%
TOTAL-Percent*	99%	100%	100%	99%	100%	101%	99%
TOTAL-Number**	516	370	316	143	78	300	1,723

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

**Based on residential complaints evaluated by BCS as of June 21, 2002

- Categories are for all residential complaints filed with BCS: justified, inconclusive and unjustified. See Appendix B-1 for an explanation of complaint categories and Appendix C-2 for the number of cases in each category.
- In 2001, metering complaints generated 31% of the complaints about the major gas utilities followed by billing disputes (20%) and discontinuance/transfer complaints (10%).

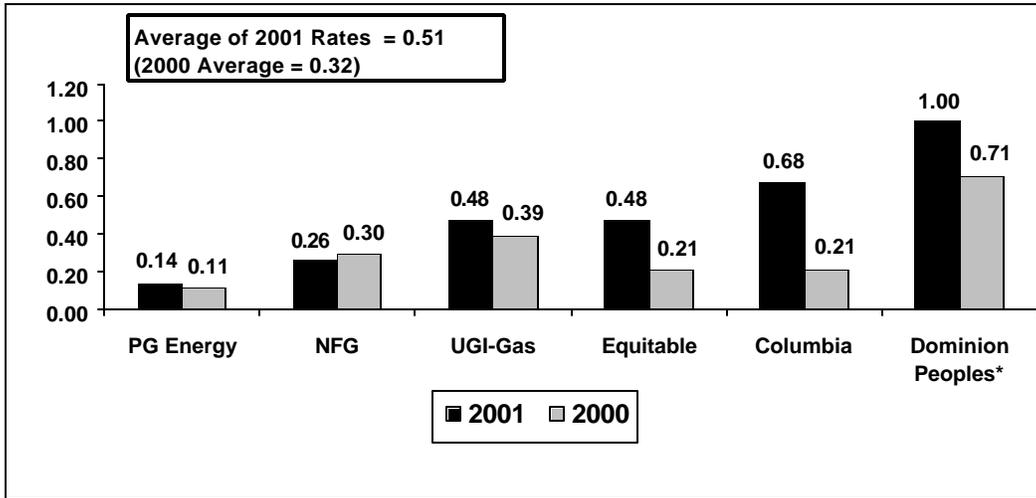
**2001 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Natural Gas Distribution Companies**



*2001 data 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. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- For the major gas companies, the average of the consumer complaint rates is more than three times greater than the average of the justified rates.
- Appendix D, Table 2 presents the number of consumer complaints and justified consumer complaints for each major gas company in 2001.

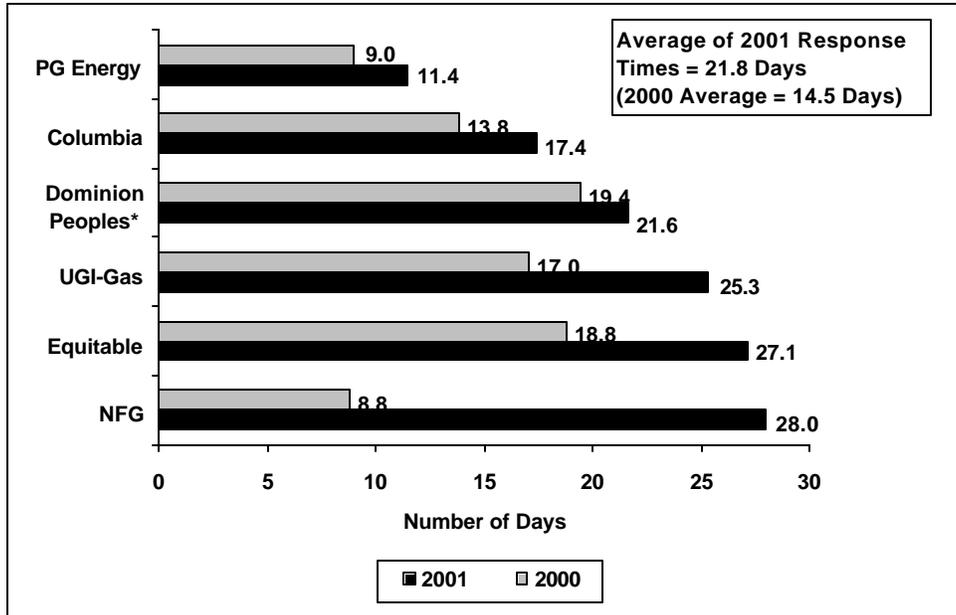
2000-2001 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies



*2001 data 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.
- The average of the justified consumer complaint rates of the major gas companies increased from 0.32 in 2000 to 0.51 in 2001. This is the third annual increase in a row for the gas companies. The average justified complaint rate increased for five of the six major gas companies in 2001.
- Appendix D, Table 2 shows the number of justified consumer complaints for each major gas company in 2000 and 2001.

2000-2001 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies



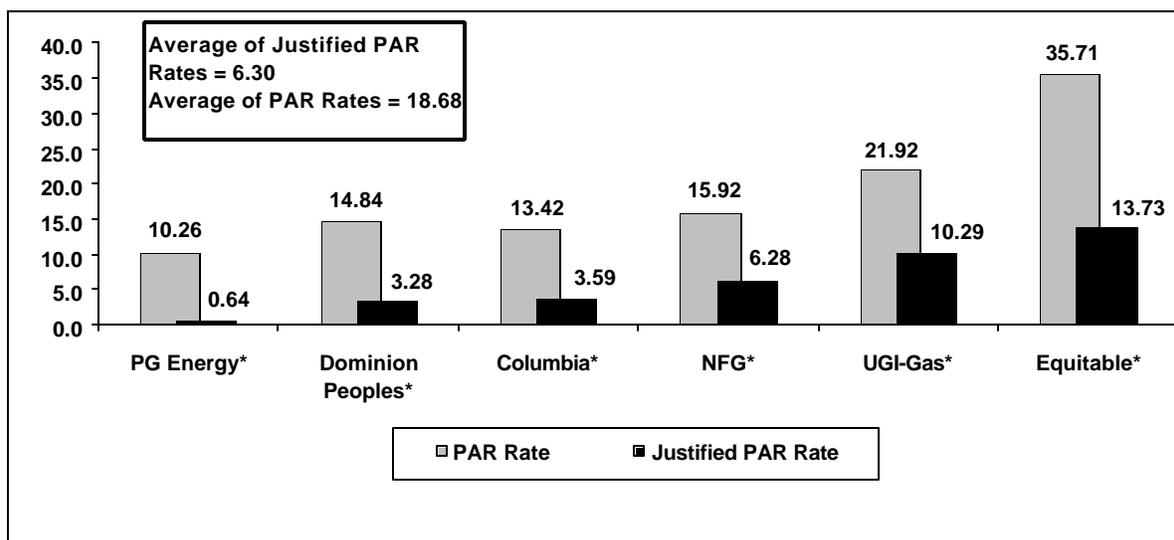
*2001 data based on a probability sample of cases

- The average response time for the major gas companies increased by 7.3 days from 2000 to 2001. Each of the six major gas companies increased response time to consumer complaints in 2001.
- Appendix E shows the 2000 and 2001 response times to consumer complaints for each of the major gas companies as well as for the major electric, water and telephone utilities.

Payment Arrangement Requests

In 2001, the Bureau of Consumer Services handled 31,148 payment arrangement requests (PARs) from residential customers of the natural gas distribution companies. Eighty-nine percent (27,754) of the residential PARs were from customers of the six major natural gas distribution companies and seven percent (2,068) were from customers of the Philadelphia Gas Works. In 2001, the BCS reviewed a representative sample of the PARs for case outcome for the following gas companies: Columbia, Equitable, NFG, Dominion Peoples, PG Energy and UGI-Gas. Thus, the calculation for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of these utilities. The BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix F, Table 2 provides additional statistics regarding the payment arrangement requests from residential customers of the major natural gas distribution companies.

2001 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Natural Gas Distribution Companies

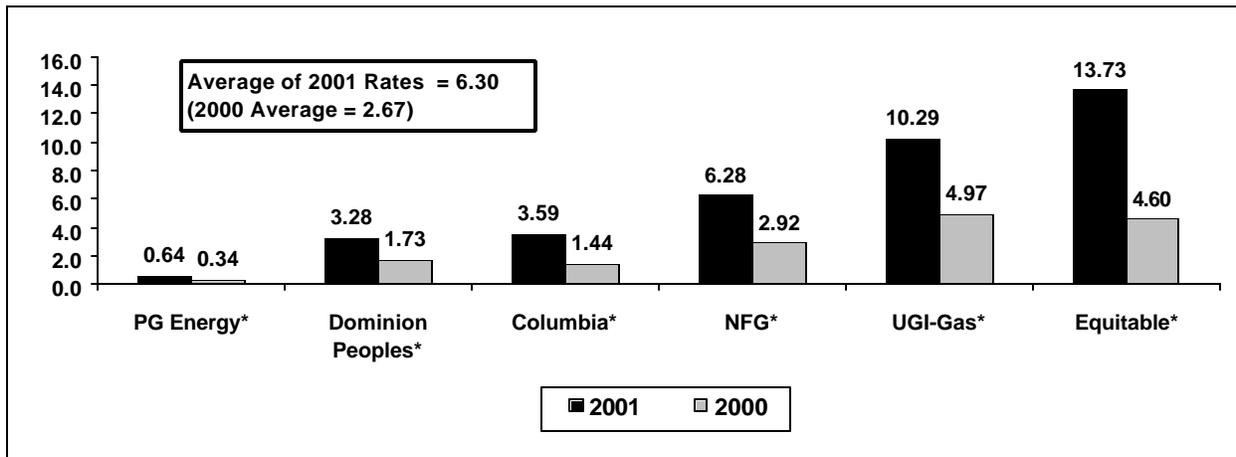


* Justified PAR rates based on a probability sample of cases

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.

- In 2001, the average of the PAR rates is nearly three times the average of the justified PAR rates.
- Appendix F, Table 2 presents the number of payment arrangement requests and justified payment arrangement requests for each major gas company in 2001.

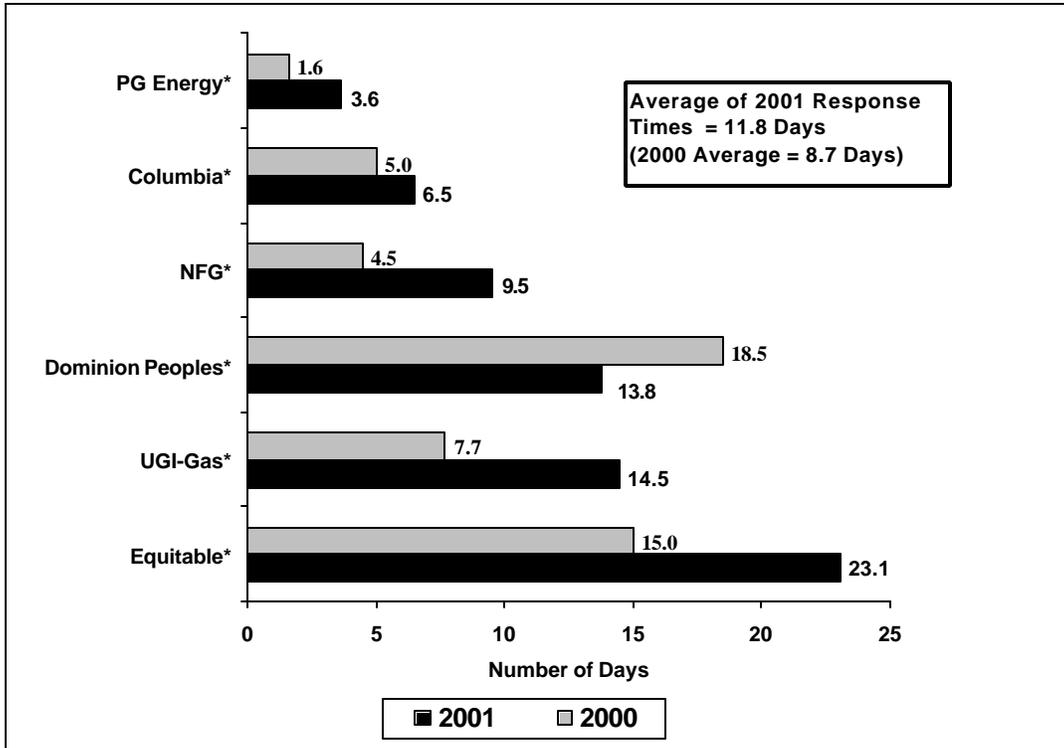
2000-2001 Justified Residential Payment Arrangement Request Rates Major Natural Gas Distribution Companies



* Based on a probability sample of cases

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average of the justified PAR rates for the six major gas utilities increased from 2.67 in 2000 to 6.30 in 2001. The justified payment arrangement request rate increased for each of the six major gas companies.
- Appendix F, Table 2 presents the number of justified payment arrangement requests for each major gas company in 2000 and 2001.

**2000-2001 Response Time to BCS
Residential Payment Arrangement Requests
Major Natural Gas Distribution Companies**



* Based on a probability sample of cases

- From 2000 to 2001, the average response time to BCS payment arrangement requests increased by 3.1 days. The gas industry average response time to BCS PARs was nearly 12 days in 2001.
- Five of the six major gas companies had increased response times to BCS payment arrangement requests from 2000 to 2001.
- Appendix G shows the 2000 and 2001 response times to payment arrangement requests for each of the major gas companies as well as for the major electric, water and telephone companies.

Termination of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated during the previous month. Some utilities have maintained a fairly consistent pattern of termination behavior, while others fluctuate from year to year. The table that follows indicates the annual number of residential accounts each of the six largest gas utilities terminated in 1999, 2000 and 2001. The table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Natural Gas Distribution Companies

Company Name	Residential Service Terminations				Termination Rates		
	1999	2000	2001	% Change in # 2000-2001	1999	2000	2001
Columbia	5,956	5,887	7,453	27%	17.57	17.20	21.60
Dominion Peoples	3,714	1,264	1,230	-3%	11.60	3.92	3.83
Equitable	4,190	5,873	6,092	4%	18.22	25.44	26.02
NFG	5,517	5,427	7,398	36%	28.23	27.76	37.90
PG Energy	3,529	3,202	4,967	55%	26.01	23.29	35.87
UGI-Gas	7,142	7,702	9,063	18%	30.14	31.63	36.37
Major Gas	30,048	29,355	36,203	23%			
Average of Rates					21.96	21.54	26.93

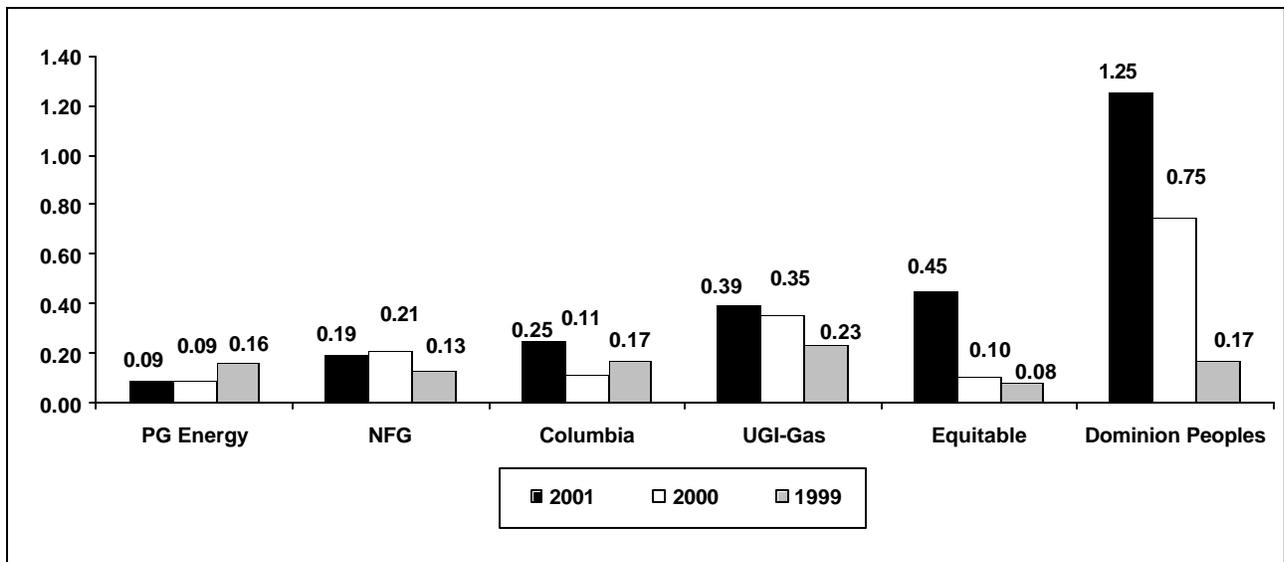
- Overall, the six major gas companies terminated nearly 27 out of every 1,000 residential gas customers during 2001.
- Five of the six major gas companies terminated more residential accounts in 2001 than in 2000. Overall, the six major gas companies terminated 23% more residential accounts in 2001 than in 2000.

Compliance

The Bureau’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, the BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

During 1999, 2000 and 2001, the Bureau determined that the six major gas utilities together logged 1,418 infractions of regulations. The chart that follows and the infraction statistics in Appendix H, Table 2 are drawn from all informal complaints that residential consumers filed with the BCS from 1999 through 2001. Infractions identified on complaints involving competition issues are included in the infraction statistics.

PUC Infraction Rates Major Natural Gas Distribution Utilities



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, the number of informally verified infractions attributed to the major gas distribution utilities increased in 2001.
- Appendix H, Table 2 presents the actual number of infractions for each major gas utility in 1999, 2000 and 2001.

