



Utility Consumer Activities Report and Evaluation

Pennsylvania Public Utility Commission

The Pennsylvania Public Utility Commission



- From left to right: Chairman James H. Cawley,
- Commissioner Wayne E. Gardner,
- Commissioner John F. Coleman,
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1. Consumer Contacts to the Bureau of Consumer Services (BCS)

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer contacts. Its responsibilities were clarified under Act 114 of 1986 in regard to deciding and reporting on customer complaints. In order to fulfill its mandates, BCS began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then, BCS has investigated 1,567,098 cases (consumer complaints and payment agreement requests) and has received 1,276,522 opinions and requests for information (inquiries). BCS received 73,765 utility customer contacts that required investigation in 2009. It is important to note that nearly 83 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 agreement 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 agreement request (PAR), BCS notifies the utility that a complaint or PAR has been filed. The vast majority of consumers contact BCS by telephone using BCS's toll-free number. There were 204,405 call center contacts in 2009. Ninety-five percent of informal complaints were filed by telephone in 2009. The utility sends BCS all records concerning the complaint, including records of its contacts with the customer regarding the complaint. The BCS investigator reviews the records, renders a decision and closes the case. The Policy Division then examines the case and, among other things, classifies the complaint into one of seven major problem areas, as well as one of nearly 40 specific problem categories. This case information is entered into the Consumer Services Information System database. The analysis from case information is used by BCS to generate reports to the Commission, utilities, legislators and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

Consumer Feedback Survey

In order to monitor its own service to consumers, BCS surveys those customers who have contacted the BCS with a utility-related problem or request for a payment agreement. 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)?	2008	2009
Excellent	54%	51%
Good	23%	25%
Fair	11%	11%
Poor	12%	13%

According to the survey results, 76 percent of consumers who contacted BCS in 2009 rated the BCS's service as "excellent" or "good." Appendix A presents more information about how consumers rated the service they received from BCS in 2008 and 2009. The results show that 75 percent of consumers felt BCS handled their complaint either "very quickly" or "fairly quickly." In addition, 65 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, 92 percent of consumers indicated that the BCS staff person who took their call was either "very polite" or "fairly polite," and 87 percent described the BCS contact person as "very interested" or "fairly interested" in helping with the problem. Eighty-one 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 data used in the analysis. Although BCS's regulatory authority has largely been confined to residential accounts, the Bureau handled 2,410 cases from commercial customers in 2009. Of these cases, 389 were related to loss of utility service and 2,021 were consumer complaints. With respect to the 389 cases, BCS does not make payment agreements 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 2009 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 2009 involved residential utility service. Appendix B presents a comparison of the number of residential and commercial consumer complaints and PARs for 2008 and 2009.

Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2009

Industry	Consumer Complaints		Payment Agreement Requests	
	Residential	Commercial	Residential	Commercial
Electric	4,831	1,031	34,950	235
Gas	3,992	456	14,779	134
Water	1,071	119	4,548	10
Telephone	6,221	414	945	9
Other	11	1	7	1
Total	16,126	2,021	55,229	389

Generally, customer contacts to BCS fall into three basic categories: consumer complaints, requests for payment agreements 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 agreement requests. Consumer complaints and payment agreement requests are often collectively referred to as informal complaints. Inquiries include information requests and opinions from consumers, most of which do not require investigation on the part of BCS.

Consumer Complaints

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

Consumer Complaints by Industry*

2008-09

Industry	2008	2009	% Change
Electric	6,198	5,862	-5%
Gas	4,596	4,448	-3%
Water	1,339	1,190	-11%
Telephone	8,280	6,635	-20%
Other	7	12	71%
Total	20,420	18,147	-11%

* Table includes both residential and commercial consumer complaints.

During 2009, electric and gas utilities accounted for 32 percent and 25 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 37 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 2009 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 2009 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 E show the actual number of cases that fell into each category in 2009.

Payment Agreement Requests

Payment agreement 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 2009, BCS handled 55,618 requests for payment agreements from customers of the utilities under the Commission's jurisdiction.

On Nov. 30, 2004, Gov. Edward G. Rendell signed into law Senate Bill 677, now known as Act 201. This act went into effect on Dec. 14, 2004. The Act amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§ 1401-1418), the Responsible Utility Customer Protection Act. The legislation is applicable to most of the electric, gas and water companies in Pennsylvania. This new statute supersedes parts of Chapter 56 Standards and Billing Practices for Residential Utility Service provisions such as winter termination rules, termination procedures, credit, deposits, reconnection of service and Commission payment agreements. This report is the fifth report on consumer complaint and PAR activity under this law. Chapter 14 does not apply to telephone companies.

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

In 2009, the overall volume of PARs handled by the Commission decreased by 9 percent from the previous year. PARs from electric customers decreased by 10 percent from 2008 to 2009, and PARs from gas customers decreased by 11 percent during that time. However, PARs from water customers increased by 13 percent. PARs from telephone customers decreased by 33 percent from 2008 to 2009.

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 Agreement Requests by Industry* 2008-09

Industry	2008	2009	% Change
Electric	38,921	35,185	-10%
Gas	16,669	14,913	-11%
Water	4,045	4,558	13%
Telephone	1,422	954	-33%
Other	17	8	-53%
Total	61,074	55,618	-9%

* Table includes both residential and commercial PARs.

As in past years, the majority of requests for payment agreements in 2009 involved electric or gas companies. Sixty-three percent of the PARs (35,185 cases) were from electric customers, and 27 percent (14,913 cases) were from gas customers. Also, 8 percent of PARs (4,558 cases) came from customers of various water utilities. Only 2 percent of PARs (954) came from telephone customers.

Inquiries and Opinions

During 2009, BCS and its call centers received 75,329 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 2009 include contacts to the BCS Utility Customer Hotline, as well as contacts to BCS using mail service and email communication.

In large part, the inquiries in 2009 involved terminations or suspensions of service. BCS also classifies certain requests for payment agreements 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 agreement 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 agreement 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 785 cases accounted for 1 percent of inquiries in 2009.

BCS is able to expand its list of reasons for contact as customers’ reasons grow and change. Currently, the list includes 71 reasons for contact from consumers. Possible actions by BCS intake staff include: recording the consumer’s opinion; giving information to the consumer; referring the consumer to a utility company; and referring the consumer to an agency or organization outside of the Commission. If the contact requires further action, the intake staff refers the contact to a BCS investigator, and thus the contact becomes a consumer complaint or a payment agreement request. The following table shows the various reasons for contact for the 2009 inquiries.

