



Utility Consumer Activities Report and Evaluation 2007

Pennsylvania Public Utility Commission



The Pennsylvania Public Utility Commission



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

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1. Consumer Contacts to BCS

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer contacts. Its responsibilities were clarified under Act 114 of 1986 in regard to deciding and reporting on customer complaints. In order to fulfill its mandates, BCS began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then BCS has investigated 1,411,839 cases (consumer complaints and payment arrangement requests) and has received 1,132,498 opinions and requests for information (inquiries). BCS received 71,061 utility customer contacts that required investigation in 2007. It is important to note that more than 77 percent of these customer complaints had been appropriately handled by the subject utilities before the customers brought them to BCS. In these instances, the Commission has upheld the utility's actions.

Case Handling

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

Once a customer contacts BCS with a complaint or payment arrangement request (PAR), BCS notifies the utility that a complaint or PAR has been filed. The vast majority of consumers contact BCS by telephone using BCS's toll-free numbers. Ninety-five percent of informal complaints were filed by telephone in 2007. The utility sends BCS all records concerning the complaint, including records of its contacts with the customer regarding the complaint. The BCS investigator reviews the records, renders a decision and closes the case. The Policy Division then examines the case and, among other things, classifies the complaint into one of seven major problem areas, as well as one of more than 100 specific problem categories. This case information is entered into the Consumer Services Information System database. The analysis from case information is used by BCS to generate reports to the Commission, utilities, legislators and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

Consumer Feedback Survey

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

Consumer Rating of the BCS's Service

How would you rate the service you received from the PUC (BCS)?	January-December 2006	January-December 2007
Excellent	58%	58%
Good	21%	25%
Fair	12%	9%
Poor	9%	8%

According to the 2007 results, 82 percent of consumers felt BCS handled their complaint either "very quickly" or "fairly quickly." In addition, 89 percent of consumers said that the information the Commission gave them about the outcome of the problem was either "very easy to understand" or "fairly easy to understand." Further, 93 percent of consumers indicated that the BCS staff person who took their call was either "very polite" or "fairly polite," and 89 percent described the BCS contact person as "very interested" or "fairly interested" in helping with the problem. Over 82 percent of consumers reported that they would contact the Commission again if they were to have another problem with a utility that they could not settle with the company.

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

Databases

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

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

Distinctions Among Cases

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

Commercial customer contacts also were excluded from the database. Although BCS’s regulatory authority has largely been confined to residential accounts, the Bureau handled 2,503 cases from commercial customers in 2007. Of these cases, 295 were related to loss of utility service and 2,208 were consumer complaints. With respect to the 295 cases, BCS does not make payment arrangements for commercial accounts. Due to its limited jurisdiction, BCS does not issue decisions regarding commercial disputes. Instead, Bureau investigators give commercial customers information regarding the company position or attempt to mediate a mutually acceptable agreement regarding the disputed matter. All 2007 cases that involved commercial accounts were deleted from the analyses in subsequent chapters of this report. The table below shows the vast majority of cases handled by BCS in 2007 involved residential utility service.

Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 2007

Industry	Consumer Complaints		Payment Arrangement Requests	
	Residential	Commercial	Residential	Commercial
Electric	5,128	931	28,176	165
Gas	4,765	543	16,124	108
Water	1,260	137	4,171	14
Telephone	7,224	596	1,690	8
Other	11	1	9	0
Total	18,388	2,208	50,170	295

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

Consumer Complaints

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

Consumer Complaints by Industry* 2006-07

Industry	2006	2007	% Change
Electric	4,837	6,059	25%
Gas	6,589	5,308	-19%
Water	1,239	1,397	13%
Telephone	8,606	7,820	-9%
Other	39	12	-69%
Total	21,310	20,596	-3%

* Table includes both residential and commercial consumer complaints.

During 2007, electric and gas utilities accounted for 29 percent and 26 percent, respectively, of all consumer complaints investigated by BCS. Water utilities accounted for 7 percent of consumer complaints while telephone utilities were the subject of 38 percent of all consumer complaints.

Justified Consumer Complaints

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

Classification of Consumer Complaints

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

BCS has categorized the 2007 residential consumer complaints into 13 categories for each of the electric, gas and water utilities, and into 11 categories for each of the telephone utilities. Tables that show the percent of complaints in each category in 2007 appear in each industry chapter. The percentages shown in the tables are for all of the cases that residential consumers filed with BCS, not just the cases that are determined to be justified in coming to BCS. BCS analyzes the categories that generate complaints

or problems for customers, even if the utility records indicate that the utility followed Commission procedures and guidelines in handling the complaint. BCS often discusses its findings with individual utilities so they can use the information to review their complaint-handling procedures in categories that seem to produce large numbers of consumer complaints to the Commission. The four tables in Appendix C show the actual number of cases that fell into each category in 2007.

Payment Arrangement Requests

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

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

All of the measures pertaining to PARs are based on assessments of contacts to BCS from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to their contact to BCS. During 2007, BCS handled 50,465 requests for payment arrangements from customers of the utilities under the Commission's jurisdiction.

On Nov. 30, 2004, Gov. Edward G. Rendell signed into law Senate Bill 677 now known as Act 201. This act went into effect on Dec. 14, 2004. The Act amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§ 1401-1418), Responsible Utility Customer Protection Act. The legislation is applicable to most of the electric, gas and water companies in Pennsylvania.

This new statute supersedes parts of Chapter 56 Standards and Billing Practices for Residential Utility Service provisions such as winter termination rules, termination procedures, credit, deposits, reconnection of service and Commission payment arrangements. This report is the third report on consumer complaint and PAR activity under this law. The first full calendar year in which the new statute was in effect was 2005. BCS viewed 2005 as a transitional year. Since that time, the Commission issued its First Biennial Report to the General Assembly and the Governor reviewing the implementation of Chapter 14. On September 28, 2008, the Commission voted 5-0 to propose revisions to Chapter 56 and invite interested parties to comment on these important regulations as it prepares the regulations for a future final order. (Docket L-00060182)

In 2007, the overall volume of PARs handled by the Commission increased by 2 percent from the previous year. This is the first time that the volume of PARs increased since the enactment of Chapter 14. PARs from electric customers increased by 12 percent from 2006 to 2007 and PARs from water customers increased by 19 percent during that time. However, PARs from gas customers decreased by 12 percent. Although Chapter 14 does not apply to telephone companies, PARs from telephone customers decreased by 20 percent from 2006 to 2007.

The Commission strives to implement Chapter 14 in a manner that will allow it to achieve the policy goals of increasing utility account collections and to avoid the passing along of bad debt costs to paying consumers. At the same time, the Commission works to

implement Chapter 14 as fairly as possible to help ensure that service remains available to all customers on reasonable terms and conditions. The Commission is dedicated to using a collaborative process that takes into account the needs of both utilities and consumers, and gives all parties an opportunity to participate in these efforts.

Payment Arrangement Requests by Industry* 2006-07

Industry	2006	2007	% Change
Electric	25,271	28,341	12%
Gas	18,450	16,232	-12%
Water	3,516	4,185	19%
Telephone	2,133	1,698	-20%
Other	10	9	-10%
Total	49,380	50,465	2%

* Table includes both residential and commercial PARs.

As in past years, the majority of requests for payment arrangements in 2007 involved electric or gas companies. Fifty-six percent of the PARs (28,341 cases) were from electric customers, and 32 percent (16,232 cases) were from gas customers. Also, 8 percent of PARs (4,185 cases) came from customers of various water utilities. Only 3 percent of PARs (1,698) came from telephone customers.

Inquiries and Opinions

During 2007, BCS and its call centers received 79,341 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. BCS classified these contacts as "inquiries." The inquiries for 2007 include contacts to the Competition Hotline as well as contacts to BCS using other telephone numbers, mail service and email communication. Further discussion of the Competition Hotline appears later in this chapter.

In large part, the inquiries in 2007 involved terminations or suspensions of service. BCS also classifies certain requests for payment arrangements as inquiries. For example, BCS does not issue payment decisions on requests to restore or avoid suspension/termination of toll or nonbasic telephone service. When consumers call with these problems, BCS classifies these requests as inquiries. Similarly, if a customer has recently been through the BCS payment arrangement process and calls again with a new request regarding the same account, BCS does not open a new PAR case. In these instances, BCS classifies the customer's contact as an inquiry.

As in past years, BCS also has shifted some contacts that originated as consumer complaints and payment arrangement requests into the inquiry category because it was not appropriate to count these contacts as informal complaints. Examples of these contacts include complaints that were found to be duplicates, informal complaints filed

against the wrong company, informal complaints that BCS handled in spite of the fact that customers had not previously contacted their companies about their problems, and cases that the investigators verbally dismissed. In all, these 756 cases accounted for less than 1 percent of inquiries in 2007.

BCS is able to expand its list of reasons for contact as customers' reasons grow and change. Currently, the list includes 65 reasons for contact from consumers. Possible actions by BCS intake staff include: recording the consumer's opinion; giving information to the consumer; referring the consumer to a utility company; and referring the consumer to an agency or organization outside of the Commission. If the contact requires further action, the intake staff refers the contact to a BCS investigator, and thus the contact becomes a consumer complaint or a payment arrangement request. The following table shows the various reasons for contact for the 2007 inquiries.

Categories of 2007 Inquiries

Reason for Contact	Number	Percent
Termination or suspension of service	19,287	24%
Billing dispute	11,690	15%
CAP review - declined	7,145	9%
Unable to open new PAR - service on	7,124	9%
PUC has no jurisdiction	5,507	7%
Competition issues and requests for information	3,324	4%
Request for general information	3,061	4%
Rate protest	2,924	4%
Application/deposit issue	2,371	3%
People-delivered company service	1,489	2%
Service (company facilities)	1,357	2%
Rate complaint	314	<1%
Unable to open new PAR - service off	223	<1%
Slamming	133	<1%
Weather outage	68	<1%
Cramming	29	<1%
Other miscellaneous reasons	8,249	10%
Reason for contact is not available	5,046	6%
Total	79,341	100%

Calls to the Commission's Competition Hotline

In 2007, the Commission's call center employees used BCS's computerized information system to record information from the consumer contacts about electric and gas competition. The statistics show that 72 percent of contacts about electric and gas

competition are related to the restructuring of the electric industry while 28 percent concern the gas industry.

In 2007, call center employees recorded information from 2,951 consumer contacts about competition in the energy industries. Many calls came from consumers who called about various issues associated with the customer choice programs of the Electric Distribution Companies (EDCs) and the Natural Gas Distribution Companies (NGDCs). However, most frequently consumers called to request competition-related brochures and to seek information about competition in general (49 percent of all contacts).

In most instances, BCS classified the contacts to the Competition Hotline as inquiries because they required no investigation or follow-up. The BCS or call center staff person took care of the consumer's request or question at the initial contact. However, some consumer contacts required further investigation and possibly action to resolve the consumer's concerns. In these cases, BCS more appropriately classified the contacts as consumer complaints and investigated the consumer's problem. In 2007, billing disputes related to competition produced the largest volume of competition-related consumer complaints. In prior years, BCS investigated a number of consumer complaints in which consumers alleged they were assigned to an electric or gas supplier without their consent or knowledge (slamming). In 2007, the BCS investigated five allegations of electric slamming. There was one allegation of slamming in the gas industry. Appendix B-1 explains the types of competition complaints BCS handles.

During the early phases of electric and gas competition, BCS expected it would receive consumer complaints associated with the transition to customer choice. As expected, many customers experienced a variety of problems as they began choosing electric and gas suppliers. BCS found that, after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, BCS decided that it would be unfair to include competition complaints with consumer complaints about other issues when it calculates the performance measures it uses to evaluate and compare companies within the electric and gas industries. BCS continues this practice in 2007. Therefore, BCS excluded 21 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 64 such complaints in the gas industry chapter.

Residential Consumer Complaints Not Included in Industry Chapters

Traditionally, the primary focus of BCS's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. However, for the past several years, BCS has included a limited amount of complaint information for the non-major utilities and the other service providers in the UCARE. In 2007, BCS experienced a decrease in the overall number of residential consumer complaints, including complaints about the non-major utilities. For the third year in a row, fewer customers sought BCS's assistance in solving problems with the many providers of utility service in Pennsylvania. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

In 2007, BCS staff investigated consumer complaints about a variety of problems that consumers were having with the non-major companies under the Commission's jurisdiction.

For example, BCS investigated complaints related to competition issues. However, the vast majority of complaints not included in the industry chapters involved billing disputes.