5. Water Industry

In 2001, the Commission had jurisdiction over 168 water utilities, including 35 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 2001, there were 10 Class A water companies that served residential water customers. The number of residential customers for these companies ranged from 2,173 for Audubon Water Company to 546,950 residential customers for Pennsylvania-American Water Company. In 2001, the Class A water companies were Audubon Water Company, Columbia Water Company, Consumers PA Water Company - Roaring Creek Division, Consumers PA Water Company - Shenango Division, Consumers PA Water Company - Susquehanna Division, Newtown Artesian Water Company, Pennsylvania-American Water Company (PA-American), Philadelphia Suburban Water Company (currently known as Pennsylvania Suburban Water Company), United Water of Pennsylvania, Inc. and York Water Company. The tables and charts in this chapter present individual statistics for the two largest water companies, PA-American and Philadelphia Suburban, 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 2001, there were 18 Class B companies. Class B water companies have annual revenues between \$200,000 and \$999,999. In 2001 the number of residential customers for the Class B companies ranged from 336 to 8,630. There were 106 Class C companies in 2001. Class C water companies have annual revenues of less than \$200,000. The number of residential customers for the Class C companies ranged from 16 to 30,950 in 2001.

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. The Commission does not keep records of the number of residential customers each municipal company serves. Overall, the total number of customers served by the municipals that were outside the boundaries of a particular municipality ranged from 3 to 24,892 in 1999.

As would be expected, the majority of the residential consumer complaints and payment arrangement requests to the 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 under 52 Pa. Code, Chapter 56 *Standards and Billing Practices for Residential Utility Service*. 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 table and charts on the pages that follow depict the performance of the Class A water utilities in 2001. Appendices C through H present the actual statistics that the Bureau used to produce the charts in this chapter.

Consumer Complaints

During 2001, the BCS handled a total of 904 consumer complaints from residential customers of the various water companies. Of those complaints, 83% (752) were from customers of the Class A companies. The remaining 17% were from customers of 29 smaller water companies. In spite of the fact that the vast majority of consumer complaints involved the Class A water utilities in 2001, the Commission devoted a significant amount of attention to the smaller water utilities. Sometimes the amount of time that the 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 2001, customers of the small water companies logged complaints with the BCS for a variety of reasons. However, of the 152 consumer complaints filed about the non-Class A water companies, 59% involved some type of service complaint (90 cases) and 44 complaints (29% of the total) related to billing disputes. The other complaints were about various issues including the companies' rates and termination procedures.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS policy unit 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 2001 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 the Bureau. Appendix D, Table 3 provides the actual number of cases that fell into each category in 2001.

Consumer Complaint Categories: 2001 Major Water Utilities

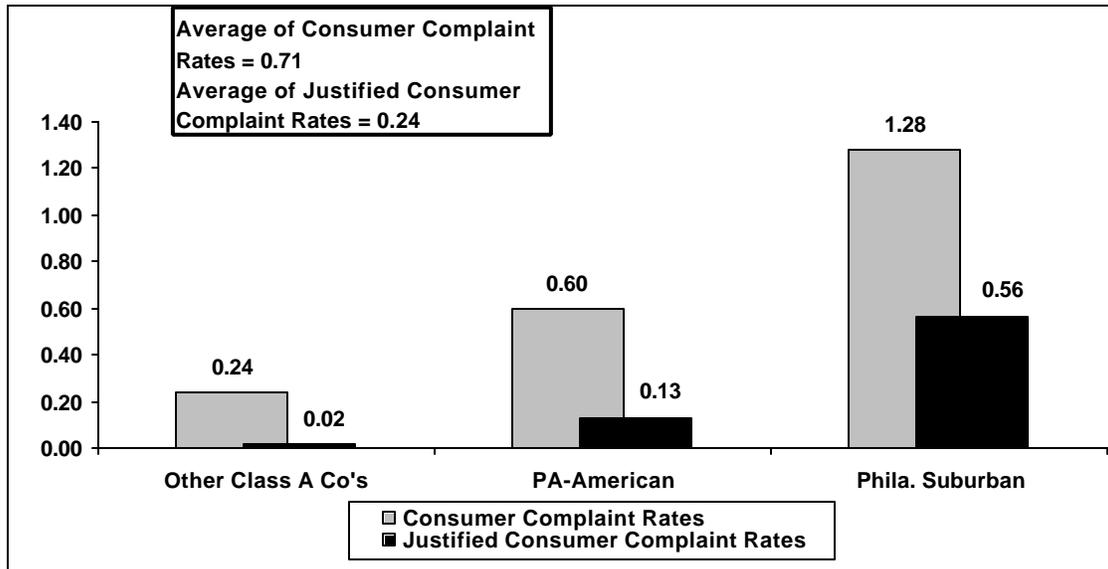
Categories	PA- American	Philadelphia Suburban	Other “Class A” Water	All “Class A” Water
Billing Disputes	30%	33%	19%	31%
Metering	13%	23%	4%	17%
Service Quality	16%	1%	23%	9%
Discontinuance/Transfer	7%	10%	0%	8%
Personnel Problems	5%	6%	0%	5%
Damages	6%	2%	12%	4%
Service Extensions	6%	1%	4%	3%
Scheduling Delays	4%	2%	0%	3%
Service Interruptions	2%	<1%	0%	1%
Credit & Deposits	1%	1%	4%	1%
Other Payment Issues	<1%	1%	4%	1%
Rates	1%	<1%	4%	1%
All Other Problems	9%	19%	27%	15%
TOTAL-Percent*	100%	99%	101%	99%
TOTAL-Number**	263	284	26	573

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

**Based on residential complaints evaluated by BCS as of June 21, 2002

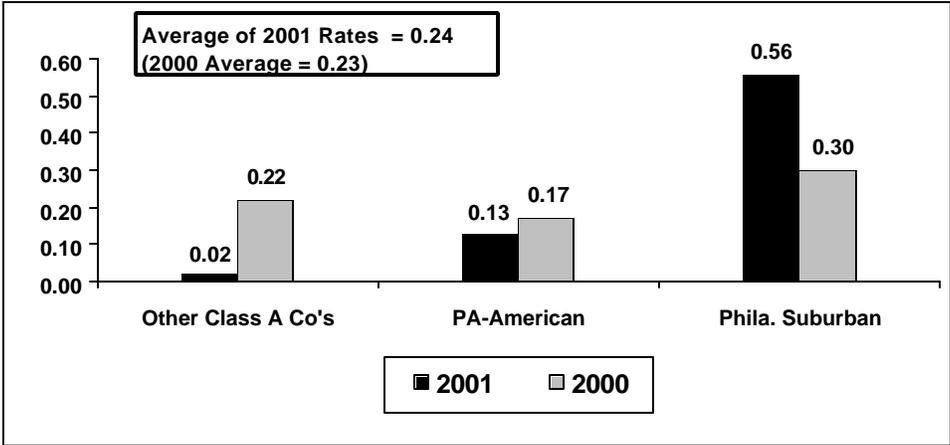
- Categories are for all residential complaints filed with the BCS: justified, inconclusive and unjustified. See Appendix B-1 for an explanation of the various complaint categories and Appendix C-3 for the number of cases in each category.
- Almost half of the consumer complaints about the Class A water utilities involved either billing disputes or metering complaints.
- The percentage of complaints about metering and discontinuance/transfer each increased by 4% from 2000 to 2001. Meanwhile, the percentage of complaints about billing declined from 38% in 2000 to 31% in 2001.

2001 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Water Utilities



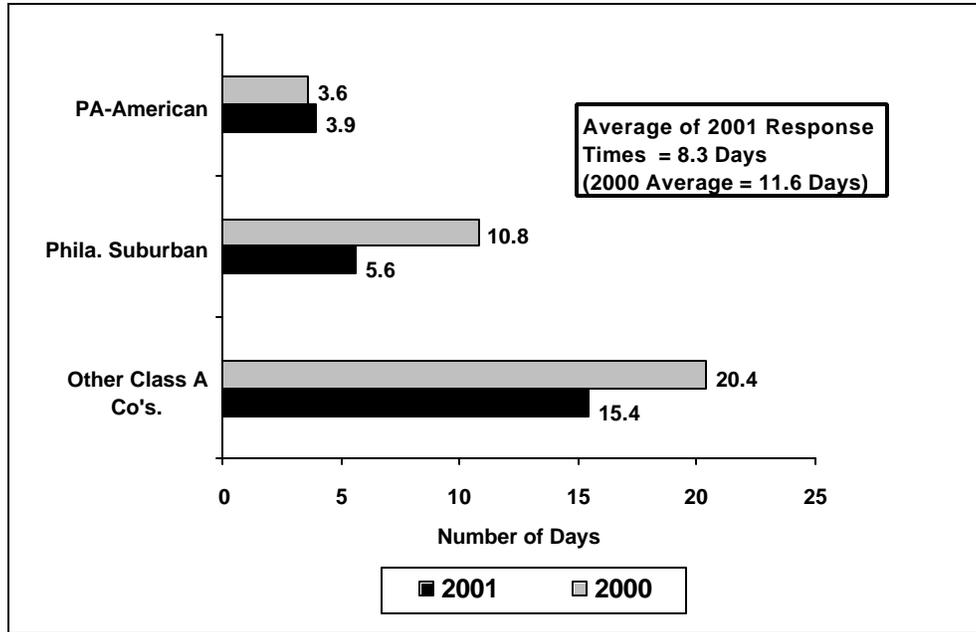
- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- The average of the consumer complaint rates is nearly three times greater than the average of the justified rates for the Class A water companies.
- Appendix D, Table 3 presents the actual number of consumer complaints and justified consumer complaints for Philadelphia Suburban, PA-American and the Other Class A companies in 2000 and 2001.

2000-2001 Justified Residential Consumer Complaint Rates Major Water Utilities



- 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 utilities remained stable from 0.23 in 2000 to 0.24 in 2001.
- Appendix D, Table 3 shows the number of justified consumer complaints for Philadelphia Suburban, PA-American and the Other Class A water companies in 2000 and 2001.

2000-2001 Response Time to BCS Residential Consumer Complaints Major Water Utilities

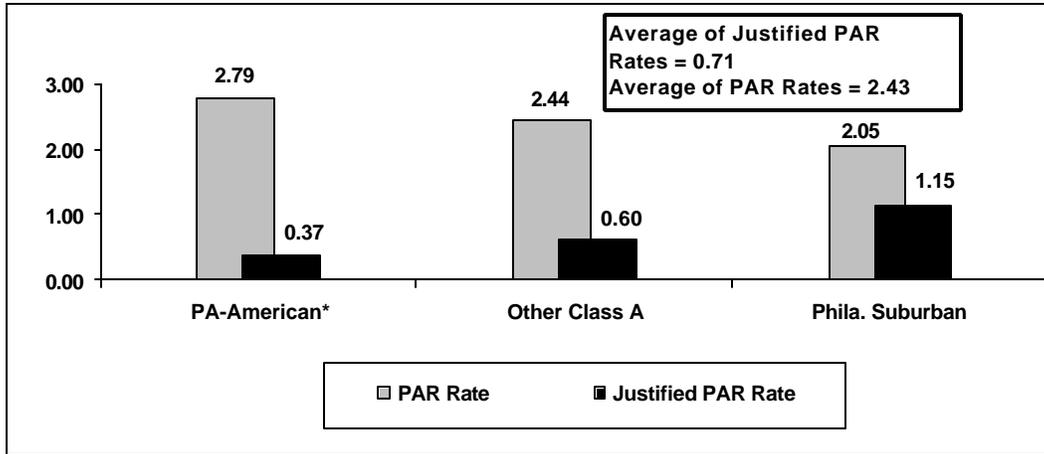


- The average response time for the major (Class A) water utilities decreased from 11.6 days in 2000 to 8.3 days in 2001. The average response time for the Other Class A companies decreased by five days.
- Appendix E shows the 2000 and 2001 response times to consumer complaints for the Class A water utilities as well as for the major electric, gas and telephone companies.

Payment Arrangement Requests

In 2001, the Bureau of Consumer Services handled 2,663 payment arrangement requests (PARs) from residential customers of the water industry. Ninety-four percent (2,502) of the residential PARs were from customers of the 10 Class A water utilities. As in past years, for the companies with the largest volume of requests, the Bureau policy unit reviewed a representative sample of PARs for case outcome. In 2001, the BCS reviewed a sample of the PARs for PA-American. Thus, the calculations for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of PA-American. The BCS believes that the size of the sample gives a reasonable indication of the performance of this company. Appendix F, Table 3 provides additional statistics regarding the payment arrangement requests from residential customers of the Class A water utilities.

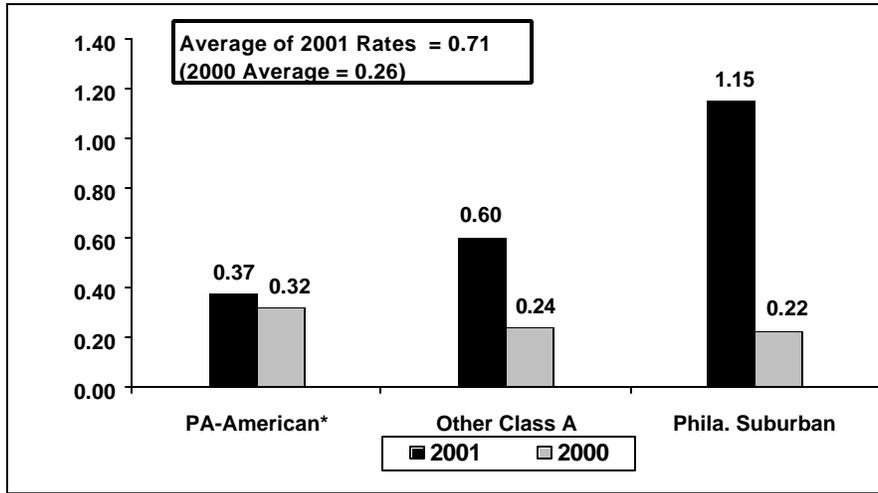
2001 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Water Utilities



*Justified PAR Rate based on a probability sample of cases

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- The average PAR rate is nearly eight times the average justified PAR rate.
- Appendix F, Table 3 presents the number of payment arrangement requests and justified payment arrangement requests for PA-American, Philadelphia Suburban and the Other Class A water companies in 2000 and 2001.

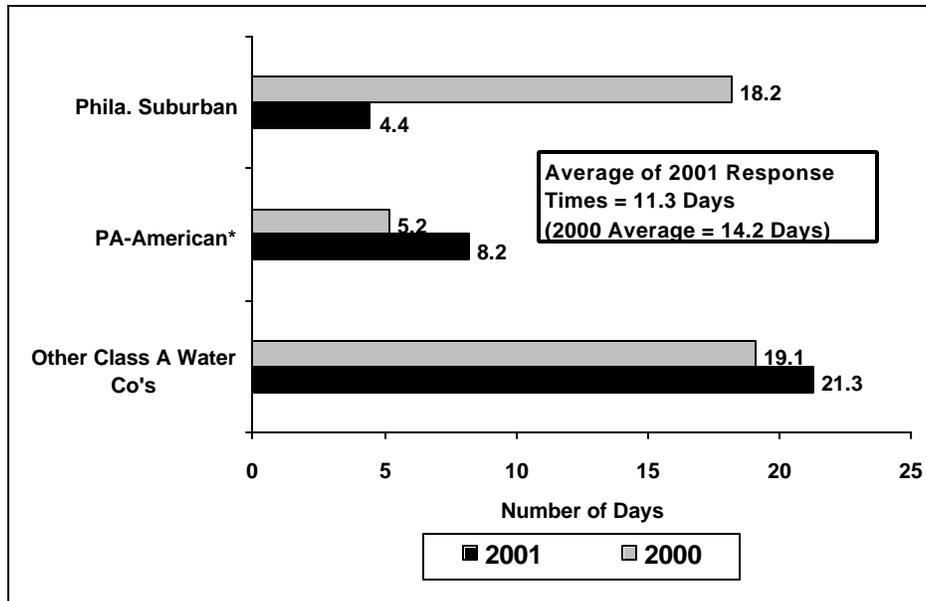
2000-2001 Justified Residential Payment Arrangement Request Rates Major Water Utilities



* Based on a probability sample of cases

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average justified PAR rate from the major water utilities increased from 0.26 in 2000 to 0.71 in 2001.
- Appendix F, Table 3 presents the number of payment arrangement requests and justified payment arrangement requests for Class A Water Companies in 2000 and 2001.

2000-2001 Response Time to BCS Residential Payment Arrangement Requests Major Water Utilities



* Based on a probability sample of cases

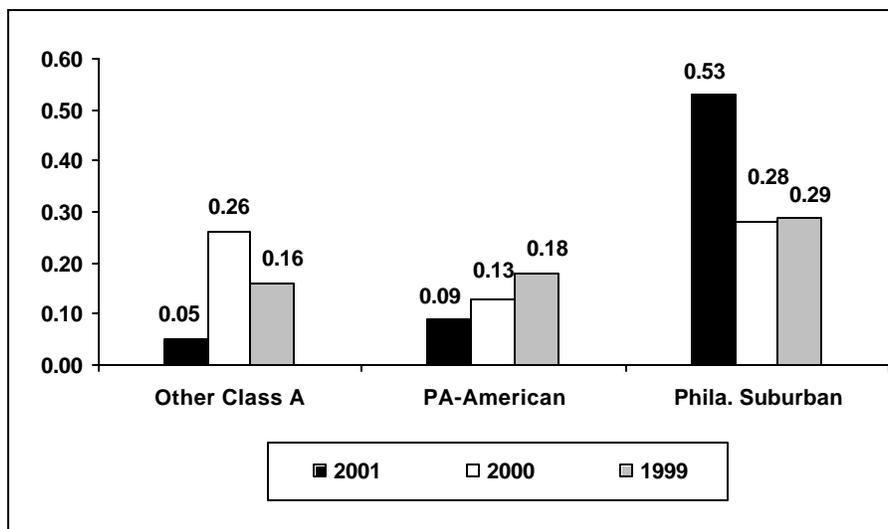
- The average response time for the major water utilities declined by nearly three days, from 14.2 days in 2000 to 11.3 days in 2001.
- Appendix G shows the 2000 and 2001 response times to payment arrangement requests for PA-American, Philadelphia Suburban and the Other Class A Water companies. It also shows the response times for the major electric, gas and telephone companies.