Categories of 2009 Inquiries

Reason for Contact	Number	Percent
Termination or suspension of service	15,053	20%
CAP review – declined	13,953	19%
Billing dispute	7,904	10%
PUC has no jurisdiction	6,963	9%
Unable to open new PAR – service on	6,840	9%
Competition issues and requests for information	5,645	7%
Request for general information	3,765	5%
Applicant/deposit issue	2,605	3%
Rate protest	2,088	3%
People-delivered company service	1,230	2%
Service (company facilities)	1,117	1%
Rate complaint	356	<1%
Unable to open new PAR – service off	241	<1%
Cramming	142	<1%
Weather outage	92	<1%
Slamming	19	<1%
Other miscellaneous reasons	4,754	6%
Reason for contact is not available	2,562	3%
Total	75,329	98%

Calls to the Commission about Electric and Gas Competition

In 2009, 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 83 percent of contacts about electric and gas competition are related to the restructuring of the electric industry while 17 percent concern the gas industry.

In 2009, call center employees recorded information from 5,335 consumer contacts about competition in the energy industries. Many calls came from consumers who called about various issues associated with the customer choice programs of the Electric Distribution Companies (EDCs) and the Natural Gas Distribution Companies (NGDCs). However, most frequently consumers called to seek information about competition in general and to request information on changing a supplier (49 and 25 percent, respectively, of all contacts).

In most instances, BCS classified these contacts 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 2009, 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 2009, the BCS did not receive any allegations of electric slamming. There were three allegations of slamming in the gas industry, all filed by residential customers. Appendix D-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 2009. Therefore, BCS excluded 25 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 161 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 2009, BCS experienced a decrease in the overall number of residential consumer complaints. For the non-major utilities, consumer complaints decreased over the year in the electric and telephone industries, but increased in the gas industry. For the water industry, consumer complaints fell significantly for the non-major companies, down 70 percent from 2008. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

In 2009, BCS staff investigated consumer complaints about a variety of problems that consumers were having with the non-major companies under the Commission's jurisdiction. For example, BCS investigated complaints related to competition issues. However, the vast majority of complaints not included in the industry chapters involved billing disputes.

Residential consumer complaints related to people-delivered service or service (company facilities) generated the next highest volume of complaints to BCS from customers of the non-major electric, gas, water and telephone companies. These types of service complaints accounted for 8 percent of the residential consumer complaints about the non-major companies in the electric industry and 11 percent of residential consumer complaints about the non-major gas companies. However, 49 percent of the complaints about the non-major water companies and 17 percent of the complaints about the non-major telecommunications companies involved service-related issues in 2009.

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 2009, BCS did not receive any residential consumer complaints alleging slamming against a major EGDC or EGS. There were three residential complaints about slamming against a major NGDC, but none about a non-major natural gas supplier. In the telephone industry, Bureau staff investigated a total of 11 allegations of slamming from residential customers against the non-major companies in 2009.

BCS uncovered a variety of problems facing utility consumers related to customer choice in the electric, gas and telephone industries in 2009. 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 six largest local telephone companies.

Appendix C presents a summary of the residential consumer complaints that are not included in the electric, gas, water and telephone chapters that follow. The table lists the non-major companies having five or more residential consumer complaints in 2009.

Informal Compliance Process and Infractions

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

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

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

2. Performance Measures

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

Consumer Complaint Rate

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

Justified Consumer Complaint Rate

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

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

BCS monitors the complaint rates and justified rates of the major utilities, paying particular attention to the number of justified complaints that customers file with the Commission. Justified complaints may indicate areas where BCS should discuss complaint-handling procedures with a utility so that its customers receive fair and equitable treatment

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

Response Time to Consumer Complaints

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

Payment Agreement 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 agreement 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 agreement request rate (payment agreement 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 agreements.

Justified Payment Agreement Request Rate

Just as with consumer complaints, once a customer contacts BCS with a payment agreement 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 agreement request rate" to measure a utility's performance at handling payment agreement requests from customers. The justified payment agreement 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, the justified payment agreement request rate and response time are based on a statistically valid subset of the cases that came to BCS.

Response Time to Payment Agreement 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 agreements, 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 agreement through BCS. Response time quantifies the speed of a utility's response to BCS payment agreement 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.

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

However, response time to PARs for the telephone companies is the average number of days that each telephone company took to supply BCS with a utility report for all categories of payment agreement requests.

Infraction Rate

During 2009, 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.

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 2009 is calculated using BCS's Compliance Tracking System (CTS) data as of September 2010 for the electric, gas and water industries and August 2010 for the telephone industry. The 2009 trends may change if the total number of infractions increases or decreases upon review by the BCS. This would occur if new infractions are discovered from customer complaints that originated in 2009, 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 change from the number cited in this report. BCS will update the number of infractions found on 2009 cases in the report on 2010 complaint activity. Infraction rates for each major electric, gas, water and telephone utility company are shown for 2007, 2008 and 2009 in upcoming chapters. Appendix H shows detailed information about the infractions BCS gleaned from its review of the 2009 consumer complaints and payment agreement requests. The information presented in Appendix H shows the infractions of Chapter 56, Chapter 14 and other regulations for the major electric, gas and water companies, and the infractions of Chapters 63 and 64 for the major telephone companies.

Termination Rate

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

BCS Performance Measures and Industry Chapters

The tables in the following chapters present the data alphabetically by company name. Each chapter includes tables that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are tables that show the prior year's justified consumer complaint rates and justified payment agreement 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 agreement 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 2008 and 2009 averages for the electric industry. Similar to previous years, statistics for UGI-Electric are included in the appendices of this report. In past years, BCS included data for Cavalier Telephone Mid-Atlantic (Cavalier) in the telephone industry chapter. However, Cavalier's customer base in Pennsylvania has been declining and in 2009 Cavalier served fewer than 50,000 residential customers. As a result, BCS did not include data for Cavalier 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 2009, 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 2010, the Commission released the 10th annual report on Universal Service Programs and Collections Performance. BCS prepared the report, which presents 2009 universal service and collections data for the major electric and natural gas distribution companies. The report is available on the Commission's website at:

http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2009.pdf.