Residential consumer complaints related to people-delivered service or service (company facilities) generated the next highest volume of complaints to BCS from customers of the non-major electric, gas and telephone companies. These types of service complaints accounted for 16 percent of the residential consumer complaints about the non-major companies in the electric industry and 12 percent of residential consumer complaints about the non-major gas companies. However, 18 percent of the complaints about the non-major telecommunications companies in 2007 involved service-related issues.

With respect to slamming, the Commission has stated clearly, it "...will have zero tolerance for slamming by any means and in any form." The Commission views customer slamming as among the most serious violations of consumer regulations. In 2007, BCS received one residential consumer complaint alleging slamming against a major electric distribution company and one residential consumer complaint about slamming against an electric generation supplier. There were no residential slamming consumer complaints about the non-major electric distribution companies. There was one complaint about slamming against a major natural gas distribution company, and none about the non-major natural gas distribution companies. In the telephone industry, Bureau staff investigated a total of 48 allegations of slamming from residential customers against the non-major companies in 2007.

BCS uncovered a variety of problems facing utility consumers related to customer choice in the electric, gas and telephone industries in 2007. As in previous years, given the complex nature of these problems in the electric and gas industries and the difficulty in determining who is at fault (the incumbent provider or the new provider), BCS excluded many of these complaints from its evaluation of the major utilities in the electric and gas industry chapters that follow. However, beginning with the 2003 report, BCS included competition-related complaints for the telephone industry. As a result, the analysis in Chapter 6 includes these types of complaints about the nine largest local telephone companies.

Appendix A presents a summary of the residential consumer complaints that are not included in the electric, gas and telephone chapters that follow. The table lists the non-major companies having five or more residential consumer complaints in 2007. A brief discussion of the complaints filed against small water companies appears in the water industry chapter.

Informal Compliance Process and Infractions

BCS's primary compliance effort remains its informal compliance process. This process gives each utility specific examples of apparent infractions of Chapters 14, 56, 63 and 64. The informal compliance process uses consumer complaints to identify, document and notify utilities of apparent deficiencies. The utilities can use the information to pinpoint and voluntarily correct deficiencies in their customer service operations. The process begins by BCS notifying a utility of an alleged infraction. A utility that receives notification of an allegation has an opportunity to affirm or deny the information. If the information about

the allegation is accurate, BCS expects the utility to take action to correct the problem or address any deficiencies that led to the infraction. Corrective actions may entail: modifying a computer program; revising company procedures or the text of a notice, bill or letter; or providing additional staff training to ensure the proper use of a procedure.

If the utility states the information is inaccurate, it needs to provide specific details and supporting data to disprove the allegation. BCS always provides a final determination to the utility regarding the alleged infraction. For example, if the utility provides supporting data indicating that the information about the allegation is inaccurate, BCS, after reviewing all the information, would inform the utility that, in this instance, the facts do not reflect an infraction of the regulations. On the other hand, if the company agrees the information forming the basis of the allegation is accurate or if BCS does not find the data supports the utility's position that the information is inaccurate, BCS would inform the company that the facts reflect an infraction of a particular section of the regulations. The notification process allows utilities to receive written clarifications of Chapter 14, 56, 63 or 64 provisions and the policies of the Commission and BCS.

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

2. Performance Measures

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

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

Consumer Complaint Rate

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

Justified Consumer Complaint Rate

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

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

BCS monitors the complaint rates and justified rates of the major utilities, paying particular attention to the number of justified complaints that customers file with the

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

Response Time to Consumer Complaints

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

Payment Arrangement Request Rate

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

Justified Payment Arrangement Request Rate

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

to BCS intervention, the company did not comply with Commission regulations, reports, Secretarial Letters, tariffs or guidelines.

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

Response Time to Payment Arrangement Requests

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

In 1999, BCS made changes in the case processing of certain payment arrangement requests. These procedural changes made it necessary for BCS to revise its method of calculating response time to PARs for the electric, gas and water industries. BCS calculates response time for the major electric, gas and water companies using only their responses to payment arrangement requests from customers whose service has been terminated, who have a dispute with the company, or who have previously had a BCS payment arrangement for the amount that they owe.

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

Infraction Rate

During 2007, BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential accounts. In order to compare utilities of various sizes within an industry, BCS has calculated a measure called "infraction rate." The infraction rate is the number of

informally verified infractions for each 1,000 residential customers. BCS has reported a compliance rate for the major telephone companies since 1989. It introduced “infraction rates” for the electric, gas and water utilities in its 1997 report.

Several considerations are important to keep in mind when viewing the infraction rate charts in the chapters that follow. First, the data does not consider the causes of the individual infractions. Second, some infractions may be more serious than others because of their systemic nature, and therefore may show ongoing or repetitive occurrences. Still other infractions may be more serious because they involve threats to the health and safety of utility customers.

The value of the infraction rate is to depict industry trends over time. The trend for 2007 is calculated using BCS’s Compliance Tracking System (CTS) data as of July 2008. The 2007 trends may change if the total number of infractions increases. This would occur if new infractions are discovered from customer complaints that originated in 2007, but were still under investigation by BCS when the data was retrieved from the CTS. Often, the total number of infractions for the year will be greater than the number cited in this report. BCS will update the number of infractions found on 2007 cases in the report on 2008 complaint activity. Infraction rates for each major electric, gas, and water utility company are shown for 2005, 2006 and 2007 in upcoming chapters. Chapter 6 presents infraction rates for 2006 and 2007 for each major telephone utility. Appendix F shows detailed information about the infractions BCS gleaned from its review of the 2007 consumer complaints and payment arrangement requests. The information presented in Appendix F shows the infractions of Chapters 56 and 14 for the major electric, gas and water companies, and the infractions of Chapters 63 and 64 for the major telephone companies.

Termination Rate

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

BCS Performance Measures and Industry Chapters

The tables in the following chapters present the data alphabetically by company name. Each chapter includes tables that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are tables that show the prior year’s justified consumer complaint rates and the justified payment arrangement request rates for each of the major utilities. The tables also reflect the average rates of the major utilities within the industry for each of these

measures. In addition, each industry chapter presents tables that show infraction rates for the major utilities, response times to consumer complaints and payment arrangement requests, and the termination rates for the major electric, gas and telephone utilities.

It is important to note that the electric and gas industry chapters present only data from those utilities that have more than 100,000 residential customers. In the water industry chapter, data for the "Class A" water utilities that have less than 100,000 residential customers are presented together as a whole. The telephone chapter presents data from those local service providers serving more than 50,000 residential customers.

BCS has found that the inclusion of statistics for the smaller utilities can skew the average of industry statistics in ways that do not fairly represent industry performance. For this reason, BCS excluded the statistics involving UGI-Electric when it calculated the 2006 and 2007 averages for the electric industry. Similar to previous years, statistics for UGI-Electric are included in the appendices of this report. For the first time, BCS included statistics for Cavalier Telephone Mid-Atlantic (Cavalier) in Chapter 6, since Cavalier was a major provider of local telephone service in 2007, serving more than 50,000 residential customers. In past years, BCS included data for AT&T Local in the telephone industry chapter. However, AT&T Local's customer base in Pennsylvania has been declining, and in 2006 and 2007, AT&T Local served fewer than 50,000 residential customers. As a result, BCS did not include data for AT&T Local in this year's report.

Universal Service and Energy Conservation Programs

The Commission has a long history of involvement in universal service and energy conservation programs that help utility consumers obtain and keep service, and conserve energy. At the end of the water and telephone chapters that follow, readers will find highlights of the water and telephone programs that the Commission has supported and encouraged, not only in 2007, but in prior years as well.

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

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

In August 2008, the Commission released the eighth annual report on Universal Service Programs and Collections Performance. BCS prepared the report, which presents 2007 universal service and collections data for the major electric and natural gas distribution companies. The report is available on the Commission's Web site at http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2007.pdf.

3. Electric Industry

In 2007, the Commission had jurisdiction over 16 electric distribution companies (EDCs). However, the majority of the consumer complaints and payment arrangement requests involving the electric industry were from residential customers of the seven largest EDCs: Allegheny Power (Allegheny); Duquesne Light Company (Duquesne); Metropolitan Edison (Met-Ed) – a FirstEnergy Company; PECO Energy (PECO); Pennsylvania Electric (Penelec) – a FirstEnergy Company; Pennsylvania Power Company (Penn Power) – a FirstEnergy Company; and PPL Utilities Inc. (PPL). This chapter will focus exclusively on those seven companies. Most of the complaints and payment arrangement requests dealt with matters covered under 52 Pa. Code, Chapter 56 Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14 Responsible Utility Customer Protection. For the most part, these consumer complaints and payment arrangement requests represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major electric utilities in 2007. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. BCS investigated complaints in 2007, generated as a result of the Electric Choice program that allowed customers to choose an electric generation supply company. However, as mentioned in the first chapter, BCS removed these complaints from the database it used to prepare the tables on consumer complaints and payment arrangement requests. Appendices C through F present statistics on the performance of the seven largest EDCs and UGI-Electric in 2006 and 2007.

Consumer Complaints

During 2007, BCS handled 5,109 consumer complaints from residential customers of the various electric distribution companies (EDCs) and 19 consumer complaints from residential customers of electric generation supply companies. Of these residential complaints, 97 percent (4,962) were from customers of the seven largest EDCs. For the analyses in this chapter, BCS excluded a total of 21 consumer complaints about the major EDCs that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2007 complaints from residential customers of the seven largest EDCs in each of the 13 categories used by the BCS policy division to categorize consumer complaints about electric, gas and water utilities. Appendix C, Table 1, provides the actual number of cases that fell into each category in 2007.

Consumer Complaint Categories: 2007 Major Electric Distribution Companies

Categories	Allegheny Power	Duquesne	Met-Ed	PECO+	Penelec	Penn Power	PPL	Electric Majors
Billing Disputes	10%	11%	11%	25%	11%	24%	15%	16%
Credit and Deposits	21%	11%	5%	18%	13%	4%	2%	12%
Personnel Problems	11%	19%	7%	16%	5%	2%	8%	12%
Service Interruptions	9%	12%	26%	2%	5%	3%	15%	10%
Metering	7%	2%	9%	7%	13%	13%	10%	8%
Discontinuance/Transfer	3%	5%	4%	5%	7%	0%	14%	6%
Service Quality	7%	4%	7%	5%	7%	2%	9%	6%
Damages	9%	7%	7%	2%	9%	4%	4%	6%
Service Extensions	7%	3%	9%	1%	7%	7%	7%	5%
Other Payment Issues	3%	8%	3%	7%	2%	3%	4%	5%
Scheduling Delays	5%	4%	5%	3%	7%	1%	2%	4%
Rates	1%	2%	2%	3%	6%	26%	2%	4%
All Other Problems	7%	10%	5%	7%	8%	10%	7%	7%
Total-Percent*	100%	98%	100%	101%	100%	99%	99%	101%
Total-Number**	338	322	240	555	215	96	366	2,132

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

** Based on residential complaints evaluated by BCS as of May 23, 2008.

+ PECO statistics include electric and gas.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix B, Table 1, for an explanation of complaint categories and Appendix C, Table 1, for the number of cases in each category.
- In 2007, billing disputes accounted for 16 percent of the consumer complaints about the major EDCs. Credit and deposits as well as personnel problems each accounted for 12 percent of the consumer complaints. These three categories accounted for 40 percent of consumer complaints about the major EDCs.

**2007 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Electric Distribution Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Allegheny Power	0.75	0.10
Duquesne	0.84	0.09
Met-Ed	0.71	0.15
PECO*+	1.96	0.37
Penelec	0.60	0.10
Penn Power	0.98	0.07
PPL	0.44	0.04
Average	0.90	0.13

* Justified consumer complaint rate 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 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 almost seven 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 2006 and 2007.

2006-07 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies

Company	2006	2007
Allegheny Power	0.13	0.10
Duquesne	0.11	0.09
Met-Ed	0.20	0.15
PECO*+	0.45	0.37
Penelec	0.12	0.10
Penn Power	0.09	0.07
PPL	0.06	0.04
Average	0.17	0.13

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the major electric distribution companies decreased from 0.17 in 2006 to 0.13 in 2007.
- Of the seven major EDCs, five have justified consumer complaint rates that are lower than the industry average, one EDC has a rate just slightly higher than the industry average and one EDC's justified consumer complaint rate is significantly higher than the 2007 industry average.
- Appendix D, Table 1, presents the number of justified consumer complaints for each major EDC in 2006 and 2007.