Compliance

The Bureau'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, the BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

During 1999, 2000 and 2001, the Bureau informally verified 623 infractions of regulations for the Class A water utilities. The chart that follows and the infraction statistics in Appendix H, Table 3 are drawn from the informal complaints that residential consumers filed with the BCS from 1999 through 2001.

PUC Infraction Rates Major Water Utilities



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, the number of informally verified infractions for the Class A water companies increased from 2000 to 2001.
- Appendix H, Table 3 presents the actual number of infractions for PA-American, Philadelphia Suburban and the other Class A water companies in 1999, 2000 and 2001.

6. Telephone Industry

Given the growing competitive telecommunications market, the BCS handled cases against or inquiries about many different types of telecommunication service providers such as long distance companies, resellers, billing services, competitive local exchange carriers, as well as local telephone companies. As a result of this growth, there were over 500 such providers doing business in Pennsylvania in 2001. Of this group of telecommunications providers, 37 were incumbent local telephone companies. Thirty-two of these local telephone companies were non-major utilities each serving less than 50,000 residential customers. The remaining five local telephone companies were major companies, each with over 100,000 residential customers. In 2001, MCIMetro Access Transmission Services, LLC (MCI Local) has been designated as a major telephone company because it had over 100,000 residential customers in 2001. Therefore, for the first time, MCI Local will be added to the list of major telephone companies. Collectively, the major telephone companies served over five million residential accounts in 2001. This chapter will focus exclusively on the six major telephone companies: ALLTEL Pennsylvania, Inc. (ALLTEL), Commonwealth Telephone Company (Commonwealth), MCI Local, United Telephone Company of Pennsylvania (United) d/b/a Sprint, Verizon North Inc. (Verizon North) f/k/a GTE North Incorporated, and Verizon Pennsylvania (Verizon PA) f/k/a Bell Atlantic-Pennsylvania, Inc.

Consumer Complaints

As previously stated, the Bureau handled consumer complaints regarding many different types of telecommunication service providers in addition to complaints from local telephone companies. In 2001, the Bureau handled 11,060 telephone complaints from residential customers. Of these complaints, there were 6,037 from residential customers of the incumbent local telephone companies. Within this group of complaints against local telephone companies were residential consumer complaints against the original five major telephone companies (ALLTEL, Commonwealth, United, Verizon North, and Verizon PA). The majority of these complaints (5,465) were about matters unrelated to competition. The remaining 3,801 complaints were against other telecommunications providers about various problems such as slamming, cramming, long distance charges, billing, etc. (See Appendix A).

For a fourth consecutive year, the Bureau received a very large volume of consumer complaints about the telephone industry. Given this large number of consumer complaints in 2001, the Bureau did not have the resources to evaluate all of them for case outcome and response time. In particular, the Bureau did not have an opportunity to review all the consumer complaints filed against MCI Local in 2001. Therefore, the consumer complaint charts and tables that follow will exclude MCI Local. The Bureau plans to have an assessment of MCI consumer complaints for the 2002 UCARE report.

As with previous years, the BCS policy unit reviewed a representative sample of consumer complaints from customers of the largest local telephone company, Verizon PA. Thus, the calculations for justified consumer complaint rate and response time for Verizon PA that appear in the pages that follow are based on a subset of cases that the BCS received from customers of this utility. The BCS believes that the size of the sample gives a reasonable indication of Verizon PA's performance.

Consumer Complaint Categories

Most of the cases found in the consumer complaint categories deal with matters covered under 52 Pa. Code Chapters 63 and 64. The consumer complaint categories table presents the percentage of consumer complaints found in each of the 11 complaint categories for each of the major telephone companies, except MCI Local. The Bureau first classifies all consumer complaints into one of six major problem areas then expands them into one of 11 distinct problem categories for the telephone industry.

Consumer Complaint Categories: 2001 Major Local Telephone Companies

Categories	ALLTEL	Commonwealth	United	Verizon North (GTE)	Verizon PA***	Telephone Majors
Unsatisfactory Service	35%	29%	18%	41%	34%	31%
Service Delivery	12%	21%	19%	21%	40%	30%
Billing Disputes	17%	9%	24%	13%	8%	13%
Toll Services	7%	17%	10%	4%	2%	5%
Discontinuance/Transfer	4%	2%	2%	3%	6%	5%
Sales Nonbasic Services	6%	2%	10%	5%	1%	4%
Non-Recurring Charges	3%	3%	4%	5%	2%	3%
Credit & Deposits	4%	3%	4%	3%	1%	2%
Annoyance Calls	6%	2%	2%	3%	1%	2%
Rates	1%	2%	1%	1%	2%	2%
Other	4%	10%	7%	2%	2%	4%
Total-Percent*	99%	100%	101%	101%	99%	101%
Total-Number**	69	58	255	182	632	1,196

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

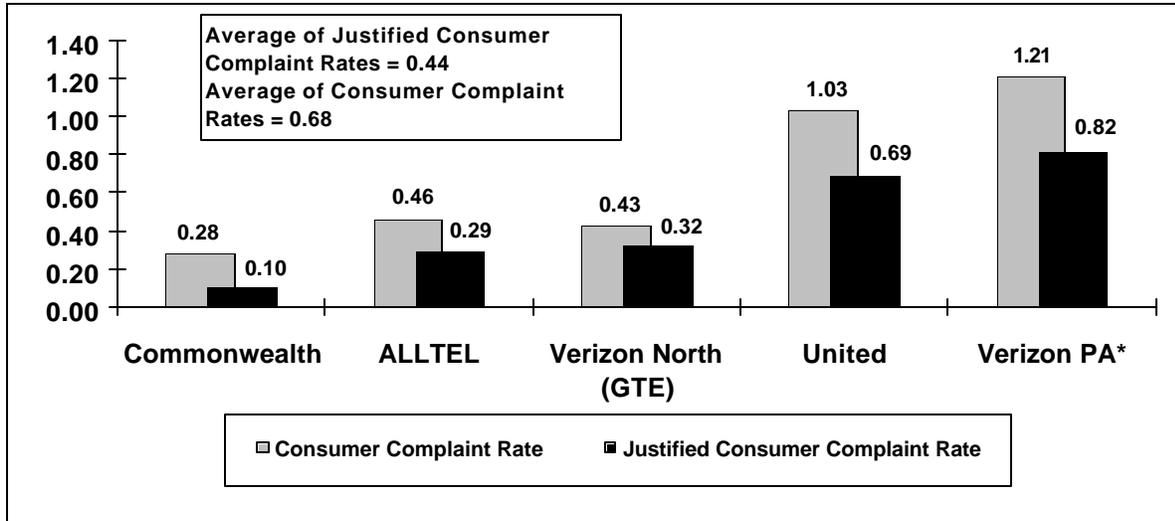
**Based on complaints evaluated by BCS as of June 21, 2002

***Based on a probability sample of cases

- It is important to note that the percentages shown in the table are for all the cases that customers filed with BCS, including unjustified cases. See Appendix B-2 for an explanation of complaint categories and Appendix C-4 for the number of cases in each category.
- Seventy-four percent of all complaints for the telephone industry fall into one of three complaint categories, unsatisfactory service, service delivery, or billing disputes. Unsatisfactory service complaints allege poor service quality, problems with phone numbers or telephone directories and problems with access to the toll network. Examples of service delivery complaints include delays in service installation or disconnection, company failure to keep scheduled appointments, the unavailability of special service and poor performance by company personnel. Billing disputes include any problems that customers have with their bill such as bills that seem too high or are inaccurate.
- The table shows that 32% of all the consumer complaints filed against the telephone industry are about unsatisfactory service while 30% are about service delivery .
- Billing disputes account for 13% of the total number of consumer complaints. With the exception of toll services (5%), each of the remaining complaint categories account for 3% or less of total complaints about the telephone industry.

The 2000 and 2001 consumer complaint figures for justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages.

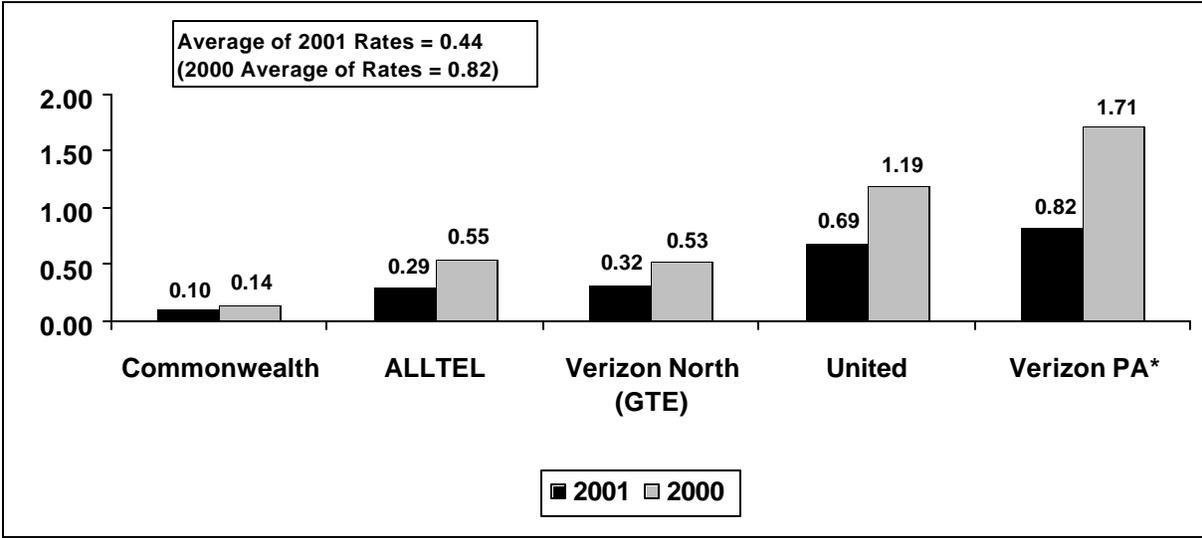
2001 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies



*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. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- The Bureau received fewer complaints from customers about the telephone industry in 2001 than in 2000. As a result of this decrease in complaints, the telephone industry average for consumer complaint rate decreased from 2000 to 2001. The 2000 average consumer complaint rate was 1.11.
- For 2001, the industry average for consumer complaint rate is 0.68 while the justified consumer complaint rate is 0.44.
- Appendix D, Table 4 shows the number of consumer complaints and justified consumer complaints for each major telephone company in both 2000 and 2001.

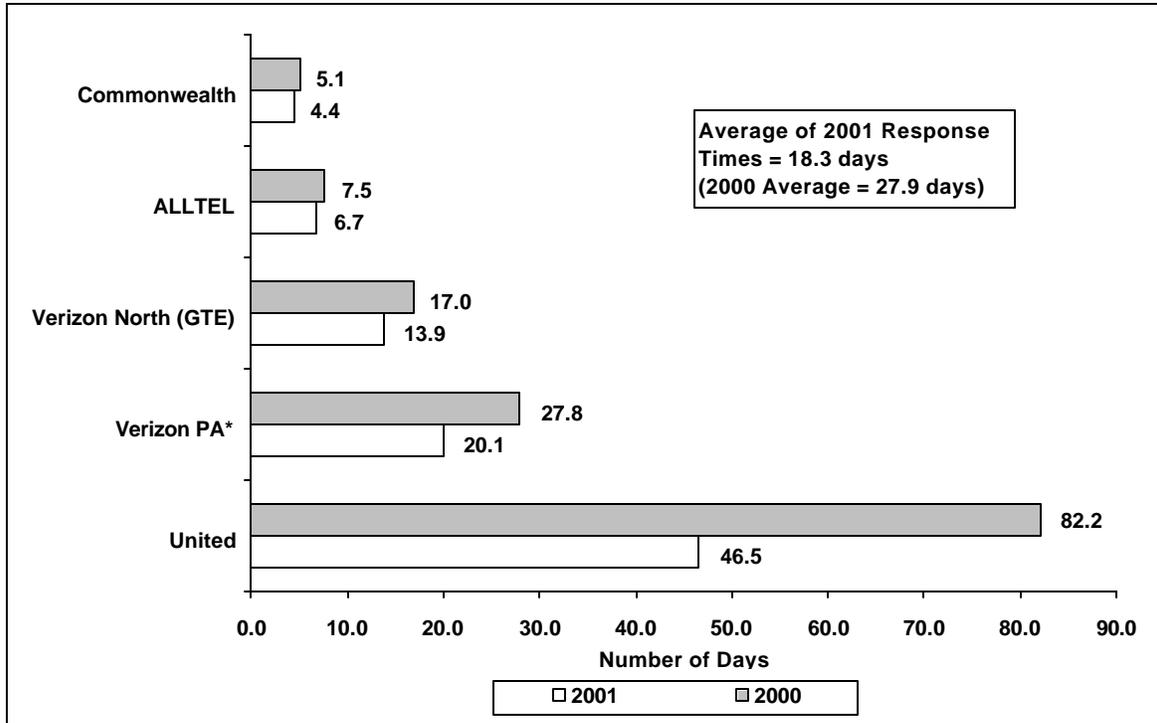
2000-2001 Justified Residential Consumer Complaint Rates Major Local Telephone Companies



*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.
- Overall, the major telephone companies' justified consumer complaint rates decreased from 2000 to 2001.
- Appendix D, Table 4 shows the number of justified consumer complaints and the justified consumer complaint rates for each major telephone company in 2000 and 2001.

2000-2001 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies



*Based on a probability sample of cases

- Appendix E shows the 2000 and 2001 response times to consumer complaints for each of the major telephone companies as well as for the major electric, gas and water utilities.
- The telephone industry's response to consumer complaints decreased by nearly ten days from 2000 to 2001 primarily because of a significant decrease in one company's response time.

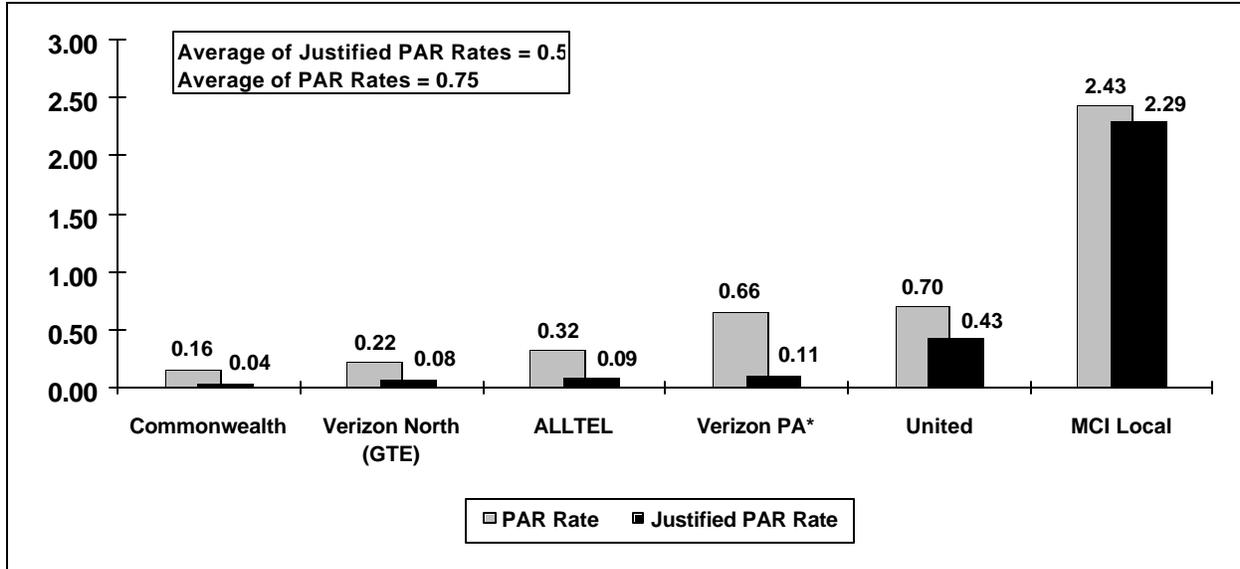
Payment Arrangement Requests

Telephone service falls into three categories: basic, nonbasic and toll service. The Bureau does not handle customer requests for payment arrangements that involve toll or nonbasic services. For the telephone industry, payment arrangement requests are principally contacts to the Bureau or to companies involving a request for payment terms for basic service. Most payment arrangement requests are cases relating to the cessation of telephone service and are registered during the suspension phase. 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 payment arrangement requests have been separated from telephone cases that also involve a dispute. During 2001, the Bureau handled 4,263 payment arrangement requests from residential and commercial customers of local telephone companies. Of these cases, 3,395 payment arrangement requests were from residential customers of the six major telephone companies: ALLTEL, Commonwealth, MCI Local, United, Verizon North (GTE) and Verizon PA.