3. Electric Industry

In 2009, the Commission had jurisdiction over 16 electric distribution companies (EDCs). However, the majority of the consumer complaints and payment agreement 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 agreement 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 agreement 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 2009. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. BCS investigated complaints in 2009, 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 data it used to prepare the tables on consumer complaints and payment agreement requests. Appendices E through H present statistics on the performance of the seven largest EDCs and UGI-Electric in 2008 and 2009.

Consumer Complaints

During 2009, BCS handled 4,823 consumer complaints from residential customers of the various electric distribution companies (EDCs) and eight consumer complaints from residential customers of electric generation supply companies. Of these residential complaints, 98 percent (4,740) were from customers of the seven largest EDCs. For the analyses in this chapter, BCS excluded a total of nine 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 2009 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 E, Table 1, provides the actual number of cases that fell into each category in 2009.

Consumer Complaint Categories: 2009 Major Electric Distribution Companies

Categories	Allegheny	Duquesne	Met-Ed	PECO+	Penelec	Penn Power	PPL	Electric Majors
Credit and Deposits	40%	15%	14%	7%	9%	17%	3%	15%
Billing Disputes	6%	15%	17%	13%	13%	21%	16%	14%
Personnel Problems	10%	19%	14%	15%	10%	11%	9%	13%
Metering	11%	1%	16%	5%	15%	13%	14%	10%
Discontinuance/ Transfer	4%	6%	6%	25%	3%	3%	12%	10%
Service Quality	4%	3%	6%	4%	8%	5%	6%	5%
Damages	7%	3%	3%	2%	11%	3%	5%	5%
Service Interruptions	6%	3%	6%	2%	9%	5%	4%	5%
Service Extensions	3%	3%	6%	2%	8%	5%	4%	4%
Other Payment Issues	1%	6%	3%	6%	2%	2%	5%	4%
Scheduling Delays	2%	2%	3%	2%	2%	2%	1%	2%
Rates	<1%	2%	2%	1%	1%	7%	3%	2%
All Other Problems	7%	20%	5%	16%	8%	6%	18%	12%
Total-Percent*	101%	98%	101%	100%	99%	100%	100%	101%
Total-Number**	405	323	345	445	297	121	417	2,353

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

** Based on residential complaints evaluated by BCS as of Aug. 6, 2010.

+ PECO statistics include electric and gas.

- Categories are for all residential complaints filed with BCS, whether they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 1, for the number of cases in each category.
- In 2009, credit and deposit complaints accounted for 15 percent of the consumer complaints about the major EDCs. Billing disputes accounted for 14 percent of the consumer complaints, and personnel problems accounted for 13 percent of the consumer complaints. These three categories accounted for 42 percent of consumer complaints about the major EDCs.

**2009 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Electric Distribution Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Allegheny	0.88	0.11
Duquesne	0.82	0.05
Met-Ed	0.94	0.06
PECO+	1.57	0.31*
Penelec	0.77	0.06
Penn Power	1.14	0.06
PPL	0.45	0.04
Average	0.94	0.10

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

+ PECO statistics include electric and gas.

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is more than nine times greater than the average of the justified consumer complaint rates.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2008 and 2009.

**2008-09 Justified Residential
Consumer Complaint Rates
Major Electric Distribution Companies**

Company	2008	2009
Allegheny	0.13	0.11
Duquesne	0.07	0.05
Met-Ed	0.11	0.06
PECO*+	0.22	0.31
Penelec	0.10	0.06
Penn Power	0.09	0.06
PPL	0.06	0.04
Average	0.11	0.10

* 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 0.11 in 2008 to 0.10 in 2009.
- Of the seven major EDCs, five have justified consumer complaint rates that are lower than the industry average. Allegheny has a rate just slightly higher than the industry average, while PECO's justified consumer complaint rate is more than triple the 2009 industry average.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2008 and 2009.

2008-09 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies

Company	Number of Days 2008	Number of Days 2009	Change in Days 2008 to 2009
Allegheny	22.1	10.7	-11.4
Duquesne	22.9	12.7	-10.2
Met-Ed	13.0	12.3	-0.7
PECO+	19.3	14.8	-4.5
Penelec	12.0	13.5	1.5
Penn Power	11.5	11.5	0.0
PPL	19.5	20.1	0.6
Average	17.2	13.7	-3.5

+ PECO statistics include electric and gas.

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the major electric companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- Overall, the average response time decreased by 3.5 days.
- Allegheny had the shortest consumer complaint response time in 2009 at 10.7 days while PPL had the longest at 20.1 days.

Payment Agreement Requests

In 2009, BCS handled 34,950 payment agreement requests (PARs) from residential customers of the EDCs. Ninety-eight percent (34,210) of the residential PARs were from customers of the seven largest EDCs. In 2009, 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 agreement 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 G, Table 1, provides additional statistics regarding the payment agreement requests from residential customers of the major EDCs.

**2009 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates*
Major Electric Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Allegheny	5.00	0.35
Duquesne	8.55	0.47
Met-Ed	3.72	0.34
PECO+	7.62	0.66
Penelec	2.83	0.20
Penn Power	5.31	0.69
PPL	9.85	0.98
Average	6.12	0.53

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

+ PECO statistics include electric and gas.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than six PARs to BCS for each 1,000 residential customers of the major EDCs in 2009. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2009 PAR rates and justified PAR rates. See the "Payment Agreement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2008 and 2009.

**2008-09 Justified Residential
Payment Agreement Request (PAR) Rates*
Major Electric Distribution Companies**

Company	2008	2009
Allegheny	0.62	0.35
Duquesne	0.96	0.47
Met-Ed	1.14	0.34
PECO+	2.26	0.66
Penelec	0.68	0.20
Penn Power	1.97	0.69
PPL	2.41	0.98
Average	1.43	0.53

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major EDCs decreased significantly from 1.43 in 2008 to 0.53 in 2009.
- The implementation of Chapter 14 had an impact on the 2008 and 2009 justified PAR rates. See the "Payment Agreement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- The justified PAR rates decreased for each of the seven major EDCs from 2008 to 2009. Three of the major EDCs have justified PAR rates greater than the 2009 industry average while four of the major EDCs have justified PAR rates below the industry average.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2008 and 2009.

**2008-09 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Electric Distribution Companies**

Company	Number of Days 2008	Number of Days 2009	Change in Days 2008 to 2009
Allegheny	22.9	6.7	-16.2
Duquesne	16.9	8.7	-8.2
Met-Ed	2.3	3.1	0.8
PECO+	13.0	5.3	-7.7
Penelec	2.5	2.8	0.3
Penn Power	2.3	2.5	0.2
PPL	8.1	10.3	2.2
Average	9.7	5.6	-4.1

+ PECO statistics include electric and gas.