2006-07 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies

Company	Number of Days 2006	Number of Days 2007	Change in Days 2006 to 2007
Allegheny Power	16.9	14.1	-2.8
Duquesne	18.8	23.6	4.8
Met-Ed	13.3	16.6	3.3
PECO+	13.3	20.7	7.4
Penelec	11.7	12.5	0.8
Penn Power	10.8	14.9	4.1
PPL	23.4	22.5	-0.9
Average	15.5	17.8	2.3

+ PECO statistics include electric and gas.

- For the first time, the calculation for average response time includes all residential consumer complaints for the major electric companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation. The 2006 data has been recalculated from what appeared in last year's report to include response times for all 2006 residential consumer complaints for each major electric company.
- Overall, the average response time increased by 2.3 days.
- Penelec had the shortest consumer complaint response time in 2007 at 12.5 days while Duquesne had the longest at 23.6 days.

Payment Arrangement Requests

In 2007, BCS handled 28,175 payment arrangement requests (PARs) from residential customers of the EDCs and one PAR from residential customers of electric generation suppliers. Ninety-eight percent (27,607) of the residential PARs were from customers of the seven largest EDCs. In 2007, BCS reviewed a representative sample of the PARs for each of the seven largest EDCs: Allegheny, Duquesne, Met-Ed, PECO, Penelec, Penn Power and PPL. Thus, the calculation for justified payment arrangement request rate that appears in the pages that follow is based on a subset of cases that BCS received from the customers of these utilities. BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix E, Table 1, provides additional statistics regarding the payment arrangement requests from residential customers of the major EDCs.

**2007 Residential Payment Arrangement Request Rates/
Justified Payment Arrangement Request Rates*
Major Electric Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Allegheny Power	3.99	0.25
Duquesne	6.69	1.15
Met-Ed	5.84	0.87
PECO+	5.49	1.07
Penelec	5.77	0.47
Penn Power	8.76	1.25
PPL	5.84	1.63
Average	6.06	0.96

* 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 more than six payment arrangement requests to BCS for each 1,000 residential customers of the major EDCs in 2007. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2006 and 2007 PAR rates and justified PAR rates. See the “Payment Arrangement Requests” section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix E, Table 1, presents the number of payment arrangement requests and justified payment arrangement requests for each major EDC in 2006 and 2007.

2006-07 Justified Residential Payment Arrangement Request Rates* Major Electric Distribution Companies

Company	2006	2007
Allegheny Power	0.33	0.25
Duquesne	0.11	1.15
Met-Ed	0.22	0.87
PECO+	0.21	1.07
Penelec	0.23	0.47
Penn Power	0.25	1.25
PPL	0.37	1.63
Average	0.25	0.96

* 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 seven major EDCs increased significantly from 0.25 in 2006 to 0.96 in 2007.
- The justified PAR rates increased for six of the seven major EDCs from 2006 to 2007. Four of the major EDCs have justified PAR rates greater than the 2007 industry average while only three of the major EDCs have justified PAR rates below the industry average.
- Appendix E, Table 1, presents the number of justified payment arrangement requests for each major EDC in 2006 and 2007.

2006-07 Response Time to BCS Residential Payment Arrangement Requests Major Electric Distribution Companies

Company	Number of Days 2006	Number of Days 2007	Change in Days 2006 to 2007
Allegheny Power	15.5	13.8	-1.7
Duquesne	14.5	22.7	8.2
Met-Ed	2.2	2.7	0.5
PECO+	13.9	13.7	-0.2
Penelec	2.8	2.7	-0.1
Penn Power	4.4	2.7	-1.7
PPL	20.5	6.1	-14.4
Average	10.5	9.2	-1.3

+ PECO statistics include electric and gas.

- For the first time, the calculation for average response time includes all residential PARs for the major electric companies. In prior years, BCS used only the response times for evaluated PARs in this calculation. The 2006 data has been recalculated from what appeared in last year's report to include response times for all 2006 residential PARs for each major electric company.
- The average of response times for the seven major EDCs decreased by 1.3 days, from 10.5 days in 2006 to 9.2 days in 2007.
- There is a wide range of PAR response times among the major EDCs for 2007, from a low of 2.7 days for Met-Ed, Penelec and Penn Power to a high of 22.7 days for Duquesne.

Termination and Reconnection of Service

Each month, the electric companies report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Some EDCs maintain a fairly consistent pattern of termination behavior while others fluctuate from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The EDC reconnects a customer's terminated service when a customer either pays his/her debt in full or makes a significant payment on the debt and agrees to a payment arrangement for the balance owed to the company. The following tables indicate the annual number of residential accounts each of the seven largest EDCs terminated and reconnected in 2005, 2006 and 2007. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Electric Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2005	2006	2007	% Change in # 2006-07	2005	2006	2007
Allegheny Power	19,980	21,514	21,689	1%	3.31	3.54	3.55
Duquesne	22,132	20,885	22,624	8%	4.22	3.98	4.31
Met-Ed	7,599	8,465	15,432	82%	1.63	1.78	3.22
PECO+	61,063	42,336	53,729	27%	4.36	3.01	3.82
Penelec	11,430	11,307	14,061	24%	2.26	2.24	2.78
Penn Power	2,795	3,016	4,598	52%	2.02	2.17	3.30
PPL	17,795	21,221	25,873	22%	1.51	1.79	2.16
Major Electric	142,794	128,744	158,006	23%			
Average of Rates					2.76	2.64	3.31

+PECO statistics include electric and gas.

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major EDCs terminated 23 percent more residential accounts in 2007 than in 2006.

Residential Service Reconnections Major Electric Distribution Companies

Company	2005	2006	2007	% Change in # 2006-07
Allegheny Power	11,969	13,766	14,184	3%
Duquesne	15,124	14,587	16,360	12%
Met-Ed	4,306	6,338	12,457	97%
PECO+	41,157	24,874	36,468	47%
Penelec	7,060	7,482	10,162	36%
Penn Power	1,824	2,178	3,740	72%
PPL	11,398	15,578	18,595	19%
Major Electric	92,838	84,803	111,966	32%

+ PECO statistics include electric and gas.

- Overall, the seven major EDCs reconnected 32 percent more residential accounts in 2007 than in 2006.

Compliance

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

The infraction rates in the table that follows are based on all informal complaints that residential consumers filed with BCS from 2005 through 2007. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix F, Table 1, presents detailed information about the infractions identified on 2007 cases to the BCS.

Commission Infraction Rates Major Electric Distribution Companies

Company	2005	2006	2007
Allegheny Power	0.05	0.05	0.04
Duquesne	0.02	0.04	0.07
Met-Ed	0.10	0.10	0.01
PECO+	0.09	0.03	0.11
Penelec	0.07	0.05	0.04
Penn Power	0.10	0.04	0.03
PPL	0.02	0.02	0.02

+ PECO statistics include electric and gas.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- There were five companies with infraction rates below the industry average and two companies with infraction rates above the industry average.
- Appendix F, Table 1, presents the actual number of infractions for 2007 categorized by infraction category.

4. Natural Gas Industry

In 2007, the Commission had jurisdiction over 32 natural gas distribution companies (NGDCs). However, the majority of the consumer complaints and payment arrangement requests involving the gas industry came from residential customers of the seven major NGDCs: Columbia Gas of Pennsylvania (Columbia); Dominion Peoples (Dominion); Equitable Gas (Equitable); National Fuel Gas Distribution Corporation (NFG); Philadelphia Gas Works (PGW); UGI-Gas; and UGI Penn Natural f/k/a PG Energy. This chapter will focus exclusively on those seven utilities. As with the electric industry, most of the complaints and payment arrangement requests dealt with matters covered under 52 Pa. Code, Chapter 56 Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14 Responsible Utility Customer Protection. These consumer complaints and payment arrangement requests, for the most part, represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major gas utilities in 2007. Appendices C through F provide statistics for these utilities from 2006 and 2007.

Consumer Complaints

During 2007, BCS handled 4,665 consumer complaints from residential customers of the various natural gas distribution companies (NGDCs) and 100 consumer complaints from residential customers of natural gas suppliers. Of these residential complaints, 96 percent (4,558) were from customers of the seven largest NGDCs. For the analyses of the seven major gas companies that appear in this chapter, BCS excluded 64 consumer complaints that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2007 complaints from residential customers of the seven major gas utilities in each of the 13 categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. The percentages shown in the table are for all the cases residential customers of the major gas utilities filed with BCS, not just cases determined to be justified in coming to BCS. Appendix C, Table 2, provides the actual number of cases that fell into each category in 2007.

Consumer Complaint Categories: 2007 Major Natural Gas Distribution Companies

Categories	Columbia	Dominion	Equitable	NFG	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	12%	20%	26%	12%	34%	21%	36%	23%
Metering	18%	14%	10%	13%	5%	17%	7%	12%
Personnel Problems	10%	8%	14%	15%	12%	9%	12%	11%
Credit and Deposits	3%	16%	11%	5%	5%	21%	10%	11%
Discontinuance/Transfer	7%	8%	9%	10%	10%	11%	5%	9%
Other Payment Issues	4%	7%	11%	7%	16%	4%	4%	8%
Scheduling Delays	11%	9%	3%	8%	3%	3%	3%	6%
Service Quality	12%	5%	5%	9%	2%	4%	5%	6%
Damages	7%	4%	4%	5%	1%	2%	3%	4%
Service Extensions	8%	3%	2%	8%	2%	2%	5%	3%
Rates	1%	1%	1%	0%	0%	1%	3%	1%
Service Interruptions	0%	<1%	<1%	1%	1%	<1%	0%	<1%
All Other Problems	4%	3%	5%	7%	8%	4%	7%	5%
Total-Percent*	97%	98%	101%	100%	99%	99%	100%	99%
Total-Number**	292	582	568	178	364	296	73	2,353

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

** Based on residential complaints evaluated by BCS as of May 23, 2008.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix B, Table 1, for an explanation of complaint categories and Appendix C, Table 2, for the number of cases in each category.
- In 2007, billing disputes generated 23 percent of the complaints about the major gas utilities followed by metering complaints (12 percent). Complaints about credit and deposits as well as personnel problems each accounted for 11 percent.

**2007 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Natural Gas Distribution Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Columbia	1.12	0.15
Dominion	2.59	0.63
Equitable	3.31	0.43
NFG	1.30	0.14
PGW	3.61	0.93
UGI-Gas	1.43	0.14
UGI Penn Natural	0.70	0.06
Average	2.01	0.35

- 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.
- In 2007, the average of consumer complaint rates is more than five times the average of the justified consumer complaint rates for the seven major gas companies.
- Appendix D, Table 2, presents the number of consumer complaints and justified consumer complaints for each major gas company in 2006 and 2007.

2006-07 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	2006	2007
Columbia	0.25	0.15
Dominion	0.87	0.63
Equitable	1.52	0.43
NFG	0.20	0.14
PGW	1.46*	0.93
UGI-Gas	0.28	0.14
UGI Penn Natural	0.03	0.06
Average	0.53**	0.35

* Based on a probability sample of cases for PGW in 2006. For 2006, the low volume of cases evaluated for PGW does not produce a statistically valid justified complaint rate.

** Average of rates for 2006 does not include PGW.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- Four of the major gas companies have justified consumer complaint rates less than the 2007 industry average while only three of the major gas companies have justified consumer complaint rates greater than the industry average.
- There was a wide range in the justified consumer complaint rates among the major gas companies, from a low of 0.06 for UGI Penn Natural to a high of 0.93 for PGW in 2007.
- Appendix D, Table 2, shows the number of justified consumer complaints for each major gas company in 2006 and 2007.

2006-07 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies

Company	Number of Days 2006	Number of Days 2007	Change in Days 2006 to 2007
Columbia	8.5	8.4	-0.1
Dominion	17.9	21.5	3.6
Equitable	7.4	5.0	-2.4
NFG	34.3	17.8	-16.5
PGW	31.2	4.5	-26.7
UGI-Gas	68.7	20.7	-48.0
UGI Penn Natural	20.6	33.2	12.6
Average	26.9	15.9	-11.0

- For the first time, the calculation for average response time includes all residential consumer complaints for the major gas companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation. The 2006 data has been recalculated from what appeared in last year's report to include response times for all 2006 residential consumer complaints for each major gas company.
- The average of response times for the major gas companies decreased by 11 days from 26.9 days in 2006 to 15.9 days in 2007.
- Consumer complaint response time performance varied widely among the major gas companies in 2007, from a low of 4.5 days for PGW to a high of 33.2 days for UGI Penn Natural.