As previously mentioned, the Bureau has used sampling over the years to evaluate the large volume of cases it receives from the largest major companies. Given the large volume of payment arrangement requests from Verizon PA customers, the Bureau evaluated a representative sample of the company's payment arrangement requests to determine justified rate and response time. The BCS believes that the size of the sample gives a reasonable indication of the company's performance. For the first time, the Bureau will include payment arrangement statistics for MCI Local.

The 2000 and 2001 payment arrangement request figures for justified payment arrangement request rates and response times for major telephone companies are presented in the tables that follow.

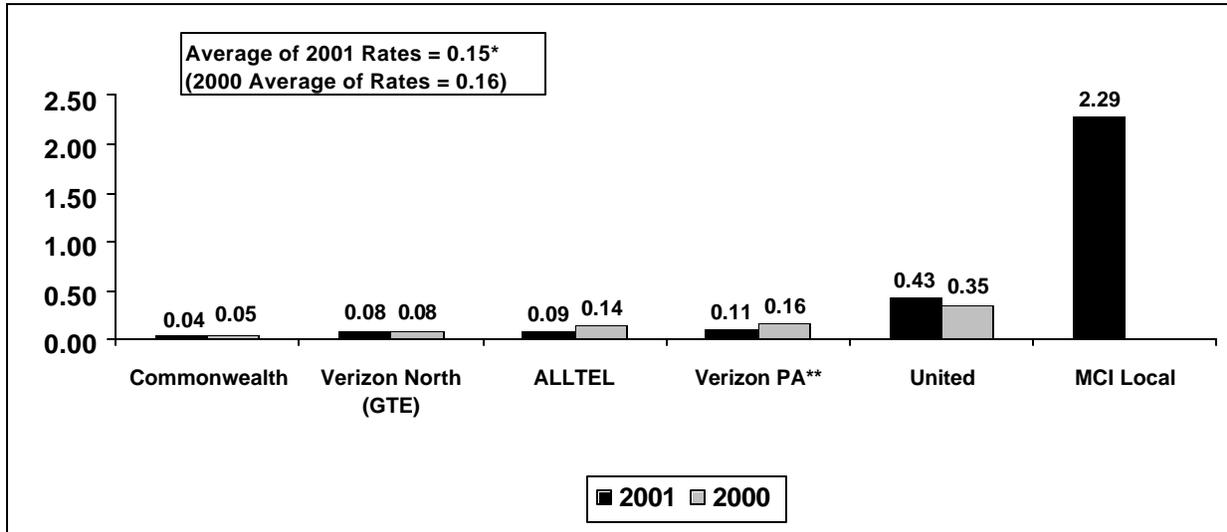
2001 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Local Telephone Companies



* Justified PAR rate based on a probability sample of cases

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- For 2001, the average PAR rate is almost 1½ times the average Justified PAR rate.
- Appendix F, Table 4 presents the number of payment arrangement requests, the payment arrangement request rates, and justified payment arrangement requests for each major telephone company in 2000 and 2001.

2000-2001 Justified Residential Payment Arrangement Request Rates Major Local Telephone Companies

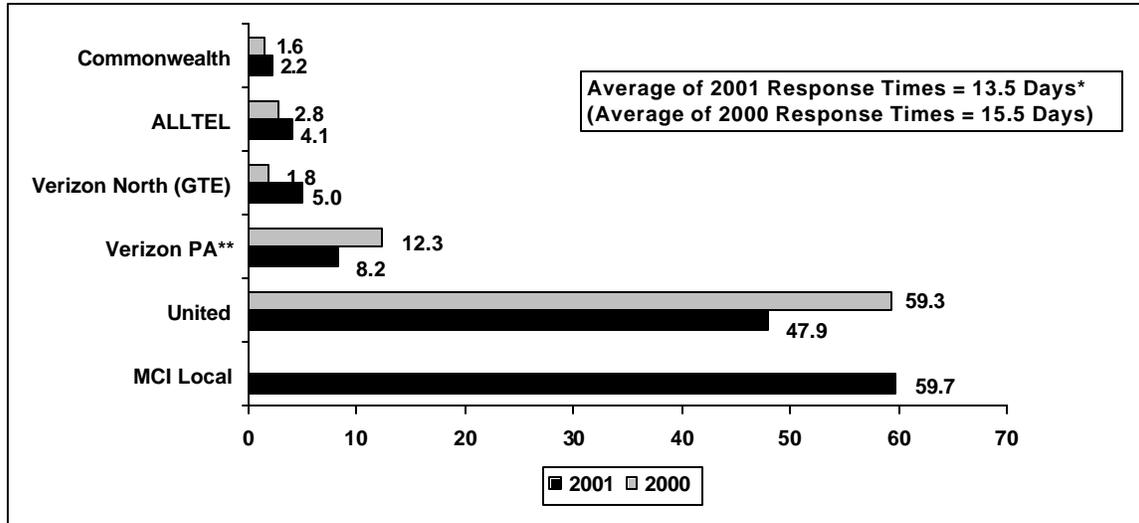


*This average excludes MCI Local to allow for a uniform multi-year comparison

**Based on a probability sample of cases

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- Considering only the five major companies that were tracked in both 2000 and 2001 (MCI Local was not tracked in 2000), the industry's average justified PAR rate declined slightly from 2000 to 2001.
- Appendix F, Table 4 shows the number of justified payment arrangement requests and the justified payment arrangement request rate for each major telephone company in 2000 and 2001.

2000-2001 Response Time to BCS Residential Payment Arrangement Requests Major Local Telephone Companies



*This average excludes MCI Local to allow for a uniform multi-year comparison

**Based on a probability sample of cases

- For the five companies included in last year's report, the average of response times decreased by two days from 2000 to 2001.
- Including MCI-Local in the calculation of the average of 2001 response times would add almost six days to this statistic. The average would be 21.2 days.
- Appendix G shows the 2000 and 2001 response times to payment arrangement requests for each of the major telephone companies as well as for the major electric, gas and water utilities.

Termination of Service

Chapter 64 defines suspension as a temporary cessation of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent cessation of service after a suspension without the consent of the customer. Most payment arrangement requests are cases relating to the cessation 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. For the telephone industry, termination rate is based on the number of basic service terminations per 1,000 residential customers. 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 Name	Residential Service Terminations				Termination Rates		
	1999	2000	2001	% Change in # 2000-2001	1999	2000	2001
ALLTEL	3,564	3,888	4,068	5%	20.06	21.69	23.18
Commonwealth	2,940	3,552	4,416	24%	13.16	14.96	17.91
MCI Local*	N/A	N/A	14,136	N/A	N/A	N/A	93.19
United	5,868	13,596	6,852	-50%	20.69	47.44	23.89
Verizon North (GTE)	16,836	18,600	18,600	0%	34.66	37.81	37.57
Verizon PA	172,512	174,888	151,236	-14%	44.57	44.36	38.14
Major Telephone	201,720	214,524	185,172	-14%*			
Average of Rates					26.63	33.25	28.14*

N/A = Not Available

* The major telephone total, percent change and average termination rate for 2001 excludes MCI-Local to allow for a uniform multi-year comparison.

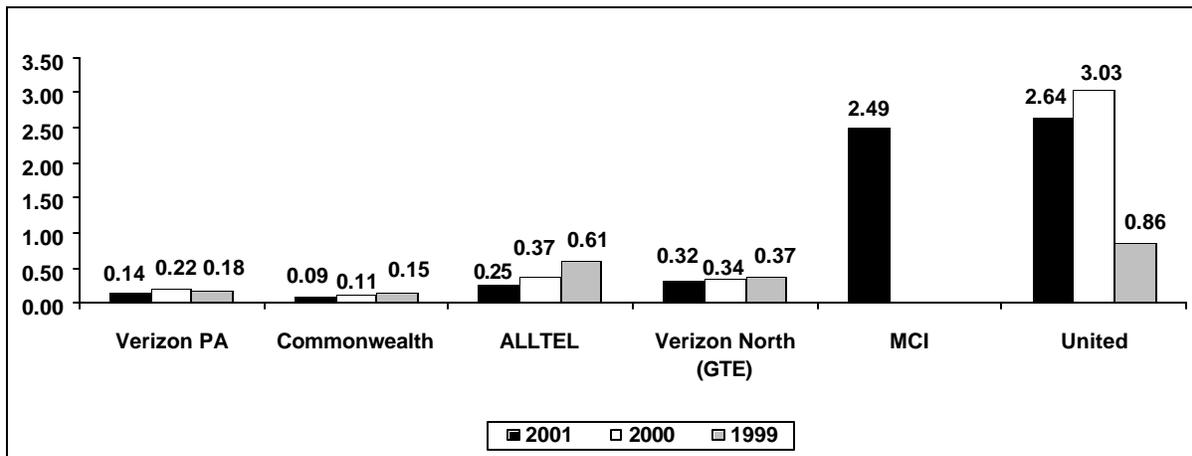
- MCI Local's termination statistics are not available for 1999 and 2000.
- Overall, the basic service termination rate for major telephone companies decreased from 2000 to 2001.

Compliance

The Bureau'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 Quality Service Standards (Chapter 63). The informal notification process also enables the BCS to provide companies with written clarifications and explanations of Chapter 64 and Chapter 63 provisions and Bureau 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.

The infraction statistics are drawn from all informal complaints that residential consumers filed with the BCS from 1999 through 2001. The data for the Chapter 63 and Chapter 64 infraction information was retrieved from the BCS' Compliance Tracking System as of July, 2002. The chart that follows and the infraction statistics in Appendix H, Table 4 present Chapter 64 infraction statistics for the six major telephone companies.

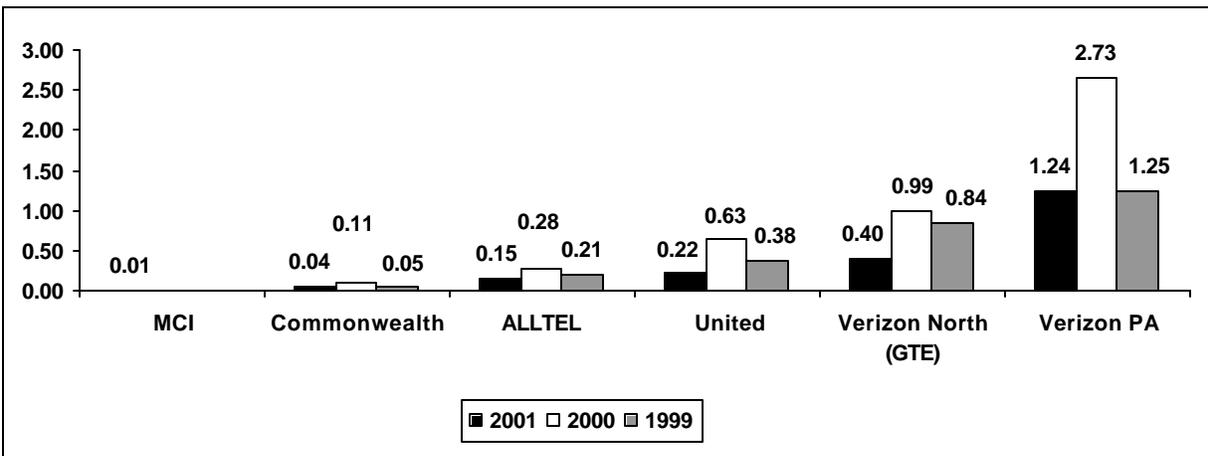
PUC Chapter 64 Infraction Rate Major Local Telephone Companies



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- MCI Local's Chapter 64 infraction statistics are not available for 1999 and 2000. Its infraction rate for 2001 is 2.49.

- The number of informally verified infractions of 52 Pa. Code Chapter 64 Standards and Billing Practices for Residential Telephone Service reported by BCS for the five major local exchange carriers, excluding MCI Local, decreased by 23% from 2000 to 2001. This decrease is attributed to overall improved performance by the five major companies that were tracked in 2000 and 2001. MCI was not tracked for infractions of Chapter 64 prior to 2001.

PUC Chapter 63 Infraction Rate Major Local Telephone Companies



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- MCI Local's Chapter 63 infraction statistics are not available for 1999 and 2000. Its rate for 2001 is 0.01.
- The number of informally verified infractions of 52 Pa. Code Chapter 63 Telephone Quality Service Standards reported by BCS for the six major local exchange carriers, excluding MCI Local, decreased by 55% from 2000 to 2001. This decrease is attributed to the decrease in infractions by five major companies that were tracked in 2000 and 2001.

7. Universal Service and Energy Conservation Programs

The Public Utility 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. In the sections that follow, readers will find highlights of the many programs that the PUC has supported and encouraged, not only in 2001 but in prior years as well.

Electric, Gas and Water Programs

The Public Utility Commission's Bureau of Consumer Services monitors and evaluates the universal service and energy conservation programs of the electric, gas and water companies. The Bureau'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.

Experience and evaluation indicate that the programs that grew out of the Bureau's involvement are successful at helping to maintain universal service and cost effective to the utilities. In apparent recognition of the success and value of these programs, the Natural Gas Choice and Competition Act and the Electricity Generation Customer Choice and Competition Act (Acts) require the Commission to ensure that universal service and energy conservation programs are appropriately funded and available in each service territory of the companies covered by the Acts. The Public Utility Code, as amended by the Acts, imposes a mandate for universal service and energy conservation policies, programs, and protections. The Public Utility Code defines universal service and energy conservation policies as customer assistance programs, termination of service protections and consumer protection policies and services that help residential low-income customers to reduce or manage energy consumption in a cost-effective manner, such as the low-income usage reduction programs and consumer education. [66 Pa. C.S. § 2803 and 66 Pa. C.S. § 2202.] The Public Utility Code further requires the Commission to ensure that programs are available and appropriately funded and to ensure that EDCs (Electric Distribution Companies) and NGDCs (Natural Gas Distribution Companies) operate universal service programs efficiently and cost-effectively. [66 Pa. C.S. § 2804(9) and § 2203(8)]. Appendix I, Tables 1& 2 highlight future funding and enrollment levels for EDC's and NGDC's CAP (Customer Assistance Program) and LIURP (Low Income Usage Reduction Program). Funding and enrollment levels for these programs reach maximum levels in 2004.

The number of customers who will be served by universal service programs has dramatically increased because of restructuring. Prior to restructuring, the major EDCs and NGDCs had enrolled approximately 55,000 households in their CAPs. As a direct result of restructuring, utilities will expand their CAPs to serve at least 245,000 households. The major EDCs will double their annual LIURP spending from \$10 million to \$20 million. Although not related to restructuring, both major water companies, PA American Water Company and Philadelphia Suburban Water Company, have programs that assist their low-income customers to maintain water service.

The Natural Gas Choice and Competition Act at 66 Pa. C.S. § 2203(10) states, “[c]onsistent with paragraph (7), the Commission shall convene a task force to review universal service programs and their funding. In 2001, the BCS convened nine natural gas task force meetings. The Natural Gas Universal Service Task Force Annual Report can be found at http://puc.paonline.com/com_info/NGUSTF_Annual_Rpt_2001.pdf. The BCS provides technical advice and assistance and serves as a facilitator to the task force.

In 2001, PUC contract staff made 27,342 referrals to universal service programs as part of the intake process. When customers called BCS for payment arrangement requests, staff made referrals on 74% of those requests.

Also in 2001, the BCS began to include the Philadelphia Gas Works (PGW) in discussions and policy initiatives relating to universal service programs. In preparation for Commission oversight responsibilities for PGW’s universal service programs, PGW began to report preliminary universal service data to BCS. PGW reported to BCS that almost 65,000 customers were enrolled in PGW’s Customer Responsibility Program (CRP) at the end of 2001. PGW also participates in a hardship fund. The hardship fund provided 1,243 PGW customers an average grant of \$430 to pay utility bills. Because PGW’s data is preliminary, the tables and charts on the pages that follow depict the performance of the major electric and natural gas utilities exclusive of PGW.

The following sections briefly discuss the status of universal service programs in the electric, gas and water industries during 2001. The 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.

Customer Assistance Programs

Customer Assistance Programs (CAPs) provide an alternative to traditional collection methods for low-income, payment troubled utility customers. Customers make regular monthly payments, which may be for an amount that is less than the current bill for utility service, in exchange for continued provision of the service. Most payments are based on a percentage of a customer's income. Some payments are based on a rate discount, while others are based on a percentage of the bill or historical payments. However, household size and income generally determine the size of any discount. Besides regular monthly payments, customers need to comply with certain responsibilities and restrictions to remain eligible for continued participation. This section presents a progress report on the implementation of the Commission's CAP policy statement by the major electric and gas utilities in Pennsylvania.

CAP Progress Report

As of December 31, 2001, utilities had enrolled 149,766 customers in CAP compared with 128,500 customers at the end of December 2000. Three small utilities, UGI – Electric Co., TW Phillips Co., and PPL Gas Utilities, also have CAP programs that had enrolled almost 800 customers. The table on the following page shows the status of the electric and gas CAPs for 2001. The Commission adopted three separate recommendations of BCS to approve Pike County Electric, Allegheny Power, and Duquesne Light Company's three-year universal service plans. The three-year plans comply with the following orders or regulations: terms of each utility's restructuring agreements, universal service requirements of the Act, the reporting requirements at 52 Pa. Code § 54.74 and 52 Pa. Code § 54.77 of the Act, the CAP Policy Statement at 52 Pa. Code § 69.261-267, and the LIURP regulations at 52 Pa. Code § 58.1-18.