- Beginning in 2007, the calculation for average response time includes all residential PARs for the major electric companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- The average response time for the seven major EDCs decreased by 4.1 days from 9.7 days in 2008 to 5.6 days in 2009. Allegheny showed the most significant decrease in response time, down by more than 16 days from 2008.
- There is a wide range of PAR response times among the major EDCs for 2009, from a low of 2.5 days for Penn Power to a high of 10.3 days for PPL.

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 agreement 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 2007, 2008 and 2009. 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		
	2007	2008	2009	% Change in # 2008-09	2007	2008	2009
Allegheny	21,689	19,650	17,057	-13%	3.55	3.21	2.78
Duquesne	22,624	22,081	23,143	5%	4.31	4.21	4.41
Met-Ed	15,432	16,359	12,915	-21%	3.22	3.39	2.67
PECO+	53,729	84,323	76,862	-9%	3.82	5.95	5.43
Penelec	14,061	13,442	9,878	-27%	2.78	2.66	1.96
Penn Power	4,598	4,030	3,196	-21%	3.30	2.88	2.29
PPL	25,873	38,917	33,247	-15%	2.16	3.23	2.75
Major Electric	158,006	198,802	176,298	-11%			
Average of Rates					3.31	3.65	3.18

+ 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 11 percent fewer residential accounts in 2009 than in 2008.

Residential Service Reconnections Major Electric Distribution Companies

Company	2007	2008	2009	% Change in # 2008-09
Allegheny	14,184	12,308	10,500	-15%
Duquesne	16,360	16,443	16,877	3%
Met-Ed	12,457	14,002	10,279	-27%
PECO+	36,468	58,296	52,281	-10%
Penelec	10,162	10,754	7,603	-29%
Penn Power	3,740	3,687	2,739	-26%
PPL	18,595	29,053	23,424	-19%
Major Electric	111,966	144,543	123,703	-14%

+ PECO statistics include electric and gas.

- Overall, the seven major EDCs reconnected 14 percent fewer residential accounts in 2009 than in 2008.

Compliance

BCS's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Commission regulations. Often through the informal process, BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of "infraction rate" is intended to help the Commission monitor the duty of electric companies at 66 Pa. C.S. §2807(d) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Electricity Generation Customer Choice and Competition Act.

The infraction rates in the table that follows are based on all informal complaints that residential consumers filed with BCS from 2007 through 2009. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 1, presents detailed information about the infractions identified on 2009 cases to the BCS.

Commission Infraction Rates Major Electric Distribution Companies

Company	2007	2008	2009
Allegheny	0.04	0.07	0.06
Duquesne	0.07	0.04	0.06
Met-Ed	0.01	0.04	0.01
PECO+	0.11	0.07	0.04
Penelec	0.04	0.03	0.01
Penn Power	0.03	0.01	0.05
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.
- Met-Ed, Penelec and PPL had infraction rates below the industry average while Allegheny, Duquesne and Penn Power had infraction rates above the industry average. PECO's infraction rate was equal to the industry average.
- Appendix H, Table 1, presents the actual number of infractions for 2009 categorized by infraction category.

4. Natural Gas Industry

In 2009, the Commission had jurisdiction over 30 natural gas distribution companies (NGDCs). However, the majority of the consumer complaints and payment agreement requests involving the gas industry came from residential customers of the seven major NGDCs: Columbia Gas of Pennsylvania (Columbia); Equitable Gas (Equitable); National Fuel Gas Distribution Corporation (NFG); Peoples Natural Gas f/k/a Dominion (Peoples); Philadelphia Gas Works (PGW); UGI-Gas; and UGI Penn Natural. This chapter will focus exclusively on those seven utilities. As with the electric industry, most of the complaints and payment agreement 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. Generally these consumer complaints and payment agreement 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 gas utilities in 2009. Appendices E through H provide statistics for these utilities from 2008 and 2009.

Consumer Complaints

During 2009, BCS handled 3,942 consumer complaints from residential customers of the various natural gas distribution companies (NGDCs) and 50 consumer complaints from residential customers of natural gas suppliers. Of these residential complaints, 96 percent (3,827) were from customers of the seven largest NGDCs. For the analyses of the seven major gas companies that appear in this chapter, BCS excluded 107 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 2009 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 E, Table 2, provides the actual number of cases that fell into each category in 2009.

Consumer Complaint Categories: 2009 Major Natural Gas Distribution Companies

Categories	Columbia	Equitable	NFG	Peoples	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	17%	24%	19%	16%	36%	19%	10%	23%
Credit and Deposits	5%	6%	6%	12%	23%	25%	43%	15%
Metering	26%	11%	19%	16%	9%	9%	2%	14%
Personnel Problems	9%	17%	15%	11%	10%	8%	13%	11%
Discontinuance/Transfer	6%	8%	10%	5%	6%	9%	4%	7%
Other Payment Issues	6%	9%	6%	6%	4%	2%	9%	6%
Service Quality	7%	3%	4%	8%	3%	3%	6%	5%
Scheduling Delays	5%	3%	6%	7%	3%	1%	1%	4%
Damages	8%	3%	2%	5%	1%	4%	2%	4%
Service Extensions	5%	1%	1%	4%	1%	3%	1%	2%
Rates	2%	2%	1%	2%	<1%	0%	3%	1%
Service Interruptions	<1%	<1%	0%	1%	<1%	0%	2%	<1%
All Other Problems	5%	13%	11%	5%	4%	16%	5%	7%
Total-Percent*	101%	100%	100%	98%	100%	99%	101%	99%
Total-Number**	339	297	140	370	463	172	121	1,902

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

** Based on residential complaints evaluated by BCS as of Aug. 6, 2010.

- Categories are for all residential complaints filed with BCS, whether they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 2, for the number of cases in each category.
- In 2009, billing disputes generated 23 percent of the complaints about the major gas companies followed by credit and deposits (15 percent). Complaints about metering accounted for 14 percent of residential consumer complaints about the major gas companies.