Payment Arrangement Requests

In 2007, BCS handled 16,113 payment arrangement requests (PARs) from residential customers of the natural gas distribution companies (NGDCs) and 11 PARs from residential customers of natural gas supply companies. Ninety-five percent (15,363) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2007, BCS reviewed a representative sample of the PARs for case outcome for the following gas companies: Columbia, Dominion, Equitable, NFG, PGW, UGI-Gas and UGI Penn Natural. Thus, the calculation for justified payment arrangement request rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these utilities. BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix E, Table 2, provides additional statistics regarding the payment arrangement requests from residential customers of the major natural gas distribution companies.

**2007 Residential Payment Arrangement Request Rates/
Justified Payment Arrangement Request Rates*
Major Natural Gas Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Columbia	3.04	0.26
Dominion	6.29	0.76
Equitable	10.94	1.54
NFG	8.29	0.86
PGW	8.43	1.37
UGI-Gas	8.18	0.77
UGI Penn Natural	10.39	1.22
Average	7.94	0.97

* 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 2007, the average of the PAR rates is more than eight times the average of the justified PAR rates.
- The implementation of Chapter 14 had an impact on the 2006 and 2007 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix E, Table 2, presents the number of payment arrangement requests and justified payment arrangement requests for each major gas company in 2006 and 2007.

**2006-07 Justified Residential
Payment Arrangement Request Rates*
Major Natural Gas Distribution Companies**

Company	2006	2007
Columbia	0.18	0.26
Dominion	0.57	0.76
Equitable	2.40	1.54
NFG	0.80	0.86
PGW	1.14	1.37
UGI-Gas	0.75	0.77
UGI Penn Natural	0.10	1.22
Average	0.85	0.97

* 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 seven major gas utilities increased from 0.85 in 2006 to 0.97 in 2007.
- The implementation of Chapter 14 had an impact on the 2006 and 2007 justified PAR rates. See the “Payment Arrangement Requests” section in Chapter 1 for a discussion of the implications of this legislation.
- There was a wide range in justified PAR rates among the major NGDCs in 2007, from a low of 0.26 for Columbia to a high of 1.54 for Equitable.
- Appendix E, Table 2, presents the number of justified payment arrangement requests for each major gas company in 2006 and 2007.

2006-07 Response Time to BCS Residential Payment Arrangement Requests Major Natural Gas Distribution Companies

Company	Number of Days 2006	Number of Days 2007	Change in Days 2006 to 2007
Columbia	6.5	5.4	-1.1
Dominion	14.2	14.5	0.3
Equitable	5.8	2.2	-3.6
NFG	29.5	8.1	-21.4
PGW	31.6	3.9	-27.7
UGI-Gas	27.2	19.1	-8.1
UGI Penn Natural	13.3	32.1	18.8
Average	18.3	12.2	-6.1

- For the first time, the calculation for average response time includes all residential PARs for the major gas companies. In prior years, BCS used only the response times for evaluated PARs in this calculation. The 2006 data has been recalculated from what appeared in last year's report to include response times for all 2006 residential PARs for each major gas company.
- From 2006 to 2007, the average of response times decreased by more than six days.
- The 2007 PAR response times for the major NGDCs varied from a low of 2.2 days for Equitable to a high of 32.1 days for UGI Penn Natural.

Termination and Reconnection of Service

Each month, the gas utilities report the number of residential accounts that they terminated for nonpayment during the previous month to the Commission. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The NGDC reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment arrangement for the balance owed to the company. The tables that follow indicate the annual number of residential accounts each of the seven largest gas utilities terminated and reconnected in 2005, 2006 and 2007. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Natural Gas Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2005	2006	2007	% Change in # 2006-07	2005	2006	2007
Columbia	18,819	14,571	12,825	-12%	5.22	4.00	3.48
Dominion	6,768	5,083	5,302	4%	2.09	1.57	1.63
Equitable	13,075	12,793	12,593	-2%	5.62	5.51	5.28
NFG	14,125	13,243	11,138	-16%	7.29	6.86	5.62
PGW	40,663	30,808	23,437	-24%	8.55	6.44	4.87
UGI-Gas	12,830	13,778	14,577	6%	4.64	4.85	4.96
UGI Penn Natural	5,334	5,179	7,065	36%	3.80	3.68	4.95
Major Gas	111,614	95,455	86,937	-9%			
Average of Rates					5.32	4.70	4.40

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major gas companies terminated 9 percent fewer residential accounts in 2007 than in 2006.

Residential Service Reconnections Major Natural Gas Distribution Companies

Company	2005	2006	2007	% Change in # 2006-07
Columbia	10,669	7,973	7,489	-6%
Dominion	2,699	1,854	2,380	28%
Equitable	7,765	10,529	9,393	-11%
NFG	9,144	8,284	7,234	-13%
PGW	26,573	22,873	22,247	-3%
UGI-Gas	7,413	8,639	9,182	6%
UGI Penn Natural	3,409	2,853	3,716	30%
Major Gas	67,672	63,005	61,641	-2%

- Overall, the seven major NGDCs reconnected 2 percent fewer residential accounts in 2007 than in 2006.

Compliance

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

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2005 through 2007. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix F, Table 2, presents detailed information about the infractions identified on 2007 cases to the BCS.

Commission Infraction Rates Major Natural Gas Distribution Companies

Company	2005	2006	2007
Columbia	0.11	0.13	0.06
Dominion	0.49	0.71	0.56
Equitable	1.62	1.36	0.38
NFG	0.16	0.21	0.12
PGW	1.31	0.32	0.40
UGI-Gas	0.08	0.20	0.09
UGI Penn Natural	0.01	0.04	0.06

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rate for five of the seven major gas companies decreased from 2006 to 2007.
- Appendix F, Table 2, presents the actual number of infractions for 2007 categorized by infraction category.

5. Water Industry

In 2007, the Commission had jurisdiction over 118 water utilities, including 27 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 2007, there were eight "Class A" water companies that served residential water customers. The number of residential customers for these companies ranged from 2,203 for United Water Bethel to 578,283 residential customers for Pennsylvania-American Water Company. In 2007, the "Class A" water companies were Aqua Pennsylvania Southeast f/k/a Philadelphia Suburban (Aqua Pennsylvania), Audubon Water Company, Columbia Water Company, Newtown Artesian Water Company, Pennsylvania-American Water Company (PA-American), United Water Bethel, United Water of Pennsylvania Inc., and York Water Company. The tables in this chapter present individual statistics for the two largest water companies, PA-American and Aqua Pennsylvania, and for the "Other Class A" companies as a whole.

The other classes of water companies have lower annual revenues and, typically, fewer residential customers. In 2007, there were 11 "Class B" companies. "Class B" water companies have annual revenues between \$200,000 and \$999,999. In 2007, the number of residential customers for the "Class B" companies ranged from 294 to 2,938. There were 71 "Class C" companies in 2007. "Class C" water companies have annual revenues of less than \$200,000. The number of residential customers for the "Class C" companies ranged from five to 1,053 in 2007.

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

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

The tables on the pages that follow depict the performance of the "Class A" water utilities in 2007. Appendices C through F also present statistics about the performance of the "Class A" water companies.

Consumer Complaints

During 2007, BCS handled a total of 1,260 consumer complaints from residential customers of the various water companies. Of those complaints, 94 percent (1,179) were from customers of the “Class A” companies. The remaining 6 percent were from customers of smaller water companies. In spite of the fact that the vast majority of consumer complaints involved the “Class A” water utilities in 2007, the Commission devoted a significant amount of attention to the smaller water utilities. Sometimes the amount of time BCS spends on a few complaints from customers of a smaller company exceeds the amount of time it spends dealing with the larger number of complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and payment arrangement requests as compared to smaller water companies with limited resources.

In 2007, customers of the small water companies filed complaints with BCS for a variety of reasons. Of the 76 consumer complaints filed about the non-Class A water companies, 70 percent of the complaints about the small water companies involved complaints about service, including people-delivered service, service quality or other aspects of the companies’ service to customers (53 cases). An additional 20 percent involved billing disputes (15 cases).

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS’s computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2007 complaints from residential customers of the “Class A” water utilities in each of the categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. The percentages shown in the table are for all the cases residential customers of these water utilities filed with BCS, not just cases determined to be justified in coming to BCS. Appendix C, Table 3, provides the actual number of cases that fell into each category in 2007.

Consumer Complaint Categories: 2007 Major Water Utilities

Categories	Aqua Pennsylvania	PA-American	"Other Class A"	All "Class A" Water
Billing Disputes	32%	27%	36%	29%
Service Quality	14%	19%	31%	18%
Metering	17%	14%	3%	14%
Damages	2%	8%	5%	6%
Personnel Problems	7%	6%	5%	6%
Scheduling Delays	6%	5%	8%	5%
Service Extensions	2%	5%	8%	4%
Discontinuance/Transfer	5%	4%	5%	4%
Other Payment Issues	5%	3%	0%	3%
Credit and Deposits	2%	1%	0%	1%
Service Interruptions	<1%	2%	0%	1%
Rates	2%	1%	0%	1%
All Other Problems	6%	6%	0%	5%
Total-Percent*	100%	101%	101%	97%
Total-Number**	241	534	39	814

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

** Based on residential complaints evaluated by BCS as of May 23, 2008.

- Categories are for all residential complaints filed with the BCS, whether or not they were considered justified. See Appendix B, Table 1, for an explanation of the various complaint categories and Appendix C, Table 3, for the number of cases in each category.
- Almost 50 percent of the consumer complaints about the "Class A" water utilities involved either billing disputes or service quality complaints.

2007 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Water Utilities

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Aqua Pennsylvania	0.98	0.35
PA-American	1.31	0.25
"Other Class A"	0.45	0.03
Average	0.91	0.21

- 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 rate for PA-American is more than five times greater than the justified rate.
- Appendix D, Table 3, presents the actual number of consumer complaints and justified consumer complaints for Aqua Pennsylvania, PA-American and the "Other Class A" companies in 2006 and 2007.

2006-07 Justified Residential Consumer Complaint Rates Major Water Utilities

Company	2006	2007
Aqua Pennsylvania	0.19	0.35
PA-American	0.32	0.25
"Other Class A"	0.07*	0.03
Average	0.26**	0.21

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

** Average of justified consumer complaint rates for 2006 does not include "Other Class A" companies.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the "Class A" water companies decreased from 2006 to 2007.
- Appendix D, Table 3, shows the number of justified consumer complaints for Aqua Pennsylvania, PA-American and the "Other Class A" water companies in 2006 and 2007.

2006-07 Response Time to BCS Residential Consumer Complaints Major Water Utilities

Company	Number of Days 2006	Number of Days 2007	Change in Days 2006 to 2007
Aqua Pennsylvania	32.9	25.5	-7.4
PA-American	4.9	4.3	-0.6
"Other Class A"	19.8	11.0	-8.8
Average	19.2	13.6	-5.6

- For the first time, the calculation for average response time includes all residential consumer complaints for the "Class A" water companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation. The 2006 data has been recalculated from what appeared in last year's report to include response times for all 2006 residential consumer complaints for each "Class A" water company.
- The average response time for Aqua Pennsylvania decreased by 7.4 days from 2006 to 2007. Meanwhile, the average response time for PA-American decreased slightly from 4.9 days in 2006 to 4.3 days in 2007.

Payment Arrangement Requests

In 2007, BCS handled 4,171 payment arrangement requests (PARs) from residential customers of the water industry. Ninety-nine percent (4,122) of the residential PARs were from customers of the "Class A" water utilities. As in past years, for the companies with the largest volume of requests, the BCS Policy Division reviewed a representative sample of PARs for case outcome. In 2007, BCS reviewed a sample of the PARs for PA-American. Thus, the calculation for justified payment arrangement request rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of PA-American. BCS believes the size of the sample gives a reasonable indication of the performance of this company. Appendix E, Table 3, provides additional statistics regarding the payment arrangement requests from residential customers of the "Class A" water utilities.

**2007 Residential Payment Arrangement Request Rates/
Justified Payment Arrangement Request Rates
Major Water Utilities**

Company	PAR Rate	Justified PAR Rate
Aqua Pennsylvania	3.50	0.34
PA-American*	4.55	0.64
"Other Class A"	1.46	0.03
Average	3.17	0.34

* 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 of the PAR rate (3.17) is more than nine times the average of the justified PAR rate (0.34).
- The implementation of Chapter 14 had an impact on the 2006 and 2007 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix E, Table 3, presents the number of payment arrangement requests and justified payment arrangement requests for PA-American, Aqua Pennsylvania and the "Other Class A" water companies in 2006 and 2007.