Program Changes

Based on BCS review and recommendation, the Commission approved CAP program design changes for both Allegheny Power and Duquesne. Program changes in 2001 include the following:

- The Commission approved changes to Allegheny Power's default procedures. After two missed CAP payments, Allegheny Power will issue a termination notice. If a customer does not make-up the missed CAP payments, the company will terminate service rather than remove a customer from CAP. Allegheny Power has special notice procedures to remind a customer that payment is past due.
- The Commission also approved several design changes to Duquesne's CAP program for the following CAP components: payment plan, CAP credits, control features, default process, and period for enrollment in CAP. Duquesne eliminated several cost control

design features to simplify administration of the program. Program costs have not increased as a result of these changes. Duquesne also eliminated the maximum three-year time limit for CAP enrollment. Finally, Duquesne issues a termination notice after one missed CAP payment rather than waiting for three missed payments.

2001 CAP Status Summary

Utility	Enrollment Began	Phase-In Size EDCs – 2002 NGDCs - 2004	Enrollment as of 12/01	2001 Program Phase-In or Pilot Size
Allegheny	6/94	16,800	7,632	12,886
Duquesne	9/95	15,000	11,559	10,938
First Energy (Met-Ed)	8/93	7,000	4,010	5,376
PECO*	1984	93,000	79,233	91,000
First Energy (Penelec)	7/94	7,000-11,800	7,204	5,857-9,880
First Energy (Penn Power)	10/99	3,400-4,500	3,657	2,266-3,000
PPL Electric Utilities*	6/93	17,000	9,099	14,000
Electric		159,200-165,100	122,394	142,323-147,080
Columbia	6/92	22,000	9,418	7,000
Dominion Peoples	11/94	9,000	3,278	3,000 by 10/01
Equitable	2/91	10,000	7,823	7,500
NFG	12/91	8,500	5,250	5,000
PG Energy	9/95	5,500 by 4/1	701	1,000 by 4/1
UGI-Gas	6/97	4,000	902	1,333
Gas		55,500	27,372	24,833
Total		214,700-220,700	149,766	167,156-171,913

*The Commission approved the enrollment levels proposed by PECO and PPL in their universal service plans submitted to the Commission in compliance with 52 Pa. Code §54.74.

A Helping Hand

In 1994, The Philadelphia Suburban Water Company (PSW) requested and received Commission approval to implement a pilot program that combines several of the elements of energy universal service programs with those of conservation programs. PSW calls this program *A Helping Hand*. In 1996, PSW made *A Helping Hand* a permanent part of its collection strategy. In 1997, PSW expanded *A Helping Hand* to all four counties in its service territory, Bucks, Chester, Delaware, and Montgomery Counties. The program offers a water usage audit and includes an arrearage forgiveness component. PSW targets *A Helping Hand* to low-income customers who are payment troubled and have high water bills. The company seeks donations from the community to assist with the arrearage forgiveness component. Community agencies administer the program.

Each household enrolled in *A Helping Hand* receives a water usage audit that includes conservation education. A participating household also receives water conservation improvements as necessary; PSW will pay up to \$100 for minor plumbing repairs. As an incentive to encourage regular bill payment, PSW forgives a percentage of a participant's arrearage if the participant makes regular monthly payments toward the arrearage.

At the end of 2001, PSW's program had 181 active participants. During the year, PSW spent \$12,204 to complete eligibility interviews and household audits. In addition, the company granted \$5,150 in forgiveness credits to 74 program participants.

Low-Income Rate

By order dated October 2, 1997, the Commission approved Pennsylvania American Water Company's (PA-American) request to establish a Low-Income Rate. At the end of 2001, there were 4,950 active participants in the Low-Income Rate.

PA-American targets the program to customers whose incomes meet the low-income criteria published by the BCS. BCS defines low-income households as those households whose incomes are below 150% of the federal poverty income guidelines. Customers agree to make monthly payments in exchange for a 20% discount on the service charge. Customers who miss more than two payments in a six-month period lose their eligibility in the program. Customers who are ineligible because of nonpayment remain so for one year.

CARES Programs

In May 1985, the Commission issued a Secretarial letter encouraging each of the major electric and gas utilities to establish a Customer Assistance and Referral Evaluation Services (CARES) program. The purpose of a CARES program is to provide a cost-effective service that helps payment-troubled customers maximize their ability to pay utility bills. A CARES program helps address health and safety concerns relating to utility service by providing important benefits. CARES staff provides three primary services: case management, maintaining a network of service providers, and making referrals to services that provide assistance.

As utilities have expanded their CAP programs, the focus of CARES has changed. For most utilities, CARES has become a component of CAP. CARES representatives provide case management services to a limited number of customers with special needs. Most customers receive the case management services of CARES for no more than six months. If a customer's hardship is not resolved within that time, a utility will transfer a customer from the CARES program to their CAP. The number of customers who receive case management services has decreased because these customers now receive the benefits of affordable payments as part of CAP enrollment.

A utility CARES representative performs the task of strengthening and maintaining a network of community organizations, and government agencies that can provide services to the program clients. By securing these services, including energy assistance funds, customers can maintain safe and adequate utility service.

Finally, CARES staff conducts outreach and makes referrals to programs that provide energy assistance grants. CARES staff makes referrals to LIHEAP (the federal program that provides energy assistance grants), hardship funds, and other agencies that provide cash assistance. In 2001, utilities reported that their CARES staff helped low-income customers receive almost \$54.4 million in LIHEAP energy assistance grants.

Utilities report that CARES programs serve households whose average annual incomes are below \$11,000. NGDCs report that CARES households generally receive their incomes from social security and wages while EDCs report that CARES participants generally receive their incomes from pensions and wages.

For more information about CAPs, *A Helping Hand*, Low-Income Rate, CARES, or Hardship Funds, readers may contact Janice K. Hummel at (717) 783-9088 or by e-mail at jahummel@state.pa.us.

Low Income Usage Reduction Program

The Pennsylvania Low Income Usage Reduction Program (LIURP) is a statewide, utility-sponsored, residential usage reduction program mandated by Pennsylvania Public Utility Commission regulations. Overall, the 15 major electric and gas companies that are required to participate in LIURP have spent nearly \$217 million from 1988 through 2001, by providing weatherization/usage reduction treatments to 193,832 low-income households. While the initial regulations mandated the program from 1988 to 1992, revised regulations extended LIURP for an additional five years through January 1998. The regulations were revised and extended again on January 31, 1998 without a sunset provision.

The primary goals of LIURP are to assist low-income residential customers to conserve energy and reduce their energy bills. If these goals are met, LIURP should serve as an effective means to improve the LIURP recipients' ability to pay their energy bills. LIURP is targeted toward customers with annual incomes at or below 150% of the federal poverty level. However, beginning in 1998, the regulations permit companies to spend up to 20% of their annual LIURP budgets on customers with incomes between 150% and 200% of the federal poverty level. LIURP places priority on the highest energy users who offer the greatest opportunities for bill reductions. When feasible, the program targets customers with payment problems (arrearages). The program is available to both homeowners and renters. LIURP services all housing types, including single family homes, mobile homes, and small and large multi-family residences.

The 2000 program year is the latest year for which post-installation annual usage data is available. Overall, the 15 major electric and gas companies spent \$22,164,220 on LIURP in 2000. These companies provided usage reduction services to 18,510 low-income households in 2000. LIURP was successful in achieving its goals by producing benefits in the areas of demand side management, bill reduction, arrearage reduction and avoided collection costs. The list of LIURP benefits includes many other benefits for both utilities and their customers. Noteworthy among the program benefits is arrearage reduction. The analysis of the accounts of payment-troubled LIURP recipients in recent years shows that their arrearages were increasing in the year prior to the customers' receipt of LIURP services. However, in the year following these treatments, arrearages declined. Overall, past analyses have shown that the total annual arrearage reductions have been between \$1 million and \$2 million. The BCS believes that this result is directly attributable to two factors: 1) lower bills and 2) the development of a partnership between the customer and the utility as a result of the provision of LIURP services. The energy savings and bill reductions for 2000 are presented in the following table.

2000 Energy Savings and Bill Reduction

Job Type	2000 Average Energy Savings	Estimated Annual Bill Reduction
Electric Heating	6.9%	\$144
Electric Water Heating	5.1%	\$34
Electric Baseload	6.2%	\$49
Gas Heating	18.8%	\$372

Appendices J and K show the spending levels and production levels of each participating utility from 1999 to 2001 and include the total spending amounts and production levels since LIURP began in 1988.

For more information about LIURP, readers may contact David Mick of the PUC's Bureau of Consumer Services at (717) 783-3232 or by e-mail at dmick@state.pa.us.

Utility Hardship Fund Programs

Utility company hardship funds provide cash assistance to utility customers who “fall through the cracks” of other financial programs or to those who still have a critical need for assistance after other resources have been exhausted. The funds make payments directly to companies on behalf of eligible customers. Contributions from shareholders, utility employees, and customers are the primary sources of funding for these programs. Monies from formal complaint settlements, overcharge settlements, off-system sales, special solicitations of business corporations and natural gas purchase arrangements with Citizens Energy Corporation expand the funding for these assistance programs. The information in this section is from the data that the companies supplied about their hardship funds.

The Pennsylvania Electric Company and Metropolitan Edison Company were the first utilities to begin hardship fund programs. With encouragement from the Public Utility Commission, many other major companies began supporting similar programs. In 1985, the Commission issued a Secretarial letter to all major utilities urging them to develop and support a utility company hardship fund. By 1986, each major electric and gas company sponsored a utility hardship fund in its service territory. PA-American is the only Pennsylvania water utility that sponsors a hardship fund for its customers. The Commission issued another Secretarial letter in November 1992 that recommended specific guidelines for the funds.

Contributions

In the electric industry the average ratepayer/employee contribution in the 2000-2001 program year was \$.30 per residential customer. In the gas industry, the average contribution was \$.29 per residential customer and for PA-American, the average contribution was \$.10 per residential customer. According to the 2000-2001 survey data, total contributions from electric, gas and water ratepayers and employees decreased for the sixth year in a row. In 2000-2001, contributions from ratepayers and employees totaled \$1,939,340 compared to \$1,983,220 in 1999-2000. However, contributions from shareholders increased; electric, gas and water shareholders contributed \$4,794,394 in 2000-2001 compared to \$3,003,333 in 1999-2000. Most of the shareholder increase is due to a \$1.3 million contribution from PECO as a result of a settlement agreement. However, Columbia, NFG, and PG Energy all made substantial increases in their shareholder contributions.

Shareholders contribute to utility hardship funds in three ways: grants for program administration, outright grants to the funds, and grants that match the contributions of ratepayers. The following table shows the amount of contributions from each company's shareholders and from employees and ratepayers for the 1999-2000 program year.

2000-2001 Ratepayer and Shareholder Contributions to Hardship Funds

Company	Ratepayer Contributions	Average Ratepayer Contribution per Customer	Shareholder or Utility- Related Contributions
Allegheny Power	\$208,960	\$0.353	\$180,000
Duquesne	\$337,567	\$0.642	\$339,071
First Energy (Met-Ed & Penelec)	\$136,525	\$0.145	\$377,282
PECO ¹	\$272,961	\$0.198	\$1,769,191 ²
First Energy (Penn Power)	\$58,319	\$0.437	\$148,337
PPL Utilities	\$431,478	\$0.383	\$537,478
Columbia	\$90,642	\$0.263	\$483,272 ³
Dominion Peoples	\$171,432	\$0.533	\$420,000
Equitable	\$93,078	\$0.398	\$240,000
NFG	\$49,568	\$0.254	\$83,333
PG Energy	\$20,078	\$0.145	\$81,626
UGI ¹	\$16,264	\$0.065	\$47,983
PA-American	\$52,468	\$0.102	\$86,821
TOTAL	\$1,939,340		\$4,794,394
Weighted Average		\$0.290	

¹ Includes electric and gas.

² As a result of the Commission's Final Order at Docket No. A-110550F0147 that approved a Joint Petition for Settlement, PECO made a contribution of \$1.3 million to its contract agencies who administer PECO's hardship funds. However, a portion of the \$1.3 million was used to provide services other than hardship fund grants.

³ Includes a contribution of \$338,468 from Citizens Energy Corporation.

Benefits

The amount of benefits disbursed to eligible ratepayers increased from the 1999-2000 program year to the 2000-2001 program year. The number of ratepayers receiving grants decreased by 19% during that time. The following table presents information regarding the number of ratepayers receiving grants for each utility and the amount of the total benefits disbursed during each of the past two program years.

Several small utilities that have less than 75,000 customers also participate in various hardship funds. Citizens Electric Co., PPL Gas Utilities, TW Phillips Co., UGI – Electric Co., and Wellsboro Electric Company provided a total of \$93,565 in hardship fund benefits to 449 customers for an average benefit of \$208.

Utility Hardship Fund Grant Distribution

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	1999-00	2000-01	1999-00	2000-01	1999-00	2000-01
Allegheny Power	1,499	1,578	\$200	\$190	\$300,00	\$300,000
Duquesne	3,366	3,124	\$211	\$216	\$711,280	\$675,134
First Energy (Met-Ed & Penelec)	1,174	2,278	\$249	\$276	\$284,200	\$629,040
PECO ¹	1,754	3,436	\$376	\$378	\$659,853	\$1,297,180
First Energy (Penn Power)	589	646	\$294	\$309	\$172,915	\$ 199,831
PPL Utilities	2,703	2,314	\$288	\$269	\$779,442	\$622,094
Columbia	1,955	2,588	\$199	\$182	\$388,810	\$471,263
Dominion Peoples	2,443	2,338	\$292	\$299	\$714,000	\$700,000
Equitable	1,459	1,279	\$274	\$313	\$400,000	\$400,000
NFG	257	523	\$211	\$194	\$54,318	\$101,498
PG Energy	420	1,048	\$100	\$121	\$42,209	\$126,528
UGI ¹	349	324	\$126	\$145	\$44,134	\$46,819
PA-American	676*	773	\$175*	\$166	\$118,620*	\$128,180
TOTAL	18,644	22,249	\$250	\$256	\$4,670,181	\$5,697,567

* This figure has been revised since the 2000 report.

1 Includes electric and gas.

Telephone Universal Service Programs

As part of its ongoing responsibilities, the Bureau also monitors the universal service programs of local telephone companies. For the telephone industry, universal service programs include Link-Up America (Link -Up), Lifeline Service (Lifeline) and the Universal Telephone Assistance Program (UTAP). In 1989, the Commission approved the implementation of Pennsylvania's first universal service program for telephone companies, Link-Up America. At the end of 1996, the Commission directed all telecommunications providers of local service to file lifeline service plans. By May 1997, the Federal Communications Commission's (FCC) Universal Service Order stated that all eligible telecommunications carriers should be required to provide lifeline service to qualified low-income customers regardless of whether states provide matching funds. On July 31, 1997, the Commission mandated that all telephone companies offering residential service file Lifeline service plans and by December 1997, the Commission approved Lifeline service plans for 44 telephone companies. January 1998 marked the statewide implementation of telephone companies' Lifeline programs. The discussion below describes the universal service programs for the telephone industry in 2001.

Link-Up

Thirty-six local telephone companies, including the five major local telephone companies, participated in the Link-Up program in 2001. Link-Up helps make telephone service more affordable for low-income customers who apply for new telephone service or who transfer telephone service. Link-Up provides qualified customers with a 50% discount, up to \$30, on line connection charges for one residential telephone line. The program targets those customers who have incomes at or below 150% of the federal poverty guidelines, who receive Supplemental Security Income or who participate in certain Pennsylvania Department of Welfare assistance programs. The table below presents the number of Link-Up connections reported by major local companies.

Link-Up Connections 2000-2001

Company	Number of Connections 2000	Number of Connections 2001
ALLTEL	1,860	2,745
Commonwealth	287	407
United	8	3
Verizon North (GTE)	645	559
Verizon PA	50,557	54,130
Total	53,357	57,844

Lifeline Service

As previously stated, the Lifeline program was implemented statewide in 1998 to help low-income customers maintain basic telephone service by providing a monthly credit for basic service. The 1999 Lifeline program targeted those customers who have incomes at or below 100% of the federal poverty guidelines, who receive Supplemental Security Income or who participate in certain Pennsylvania Department of Welfare programs. For most local telephone companies, Lifeline service included a \$5.25 credit toward their basic monthly phone charges with the option of choosing one-party residence unlimited service or local measured service (if it is available). However, Verizon PA's (f/k/a Bell Atlantic-PA) Lifeline Service included a \$9.00 credit toward its basic monthly phone charges with the option of choosing either the local area standard usage service or the local area unlimited usage service. The 1999 Lifeline program did not permit customers to subscribe to call waiting or other optional services. However, Lifeline customers were permitted to subscribe to Call Trace Service (at the tariffed rate) under special circumstances.

Lifeline 150

On September 30, 1999, the Commission approved a "Global Telecommunication Order" (Global Order) that among other things created the Lifeline 150 program. Customers with incomes up to 150% of the federal poverty level guidelines and who participate in certain assistance programs³ are eligible for this program. Under the Lifeline 150 program, customers are allowed to subscribe to one optional service such as voice mail or call waiting at cost. Verizon PA's original 1999 Lifeline program is still available to eligible customers with incomes of up to 100% of the federal poverty level guidelines. Customers who are eligible for Verizon PA's Lifeline program could receive a \$10.50 credit toward their basic monthly telephone bill. These customers also have the option of selecting the Verizon PA's Lifeline 150 program, which would provide them with a \$6.75 credit and allow them to have one optional service. As a result of the Commission's order addressing the merger of Bell Atlantic PA and GTE North, Verizon North (GTE) is also required to offer Lifeline Service under the same terms and conditions as Verizon PA. With the exception of Verizon PA and Verizon North (GTE), eligible customers of most local telephone companies receive a \$5.25 credit towards their basic monthly telephone charges.

The Lifeline 150 program was not implemented until September 2000 due to pending issues related to the Global Order. The following table presents the 2000 and 2001 enrollment statistics for Lifeline and Lifeline 150.