**2009 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Natural Gas Distribution Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Columbia	1.33	0.14
Equitable	1.60	0.15
NFG	0.94	0.06
Peoples	1.58	0.21
PGW	3.85	0.69*
UGI-Gas	0.77	0.11
UGI Penn Natural	1.11	0.14
Average	1.60	0.21

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2009, the average of the consumer complaint rates is more than seven times the average of the justified consumer complaint rates for the seven major gas companies.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2008 and 2009.

**2008-09 Justified Residential
Consumer Complaint Rates
Major Natural Gas Distribution Companies**

Company	2008	2009
Columbia	0.24	0.14
Equitable	0.39	0.15
NFG	0.18	0.06
Peoples	0.60	0.21
PGW*	0.78	0.69
UGI-Gas	0.13	0.11
UGI Penn Natural	0.10	0.14
Average	0.35	0.21

* 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.
- All but one of the major gas companies had justified consumer complaint rates the same as or lower than the industry average.
- The justified consumer complaint rates among the major gas companies varied, from a low of 0.06 for NFG to a high of 0.69 for PGW in 2009. Overall, the industry average justified consumer complaint rate decreased from 0.35 in 2008 to 0.21 in 2009.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2008 and 2009.

**2008-09 Response Time to BCS
Residential Consumer Complaints
Major Natural Gas Distribution Companies**

Company	Number of Days 2008	Number of Days 2009	Change in Days 2008 to 2009
Columbia	9.1	9.0	-0.1
Equitable	4.2	3.1	-1.1
NFG	15.2	4.9	-10.3
Peoples	21.7	12.6	-9.1
PGW	10.3	12.2	1.9
UGI-Gas	15.0	21.1	6.1
UGI Penn Natural	46.2	43.2	-3.0
Average	17.4	15.2	-2.2

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the major gas companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- The average of response times for the major gas companies decreased by 2.2 days from 17.4 days in 2008 to 15.2 days in 2009.
- Consumer complaint response time performance varied widely among the major gas companies in 2009, from a low of 3.1 days for Equitable to a high of 43.2 days for UGI Penn Natural.

Payment Agreement Requests

In 2009, BCS handled 14,778 payment agreement requests (PARs) from residential customers of the natural gas distribution companies (NGDCs) and one PAR from a residential customer of Pennsylvania's natural gas supply companies. Ninety-four percent (13,900) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2009, BCS reviewed a representative sample of the PARs for case outcome for all the major gas companies. Thus, the calculation for justified payment agreement 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 G, Table 2, provides additional statistics regarding the payment agreement requests from residential customers of the major natural gas distribution companies.

**2009 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates*
Major Natural Gas Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Columbia	3.09	0.40
Equitable	7.56	0.53
NFG	7.09	0.36
Peoples	3.88	0.40
PGW	8.16	0.49
UGI-Gas	8.32	0.72
UGI Penn Natural	12.68	1.09
Average	7.25	0.57

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- In 2009, the average of the PAR rates is more than 12 times the average of the justified PAR rates.
- The implementation of Chapter 14 had an impact on the 2009 PAR rates and justified PAR rates. See the "Payment Agreement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2008 and 2009.

**2008-09 Justified Residential
Payment Agreement Request (PAR) Rates*
Major Natural Gas Distribution Companies**

Company	2008	2009
Columbia	0.98	0.40
Equitable	1.55	0.53
NFG	1.17	0.36
Peoples	0.81	0.40
PGW	1.28	0.49
UGI-Gas	1.05	0.72
UGI Penn Natural	1.82	1.09
Average	1.24	0.57

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major gas utilities decreased from 1.24 in 2008 to 0.57 in 2009.
- The implementation of Chapter 14 had an impact on the 2008 and 2009 justified PAR rates. See the "Payment Agreement 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 2009, from a low of 0.36 for NFG to a high of 1.09 for UGI Penn Natural.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2008 and 2009.

**2008-09 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Natural Gas Distribution Companies**

Company	Number of Days 2008	Number of Days 2009	Change in Days 2008 to 2009
Columbia	5.6	3.7	-1.9
Equitable	2.2	1.6	-0.6
NFG	10.3	2.4	-7.9
Peoples	11.6	5.4	-6.2
PGW	6.2	6.9	0.7
UGI-Gas	6.0	6.8	0.8
UGI Penn Natural	24.7	17.4	-7.3
Average	9.5	6.3	-3.2

- Beginning in 2007, the calculation for average response time includes all residential PARs for the major gas companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- From 2008 to 2009, the average of response times decreased by more than three days.
- The 2009 PAR response times for the major NGDCs varied from a low of 1.6 days for Equitable to a high of 17.4 days for UGI Penn Natural.

Termination and Reconnection of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The NGDC reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement 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 2007, 2008 and 2009. 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		
	2007	2008	2009	% Change in # 2008-09	2007	2008	2009
Columbia	12,825	12,188	11,662	-4%	3.48	3.29	3.14
Equitable	12,593	11,979	10,836	-10%	5.28	5.01	4.52
NFG	11,138	11,022	12,290	12%	5.62	5.57	6.22
Peoples	5,302	7,867	7,640	-3%	1.63	2.41	2.34
PGW	23,437	28,674	38,536	34%	4.87	5.96	8.01
UGI-Gas	14,577	16,415	14,891	-9%	4.96	5.50	4.92
UGI Penn Natural	7,065	7,735	8,672	12%	4.95	5.38	5.99
Major Gas	86,937	95,880	104,527	9%			
Average of Rates					4.40	4.73	5.02

- 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 more residential accounts in 2009 than in 2008.

Residential Service Reconnections Major Natural Gas Distribution Companies

Company	2007	2008	2009	% Change in # 2008-09
Columbia	7,489	7,212	6,559	-9%
Equitable	9,393	7,988	7,392	-7%
NFG	7,234	7,192	8,249	15%
Peoples	2,380	4,048	4,597	14%
PGW	22,247	27,434	33,815	23%
UGI-Gas	9,182	10,018	8,752	-13%
UGI Penn Natural	3,716	4,524	4,871	8%
Major Gas	61,641	68,416	74,235	9%

- Overall, the seven major NGDCs reconnected 9 percent more residential accounts in 2009 than in 2008.

Compliance

BCS's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Commission regulations. Often through the informal process, BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of "infraction rate" is intended to help the Commission monitor the duty of natural gas companies at 66 Pa. C.S. §2206(a) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Natural Gas Choice and Competition Act.

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2007 through 2009. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 2, presents detailed information about the infractions identified on 2009 cases to the BCS.