2006-07 Justified Residential Payment Arrangement Request Rates Major Water Utilities

Company	2006	2007
Aqua Pennsylvania	0.17	0.34
PA-American*	0.47	0.64
"Other Class A"	0.00**	0.03
Average	0.32***	0.34

* Based on a probability sample of cases.

** BCS was unable to review enough 2006 payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

*** Average of rates for 2006 does not include the "Other Class A" companies.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The justified PAR rates for Aqua Pennsylvania and PA-American increased from 2006 to 2007.
- The implementation of Chapter 14 had an impact on the 2006 and 2007 PAR rates and justified PAR rates. See the "Payment Arrangement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix E, Table 3, presents the number of payment arrangement requests and justified payment arrangement requests for "Class A" water companies in 2006 and 2007.

**2006-07 Response Time to BCS
Residential Payment Arrangement Requests
Major Water Utilities**

Company	Number of Days 2006	Number of Days 2007	Change in Days 2006 to 2007
Aqua Pennsylvania	16.7	17.0	0.3
PA-American	4.0	4.0	0.0
"Other Class A"	9.6	6.1	-3.5
Average	10.1	9.0	-1.1

- For the first time, the calculation for average response time includes all residential PARs for the "Class A" water companies. In prior years, BCS used only the response times for evaluated PARs in this calculation. The 2006 data has been recalculated from what appeared in last year's report to include response times for all 2006 residential PARs for the "Class A" water companies.
- Aqua's response time was relatively stable while PA-American's response time remained unchanged from 2006 to 2007.

Compliance

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

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2005 through 2007. Appendix F, Table 3, presents detailed information about the infractions identified on 2007 cases to the BCS.

Commission Infraction Rates Major Water Utilities

Company	2005	2006	2007
Aqua Pennsylvania	0.18	0.09	0.33
PA-American	0.24	0.23	0.20
"Other Class A"*	0.06	0.02	0.02

* BCS was unable to review enough 2005 and 2006 consumer complaints and payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The number of informally verified infractions for Aqua Pennsylvania increased from 0.09 in 2006 to 0.33 in 2007.
- Appendix F, Table 3, presents the actual number of infractions for 2007 categorized by infraction category.

Programs that Assist Low-Income Customers

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

Aqua Pennsylvania Inc. (Aqua) - In 1994, Aqua 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. Aqua calls this program "A Helping Hand." In 1996, Aqua made "A Helping Hand" a permanent part of its collection strategy. In 1997, Aqua 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. Aqua directs "A Helping Hand" to low-income customers who are payment troubled and have high water bills.

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. Aqua will pay up to \$100 for minor plumbing repairs. As an incentive to encourage regular bill payment, Aqua forgives a percentage of a participant's arrearage, if the participant makes regular monthly payments toward the arrearage.

At the end of 2007, Aqua's program had 443 active participants. During the year, Aqua spent \$45,902 to complete eligibility interviews and household audits. In addition, the company granted \$13,600 in forgiveness credits to 431 program participants.

Pennsylvania-American Water Company (PA-American) - By Order dated Oct. 2, 1997, the Commission approved PA-American's request to establish a Low-Income Rate. At the

end of 2007, there were 6,826 active participants in the Low-Income Rate. A customer whose income is below 150 percent of the federal poverty guidelines is eligible for the Low-Income Rate. Customers agree to make monthly payments in exchange for a 50 percent discount on the service charge - typically about \$5. Customers who miss more than two payments in a six-month period lose their eligibility in the program. Customers who are ineligible because of non-payment remain so for one year.

PA-American also participates with the Dollar Energy Fund. PA-American calls its program H2O - Help to Others. Dollar Energy Fund is a hardship fund that provides cash assistance to utility customers who need help in paying their utility bill or to those who still have a critical need for assistance after other resources have been exhausted. In 2006-07, PA-American's shareholders and customers provided a total of \$171,000 in hardship fund benefits to 570 customers for an average benefit of \$300.

United Water of Pennsylvania Inc. (United Water) - In 2005, United Water implemented a new program called UW Cares. UW Cares is a hardship fund program that will provide cash grants up to \$100 to help low-income customers pay their water bills. To be eligible for a grant, a customer's household income must be below 100 percent of the federal poverty guidelines and the customer must have made a payment of at least \$20 in the last 180 days. During the 2006-07 program year the company gave out 26 grants in the amount of \$2,678 for an average benefit of \$103. At the end of 2007, there were 26 active participants.

York Water Company - In 2005, the York Water Company implemented the York Water Cares program. The program offers a water usage audit that includes conservation education and provides minor plumbing repairs. Each year, the company will forgive arrearages up to \$120 if the participant makes regular monthly payments. During 2007, the company expended \$1,356 for plumbing repairs. Seventeen customers received \$900 in arrearage forgiveness benefits. As of December 31, 2007, there were 20 active participants in the program.

6. Telephone Industry

During 2007, BCS handled consumer complaints, payment arrangement requests (PARs) and inquiries from the customers of a variety of telecommunications service providers, including incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), long-distance companies and resellers. Almost 700 providers of telecommunications services were certificated and able to conduct business in Pennsylvania in 2007. Of this group of telecommunications providers, 37 were ILECs. Thirty-two of these ILECs were non-major utilities each serving fewer than 50,000 residential customers. The remaining five ILECs were major companies, each with more than 50,000 residential customers. Collectively, these five major telephone companies served more than 3.5 million residential customers in 2007.

This chapter will focus exclusively on the five major ILECs in 2007 - Embarq Pennsylvania f/k/a United Telephone Company of Pennsylvania (Embarq); Frontier Communications Commonwealth Telephone Company (Frontier Commonwealth); Verizon North Inc. (Verizon North); Verizon Pennsylvania (Verizon PA); and Windstream Communications f/k/a ALLTEL Pennsylvania (Windstream) - and the four largest CLECs - Cavalier Telephone Mid-Atlantic (Cavalier); Comcast Phone of Pennsylvania, LLC d/b/a Comcast Digital Phone (Comcast); MCImetro Access Transmission Services LLC (MCI Local); and RCN Telecom Services Inc. (RCN). The CLECs listed above each served more than 50,000 residential customers in Pennsylvania during 2007.

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

Consumer Complaints

Although BCS handled consumer complaints about different types of telecommunications service providers in 2007, the complaints predominantly came from the residential customers of the five major ILECs and the four largest CLECs. Overall, BCS handled 7,224 consumer complaints from residential customers of telecommunications service providers in 2007. Of these complaints, 6,013 were from residential customers of all of Pennsylvania's ILECs while 5,949 were from customers of the five major ILECs. Meanwhile, 1,086 consumer complaints were from residential customers of the CLECs operating in Pennsylvania, with 614 of the CLEC complaints filed by residential customers of Cavalier, Comcast, MCI Local and RCN. The remaining 125 consumer complaints were from residential customers of other providers of telecommunications services such as long-distance carriers, resellers and Voice over Internet Protocol (VoIP) providers.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2007 consumer complaints from

residential customers of the major telephone companies in each of the 11 categories used by the BCS policy unit to categorize consumer complaints about telephone companies.

Consumer Complaint Categories: 2007 Major Local Telephone Companies

Categories	Cavalier	Comcast	Embarq	Frontier Common- wealth	MCI Local	RCN	Verizon North	Verizon PA	Wind- stream	Telephone Majors
Service Delivery	24%	31%	9%	28%	26%	17%	29%	29%	27%	28%
Unsatisfactory Service	12%	14%	8%	16%	16%	22%	33%	29%	22%	26%
Billing Disputes	16%	15%	44%	21%	22%	20%	21%	26%	23%	25%
Service Terminations	27%	14%	25%	12%	17%	15%	7%	6%	9%	10%
Competition	13%	8%	4%	4%	13%	15%	1%	2%	8%	4%
Credit and Deposits	1%	1%	3%	12%	1%	4%	2%	1%	5%	2%
Toll Services	0%	0%	4%	2%	0%	0%	2%	2%	1%	2%
Discontinuance/Transfer	5%	0%	1%	0%	4%	0%	1%	1%	0%	1%
Non-Recurring Charges	0%	1%	0%	1%	0%	0%	1%	<1%	1%	<1%
Annoyance Calls	0%	0%	0%	0%	0%	0%	1%	<1%	0%	<1%
All Other Problems	2%	16%	2%	3%	0%	7%	2%	3%	3%	3%
Total-Percent*	100%	100%	100%	99%	99%	100%	100%	100%	99%	101%
Total-Number**	263	107	180	92	98	46	342	2,559	77	3,764

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

** Based on complaints evaluated by BCS as of May 9, 2008.

- Eighty-nine percent of all complaints for the major telephone companies fall into one of four complaint categories: service delivery, unsatisfactory service, billing disputes or service terminations.
- Service delivery complaints account for 28 percent of the total number of consumer complaints against the nine major telephone companies. This total changed slightly from 2006.
- The table shows that 26 percent of all the consumer complaints filed against the nine major companies are about unsatisfactory service, while billing disputes account for 25 percent of the complaints.
- The overall volume of consumer complaints about competition issues showed a small decrease from 2006 to 2007. For the most part, competition issues accounted for a higher percentage of complaints about the CLECs than about the ILECs. However, competition-related complaints about Windstream increased significantly from 2006 to 2007 and accounted for 8 percent of Windstream's complaints.

- See Appendix B, Table 2, for an explanation of complaint categories and Appendix C, Table 4, for the number of cases in each category. The statistics shown in the table on the previous page and in Appendix C, Table 4, include all evaluated residential consumer complaints filed against the nine major local telephone companies, whether or not they were considered justified.

The 2006 and 2007 consumer complaint figures for consumer complaint rates, justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages. Appendix D, Table 4, provides additional statistics about the consumer complaints from residential customers of the nine major local telephone companies.

2007 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Cavalier	5.22	3.77
Comcast	2.23	0.91
Embarq	0.94	0.35
Frontier Commonwealth	0.63	0.32
MCI Local	1.71	1.11
RCN	0.67	0.41
Verizon North	1.01	0.57
Verizon PA*	1.97	1.01
Windstream	0.56	0.19
Average	1.66	0.96

* Justified consumer complaint rate 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 nine major telephone companies, the average of their consumer complaint rates is 1.7 times greater than the average of their justified rates.
- Windstream’s consumer complaint rate is almost three times higher than its justified consumer complaint rate. For Comcast and Embarq, the consumer complaint rate is more than two times higher than the justified consumer complaint rate for each of these companies.
- Appendix D, Table 4, shows the number of consumer complaints and justified consumer complaints for each major telephone company in both 2006 and 2007.

2006-07 Justified Residential Consumer Complaint Rates Major Local Telephone Companies

Company	2006	2007
Cavalier	N/A	3.77
Comcast	0.99	0.91
Embarq	0.48	0.35
Frontier Commonwealth	0.06	0.32
MCI Local	2.04	1.11
RCN	0.52	0.41
Verizon North	0.59	0.57
Verizon PA*	1.13	1.01
Windstream	0.30	0.19
Average	0.76	0.96

* Based on a probability sample of cases.
N/A = Not Available. BCS did not evaluate enough 2006 residential consumer complaints about Cavalier to calculate a valid justified consumer complaint rate.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2007, the industry average of justified consumer complaint rates increased by 26 percent from the 2006 average.
- There was a wide range in justified consumer complaint rates among the major companies, from a low of 0.19 for Windstream to a high of 3.77 for Cavalier.
- Appendix D, Table 4, shows the number of justified consumer complaints and the justified consumer complaint rates for each major telephone company in 2006 and 2007.

2006-07 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies

Company	Number of Days 2006	Number of Days 2007	Change in Days 2006 to 2007
Cavalier	30.3	26.5	-3.8
Comcast	13.3	6.1	-7.2
Embarq	18.2	12.6	-5.6
Frontier Commonwealth	5.6	14.9	9.3
MCI Local	19.1	18.4	-0.7
RCN	28.7	25.1	-3.6
Verizon North	19.3	10.4	-8.9
Verizon PA*	18.9	11.4	-7.5
Windstream	13.2	13.9	0.7
Average	18.5	15.5	-3.0

* Based on a probability sample of cases.