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 State Blind Pension.

Lifeline/Lifeline150 Service Activity 2000-2001*

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2000	2001	2000	2001
ALLTEL	1,856	3,927	1,356	3,388
Commonwealth	945	1,283	694	997
United	1,480	1,618	1,083	1,334
Verizon North (GTE)*	3,810	4,870	3,070	3,794
Verizon PA*	80,696	117,011	46,459	68,630
Total	88,787	128,709	52,662	78,143

*The 2000-2001 figures for both Verizon PA and Verizon North include statistics for both the Lifeline and Lifeline 150 programs.

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 Salvation Army manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2001 was \$120. Overall, UTAP distributed \$787,311 in financial assistance to 8,061 of Verizon PA's Lifeline customers in 2001.

For more information about the telephone universal service programs readers may contact Lenora Best of the PUC's Bureau of Consumer Services at (717) 783-9090 or by e-mail at lebest@state.pa.us .

8. Other Consumer Activities of the Commission

In 2001, the Pennsylvania Public Utility Commission's Office of Communications prepared to launch Utility Choice consumer-education campaigns in areas of the state with substantial amounts of competition.

The campaign focused mainly on Local Telephone Choice, and in some areas Natural Gas Choice, and builds on the "Where do you think you are, Pennsylvania?" Electric Choice ads, and public outreach that "set the standard" for consumer education, as reported by USA Today in 2001. Communications staff and grassroots experts used innovative new educational tools to inform consumers that:

- They are empowered by Utility Choice;
- There are questions they should ask local telephone providers;
- The PUC has the 1-888-PUC-FACT toll-free line; and
- The Council for Utility Choice provides the www.utilitychoice.org Web site to help them.

The first stop for the campaign was in Pittsburgh and other stops will soon follow in Philadelphia and Harrisburg regions. The current plan is to move the Utility Choice consumer-education program across Pennsylvania on a market-by-market basis as competition continues to evolve and as consumers continue to be able to choose their local telephone service.

Consumer education -- in addition to media relations and employee communications -- is one of the three priorities of the Commission's Office of Communications. The office works to help utility customers make good consumer decisions. The Commission, through its Office of Communications, is strongly committed to helping customers understand their rights and make the most of competitive alternatives. As utility industries change, the PUC believes it must actively assist customers to make the connections between those changes and the effects they will have on customers' daily lives.

The Utility Choice consumer-education program is supported by the Council for Utility Choice, a non-profit organization that works in conjunction with the Commission.

There are other consumer-oriented groups that work with the Public Utility Commission on behalf of Pennsylvanians. This chapter briefly discusses the Commission's consumer-education program, the Consumer Advisory Council and the Pennsylvania Relay Service Advisory Board, and provides highlights of their 2001 activities.

Consumer-Education Summary

The Commission's consumer-education program has five inter-related, operational goals:

- **Consumer Information:** Disseminating consumer information about regulatory matters, current utility issues and competition;
- **Outreach and Leadership Training:** Establishing the Commission's presence and increasing its visibility as a consumer-education agent;
- **Regulatory Review:** Developing and monitoring utility company performance in consumer education;
- **Feedback:** Obtaining information from the utility industry and consumers about consumer-education needs and the success of existing programs; and
- **Coordinated Resources:** Responding to requests for assistance and sharing consumer-education materials with elected officials, community organizations, and state and local agencies.

Staff of the Office of Communications



Staff of the Office of Communications (front row, left to right): Eric Levis, Press Secretary; Tom Charles, Manager of Communications; and Maureen Mulligan, Consumer Education Coordinator. (back row, left to right): Verna Edmonds, Information Specialist; Cyndi Page, Webmaster; Karen Ruda, Special Projects Coordinator; Brooks Mountcastle, Information Specialist; Shari Williams, Information Specialist; and Christina Chase-Pettis, Information Specialist.

Communications staff continued consumer-education efforts during 2001, while maintaining many of its traditional brochure-distribution and community-outreach efforts. The Utility Choice program continued to be the primary focus, however, as electric competition continued and competition in other utilities, most notably gas, increased in some areas of Pennsylvania.

The Office of Communications worked with the Council for Utility Choice to develop a brochure, “The Facts About Choosing a Natural Gas Supplier,” to help residential customers shop for a gas supplier. The brochure is available in English and Spanish on www.utilitychoice.org, and copies can be requested by calling 1-888-PUC-FACT. Commission staff also began drafting a “Consumers’ Glossary to Local Telephone Service.”

Staff participated in several national and local forums on Electric Choice hosted by the PUC for international and state energy officials: the National Low Income Energy Consortium; the Consumer Federation of America's conference; the National Association of Regulatory Utility Commissioners' Consumer Affairs Committee; the Mid-Atlantic Green-e Advisory Board; the Be Utility Wise utility fair; the Pennsylvania Energy, Utilities and Aging Consortium; the Poverty Forum; the Southwest Philadelphia Advisory Committee; the Youth Summit Planning Committee; the Senior Resources/AARP Committee; the Women's Center/Community College of Philadelphia Workshop Committee; the Philadelphia Resources Speakers Bureau Community Event Planning Committee; and the Affordable Comfort Conference on residential energy-efficiency issues.

Staff worked to educate the public about electric competition. The Office of Communications widely distributed the OCA Shopping Guide that is now published monthly for Pennsylvania consumers. The Shopping Guide can be acquired by calling 1-800-684-6560 or by visiting OCA's website (www.oca.state.pa.us).

In addition to encouraging consumers to reduce their energy costs through competition, the consumer-education staff has promoted the use of energy conservation and efficiency as a way to lower energy bills.

Staff continued working on ways to educate consumers about the Commission's Demand Side Response program. This program is designed to encourage consumers to cut back on their electric use when electric supplies are limited, especially during hot, summer days. In 2001, programs were in place for commercial and industrial customers, with several electric distribution companies offering programs for residential customers.

Media-Relations Summary

In 2001, the Office of Communications began a new effort to reach out to Pennsylvanians about the work of the Commission. The Communications Office issued 162 press releases during 2001 related to electricity, natural gas, telecommunications, water/wastewater and transportation. The office continued to promote its Online News Report for media, utility employees and consumers. This free service keeps subscribers up to date on PUC issues by sending them press releases by email. Interested persons can subscribe on the PUC's website at www.puc.paonline.com by selecting Press Releases. The PUC website also provides a host of information for consumers, including official orders from public meetings.

Outreach and Leadership Training Summary

PUC consumer-education outreach specialists play a critical role in educating customers about utility issues in their communities. First, outreach provides the Commission with a “yard stick” to measure whether the Commission’s consumer-education efforts are effective. Education specialists develop an understanding and appreciation for many of the issues that confront consumers daily as they travel around the state holding workshops and public roundtable discussions, or by participating in other public events. They use their skills and knowledge to help educate customers about utility issues. In some cases, education specialists work in partnership with the Bureau of Consumer Services to help resolve a customer’s utility problem.

In Eastern Pennsylvania, staff participated in 30 workshops, 18 fairs and festivals, four seminars and conferences, 15 faith-based ministry meetings, three roundtable discussions, and one public input hearing. Eastern Pennsylvania counties include Philadelphia, Montgomery, Bucks, Berks, Lehigh, Chester, Delaware and Northampton. In addition, outreach specialists visited many public schools, libraries, community centers, senior centers and churches throughout Eastern Pennsylvania to discuss issues related to the Public Utility Commission, the Electric Choice program, and how to save money and energy. Throughout this effort, the specialist reached more than 15,000 individuals. The Philadelphia specialist is a leader or member of many councils and committees, including the Philadelphia “Be UtilityWise” Committee; the Berks, Allentown and Wilkes-Barre/Scranton “Be UtilityWise” committees; the Energy Aging & Utility Consortium; the Southwest Philadelphia Consumer Advisory Committee; the Youth Summit planning committee; the AARP Senior Planning Committee; the Women’s Media Network Committee; and the Philadelphia Resources & Speakers Bureau Committee.

In the Central and Western regions of Pennsylvania, staff organized and promoted utility-education events and participated in six utility roundtable discussions; 25 workshops and fairs; and 81 consumer-education planning meetings. Central Pennsylvania includes Adams, Bedford, Berks, Bradford, Cambria, Cumberland, Dauphin, Lancaster, Lebanon, Lycoming, Perry, Schuylkill, Sullivan, Susquehanna, Tioga and York counties. Events in Western Pennsylvania reached Allegheny, Armstrong, Beaver, Butler, Clarion, Crawford, Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Venango, Washington and Westmoreland counties. Staff directly reached more than 15,000 individuals in the Central and Western parts of the state.

The Electric Choice website was at its most active during the first four months of 2001. There were 4,085,421 hits and 246,365 visits to the site from both inside and outside of Pennsylvania. This site gives consumers up to date and comprehensive information about shopping for an electric supplier.

Regulatory Review Summary

Consumer-education staff completed plain-language reviews of utility notices and newspaper advertisements. As part of its review, the staff makes recommendations to utilities regarding the language, content and layout of the materials so they are accurate and readily understood by customers. The staff uses the Commission's plain-language guidelines as a basis for its recommendations. Notices concerning issues related to restructuring, utility rate changes, bill messages, billing changes, plain-language summaries of rate requests, new billing charges, and announcements of public hearings are examples of company materials the staff reviews. During the last year, staff reviewed and approved a number of consumer-education programs, utility bills and customer notices, and numerous electric generation supplier items and publications targeted to consumers that related to the Electric Choice and Natural Gas Choice programs.

During 2001, the consumer-education staff began working with the Bureau of Consumer Services and other Commission staff to develop guidelines to support Local Telephone Choice in the area of "Establishing Customer Information for Jurisdictional Telecommunications Companies."

Clean and Renewable Energy Summary

As part of a Commission-led team, staff participated in monitoring the Sustainable Energy Fund and provided guidelines and monitoring on the Low Income Renewable Pilot Programs. Both of these programs are a result of settlement agreements negotiated among the electric utilities, the environmental community, and consumer advocates during electric restructuring. The Sustainable Energy Fund targets the growth and development of energy efficient and renewable technologies. The Low Income Renewable Pilot Program benefits low-income customers through the deployment of renewable energy sources such as solar and photovoltaic (PV) home systems that generate clean electricity.

With electric competition in its fifth year, interest in purchasing cleaner, renewable energy as an alternative source of energy continued to grow as Pennsylvania is now home to four wind farms. In October 2001, Chairman Glen R. Thomas presided at a "flipping the switch" ceremony, officially dedicating the Somerset and Mill Run wind farms in Southwestern Pennsylvania. The Office of Communications' staff provided current information to reporters and Commissioners for press conferences regarding the status of wind projects and the renewable energy market.

Communications' staff assisted in the Department of General Services' bid to purchase five percent renewable energy for over a dozen state agency offices and commissions for two years. Twenty percent of the energy will come from wind power in the PJM Interconnection, and the remaining energy will be supplied by landfill gas, hydroelectric and a small amount of solar energy.

Communications staff provided extensive comments for the Solar and Photovoltaic Installer's Maintenance Manual and other correspondence and publications for three of the electric distribution companies' Low Income Renewable Pilot Programs. In addition, staff responded to numerous legislative requests for information about renewable energy and alternative energy technologies.

Feedback Summary

The seventh survey of the Choice program was conducted in March 2001 with about 1,200 respondents. The surveys are an ongoing education-monitoring effort and provide a "snapshot" of the Choice program. The surveys are important to determine where adjustments or improvements may be needed in the program. For the first time, the survey included questions on telecommunications in addition to the gas and electric questions. The telecommunications questions serve as a baseline to measure our progress.

Staff also solicited informal program feedback from consumer leaders and the PUC's Consumer Advisory Council (CAC). The staff used the CAC's feedback to continue to improve the education program. In addition, the Office of Communications' consumer-education staff regularly briefed the CAC at its monthly meetings.

After utility fairs and consumer roundtable discussions were held in various cities across the state, evaluations were used to assess the events and develop recommendations for future events. It is based on this feedback that we continue our current approach to outreach.

Coordinated Resources Summary

By working with the CAC, the Office of Communications continued to develop a network of resources through other state agencies and community-based organizations to help in disseminating the consumer-education messages of the Commission.

The consumer-education staff coordinated efforts with other state and local agencies to provide information on utility issues. Other agencies involved with energy, consumer issues and consumer protection developed consumer seminars in which the PUC actively participated.

The PUC Consumer Advisory Council

The purpose of the Consumer Advisory Council (CAC) is to represent the public in advising the Commissioners on matters relating to the protection of consumer interests which are under the jurisdiction of the Commission, or which, in the opinion of the Council, should be brought under the jurisdiction of the Commission. The Council acts as a source of information and advice for the Commissioners. Interactions between the Council and the Commissioners occur through periodic meetings with the Commissioners and in writing, via minutes of meetings and formal motions. Council meetings are generally held on the fourth Tuesday of the month in PUC Executive Chambers in Harrisburg starting at 10 a.m. and are open to the public.

Agenda Items

The Council considers matters that arise from consumer inquiry or request, Commissioner inquiry or request, or the proceedings, deliberations or motions of the Council itself. The Council solicits matters for review from these sources and establishes an agenda for action. In considering matters within its jurisdiction, the Council, or members of the Council acting under direction of the Council, may conduct investigations and solicit and receive comments from interested parties and the general public. Public Utility Commission staff is made available to brief the Council on relevant matters and provide necessary support for the Council to complete its agenda. The monthly meeting agenda is available prior to each meeting from the PUC Communications Office (717) 787-5722.

Qualifications and Appointment of Council Members

The following elected officials may each appoint one representative to the PUC Consumer Advisory Council: the Governor, the Lieutenant Governor, the Republican and Democratic Chairpersons of the Senate Consumer Protection and Professional Licensure Committee, and the Republican and Democratic Chairpersons of the House Consumer Affairs Committee. The Commission appoints additional “At-Large” representatives, as appropriate, to ensure that the group reflects a reasonable geographic representation of the Commonwealth, including low-income individuals, members of minority groups and various classes of consumers. A person may not serve as a member of the Council if the individual occupies an official relation to a public utility or holds or is a candidate for a paid appointive or elective office of the Commonwealth. Members of the Council serve a two-year term, and may be re-appointed thereafter without limit. Officers of the Council serve for two-year terms. A Chairperson may not act for more than two consecutive terms.

The current, two-year Council terms started in July 2001. Harry Geller serves as Chairman and J.D. Dunbar serves as Vice Chairman. The CAC met 10 times in 2001-2002.

2000-2001 Consumer Advisory Council



Photo (front row, left to right); K. Tucker Landon, Esq.; Harry S. Geller, Chair; Marcia M. Finisdore and William J. Jones; (back row, left to right); Carl Kahl; Daniel M. Paul; Delia Rivera Diaz and Julio J. Tio; (absent from photo); J.D. Dunbar, Vice Chair; Cynthia J. Datig; Joseph Dudick, Jr.; Michael Fiorentino; Andrew McElwaine; Katherine A. Newell, Esq. and Jan Rea.

Summary of Activities

Summary of Activities

In 2001, the Council continued to focus on issues arising from the restructuring of the electric, natural gas and telecommunications industries. Matters that the Council addressed included the following:

- The Council observed a working group on low-income issues. This group also presented a report to the Council on Utility Choice (CUC) on developing a new reporting format to track and monitor various low-income programs, such as Lifeline, Link -Up and the Universal Telephone Assistance Program;
- The Council asked the Commission to get data and target specific counties and demographic groups to see that low-income programs reach customers;
- The Council extensively studied the audits of the Delaware Valley Economic Development Fund and similar funds approved by the Commission. The Council urged the Commission to examine how the funds are appropriated and to review the mission, structure, operations and transactions of the funds to ensure that they are in the public interest;
- The Council unanimously voted to write a letter to the Commission requesting that steps be taken to monitor the levels of arrearage and service termination during the spring and summer months;
- With utility mergers and consolidation remaining an important issue in 2001, the Council studied the impact of such activities on the market and on consumers. The Council examined the proposed merger of GPU and First Energy and submitted comments to the Commission expressing the Council's concerns and priorities in how the interest of consumers should be addressed and protected; and
- The Council followed the progress of the regulations that would provide for an orderly process for abandoning the provision of local telephone service. The Council was concerned that when a local exchange carrier left the market there would be an orderly transfer of existing customers to another service provider. A representative from the Council participated in the Abandonment Interim Guidelines Working Group.

Readers may contact Verna Edmonds of the PUC's Office of Communications at (717) 783-5117 for more information about the PUC's Consumer Advisory Council. Information on the Council and its activities, including "Minutes" from recent meetings, is also available on the PUC's website at <http://puc.paonline.com> under "Consumer Services." A listing of the names and addresses of Council members appears in Appendix M.

Pennsylvania Relay Service Advisory Board

The Commission established the Pennsylvania Relay Service Advisory Board (PRSAB) on May 24, 1990, with its order to establish a statewide Telecommunications Relay Service (TRS)⁴. The purpose of the PRSAB is to review the success of TRS and identify improvements that should be implemented. The PRSAB functions primarily as a TRS consumer group by providing feedback and guidance to the TRS provider regarding communication assistant training, problem solving and service enhancements.

The Board meets four times a year to advise the TRS provider on service issues and to discuss policy issues related to TRS. At each meeting, the TRS provider gives the Board a status report of its activities which include call volumes, new service offerings, complaint handling and outreach plans.

Pennsylvania Relay Service Advisory Board Members



2001-2002 Board -- Seated (left to right): Douglas Hardy; Lawrence J. Brick (Chairman); Takao (service dog); Donald R. Lurwick (Vice Chairman) and Diana Bender. Standing (left to right): Steve Samara; Lois Steele; Lenora Best; Dee Dee Schenk (substitute for Debra Scott); Mitchell Levy and Gary Bootay. Absent from photo: Russell Fleming (Secretary); Grace House and Debra Scott.