Commission Infraction Rates Major Natural Gas Distribution Companies

Company	2007	2008	2009
Columbia	0.06	0.09	0.04
Equitable	0.38	0.47	0.14
NFG	0.12	0.14	0.03
Peoples	0.56	0.57	0.12
PGW	0.49	0.43	0.22
UGI-Gas	0.09	0.08	0.08
UGI Penn Natural	0.06	0.10	0.08

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rate for six of the seven major gas companies decreased from 2008 to 2009.
- Appendix H, Table 2, presents the actual number of infractions for 2009 categorized by infraction category.

5. Water Industry

In 2009, the Commission had jurisdiction over 107 water utilities, including 26 municipal water companies. The Commission categorizes the non-municipal water utilities into one of three classifications: A, B and C. These three classifications are based on the amount of the utility's annual revenues.

The non-municipal water utilities with the largest annual revenues are classified as "Class A" water utilities. "Class A" water companies must have annual revenues of \$1 million or more for three years in a row. In 2009, there were nine "Class A" water companies that served residential customers. The number of residential customers for these companies ranged from 2,286 for United Water Bethel to 585,777 residential customers for Pennsylvania-American Water Company. In 2009, the "Class A" water companies were Aqua America (Aqua), Audubon Water Company, Columbia Water Company, Newtown Artesian Water Company, Pennsylvania-American Water Company (PA-American), Superior Water Company, United Water Bethel, United Water of Pennsylvania Inc., and York Water Company. The tables in this chapter present individual statistics for the two largest water companies, PA-American and Aqua, 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 2009, there were 12 "Class B" companies. "Class B" water companies have annual revenues between \$200,000 and \$999,999. In 2009, the number of residential customers for the "Class B" companies ranged from 295 to 3,017. There were 59 "Class C" companies in 2009. "Class C" water companies have annual revenues of less than \$200,000. The number of residential customers for the "Class C" companies ranged from one to 1,148 in 2009.

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 agreement requests to BCS came from customers of the "Class A" water utilities. Most of the complaints and payment agreement 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 agreement 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 2009. Appendices E through H also present statistics about the performance of the "Class A" water companies.

Consumer Complaints

During 2009, BCS handled a total of 1,071 consumer complaints from residential customers of the various water companies. Of those complaints, 96 percent (1,028) were from customers of the "Class A" companies. The remaining 4 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 2009, 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 complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and payment agreement requests as compared to smaller water companies with limited resources.

In 2009, customers of the small water companies filed complaints with BCS for a variety of reasons. Of the 43 consumer complaints filed about the “Non-Class A” water companies, 49 percent involved complaints about service, including people-delivered service, service quality or other aspects of the companies’ service to customers (21 cases). An additional 30 percent involved billing disputes (13 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 2009 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 E, Table 3, provides the actual number of cases that fell into each category in 2009.

Consumer Complaint Categories: 2009 Major Water Utilities

Categories	Aqua	PA- American	"Other Class A"	All "Class A" Water
Billing Disputes	30%	34%	19%	33%
Metering	26%	19%	13%	21%
Service Quality	12%	13%	25%	13%
Discontinuance/Transfer	3%	6%	6%	5%
Personnel Problems	5%	5%	13%	5%
Damages	4%	5%	0%	4%
Scheduling Delays	4%	2%	6%	3%
Service Extensions	2%	3%	6%	3%
Other Payment Issues	2%	3%	0%	3%
Service Interruptions	1%	1%	0%	1%
Credit and Deposits	2%	<1%	0%	1%
Rates	<1%	1%	0%	1%
All Other Problems	9%	8%	13%	9%
Total-Percent*	100%	100%	101%	102%
Total-Number**	273	552	16	841

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

** Based on residential complaints evaluated by BCS as of Aug. 6, 2010.

- Categories are for all residential complaints filed with BCS, whether they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 3, for the number of cases in each category.
- Sixty-seven percent of residential complaints for the Class A water companies fell into one of three complaint categories: billing disputes, metering complaints or service quality. Billing disputes generated the highest number of complaints in 2009.

**2009 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Water Utilities**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Aqua	0.90	0.43
PA-American	1.13	0.36
"Other Class A"	0.18	0.00*
Average	0.74	0.40**

* BCS was unable to review enough 2009 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 does not include "Other Class A" companies.

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The consumer complaint rate for PA-American is more than three times greater than its justified consumer complaint rate.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua Pennsylvania, PA-American and the "Other Class A" water companies in 2008 and 2009.

2008-09 Justified Residential Consumer Complaint Rates Major Water Utilities

Company	2008	2009
Aqua	0.41	0.43
PA-American	0.34	0.36
"Other Class A"	0.01	0.00*
Average	0.25	0.40**

* BCS was unable to review enough 2009 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 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.
- There was little change in the justified consumer complaint rates for Aqua and PA-American between 2008 and 2009.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua Pennsylvania, PA-American and the "Other Class A" water companies in 2008 and 2009.

2008-09 Response Time to BCS Residential Consumer Complaints Major Water Utilities

Company	Number of Days 2008	Number of Days 2009	Change in Days 2008 to 2009
Aqua	27.3	20.5	-6.8
PA-American	3.5	4.4	0.9
"Other Class A"	9.3	12.8	3.5
Average	13.4	12.6	-0.8

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the "Class A" water companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- The average response time for Aqua decreased by 6.8 days from 2008 to 2009. Meanwhile, the average response time for PA-American increased slightly from 3.5 days in 2008 to 4.4 days in 2009.

Payment Agreement Requests

In 2009, BCS handled 4,548 payment agreement requests (PARs) from residential customers of the water industry. Ninety-nine percent (4,495) 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 2009, BCS reviewed a sample of the PARs for Aqua and PA-American. Thus, the calculation for justified payment agreement request rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these two companies. BCS believes the size of the sample gives a reasonable indication of the performance of this company. Appendix G, Table 3, provides additional statistics regarding the payment agreement requests from residential customers of the "Class A" water utilities.

**2009 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates
Major Water Utilities**

Company	PAR Rate	Justified PAR Rate
Aqua	3.73	0.24*
PA-American	4.98	0.37*
"Other Class A"	1.18	0.00**
Average	3.30	0.31***

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

** BCS was unable to review enough 2009 consumer complaints to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

*** Average of justified PAR rates does not include "Other Class A" companies.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- Aqua's PAR rate is nearly 16 times higher than its justified PAR rate. For PA-American, the PAR rate is more than 13 times higher than its justified PAR rate.
- The implementation of Chapter 14 had an impact on the 2009 PAR rates and justified PAR rates. See the "Payment Agreement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua Pennsylvania, PA-American and the "Other Class A" water companies in 2008 and 2009.