- For the first time, the calculation for average response time includes all residential consumer complaints for the major telephone companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation. The 2006 data has been recalculated from what appeared in last year's report to include response times for all 2006 residential consumer complaints for each major telephone company.
- For the nine major companies, the average response time to consumer complaints decreased by three days from 2006 to 2007.
- Cavalier, Comcast, Embarq, MCI Local, RCN, Verizon North and Verizon PA all reduced their average response times from 2006 to 2007. The average response time for Frontier Commonwealth increased by more than nine days from 2006 to 2007.

Payment Arrangement Requests

Telephone service consists of three components: basic service, nonbasic service and toll service. BCS does not handle customer requests for payment arrangements that involve toll or nonbasic services. For the telephone industry, payment arrangement requests (PARs) are principally contacts to BCS or to companies involving a request for payment terms for arrearages associated with basic service. Most PARs are cases relating to the suspension of basic telephone service for nonpayment. Suspension of basic telephone service involves the temporary cessation of service without the consent of the customer and occurs when the customer owes the local telephone company money.

If the customer does not pay or make arrangements to pay the amount owed, the company proceeds to terminate the customer's service, which is the permanent cessation of service. The majority of PARs are from customers who contact BCS to request payment arrangements after they have received a suspension notice.

Under Chapter 64, a customer contact in response to a suspension notice is a dispute (as the term is defined in §64.2) only if the contact includes a disagreement with respect to the application of a provision of Chapter 64. Where telephone cases involving telephone service suspension are concerned, failure to negotiate a payment arrangement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve PARs have been separated from telephone PARs that also involve a dispute. During 2007, BCS handled 1,690 PARs from residential customers of telecommunications service providers. Of these PARs, 1,555 were from residential customers of the nine major telephone companies: Cavalier, Comcast, Embarq, Frontier Commonwealth, MCI Local, RCN, Verizon North, Verizon PA and Windstream.

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

The 2006 and 2007 payment arrangement request figures for justified payment arrangement request rates and response times for the major telephone companies are presented in the tables that follow.

**2007 Residential Payment Arrangement Request Rates/
Justified Payment Arrangement Request Rates
Major Local Telephone Companies**

Company	PAR Rate	Justified PAR Rate
Cavallier	1.47	0.57
Comcast	0.44	0.05
Embarq	0.22	0.03
Frontier Commonwealth	0.07	0.01
MCI Local	0.21	0.02
RCN	0.16	0.02
Verizon North	0.20	0.03
Verizon PA*	0.48	0.11
Windstream	0.12	0.02
Average	0.37	0.10

* 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 (PAR) rate equals the number of payment arrangement requests for each 1,000 residential customers.
- The overall 2007 PAR rate is 3.7 times the overall justified PAR rate for the nine major companies included in this year's UCARE.
- For the individual companies, the ratio between the PAR rate and the justified PAR rate varies. For Cavallier, the company's 2007 PAR rate is nearly 2.6 times the company's justified PAR rate. For MCI Local, the company's 2007 PAR rate is 10.5 times its justified PAR rate.
- Appendix E, 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 2006 and 2007.

2006-07 Justified Residential Payment Arrangement Request Rates Major Local Telephone Companies

Company	2006	2007
Cavalier	0.93	0.57
Comcast	0.34	0.05
Embarq	0.06	0.03
Frontier Commonwealth	0.05	0.01
MCI Local	0.62	0.02
RCN	0.15	0.02
Verizon North	0.10	0.03
Verizon PA*	0.17	0.11
Windstream	0.09	0.02
Average	0.28	0.10

* 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 2007 average of justified rates (0.10) for the nine major telephone companies decreased from the 2006 industry average of rates (0.28). The justified rate decreased from 2006 to 2007 for each of the companies.
- Appendix E, Table 4, shows the number of justified payment arrangement requests and the justified payment arrangement request rate for each major telephone company in 2006 and 2007.

2006-07 Response Time to BCS Residential Payment Arrangement Requests Major Local Telephone Companies

Company	Number of Days 2006	Number of Days 2007	Change in Days 2006 to 2007
Cavalier	13.8	26.1	12.3
Comcast	6.5	3.4	-3.1
Embarq	6.7	7.1	0.4
Frontier Commonwealth	2.1	5.9	3.8
MCI Local	14.3	14.3	0.0
RCN	24.5	18.8	-5.7
Verizon North	13.3	6.0	-7.3
Verizon PA*	12.2	4.7	-7.5
Windstream	2.2	2.4	0.2
Average	10.6	9.9	-0.7

* Based on a probability sample of cases.

- For the first time, the calculation for average response time includes all residential PARs for the major telephone companies. In prior years, BCS used only the response times for evaluated PARs in this calculation. The 2006 data has been recalculated from what appeared in last year's report to include response times for all 2006 residential PARs for each major telephone company.
- The 2007 average of response times (9.9 days) to PARs for the nine major telephone companies decreased slightly from 2006.
- Comcast, RCN, Verizon North and Verizon PA all reduced their response times to PARs in 2007. Cavalier, Embarq, Frontier Commonwealth and Windstream each increased their response time to PARs from 2006 to 2007. MCI Local's response time remained the same from 2006 to 2007.

Termination of Service

Chapter 64 defines suspension as a temporary termination of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent end of service after a suspension without the consent of the customer. Most payment arrangement requests are cases relating to the termination of telephone service and are registered during the suspension phase. Many customers who have their basic service suspended are able to make payment arrangements and avoid shut-offs. 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	Residential Service Terminations				Termination Rates		
	2005	2006	2007	% Change in # 2006-07	2005	2006	2007
Cavalier	13,164	6,108	N/A	N/A	295.82	102.85	N/A
Comcast	12,528	8,136	2,928	-64%	109.15	80.06	49.56
Embarq	5,016	5,100	5,364	5%	18.23	19.60	22.50
Frontier Commonwealth	5,388	5,424	3,864	-29%	29.71	30.59	21.96
MCI Local	35,484	20,400	4,884	-76%	180.82	158.46	74.12
RCN	6,252	6,252	12,156	94%	82.03	79.85	146.48
Verizon North	15,948	14,040	11,904	-15%	37.47	32.79	29.19
Verizon PA	126,024	123,624	85,272	-31%	39.35	45.25	32.79
Windstream	5,520	5,424	4,608	-15%	32.94	33.49	29.93
Major Telephone	225,324	194,508	130,980	-33%			
Average of Rates					91.72	64.77	50.82

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

- Overall, the basic service termination rate for major telephone companies decreased from 2006 to 2007.

Compliance

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

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

Commission Infraction Rates – Chapter 63 Major Local Telephone Companies

Company	2006	2007
Cavalier	N/A	4.68
Comcast	0.54	1.90
Embarq	0.14	0.10
Frontier Commonwealth	0.08	0.19
MCI Local	1.29	1.47
RCN	0.18	0.45
Verizon North	0.91	1.01
Verizon PA	0.86	1.27
Windstream	0.12	0.16

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

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- In 2007, there was a wide variation in infraction rates among the nine major telephone companies. Cavalier had the highest rate with 4.68 while Embarq had the lowest rate at 0.10 infractions of Chapter 63 for each 1,000 residential customers.
- Appendix F, Table 4, presents the actual number of infractions of Chapter 63 found on 2007 informal complaints for the major local telephone companies by infraction category.

Commission Infraction Rates – Chapter 64 Major Local Telephone Companies

Company	2006	2007
Cavaller	N/A	4.55
Comcast	0.88	0.54
Embarq	0.73	0.49
Frontier Commonwealth	0.11	0.19
MCI Local	3.73	0.59
RCN	0.88	0.54
Verizon North	0.29	0.17
Verizon PA	0.25	0.18
Windstream	0.32	0.17

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

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- As with Chapter 63, there was a wide variation in Chapter 64 infraction rates among the nine major telephone companies. In 2007, Cavalier had the highest rate at 4.55 while Verizon North and Windstream had the lowest rate at 0.17 infractions of Chapter 64 for each 1,000 residential customers.
- Appendix F, Table 5, presents the actual number of infractions of Chapter 64 found on 2007 informal complaints for the major local telephone companies by infraction category.

Universal Service Programs

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

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

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

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

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

The discussion below describes the status of universal service programs for the telephone industry in 2007.

Lifeline, Lifeline 150 and Lifeline 135 Service

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

The following table shows enrollment activity for the various Lifeline programs in 2006 and 2007. Cavalier is a non-ETC and does not participate in either Lifeline 135 or Link-Up.

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

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

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

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

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

Lifeline Service Activity 2006-07

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2006	2007	2006	2007
Comcast	625	500	477	302
Embarq	3,957	5,412	3,303	4,107
Frontier Commonwealth	4,061	5,041	3,433	4,189
MCI Local	604	445	446	351
RCN	207	465	177	384
Verizon North*	14,879	18,568	10,394	11,945
Verizon PA*	200,214	201,045	121,503	120,898
Windstream	5,361	5,784	4,452	5,591
Total	229,908	237,260	144,185	147,767

* The figures for Verizon PA and Verizon North include customers enrolled in both the Lifeline and Lifeline 135 programs.

As of February 2007, the monthly credit⁷ ranged from \$7.69 to \$8.25 for the Lifeline 135 program, and \$11.44 to \$12 for the Verizon companies' Lifeline program.

Link-Up

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

⁷ The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

Link-Up Connections 2006-07

Company	Number of Connections 2006	Number of Connections 2007
Comcast	24	5
Embarq	6	1
Frontier Commonwealth	545*	351
MCI Local	0	0
RCN	0	0
Verizon North	1,425	3,101
Verizon PA	45,866	38,853
Windstream	675	501
Total	50,601	42,812

* Revised from 2006 UCARE based on corrected data from company.

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 2007 was \$86. Overall, UTAP distributed \$1,346,375 in financial assistance to 15,636 of Verizon PA's qualified customers in 2007.

Automatic Notification Program

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

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

Glossary

The following terms, as used in this report, have the definitions given below. The definitions may differ from those expressed in statute or regulation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendices

Appendix A

2007 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
ELECTRIC	
Pike County Light & Power (EDC)	6
Wellsboro Electric Company (EDC)	5
Other Non-Major Electric Distribution Companies (EDCs)**	7
Peoples Plus (EGS)	8
Other Electric Generation Suppliers (EGSs)**	12
Total Non-Major Electric	38
GAS	
GASCO Distribution Systems Inc. (NGDC)	5
PPL Utilities (NGDC)	34
T.W. Phillips (NGDC)	43
Other Non-Major Natural Gas Distribution Companies (NGDCs)**	25
CNG Retail Services Corp. (NGS)	59
MXenergy.Com (NGS)	12
Shipleys Oil Company (NGS)	8
Other Natural Gas Suppliers (NGSs)**	21
Total Non-Major Gas	207
TELEPHONE	
Conestoga Telephone (ILEC)	6
Denver-Ephrata Telephone (ILEC)	5
Frontier Communications of Canton (ILEC)	9
Frontier Communications of PA (ILEC)	7
Palmerton Telephone (ILEC)	6
Other Non-Major Incumbent Local Exchange Carriers (ILECs)**	31
ACN Communications Services (CLEC)	22
AT&T Local (CLEC)	101
Cordia Communications Corp. (d/b/a CLEC)	42

* Only those non-major companies having five or more residential consumer complaints in 2007 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2007 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix A (Continued)

2007 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
TELEPHONE (Continued)	
Fairpoint Communications Corp. (CLEC)	14
Frontier Communications CTSI (CLEC)	17
Full Service Network (d/b/a CLEC)	115
Horizon Telecom (CLEC)	6
IDT America (CLEC)	53
Mytel Company Inc. (CLEC)	38
Plan B Communications (CLEC)	10
Trinsic (CLEC)	16
Other Competitive Local Exchange Carriers (CLECs)**	38
AT&T (IXC)	22
ClearTel Communications Inc. (Reseller)	5
Vartec Telecom Inc. (Reseller)	13
VOIP (Voice Over Internet Protocol)	46
US Billing Inc. (Billing Agent)	6
Other Providers of Telecommunications Services**	33
Total Non-Major Telephone	661

* Only those non-major companies having five or more residential consumer complaints in 2007 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2007 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix B-1

Classification of Consumer Complaints

Electric, Gas & Water

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix B-2

Classification of Consumer Complaints Telephone

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

Audiotex - Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services. (In 2007, BCS evaluated only one residential consumer complaint in this category. Due to this low volume, the complaint about audiotex is included in the "all other problems" category.)