⁴ TRS is a telecommunications service that allows people that are deaf, hard of hearing or persons with speech and language disorders to communicate with others by phone. TRS centers are staffed with communications assistants who relay conversation verbatim between people who use text telephone (TTY) or telebraille and people who use standard phones. Pennsylvania's TRS centers are located in Scranton and New Castle and are operated by AT&T of Pennsylvania. The total volume of calls through the Pennsylvania TRS increased 5% from 2000 to 2001. AT&T reported that it handled 1,996,577 relay calls in 2001.

The twelve members of the Board are appointed by the Commission and serve two-year terms. The Commission requires that the Board consist of one representative from the Pennsylvania Telephone Association, the Office for the Deaf and Hard of Hearing (ODHH), and the TRS provider (AT&T of Pennsylvania); two representatives from the Commission and seven representatives from the deaf, hard of hearing and speech disabled communities. During 2001, board members from the deaf, hard of hearing, and speech disabled communities included representatives from the following organizations: Pennsylvania Society for Advancement of the Deaf, Self Help for the Hard of Hearing, and Central Pennsylvania Association for the Deaf & Blind and Center on Deafness at the Western Pa. School for the Deaf. See Appendix N for the Board membership listing.

As a user group, the Board meeting agenda items are primarily related to quality of service issues for improving relay service. However, since the establishment of the PRSAB, the Board has advised the Commission on many critical policy issues that affect TRS users. The following highlights some of the issues addressed by the Board in 2001.

2001 Highlights

Much of the Board's discussions in 2001 focused on outreach, the implementation of 711, and on ways to improve the TRS.

- An ongoing concern for the Board is outreach and the general public's awareness of TRS. As with 2000, much of the Board's discussion in 2001 centered on increasing public awareness of TRS and its benefits. Since many businesses were not familiar with TRS, users often encounter problems with companies accepting TRS calls or using TRS to contact them. Board members also discussed how the public is very confused about the difference between 711 and 911. For example, one sales person would not return a deaf customer's call using 711 because he believed that the customer's contact information was incorrect. He did not understand that 711 is used to dial TRS.
- BCS recommended that AT&T promote TRS by being an exhibitor at the Commission's 2001 conference, "Utilities and Public Policy V: Challenges, Changes and Choice". The board chair represented the board as a presenter for the session entitled, "Assuring Universal Participation in the Information Age". In addition, several board members attended the conference and participated in the town meeting with Commissioners.

- Although 711 was implemented in May 2000, many organizations that have PBXs,⁵ such as hospitals and department stores, have not reprogrammed their systems to handle 711 calls. If the PBX has not been programmed to allow for 711 access, then TRS users cannot make or receive calls from these organizations or businesses. The board approved a letter that would be sent to businesses and organizations using PBX systems that have not reprogrammed their systems to handle 711. AT&T also offered to send information to these companies. Since there are companies that have not reprogrammed the PBXs to handle 711 calls, TRS users may continue to access the relay services by dialing 1-800-855-2880 (TTY/Computer) or 1-800-855-2881 (voice).
- During 2001, TRS callers used the relay services to make 190,740 interstate calls. Some of these calls were made through another long distance carrier. TRS users have the option of using their Carrier of Choice (COC) when making toll calls from their homes. Nevertheless, many TRS users have subscribed to a COC for direct calls from their homes, but their COC is not available when they use TRS. As a result of this problem, customers cannot take advantage of any discounted calling plans and may incur higher charges from AT&T. When the board made AT&T aware of this problem, the company suggested that customers should have their long distance carrier contact AT&T in writing to request information for participation in the COC for TRS. However, some carriers are still unwilling to participate as a COC for relay services.
- In addition to TRS, the Board discussed the progress of the Telecommunications Device Distribution Program (TDDP) and its outreach efforts. The board expressed concern about the high cost of equipment (i.e., TTY) and the need to revisit the program's eligibility criteria so more people could get equipment. This program provides qualified people who are deaf, hard of hearing, and deaf-blind or have speech disorders with communications equipment such as a TTY, TTY with Braille Display, In-Line Amplifier, and other devices to help them use telecommunications services. As of December 2001, TDDP spent \$399,481 to distribute 1,588 pieces of communications equipment. For more information on the TDDP, readers may visit the Pennsylvania Statewide Independent Living Council (SILC) at www.silcpa.org. For an application or to speak with the TDDP processor, readers may call SILC at Voice 717-236-2400 or toll-free 1-800-670-7303; TTY 717-236-5733 or toll free 1-800-440-0347, or email dlaube@silcpa.org.

⁵ A PBX system is a centralized phone network housed within a building or dwelling complex designed to handle all incoming and outgoing phone calls.

- On September 28, 2001 AT&T closed the company's original PA Relay center that was located in Wayne, PA. AT&T replaced the Wayne center with the new Scranton, PA center which opened in April 2001.

For more information about the Pennsylvania Relay Service Advisory Board contact Verdina Showell, PUC Liaison and Legal Advisor at (717) 787-4717. To learn more about TRS, contact Mitchell Levy at AT&T by using the TRS at 1-800-654-5988, then (908) 221-2818-TTY. AT&T's website at www.att.com/relay and the Commission's website at <http://puc.paonline.com> also offer information about TRS.

Glossary of Terms

Competitive Local Exchange Carrier (CLEC) - A competitive LEC that provides basic local telephone and/or toll services as a reseller, a facilities-based carrier, or a combination reseller/facilities-based provider.

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

Consumer Complaints - Cases to the Bureau of Consumer Services 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 Program (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) - Currently there are 37 facilities-based local telephone companies that provide basic local telephone service and/or toll services.

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 the Bureau of Consumer Services 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 which 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 - Consumer requests for payment arrangements principally include contacts to the PUC's Bureau of Consumer Services 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 the Bureau's first contact with the company regarding a consumer complaint and/or request for payment arrangements to the date on which the company provides the Bureau with all of the information needed to resolve the case and determine whether or not the customer was justified in seeking a payment arrangement through the BCS. Response time quantifies the speed of a utility's response in resolving BCS cases. In this report, response time is presented as a mean number of days for each company.

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 - The number of residential customers whose service was terminated per 1,000 residential customers.

Appendices

Appendix A
2001 Residential Consumer Complaints
Non-Major Companies*

Company	Number of Complaints
Electric	
Other Non-Major Electric Companies	10
TOTAL NON-MAJOR ELECTRIC	10
Gas	
GASCO Distribution Systems, Inc. (NGDC)	30
PPL Utilities (NGDC)	45
T.W. Phillips (NGDC)	77
Other Non-Major Gas Companies**	24
TOTAL NON-MAJOR GAS	176
Telephone	
Conestoga	11
North Pittsburgh Telephone Company	16
Palmerton	11
Other Non-Major Telephone Companies	49
TOTAL NON-MAJOR TELEPHONE	87

** Excludes Philadelphia Gas Works

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 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 meetings 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 PUC (defactos).

Other - 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, 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.

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.

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 transferred a balance to a new or existing account from the account of another person or location.

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.

Sales Nonbasic Services - Complaints related to the sale of nonbasic services including the availability of certain services.

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.

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.

Other - 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, hotels, and excessive coin phone rates.

Appendix C - Table 1

Consumer Complaint Categories: 2001* Major Electric Distribution Companies

Categories**	Allegheny Power	Duquesne	GPU	PECO***	Penn Power	PPL Utilities	UGI-Elec.	Electric Majors
Billing Disputes	41	40	114	106	3	122	8	434
Metering	41	27	78	111	3	65	6	331
Discontinuance/Transfer	25	33	29	35	2	47	4	175
Service Interruptions	23	14	54	48	4	21	0	164
Service Quality	17	11	28	65	5	19	1	146
Personnel Problems	11	8	36	53	2	10	1	121
Damages	10	15	18	39	5	7	1	95
Service Extensions	15	12	31	12	4	20	0	94
Other Payment Issues	7	8	20	30	0	20	3	88
Scheduling Delays	4	9	15	35	0	5	0	68
Credit & Deposits	5	14	9	7	3	5	2	45
Rates	2	5	5	9	2	4	0	27
All Other Problems	22	30	45	88	2	14	6	207
TOTAL****	223	226	482	638	35	359	32	1,995

*Categories are for residential complaints evaluated by BCS as of June 21, 2002. The case outcome may have been justified, inconclusive or unjustified.

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

***PECO statistics include electric and gas

****Based on residential complaints evaluated by BCS as of June 21, 2002

Appendix C - Table 2

Consumer Complaint Categories: 2001* Major Natural Gas Distribution Companies

Categories**	Columbia	Dominion Peoples	Equitable	NFG	PG Energy	UGI-Gas	Gas Majors
Billing disputes	79	104	69	18	18	64	352
Metering	192	116	81	32	11	106	538
Discontinuance/Transfer	38	20	54	21	7	34	174
Other Payment Issues	17	35	22	12	6	17	109
Personnel Problems	33	14	22	9	5	10	93
Credit & Deposits	8	7	28	6	0	11	60
Service Extensions	22	11	1	9	3	8	54
Service Quality	19	10	9	3	2	2	45
Scheduling Delays	26	6	6	2	1	2	43
Rates	23	9	1	4	3	3	43
Damages	14	6	1	5	8	5	39
Service Interruptions	1	0	3	0	2	0	6
All Other Problems	11	32	19	22	12	38	167
TOTAL***	516	370	316	143	78	300	1,723

*Categories are for residential complaints evaluated by BCS as of June 21, 2002. The case outcome may have been justified, inconclusive or unjustified.

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

***Based on residential complaints evaluated by BCS as of June 21, 2002

Appendix C - Table 3

Consumer Complaint Categories: 2001* Major Water Utilities

Categories**	PA-American	Philadelphi a Suburban	Other “Class A” Water	All “Class A” Water
Billing Disputes	80	94	5	179
Metering	33	66	1	100
Service Quality	42	3	6	51
Discontinuance/Transfer	18	28	0	46
Personnel Problems	14	17	0	31
Damages	15	5	3	23
Service Extensions	15	4	1	20
Scheduling Delays	11	5	0	16
Service Interruptions	6	1	0	7
Credit and Deposits	2	4	1	7
Other Payment Issues	1	2	1	4
Rates	2	1	1	4
All Other Problems	24	54	7	85
TOTAL***	263	284	26	573

*Categories are for residential complaints evaluated by BCS as of June 21, 2002. The case outcome may have been justified, inconclusive or unjustified.

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

***Based on residential complaints evaluated by BCS as of June 21, 2002

Appendix C -Table 4
Consumer Complaint Categories: 2001*
Major Local Telephone Companies

Categories**	ALLTEL	Commonwealth	United	Verizon North (GTE)	Verizon PA	Telephone Majors
Unsatisfactory Service	24	17	45	74	218	378
Service Delivery	8	12	49	38	255	362
Billing Disputes	12	5	60	24	49	150
Toll Services	5	10	25	7	14	61
Discontinuance/Transfer	3	1	6	6	40	56
Sales Nonbasic Services	4	1	25	9	6	45
Non-Recurring Charges	2	2	9	10	13	36
Credit & Deposits	3	2	10	5	6	26
Annoyance Calls	4	1	4	5	7	21
Rates	1	1	3	1	13	19
Other	3	6	19	3	11	42
TOTAL*	69	58	255	182	632	1,196

*Categories are for all complaints evaluated by BCS as of June 21, 2002. The case outcome may have been justified, inconclusive or unjustified.

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

Appendix D - Table 1

2000-2001 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2001 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2000	2001	% Change in #	2000	2001	Numbers ² /Rates ³ 2000		Numbers ² /Rates ³ 2001	
Allegheny Power	591,349	302	293	-3%	0.51	0.50	75	0.13	76	0.13
Duquesne	525,919	309	324	5%	0.59	0.62	45	0.09	67	0.13
GPU	941,287	776	602	-22%	0.83	0.64	419	0.45	229	0.24
PECO	1,380,354	1,743	1,832	5%	1.27	1.33	798	0.58	683	0.49
Penn Power	133,446	64	41	-36%	0.48	0.31	8	0.06	8	0.06
PPL Utilities	1,127,397	1,032	1,063	3%	0.92	0.94	372	0.33	261	0.23
UGI-Electric	54,080	41	43	5%	0.76	0.80	14	0.26	12	0.22
Major Electric	4,753,832	4,267	4,198	-2%			1,731		1,336	
Average of Rates					0.77⁴	0.72⁴		0.27⁴		0.22⁴

¹Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers. The case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 21, 2002.

³Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers.

⁴Does not include UGI-Electric.

Appendix D - Table 2

2000-2001 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	2001 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2000	2001	% Change in #	2000	2001	Numbers ² /Rates ³ 2000		Numbers ² /Rates ³ 2001	
Columbia	345,108	289	728	152%	0.84	2.11	73	0.25	236	0.68
Dominion Peoples	321,463	476	784	65%	1.48	2.44	229	0.49	322	1.00
Equitable	234,104	248	445	79%	1.07	1.90	49	0.20	113	0.48
NFG	195,176	168	198	18%	0.86	1.01	59	0.35	50	0.26
PG Energy	138,478	71	113	59%	0.52	0.82	15	0.21	19	0.14
UGI-Gas	249,185	242	402	66%	0.99	1.61	95	0.39	119	0.48
Major Gas	1,483,514	1,494	2,670	79%			520		859	
Average of Rates					0.96	1.65		0.32		0.51

¹Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers. The case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 21, 2002.

³Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers.

Appendix D - Table 3

2000-2001 Residential Consumer Complaint Statistics Major Water Utilities

Company Name	2001 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2000	2001	% Change in #	2000	2001	Numbers ² /Rates ³ 2000		Numbers ² /Rates ³ 2001	
PA-American	546,950	272	328	21%	0.54	0.60	85	0.17	72	0.13
Phila. Suburban	304,560	192	389	103%	0.59	1.28	97	0.30	170	0.56
Other Class A	144,870	117	35	-70%	0.63	0.24	40	0.22	3	0.02
Major Water	996,380	581	752	29%			222		245	
Average of Rates					0.59	0.71		0.23		0.24

¹Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers. The case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 21, 2002.

³Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers.

Appendix D -Table 4

2000-2001 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2001 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2000	2001	% Change in #	2000	2001	Numbers ² /Rates ³ 2000		Numbers ² /Rates ³ 2001	
ALLTEL	175,497	139	80	-42%	0.78	0.46	99	0.55	51	0.29
Commonwealth	246,550	87	69	-21%	0.37	0.28	34	0.14	24	0.10
United	286,849	498	295	-41%	1.74	1.03	341	1.19	197	0.69
Verizon North (GTE)	495,123	334	214	-36%	0.68	0.43	259	0.53	156	0.32
Verizon PA	3,965,262	7,871	4,807	-39%	2.00	1.21	6,734*	1.71*	3,270*	0.82*
Major Telephone	5,169,281	8,929	5,465	-39%			7,467		3,698	
Average of Rates					1.11	0.68		0.82		0.44

¹Consumer Complaint Rate = Consumer Complaints per 1,000 Residential Customers. The case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 21, 2002.

³Justified Consumer Complaint Rate = Justified Consumer Complaints per 1,000 Residential Customers.

*Based on a probability sample of cases.

Appendix E

2000-2001 Response time: BCS Consumer Complaints

Company	Average Time in Days		Change in Days 2000 to 2001
	2000	2001	
Allegheny Power	18.7	15.7	-3.0
Duquesne	23.3	26.7	3.4
GPU	16.7	13.3	-3.4
PECO	26.3	24.8	-1.5
Penn Power	11.9	9.8	-2.1
PPL Utilities	25.0	22.4	-2.6
UGI-Electric	39.3	26.2	-13.1
Major Electric¹	20.3²	18.8²	-1.5²
Columbia	13.8	17.4	3.6
Dominion Peoples	19.4	21.6	2.2
Equitable	18.8	27.1	8.3
NFG	8.8	28.0	20.0
PG Energy	9.0	11.4	2.4
UGI-Gas	17.0	25.3	8.3
Major Gas¹	14.5	21.8	7.3
PA-American	3.6	3.9	0.3
Phila. Suburban	10.8	5.6	-5.2
Other Class A	20.4	15.4	-5.0
Major Water¹	11.6	8.3	-3.3
ALLTEL	7.5	6.7	-0.8
Commonwealth	5.1	4.4	-0.7
United	82.2	46.5	-35.7
Verizon North (GTE)	17.0	13.9	-3.1
Verizon PA	27.8*	20.1*	-7.7*
Major Telephone¹	27.9	18.3	-9.6

*Based on a probability sample of cases.

¹Average of response times.

²Does not include UGI-Electric.

Appendix F - Table 1

2000-2001 Residential Payment Arrangement Request Statistics Major Electric Distribution Companies

Company Name	2001 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests*			
		2000	2001	% Change in #	2000	2001	Numbers ² /Rates ³ 2000		Numbers ² /Rates ³ 2001	
Allegheny Power	591,349	4,321	4,234	-2%	7.34	7.16	603	1.02	1,284	2.17
Duquesne	525,919	8,144	7,369	-10%	15.58	14.01	917	1.75	1,228	2.33
GPU	941,287	998	8,877	789%	1.07	9.43	106	0.11	1,221	1.30
PECO	1,380,354	5,270	7,253	38%	3.84	5.25	927	0.68	2,446	1.77
Penn Power	133,446	1,108	902	-19%	8.40	6.76	293	2.22	170	1.27
PPL Utilities	1,127,397	11,648	12,139	4%	10.40	10.77	1,269	1.13	2,911	2.58
UGI-Electric	54,080	274	466	70%	5.05	8.62	81	1.49	227	4.20
Major Electric	4,753,832	31,763	41,240	30%			4,196		9,487	
Average of Rates					7.77⁴	8.90⁴		1.15⁴		1.90⁴

¹Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers. Case outcome may have been justified, inconclusive or unjustified.