2008-09 Justified Residential Payment Agreement Request (PAR) Rates Major Water Utilities

Company	2008	2009
Aqua	0.39*	0.24*
PA-American	1.24*	0.37*
"Other Class A"	0.07	0.00**
Average	0.57	0.31***

* Based on a probability sample of cases.

** BCS was unable to review enough 2009 consumer complaints to draw valid conclusions about the performance of the group of small water companies categorized as "Other Class A."

*** Average of justified PAR rates does not include "Other Class A" companies.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The justified PAR rates decreased from 2008 to 2009 for Aqua and PA-American.
- The implementation of Chapter 14 had an impact on the 2008 and 2009 justified PAR rates. See the "Payment Agreement Requests" section in Chapter 1 for a discussion of the implications of this legislation.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua Pennsylvania, PA-American and the "Other Class A" water companies in 2008 and 2009.

**2008-09 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Water Utilities**

Company	Number of Days 2008	Number of Days 2009	Change in Days 2008 to 2009
Aqua	19.4	15.4	-4.0
PA-American	1.8	2.3	0.5
"Other Class A"	6.9	8.1	1.2
Average	9.4	8.6	-0.8

- Beginning in 2007, the calculation for average response time includes all residential PARs for the "Class A" water companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- Aqua's response time decreased by four days from 2008 to 2009 while PA-American's response time increased from 1.8 to 2.3 days in 2009.

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 2007 through 2009. Appendix H, Table 3, presents detailed information about the infractions identified on 2009 cases to the BCS.

Commission Infraction Rates Major Water Utilities

Company	2007	2008	2009
Aqua	0.33	0.54	0.38
PA-American	0.20	0.31	0.37
"Other Class A"	0.02	0.02	0.00

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The number of informally verified infractions for Aqua decreased from 0.54 in 2008 to 0.38 in 2009.
- Appendix H, Table 3, presents the actual number of infractions for 2009 categorized by infraction category.

Programs That Assist Low-Income Customers

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

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

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

Each household enrolled in the Helping Hand program receives a plumbing inspection, including minor repairs, and/or a conservation kit, containing water saving devices. The customer also receives water usage and conservation information. Customers who make their payments on time and in full receive a credit of \$10 per month applied to the their arrearage.

At the end of 2009, there were 914 active participants in the Helping Hand program. During the year, Aqua spent \$109,383 to complete eligibility interviews and household audits. In addition, the company provided \$23,810 in arrearage forgiveness credits to 788 program participants.

Pennsylvania-American Water Company (PA-American) - In 1991 PA-American established the "Help to Others" (H2O) program. The H2O program provides customers with a 65 percent discount on their monthly service fees - a savings of about \$8.45 per month. The program also provides water saving devices and conservation education. At the end of

2009, there were 10,592 customers receiving the discounted rate. (As of July 2010, there were 11,179 customers receiving the discount.)

As part of the H2O program, PA-American also participates with the Dollar Energy Fund to provide cash grants to low-income customers of up to \$500 per year. Dollar Energy Fund is a hardship fund administrator that provides cash assistance to utility customers who need help in paying their utility bills. During the 2008-09 program year, PA-American's shareholders and customers provided \$285,600 in hardship fund benefits to 961 customers for an average benefit of \$307.

United Water of Pennsylvania Inc. (United Water) - United Water implemented the "UW Cares" program in 2005. UW Cares is a nonprofit 501(c)(3) organization that provides financial assistance to customers who experience a temporary financial crisis caused by such occurrences as a job loss, severe illness, casualty or extensive military service. Cash grants up to \$100 are provided to qualifying customers who are first screened by the Salvation Army for eligibility. To be eligible for a grant, customers must have made a payment of at least \$20 within the last 180 days. During the 2008-09 program year, the company provided grants totaling nearly \$8,000 to qualifying customers.

York Water Company - In 2005, the York Water Company established the "York Water Cares" program. This program offers qualified customers up to \$120 in arrearage forgiveness benefits and plumbing repairs. The repairs are designed to help the customer conserve and reduce overall water usage.

During 2009, the company expended \$1,829 for customer plumbing repairs and enrolled a total of 37 new customers in the York Water Cares program. As of program end 2009, 63 customers received arrearage forgiveness benefits totaling \$2,820 for an average benefit of approximately \$45 per customer. York Water Company anticipates an annual savings of \$6,120 in costs for termination proceedings that may be avoided as a result of customer participation in the York Water Cares program.

6. Telephone Industry

During 2009, BCS handled consumer complaints, payment agreement 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. Approximately 665 providers of telecommunications services were certificated and able to conduct business in Pennsylvania in 2009. 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 slightly more than 3 million residential customers in 2009.

This chapter will focus exclusively on the five major ILECs in 2009 – CenturyLink f/k/a Embarq Pennsylvania (CenturyLink); Frontier Communications Commonwealth Telephone Company f/k/a 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 largest CLEC – RCN Telecom Services Inc. (RCN). RCN served more than 50,000 residential customers in Pennsylvania during 2009. Prior reports included data about Cavalier Telephone Mid-Atlantic. However, in this year's report, Cavalier is not included in this chapter because the company reported it served fewer than 50,000 residential customers during 2009.

Unlike the electric, gas and water chapters, the analyses of the six 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 seventh 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 2009, the complaints predominantly came from the residential customers of the five major ILECs and the largest CLEC. Overall, BCS handled 6,221 consumer complaints from residential customers of telecommunications service providers in 2009. Of these complaints, 5,904 were from residential customers of all of Pennsylvania's ILECs while 5,873 were from customers of the five major ILECs. Meanwhile, 274 consumer complaints were from residential customers of the CLECs operating in Pennsylvania, with 36 of the CLEC complaints filed by residential customers of RCN. The remaining 43 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.

In September 2009, BCS began offering all Verizon customers who call with a service issue the voluntary option of being transferred to a special Verizon team that immediately begins working to resolve the customer's complaint. If a customer chooses the voluntary transfer, BCS categorizes the contact as an "inquiry" rather than as a "consumer complaint."