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

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

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

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

Extended Area of Service (EAS) - Complaints about a limited local calling area. In 2007, BCS evaluated one residential consumer complaint about EAS. Due to this low volume, the complaint in this category is included in the "all other problems" category.

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

Rates - General or specific complaints about a utility's rates: general or specific rates are too high or the customer is being billed on the incorrect rate. (In 2007, BCS evaluated no residential consumer complaints about "rates.")

Sales Nonbasic Services - Complaints related to the sale of nonbasic services, including the availability of certain services. In 2007, BCS evaluated only four residential consumer complaints about "sales nonbasic services." Due to this low volume, the complaints in this category are included in the "all other problems" category.

Service Delivery - Complaints about delays in service installations or disconnections of

service and failures to keep scheduled appointments; lack of facilities to provide service; unauthorized transfer of service; unavailability of special services; and the rudeness of business office personnel.

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

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

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

All Other Problems - All other complaints that do not fit into the above categories, including, but not limited to, complaints about extended area of service and the expansion of local calling areas, excessive rates from operator services that provide phone service to hospitals and hotels, and excessive coin phone rates. In 2007 this category also included complaints about audiotex, EAS and sales of nonbasic service since the volume of complaints about these issues was very small.

Appendix C - Table 1

Consumer Complaint Categories: 2007*

Major Electric Distribution Companies

Categories**	Allegheny Power	Duquesne	Met-Ed	PECO***	Penelec	Penn Power	PPL	UGI-Elec.	Electric Majors
Billing Disputes	34	34	27	141	23	23	56	26	364
Credit and Deposits	70	35	12	99	28	4	9	39	296
Personnel Problems	38	62	16	90	11	2	29	5	253
Service Interruptions	32	39	63	9	11	3	54	0	211
Metering	23	7	22	39	28	12	37	8	176
Discontinuance/Transfer	11	16	9	26	15	0	51	2	130
Service Quality	25	14	16	25	14	2	34	0	130
Damages	29	24	17	10	19	4	15	0	118
Service Extensions	22	11	22	8	14	7	26	1	111
Other Payment Issues	10	27	8	40	5	3	14	1	108
Scheduling Delays	18	14	11	14	16	1	9	1	84
Rates	2	8	5	17	13	25	6	6	82
All Other Problems	24	31	12	37	18	10	26	5	163
Total*	338	322	240	555	215	96	366	94	2,226

* Categories are for residential complaints evaluated by BCS as of May 23, 2008, whether or not the case outcome was found to be "justified."

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

***PECO statistics include electric and gas.

Appendix C - Table 2
Consumer Complaint Categories: 2007*
Major Natural Gas Distribution Companies

Categories**	Columbia	Dominion	Equitable	NFG	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Billing	36	119	147	22	124	63	26	537
Metering	54	82	54	24	20	50	5	289
Personnel Problems	28	49	82	27	44	28	9	267
Credit and Deposits	10	93	63	9	20	63	7	265
Discontinuance/Transfer	21	48	53	18	37	32	4	213
Other Payment Issues	13	40	60	12	58	11	3	197
Scheduling Delays	33	55	15	14	10	10	2	139
Service Quality	36	31	28	16	9	12	4	136
Damages	21	23	21	9	2	7	2	85
Service Extensions	23	16	12	14	6	5	4	80
Rates	4	7	4	0	0	2	2	19
Service Interruptions	0	1	1	1	4	1	0	8
All Other Problems	13	18	28	12	30	12	5	118
Total*	292	582	568	178	364	296	73	2,353

* Categories are for residential complaints evaluated by BCS as of May 23, 2008, whether or not the case outcome was found to be "justified."

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

Appendix C - Table 3
Consumer Complaint Categories: 2007*
Major Water Utilities

Categories**	Aqua Pennsylvania	PA-American	"Other Class A" Water	All "Class A" Water
Billing Disputes	78	142	14	234
Service Quality	33	103	12	148
Metering	42	74	1	117
Damages	5	43	2	50
Personnel Problems	16	30	2	48
Scheduling Delays	14	27	3	44
Service Extensions	5	28	3	36
Discontinuance/Transfer	12	21	2	35
Other Payment Issues	11	16	0	27
Credit and Deposits	6	6	0	12
Service Interruptions	1	11	0	12
Rates	4	3	0	7
All Other Problems	14	30	0	44
Total*	241	534	39	814

* Categories are for all residential complaints evaluated by BCS as of May 23, 2008, whether or not the case outcome was found to be "justified."
 **An explanation of the various complaint categories appears in Appendix B-1.

Appendix C - Table 4
Consumer Complaint Categories: 2007*
Major Local Telephone Companies

Categories**	Cavalier	Comcast	Embarq	Frontier Common- wealth	MCI Local	RCN	Verizon North	Verizon PA	Wind- stream	Telephone Majors
Service Delivery	62	33	17	26	25	8	98	747	21	1,037
Unsatisfactory Service	32	15	14	15	16	10	112	740	17	971
Billing Disputes	41	16	79	19	22	9	71	656	18	931
Service Termination	71	15	45	11	17	7	24	161	7	358
Competition	35	9	8	4	13	7	5	60	6	147
Credit and Deposits	3	1	5	11	1	2	7	38	4	72
Toll Services	0	0	7	2	0	0	8	49	1	67
Discontinuance/Transfer	13	0	1	0	4	0	4	28	0	50
Non-Recurring Charges	0	1	0	1	0	0	3	11	1	17
Annoyance Calls	0	0	0	0	0	0	2	4	0	6
All Other Problems	6	17	4	3	0	3	8	65	2	108
Total*	263	107	180	92	98	46	342	2,559	77	3,764

* Categories are for all residential complaints evaluated by BCS as of May 9, 2008, whether or not the case outcome was found to be "justified."

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

Appendix D - Table 1

2006-07 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2007 Residential Customers	Residential Consumer Complaints to BCS		% Change in #	Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2006	2007		2006	2007	Numbers ² /Rates ³ 2006	Numbers ² /Rates ³ 2007		
Allegheny Power	611,077	452	458	1%	0.74	0.75	76	0.13	60	0.10
Duquesne	524,412	486	440	-9%	0.93	0.84	58	0.11	49	0.09
Met-Ed	479,414	294	338	15%	0.62	0.71	94	0.20	73	0.15
PECO ^{5,6}	1,407,550	2,097	2,762	32%	1.49	1.96	634	0.45	523	0.37
Penelec	505,021	240	301	25%	0.47	0.60	59	0.12	50	0.10
Penn Power	139,467	59	137	132%	0.42	0.98	12	0.09	10	0.07
PPL	1,197,547	527	526	-<1%	0.44	0.44	71	0.06	45	0.04
UGI-Electric	54,353	49	128	161%	0.91	2.35	11	0.20	7	0.13
Major Electric	4,918,841	4,204	5,090	21%			1,015		817	
Average of Rates					0.73⁴	0.90⁴		0.17⁴		0.13⁴

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

² Estimated based on the number of cases on CSIS as of May 23, 2008.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

⁶ Justified consumer complaint rate based on a probability sample of cases.

Appendix D - Table 2

2006-07 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	2007 Residential Customers	Residential Consumer Complaints to BCS		Consumer Complaint Rates ¹		Justified Consumer Complaints				
		2006	2007	% Change in #	2006	2007	Numbers ² /Rates ³ 2006	Numbers ² /Rates ³ 2007		
Columbia	368,019	564	411	-27%	1.55	1.12	90	0.25	55	0.15
Dominion	326,186	1,053	846	-20%	3.24	2.59	283	0.87	206	0.63
Equitable	238,360	1,392	788	-43%	6.00	3.31	352	1.52	103	0.43
NFG	198,041	315	257	-18%	1.63	1.30	39	0.20	27	0.14
PGW	481,499	1,813	1,737	-4%	3.79	3.61	699 ⁴	1.46 ⁴	449	0.93
UGI-Gas	293,706	530	419	-21%	1.86	1.43	81	0.28	42	0.14
UGI Penn Natural	142,633	99	100	1%	0.70	0.70	4	0.03	8	0.06
Major Gas	2,048,444	5,766	4,558	-21%			1,548		890	
Average of Rates					2.68	2.01		0.53⁵		0.35

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

² Estimated based on the number of cases on CSIS as of May 23, 2008.

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

⁴ For 2006, due to the low volume of cases evaluated for PGW, the number of justified consumer complaints and the justified consumer complaint rate for PGW are not based on a statistically valid sample of cases.

⁵ Average of rates for 2006 does not include PGW because data was not available.

Appendix D - Table 3

2006-07 Residential Consumer Complaint Statistics

Major Water Utilities

Company Name	2007 Residential Customers	Residential Consumer Complaints to BCS		Consumer Complaint Rates ¹		Justified Consumer Complaints				
		2006	2007	% Change in #	2006	2007	Numbers ² /Rates ³ 2006	Numbers ² /Rates ³ 2007		
Aqua Pennsylvania	373,715	268	365	36%	0.72	0.98	69	0.19	129	0.35
PA-American	578,283	685	758	11%	1.19	1.31	186	0.32	145	0.25
"Other Class A" Water	124,922	53	56	6%	0.43	0.45	9 ⁴	0.07 ⁴	4	0.03
Major Water	1,076,920	1,006	1,179	17%			264		278	
Average of Rates					0.78	0.91		0.26⁵		0.21

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

² Estimated based on the number of cases on CSIS as of May 23, 2008.

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

⁴ BCS was unable to review enough 2006 consumer complaints to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

⁵ Average of justified consumer complaint rates for 2006 does not include "Other Class A" companies.

Appendix D - Table 4

2006-07 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2007 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2006	2007	% Change in #	2006	2007	2006		2007	
							Numbers ² /Rates ³	Numbers ² /Rates ³		
Cavallier	59,979	237	313	32%	3.99	5.22	N/A	N/A	226	3.77
Comcast	59,084	193	132	-32%	1.90	2.23	101	0.99	54	0.91
Embarq	238,379	333	224	-33%	1.28	0.94	125	0.48	83	0.35
Frontier Commonwealth	175,966	59	110	86%	0.33	0.63	10	0.06	56	0.32
MCI Local	65,894	362	113	-69%	2.81	1.71	262	2.04	73	1.11
RCN	82,986	65	56	-14%	0.83	0.67	41	0.52	34	0.41
Verizon North	407,820	417	411	-1%	0.97	1.01	252	0.59	234	0.57
Verizon PA	2,600,203	5,448	5,118	-6%	1.99	1.97	3,085*	1.13*	2,614*	1.01*
Windstream	153,957	126	86	-32%	0.78	0.56	49	0.30	30	0.19
Major Telephone	3,844,268	7,240	6,563	-9%	1.65	1.66	3,925	0.76	3,404	0.96
Average of Rates										

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

² Estimated based on the number of cases on CSIS as of May 9, 2008.

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

N/A = Not Available. BCS did not evaluate enough 2006 residential consumer complaints about Cavallier to provide this information.

* Based on a probability sample of cases.

Appendix E - Table 1

2006-07 Residential Payment Arrangement Request Statistics Major Electric Distribution Companies

Company Name	2007 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests ⁶				
		2006	2007	% Change in #	2006	2007	Numbers ² /Rates ³ 2006	Numbers ² /Rates ³ 2007		
Allegheny Power	611,077	2,169	2,441	13%	3.57	3.99	200	153	0.25	
Duquesne	524,412	2,859	3,507	23%	5.45	6.69	57	604	1.15	
Met-Ed	479,414	1,303	2,800	115%	2.75	5.84	104	418	0.87	
PECO ⁵	1,407,550	7,520	7,734	3%	5.35	5.49	300	1,509	1.07	
Penelec	505,021	1,427	2,915	104%	2.82	5.77	115	239	0.47	
Penn Power	139,467	603	1,222	103%	4.33	8.76	35	175	1.25	
PPL	1,197,547	8,702	6,988	-20%	7.33	5.84	435	1,952	1.63	
UGI-Electric	54,353	429	529	23%	7.93	9.73	23	68	1.25	
Major Electric	4,918,841	25,012	28,136	12%			1,269	5,118		
Average of Rates					4.52⁴	6.06⁴			0.25⁴	0.96⁴

¹ Payment arrangement request rate = payment arrangement requests per 1,000 residential customers.

² Estimated based on a probability sample of cases and/or the number of cases on CSIS as of May 23, 2008.

³ Justified payment arrangement request rate = justified payment arrangement requests per 1,000 residential customers.

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

⁶ Each company's figures are based on a probability sample of cases except for UGI-Electric.