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 21, 2002.

³Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

⁴Does not include UGI-Electric.

*Each company's figures are based on a probability sample of cases except for UGI – Electric.

Appendix F - Table 2

2000-2001 Residential Payment Arrangement Request Statistics Major Natural Gas Distribution Companies

Company Name	2001 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests			
		2000	2001	% Change in #	2000	2001	Numbers ² /Rates ³ 2000		Numbers ² /Rates ³ 2001	
Columbia	345,108	3,291	4,630	41%	9.62	13.42	492	1.44	1,238	3.59
Dominion Peoples	321,463	4,074	4,771	17%	12.64	14.84	557	1.73	1,053	3.28
Equitable	234,104	5,238	8,361	60%	22.69	35.71	1,061	4.60	3,214	13.73
NFG	195,176	1,609	3,108	93%	8.23	15.92	570	2.92	1,225	6.28
PG Energy	138,478	693	1,421	105%	5.04	10.26	47	0.34	89	0.64
UGI-Gas	249,185	3,391	5,463	61%	13.93	21.92	1,211	4.97	2,563	10.29
Major Gas	1,483,514	18,296	27,754	52%			3,938		9,382	
Average of Rates					12.02	18.68		2.67		6.30

¹Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers. Case outcome may have been justified, inconclusive or unjustified.

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 21, 2002.

³Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

*Based on a probability sample of cases.

Appendix F - Table 3

2000-2001 Residential Payment Arrangement Request Statistics Major Water Utilities

Company Name	2001 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests			
		2000	2001	% Change in #	2000	2001	Numbers ² /Rates ³ 2000		Numbers ² /Rates ³ 2001	
PA-American	546,950	2,173	1,524	-30%	4.32	2.79	162*	0.32*	201*	0.37*
Phila. Suburban	304,560	133	625	370%	0.41	2.05	72	0.22	351	1.15
Other "Class A" Water	144,870	394	353	-10%	2.13	2.44	45	0.24	87	0.60
Major Water	996,380	2,700	2,502	-7%			279		639	
Average of Rates					2.29	2.43		0.26		0.71

¹Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers. Case outcome may have been justified, inconclusive or unjustified.

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of June 21, 2002.

³Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

*Based on a probability sample of cases.

Appendix F - Table 4

2000-2001 Residential Payment Arrangement Request Statistics Major Local Telephone Companies

Company Name	2001 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests			
		2000	2001	% Change in #	2000	2001	Numbers ² /Rates ³ 2000		Numbers ² /Rates ³ 2001	
ALLTEL	175,497	73	57	-22%	0.41	0.32	25	0.14	16	0.09
Commonwealth	246,550	31	39	26%	0.13	0.16	11	0.05	10	0.04
MCI Local**	151,695	N/A	368	N/A	N/A	2.43	N/A	N/A	348	2.29
United	286,849	204	201	-1%	0.71	0.70	100	0.35	122	0.43
Verizon North (GTE)	495,123	114	109	-4%	0.23	0.22	40	0.08	39	0.08
Verizon PA	3,965,262	5,114	2,621	-49%	1.30	0.66	614*	0.16*	453*	0.11*
Major Telephone	5,320,976	5,536	3,395	-39%			790		988	
Average of Rates					0.56	0.75		0.16		0.51

¹Payment Arrangement Request Rate = Payment Arrangement Requests per 1,000 Residential Customers. Case outcome may have been justified, inconclusive or unjustified.

²Estimated based on the number of cases on CSIS as of June 21, 2002.

³Justified Payment Arrangement Request Rate = Justified Payment Arrangement Requests per 1,000 Residential Customers.

*Based on a probability sample of cases.

**2000 Payment Arrangement Request data is not available for MCI Local.

Appendix G

2000-2001 Response Time: BCS Payment Arrangement Requests

Company	Average Time in Days		Change in Days 2000 to 2001
	2000	2001	
Allegheny Power	9.3*	4.1*	-5.2
Duquesne	12.9*	13.7*	0.8
GPU	13.4*	3.5*	-9.9
PECO	14.9*	15.2*	0.3
Penn Power	3.0*	2.1*	-0.9
PPL Utilities	14.1*	11.9*	-2.2
UGI-Electric	8.9	2.2	-6.7
Major Electric¹	11.3²	8.4²	-2.9²
Columbia	5.0*	6.5*	1.5
Dominion Peoples	18.5*	13.8*	-4.7
Equitable	15.0*	23.1*	8.1
NFG	4.5*	9.5*	5.0
PG Energy	1.6	3.6*	2.0
UGI-Gas	7.7*	14.5*	6.8
Major Gas¹	8.7	11.8	3.1
PA-American	5.2*	8.2	3.0
Philadelphia Suburban	18.2	4.4	-13.8
Other Class A	19.1	21.3	2.2
Major Water¹	14.2	11.3	-2.9
ALLTEL	2.8	4.1	1.3
Commonwealth	1.6	2.2	0.6
United	59.3	47.9	-11.3
MCI Local	N/A	59.7	N/A
Verizon North (GTE)	1.8	5.0	3.2
Verizon PA	12.3*	8.2*	-4.1
Major Telephone¹	15.5	21.2**	5.7

*Based on a probability sample of cases.

**Average includes MCI Local

¹Average of Response Times.

²Does not include UGI-Electric.

Appendix H - Table 1

1999-2001 Infraction Statistics Major Electric Distribution Companies

Company	2001 Residential Customers	Infractions				Infraction Rates ¹		
		1999	2000	2001	% Change in 2000-2001	1999	2000	2001
Allegheny Power	591,349	112	55	75	36%	0.19	0.09	0.13
Duquesne	525,919	38	14	46	229%	0.07	0.03	0.09
GPU	941,287	194	612	274	-55%	0.21	0.65	0.29
PECO	1,380,354	1,093	1,071	559	-48%	0.80	0.78	0.40
Penn Power	133,446	14	2	6	200%	0.11	0.02	0.04
PPL Utilities	1,127,397	708	732	185	-75%	0.64	0.65	0.16
UGI-Electric	54,080	14	10	11	10%	0.26	0.18	0.20
Major Electric	4,753,832	2,173	2,496	1,156	-54%			

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.

Appendix H - Table 2

1999-2001 Infraction Statistics Major Natural Gas Distribution Companies

Company	2001 Residential Customers	Infractions				Infraction Rates ¹		
		1999	2000	2001	% Change in 2000-2001	1999	2000	2001
Columbia	345,108	57	39	88	126%	0.17	0.11	0.25
Dominion Peoples	321,463	55	243	401	65%	0.17	0.75	1.25
Equitable	234,104	19	22	106	382%	0.08	0.10	0.45
NFG	195,176	25	42	37	-12%	0.13	0.21	0.19
PG Energy	138,478	22	12	13	8%	0.16	0.09	0.09
UGI-Gas	249,185	55	85	97	14%	0.23	0.35	0.39
Major Gas	1,483,514	233	443	742	67%			

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.

Appendix H - Table 3

1999-2001 Infraction Statistics Major Water Utilities

Company	2001 Residential Customers	Infractions				Infraction Rates ¹		
		1999	2000	2001	% Change in 2000-2001	1999	2000	2001
PA-American	546,950	91	65	47	-28%	0.18	0.13	0.09
Phila. Suburban	304,560	86	91	161	77%	0.29	0.28	0.53
Other "Class A"	147,625	27	48	7	-85%	0.16	0.26	0.05
Major Water	999,135	204	204	215	5%			

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.

Appendix H - Table 4

1999-2001 Chapter 64 Infraction Statistics Major Local Telephone Companies

Company Name	2001 Residential Customers	Infractions				Infraction Rates ¹		
		1999	2000	2001	% Change in 2000-2001 #	1999	2000	2001
ALLTEL	175,497	108	66	43	-35%	0.61	0.37	0.25
Commonwealth	246,550	33	27	22	-19%	0.15	0.11	0.09
MCI	151,695	N/A	N/A	377	N/A	N/A	N/A	2.49
United	286,849	243	868	758	-13%	0.86	3.03	2.64
Verizon North (GTE)	495,123	179	167	159	-5%	0.37	0.34	0.32
Verizon PA	3,965,262	690	855	544	-36%	0.18	0.22	0.14
Major Telephone	5,320,976	1,253	1,983	1,903	-4%	0.43	0.81	0.99

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.

Appendix H - Table 5

2000-2001 Chapter 63 Infraction Statistics Major Local Telephone Companies

Company Name	2001 Residential Customers	Infractions 1999	Infractions 2000	Infractions 2001	% Change in # 2000-2001	Infraction Rate 1999	Infraction Rate 2000	Infraction Rate 2001
ALLTEL	175,497	38	51	26	-49%	0.21	0.28	0.15
Commonwealth	246,550	12	26	9	-65%	0.05	0.11	0.04
MCI	151,695	N/A	N/A	2	N/A	N/A	N/A	0.01
United	286,849	109	181	63	-65%	0.38	0.63	0.22
Verizon North (GTE)	495,123	407	488	197	-60%	0.84	0.99	0.40
Verizon PA	3,965,262	4,846	10,752	4,931	-54%	1.25	2.73	1.24
Major Telephone	5,320,976	5,412	11,498	5,228	-55%	0.55	0.95	0.34

¹Infraction Rate = Number of Infractions per 1,000 Residential Customers.

N/A = Not Applicable

Appendix I - Table 1
2000-01 Universal Service Funding & Enrollment Levels¹

EDC	2001			2002		
	LIURP Funding	CAP Funding	Est. CAP Enrollment	LIURP Funding	CAP Funding	Est. CAP Enrollment
Allegheny Power	\$1,900,000	\$4,510,000	12,886	\$2,202,000	\$5,880,000	16,800
Duquesne	\$1,500,000	\$3,850,000	10,938	\$2,700,000	\$5,275,000	15,000
First Energy (Met-Ed)	\$1,600,000	\$3,500,000	5,376	\$1,826,000	\$4,564,000	7,000
PECO	\$5,600,000	\$51,407,239	91,000	\$5,600,000	\$52,179,547	93,000
First Energy (Penelec)	\$1,640,000	\$4,100,000	5,857-9,880	\$1,962,000	\$4,900,000	7,000-11,800
First Energy (Penn Power ²)			2,266-3,000	\$645,250	\$1,613,125	3,400-4,500
PPL	\$4,700,000	\$10,000,000	14,000	\$4,700,000	\$11,700,000	17,000
UGI – Electric	\$124,750	\$150,000	100	\$124,750	\$150,000	100
Total	\$17,064,750	\$77,517,239	142,423-147,180	\$19,760,000	\$86,261,672	159,300-165,200

¹The projected enrollment figures are estimates based on final EDC restructuring orders, Commission-approved settlement agreements, and universal service plan filed at § 54.74.

²The Commission specified beginning and ending funding levels only.

Appendix I - Table 2
NGDC Universal Service Funding & Enrollment

NGDC	Proposed CAP Enrollment				CAP Funding				LIURP Budget After Restructuring
	2001	2002	2003	2004	2001	2002	2003	2004	2001-2004
Columbia ¹	7,000	13,000	19,500	22,000	Included in \$6.5 m annual residential uncollectible costs				\$1,369,203
Dominion Peoples ²	3,000	6,000	9,000	9,000	\$1,600,000	\$2,500,000	\$3,900,000	\$4,200,000	\$610,000
Equitable	7,500	9,000	10,000	10,000	Included in residential rates and transition cost surcharge.				\$635,732
NFG ³	5,000	8,500	8,500	8,500	Included in residential rates.				\$1,004,871
PECO	17,500	17,500	17,500	17,500	Defer recovery until 6/30/02. May recover costs in future rate proceeding.				\$874,000
PG Energy ⁴	1,000	2,500	3,500	5,500	\$479,214	\$479,214	\$479,214		\$328,230
PPL Gas	1,100	1,650	2,200	2,200	Included in residential rates.				Program not required.
TW Phillips	1,500	1,500	,500	1,500	1500 enrollment or \$400,000 whichever comes first.				\$187,000
UGI	1,333	2,666	4,000	4,000	\$1,000,000	\$1,000,000	\$1,500,000	\$1,500,000	\$613,212
Total	44,933	62,316	75,700	80,200					\$ 5,622,248

¹ CAP enrollment levels are averages. By the end of 2003, Columbia is to have enrolled 22,000 customers. Columbia must enroll 90% of the target level or place into a deferred account \$300/customer multiplied by the number of customers below the 90% targeted level.

² Dominion Peoples must meet enrollment levels by October of each year.

³ The Commission approved an enrollment limit of 8,500 at Docket # P-00021945.

⁴ LIURP funding established in rate case at R-00005119; Order approved 12/7/00. PG Energy must meet enrollment levels by April 1 of each year.

Appendix J

LIURP SPENDING

	1999	2000	2001	Cumulative Funding Total 1988-2001
Allegheny Power	\$636,958	\$1,700,000	\$1,965,408	\$13,753,737
Duquesne	\$853,202	\$1,059,166	\$1,500,000	\$11,057,079
Met-Ed	\$1,186,062	\$1,262,788	\$1,551,225	\$17,517,082
PECO*	\$5,633,906	\$6,079,000	\$6,475,000	\$53,210,273
Penelec	\$877,845	\$1,205,540	\$1,420,175	\$13,610,951
Penn Power	\$152,700	\$346,366	\$496,240	\$2,606,713
PPL Utilities	\$4,375,449	\$5,713,649	\$5,797,404	\$49,067,574
UGI-Electric	\$87,886	\$170,403	\$158,575	\$1,223,814
Electric-Total	\$13,804,008	\$17,536,912	\$19,364,027	\$162,047,223
Columbia	\$1,313,019	\$1,404,714	\$1,369,203	\$14,960,662
Dominion Peoples	\$373,093	\$584,845	\$634,954	\$8,812,971
Equitable	\$297,944	\$598,040	\$501,677	\$7,690,454
NFG	\$932,966	\$1,041,168	\$947,184	\$9,867,568
PG Energy	\$297,769	\$391,982	\$326,850	\$4,283,993
TW Phillips	\$121,082	\$123,098	\$150,862	\$2,227,224
UGI-Gas	\$541,851	\$483,461	\$595,435	\$6,944,059
Gas-Total	\$3,877,724	\$4,627,308	\$4,526,165	\$54,786,931
Overall Total	\$17,681,732	\$22,164,220	\$23,890,192	\$216,834,154

*Combined electric and gas

Appendix K

LIURP Production Levels

	Heating Jobs				Water Heating Jobs				Baseload Jobs				Cumulative 14 Yr. Total
	1999	2000	2001	14 Yr. Total	1999	2000	2001	14 Yr. Total	1999	2000	2001	10 Yr. Total	
Allegheny Power	2	223	245	6,412	15	808	958	11,002	0	320	222	848	18,262
Duquesne	2	0	25	1,993	15	23	3	1,022	988	1,260	1,736	8,166	11,181
Met-Ed	419	330	401	7,334	327	295	411	6,161	269	334	459	1,977	15,472
PECO*	1,701	2,113	2,250	20,427	0	0	0	7,644	6,809	6,650	6,254	40,409	68,480
Penelec	171	241	213	5,053	581	855	956	13,986	153	289	451	1,806	20,845
Penn Power	19	40	89	691	75	284	353	2,419	75	270	330	929	4,039
PPL Utilities	1,209	1,713	1,246	25,992	537	735	114	6,890	750	425	728	4,392	37,274
UGI-Electric	9	9	25	303	0	0	1	14	50	136	150	483	800
Electric-Total	3,532	4,669	4,494	68,205	1,550	3,000	2,796	49,138	9,094	9,684	10,330	59,010	176,353
Columbia	234	181	321	3,794									3,794
Dominion Peoples	117	200	218	3,216									3,216
Equitable	52	179	140	2,007									2,007
NFG	192	207	191	2,789									2,789
PG Energy	112	182	140	2,260									2,260
TW Phillips	18	25	33	770									770
UGI-Gas	205	183	177	2,643									2,643
Gas-Total	930	1,157	1,220	17,479									17,479
Overall Total	4,462	5,826	5,714	85,684	1,550	3,000	2,796	49,138	9,094	9,684	10,330	59,010	193,832

*Combined electric and gas

Appendix L

Utility Hardship Funds

Company	Hardship Fund Name
Allegheny Power	Dollar Energy Fund
Duquesne	Dollar Energy Fund
Met-Ed	Dollar Energy Fund
PECO*	Matching Energy Assistance Fund (UESF and others)
Penelec	Dollar Energy Fund
Penn Power	Project Reach
PPL Utilities	Operation Help
Columbia	Dollar Energy Fund
Dominion Peoples	Dollar Energy Fund
Equitable	Dollar Energy Fund
NFG	Neighbor for Neighbor
PG Energy	Project Outreach
T.W. Phillips	Dollar Energy Fund
UGI*	Operation Share
PA-American	Dollar Energy Fund

*Includes electric and gas

Appendix M

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Appendix N

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Consumer Access to the Public Utility Commission

The Pennsylvania Public Utility Commission provides access to consumers through three toll free telephone numbers:

Termination Hotline: 1-800-692-7380

Complaint Hotline: 1-800-782-1110

Utility Choice Hotline: 1-888-782-3228

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.paonline.com

✍ Information about Utility Choice is available on the internet:

www.utilitychoice.org