Appendix E - Table 2

2006-07 Residential Payment Arrangement Request Statistics Major Natural Gas Distribution Companies

Company Name	2007 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests ⁴				
		2006	2007	% Change in #	2006	2007	Numbers ² /Rates ³ 2006	Numbers ² /Rates ³ 2007		
Columbia	368,019	1,702	1,120	-34%	4.67	3.04	66	0.18	94	0.26
Dominion	326,186	2,035	2,052	1%	6.27	6.29	185	0.57	249	0.76
Equitable	238,360	3,065	2,607	-15%	13.21	10.94	558	2.40	367	1.54
NFG	198,041	2,033	1,641	-19%	10.52	8.29	155	0.80	171	0.86
PGW	481,499	5,096	4,058	-20%	10.65	8.43	544	1.14	661	1.37
UGI-Gas	293,706	2,410	2,403	<1%	8.48	8.18	212	0.75	225	0.77
UGI Penn Natural	142,633	910	1,482	63%	6.47	10.39	14	0.10	174	1.22
Major Gas	2,048,444	17,251	15,363	-11%			1,734		1,941	
Average of Rates					8.61	7.94		0.85		0.97

¹ Payment arrangement request rate = payment arrangement requests per 1,000 residential customers.

² Estimated based on a probability sample of cases and/or the number of cases on CSIS as of May 23, 2008.

³ Justified payment arrangement request rate = justified payment arrangement requests per 1,000 residential customers.

⁴ Based on a probability sample of cases.

Appendix E - Table 3

2006-07 Residential Payment Arrangement Request Statistics Major Water Utilities

Company Name	2007 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests				
		% Change in #		2006	2007	Numbers ² /Rates ³		Numbers ² /Rates ³ 2007		
		2006	2007	2006	2007	2006	2007			
Aqua Pennsylvania	373,715	987	1,309	33%	2.65	3.50	62	0.17	126	0.34
PA-American	578,283	2,301	2,631	14%	3.99	4.55	274	0.47	371	0.64
"Other Class A" Water	124,922	130	182	40%	1.06	1.46	0 ⁴	0.00 ⁴	4	0.03
Major Water	1,076,920	3,418	4,122	21%			336		501	
Average of Rates					2.57	3.17		0.32⁵		0.34

¹ Payment arrangement request rate = payment arrangement requests per 1,000 residential customers.

² Estimated based on a probability sample of cases and/or the number of cases on CSIS as of May 23, 2008.

³ Justified payment arrangement request rate = justified payment arrangement requests per 1,000 residential customers.

⁴ BCS was unable to review enough 2006 payment arrangement requests to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

⁵ Average of justified payment arrangement request rates for 2006 does not include the "Other Class A" companies.

Appendix E - Table 4

2006-07 Residential Payment Arrangement Request Statistics Major Local Telephone Companies

Company Name	2007 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS		Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests				
		2006	2007	% Change in #	2006	2007	2006	2007		
Cavallier	59,979	92	88	-4%	1.55	1.47	55	34	0.93	0.57
Comcast	59,084	69	26	-62%	0.68	0.44	35	3	0.34	0.05
Embarq	238,379	56	53	-5%	0.22	0.22	15	6	0.06	0.03
Frontier Commonwealth	175,966	22	13	-41%	0.12	0.07	9	2	0.05	0.01
MCI Local	65,894	114	14	-88%	0.89	0.21	80	1	0.62	0.02
RCN	82,986	14	13	-7%	0.18	0.16	12	2	0.15	0.02
Verizon North	407,820	116	81	-30%	0.27	0.20	41	13	0.10	0.03
Verizon PA	2,600,203	1,358	1,248	-8%	0.50	0.48	451**	291*	0.17*	0.11*
Windstream	153,957	34	19	-44%	0.21	0.12	14	3	0.09	0.02
Major Telephone	3,844,268	1,875	1,555	-17%			712	355		
Average of Rates					0.51	0.37			0.28	0.10

¹ Payment arrangement request rate = payment arrangement requests per 1,000 residential customers.

² Estimated based on the number of cases on CSIS as of May 9, 2008.

³ Justified payment arrangement request rate = justified payment arrangement requests per 1,000 residential customers.

* Based on a probability sample of cases.

The 2006 UCARE incorrectly reported 113 justified PARs.

Appendix F – Table 1

Chapter 56 and Chapter 14 Infraction Categories: 2007*

Major Electric Distribution Companies

Description	Allegheny Power		Duquesne		Met-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15 and 56.21)	0	0%	0	0%	0	0%	21	13%	0	0%	0	0%	1	5%	0	0%
Meter Reading (56.12)	1	4%	0	0%	1	20%	18	11%	5	23%	0	0%	0	0%	0	0%
Make-Up Bills (56.14)	0	0%	3	9%	0	0%	3	2%	1	5%	0	0%	3	15%	2	25%
Transfer of Accounts (56.16 and Secretarial Letter re: third party request for service)	3	13%	1	3%	1	20%	3	2%	0	0%	0	0%	0	0%	1	13%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	9	38%	21	60%	1	20%	4	2%	4	18%	0	0%	0	0%	0	0%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	2	8%	1	3%	0	0%	1	1%	1	5%	0	0%	2	10%	0	0%

* # equals the number of verified infractions identified by BCS as of August 1, 2008.
 % equals the percent of the total number of infractions for a particular company.
 + PECO statistics include electric and gas.

Appendix F – Table 1 (Continued)

Chapter 56 and Chapter 14 Infraction Categories: 2007*

Major Electric Distribution Companies

Description	Allegheny Power		Duquesne		Mei-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	0	0%	1	3%	1	20%	1	1%	1	5%	2	50%	1	5%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	1	4%	2	6%	0	0%	1	1%	1	5%	0	0%	0	0%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	4	17%	1	3%	0	0%	0	0%	4	18%	1	25%	0	0%	1	13%
Landlord/Ratepayer (1521-1533)	0	0%	1	3%	0	0%	1	1%	0	0%	0	0%	2	10%	0	0%
Dispute Handling (56.2-Def. of Dispute and 56.141-152)	3	13%	2	6%	1	20%	94	58%	5	23%	0	0%	8	40%	4	50%
Other (56.31, 56.41, 66.1304, 66.1312, 66.1417, Utility Tariff)	1	4%	2	6%	0	0%	14	9%	0	0%	1	25%	3	15%	0	0%
Total**	24	101%	35	102%	5	100%	161	101%	22	102%	4	100%	20	100%	8	101%

* # equals the number of verified infractions identified by BCS as of August 1, 2008.

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

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

+ PECO statistics include electric and gas.

Appendix F – Table 2

Chapter 56 and Chapter 14 Infraction Categories: 2007*

Major Natural Gas Distribution Companies

Description	Columbia		Dominion		Equitable		NFG		PGW		UGI – Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15 and 56.21)	0	0%	9	5%	28	31%	0	0%	11	6%	1	4%	0	0%
Meter Reading (56.12)	3	14%	31	17%	26	29%	7	29%	15	8%	3	12%	0	0%
Make-Up Bills (56.14)	1	5%	15	8%	6	7%	0	0%	11	6%	2	8%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third party request for service)	6	29%	17	9%	5	5%	2	8%	17	9%	3	12%	1	13%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	0	0%	11	6%	5	5%	10	42%	27	14%	5	20%	3	38%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	3	14%	6	3%	1	1%	1	4%	14	7%	2	8%	3	38%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	1	5%	2	1%	0	0%	0	0%	5	3%	0	0%	1	13%
Reconnection of Service (56.191 and 1407 (A)-(C))	1	5%	3	2%	1	1%	0	0%	9	5%	1	4%	0	0%

* # equals the number of verified infractions identified by BCS as of August 1, 2008.
 % equals the percent of the total number of infractions for a particular company.

Appendix F – Table 2 (Continued)
Chapter 56 and Chapter 14 Infraction Categories: 2007*
Major Natural Gas Distribution Companies

Description	Columbia		Dominion		Equitable		NFG		PGW		UGI – Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	0	0%	1	1%	3	3%	3	13%	7	4%	2	8%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	2	1%	0	0%	0	0%	3	2%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute and 56.141-152)	5	24%	86	47%	15	16%	0	0%	66	35%	6	24%	0	0%
Other (56.1, 56.13, 56.202, 66.1312, 66.1405, 66.1417, 66.1503)	1	5%	0	0%	1	1%	1	4%	6	3%	0	0%	0	0%
Total**	21	101%	183	100%	91	99%	24	100%	191	102%	25	100%	8	102%

* # equals the number of verified infractions identified by BCS as of August 1, 2008.

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

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

Appendix F - Table 3

Chapter 56 and Chapter 14 Infraction Categories: 2007*

Major Water Companies

Description	Aqua Pennsylvania		PA-American		"Other Class A"	
	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15 and 56.21)	21	17%	3	3%	0	0%
Meter Reading (56.12)	8	6%	23	19%	0	0%
Make-Up Bills (56.14)	15	12%	9	8%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third party request for service)	7	6%	4	3%	0	0%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	1	1%	1	1%	0	0%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	3	2%	7	6%	0	0%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	12	10%	4	3%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	1	1%	0	0%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	2	2%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	1	1%	0	0%
Dispute Handling (56.2-Def. of Dispute and 56.141-152)	52	42%	61	52%	2	100%
Other (65.9, 66.1312, 66.1405 and Utility Tariff)	2	2%	5	4%	0	0%
Total**	124	101%	118	100%	2	100%

* # equals the number of verified infractions identified by BCS as of August 1, 2008.

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

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

Appendix F – Table 4

Chapter 63 Infraction Categories: 2007*

Major Local Telephone Companies

Description	Cavalier		Comcast		Embarq		Frontier Common- wealth		MCI Local		RCN		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Complaint Procedures (63.15)	39	14%	20	18%	3	13%	9	26%	16	16%	8	22%	18	4%	188	6%	2	8%
Service Records (63.22)	67	24%	66	59%	0	0%	20	59%	0	0%	9	24%	4	1%	37	1%	4	17%
Customer Trouble Reports (63.57)	140	50%	21	19%	17	74%	2	6%	64	66%	8	22%	385	94%	2,982	90%	16	67%
Installation of Service (63.58)	6	2%	0	0%	0	0%	0	0%	0	0%	0	0%	1	<1%	36	1%	0	0%
Migration (63.201- 221)	24	9%	5	4%	3	13%	0	0%	16	16%	12	32%	1	<1%	47	1%	1	4%
Other (63.21, 63.24, 63.53 and 63.59)	5	2%	0	0%	0	0%	3	9%	1	1%	0	0%	2	<1%	19	1%	1	4%
Total**	281	101%	112	100%	23	100%	34	100%	97	99%	37		411	100%	3,309	100%	24	100%

* # equals the number of verified infractions identified by BCS as of July 3, 2008.
 % equals the percent of the total number of infractions for a particular company.
 ** % columns may total more or less than 100 percent due to rounding.

Appendix F – Table 5

Chapter 64 Infraction Categories: 2007*

Major Local Telephone Companies

Description	Cavalier		Comcast		Embarq		Frontier		MCI Local		RCN		Verizon North		Verizon PA		Wind-stream	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (64.1, 64.12-14, 64.17 and 64.19-21)	64	23%	1	3%	46	39%	1	3%	5	13%	14	31%	24	35%	114	24%	5	19%
Slamming and Cramming (64.23)	2	1%	0	0%	1	1%	3	9%	0	0%	0	0%	5	7%	14	3%	0	0%
Credit and Deposits (64.31-37)	1	<1%	0	0%	5	4%	5	15%	0	0%	1	2%	3	4%	23	5%	1	4%
Suspension and Termination (64.61-63, 64.71-74, 64.101-103, 64.105, 64.121-123, 64.133 and 64.181)	89	33%	8	25%	30	26%	9	27%	10	26%	12	27%	12	17%	63	13%	7	27%
Dispute Procedures (64.141-142 and 64.153)	94	34%	17	53%	31	26%	15	45%	20	51%	14	31%	23	33%	237	51%	12	46%
Other (64.2, 64.52-53 and 64.191-192)	23	8%	6	19%	4	3%	0	0%	4	10%	4	9%	2	3%	17	4%	1	4%
Total**	273	99%	32	100%	117	99%	33	99%	39	100%	45	100%	69	99%	468	100%	26	100%

* # equals the number of verified infractions identified by BCS as of July 3, 2008.

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

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

Consumer Access to the Public Utility Commission

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

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

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

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

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

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