As a result, the number of residential consumer complaints about the Verizon companies, as well as the telephone industry, decreased from 2008 to 2009.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into the Bureau's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2009 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: 2009 Major Local Telephone Companies

Categories	Century-Link	Frontier Commonwealth	RCN	Verizon North	Verizon PA	Wind-stream	Telephone Majors
Billing Disputes	48%	36%	31%	41%	45%	24%	44%
Unsatisfactory Service	8%	6%	8%	24%	16%	26%	17%
Service Delivery	13%	15%	11%	14%	13%	22%	14%
Service Terminations	23%	19%	36%	7%	10%	9%	11%
Toll Services	1%	1%	0%	4%	7%	2%	6%
Competition	2%	8%	6%	2%	2%	9%	3%
Discontinuance/Transfer	4%	5%	3%	2%	2%	2%	2%
Credit and Deposits	1%	6%	0%	2%	1%	0%	1%
Non-Recurring Charges	0%	0%	0%	1%	<1%	2%	<1%
Annoyance Calls	0%	1%	3%	0%	<1%	2%	<1%
All Other Problems	0%	3%	3%	3%	2%	2%	2%
Total-Percent*	100%	100%	101%	100%	98%	100%	101%
Total-Number**	84	80	36	295	2,694	54	3,243

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

** Based on residential complaints evaluated by BCS as of July 2, 2010.

- Categories are for all residential complaints filed with BCS, whether they were found to be justified. See Appendix D-2 for an explanation of complaint categories and Appendix E, Table 4, for the number of cases in each category.
- Seventy-five percent of all complaints for the major telephone companies fall into one of three complaint categories: billing disputes, unsatisfactory service or service delivery.

- Billing disputes account for 44 percent of the total number of consumer complaints against the six major telephone companies. In 2008, billing disputes accounted for 30 percent of consumer complaints about the major telephone companies.
- The table shows that 17 percent of all the consumer complaints filed against the six major companies are about unsatisfactory service, while service delivery accounts for 14 percent of the complaints.
- The 2008 and 2009 consumer complaint figures for justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages. Appendix F, Table 4, provides additional statistics about the consumer complaints from residential customers of the six major local telephone companies.

2009 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
CenturyLink	0.44	0.11
Frontier Commonwealth	0.52	0.20
RCN	0.42	0.14
Verizon North	0.91	0.39
Verizon PA	2.44	0.96*
Windstream	0.39	0.15
Average	0.85	0.32

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the six major telephone companies, the average of their consumer complaint rates is 2.7 times greater than the average of their justified rates.
- CenturyLink's consumer complaint rate is four times higher than its justified consumer complaint rate. For RCN, the consumer complaint rate is three times higher than its justified consumer complaint rate.
- At least part of the reduction in consumer complaint rate for Verizon North and Verizon PA can be attributed to a trial being conducted by the Commission with the Verizon companies.

- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2008 and 2009.

**2008-09 Justified Residential
Consumer Complaint Rates
Major Local Telephone Companies**

Company	2008	2009
CenturyLink	0.26	0.11
Frontier Commonwealth	0.28	0.20
RCN	0.42	0.14
Verizon North	0.53	0.39
Verizon PA*	1.36	0.96
Windstream	0.23	0.15
Average	0.51	0.32

* Based on a probability sample of cases.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2009, the industry average of justified consumer complaint rates decreased by 37 percent from the 2008 average. For RCN, the 2009 justified consumer complaint rate decreased by 67 percent from 2008. The 2009 justified consumer complaint rate for CenturyLink was 58 percent lower in 2009 than it was in 2008.
- There was a wide range in justified consumer complaint rates among the major companies, from a low of 0.11 for CenturyLink to a high of 0.96 for Verizon PA.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2008 and 2009.

2008-09 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies

Company	Number of Days 2008	Number of Days 2009	Change in Days 2008 to 2009
CenturyLink	15.1	9.9	-5.2
Frontier Commonwealth	20.0	18.3	-1.7
RCN	23.8	18.5	-5.3
Verizon North	11.8	14.7	2.9
Verizon PA	11.9	14.8	2.9
Windstream	12.0	15.2	3.2
Average	15.8	15.2	-0.6

- For the six major companies, the average response time to consumer complaints decreased by slightly more than half a day from 2008 to 2009.
- Both RCN and CenturyLink reduced their average response times from 2008 to 2009 by more than five days. The average response time increased from 2008 to 2009 for Verizon North, Verizon PA and Windstream.

Payment Agreement Requests

Telephone service consists of three components: basic service, nonbasic service and toll service. BCS does not handle customer requests for payment agreements that involve toll or nonbasic services. For the telephone industry, payment agreement 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 an agreement 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 agreements 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 agreement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve PARs have been separated from telephone PARs that also involve a dispute. For the telephone industry, PARs that involve a dispute are classified as consumer complaints. During 2009, BCS handled 945 PARs from residential customers of telecommunications service providers. Of these PARs, 868 were from residential customers of the six major

telephone companies: CenturyLink, Frontier Commonwealth, RCN, Verizon North, Verizon PA and Windstream.

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

The 2008 and 2009 payment agreement request figures for justified payment agreement request rates and response times for the major telephone companies are presented in the tables that follow.

**2009 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates
Major Local Telephone Companies**

Company	PAR Rate	Justified PAR Rate
CenturyLink	0.07	0.02
Frontier Commonwealth	0.08	0.01
RCN	0.15	0.03
Verizon North	0.13	0.01
Verizon PA	0.35	0.04*
Windstream	0.12	0.01
Average	0.15	0.02

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The overall 2009 PAR rate is 7.5 times the overall justified PAR rate for the six major telephone companies.
- For the individual companies, the ratio between the PAR rate and the justified PAR rate varies. For Verizon North, the company's 2009 PAR rate is 13 times the company's justified PAR rate.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2008 and 2009.

**2008-09 Justified Residential
Payment Agreement Request (PAR) Rates
Major Local Telephone Companies**

Company	2008	2009
CenturyLink	0.01	0.02
Frontier Commonwealth	0.00	0.01
RCN	0.03	0.03
Verizon North	0.01	0.01
Verizon PA*	0.08	0.04
Windstream	0.01	0.01
Average	0.02	0.02

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The 2009 average justified PAR rate for the six major telephone companies remained stable at 0.02. Only CenturyLink and Frontier Commonwealth had justified PAR rates that increased slightly from 2008 to 2009. Meanwhile Verizon PA's justified PAR rate decreased by 50 percent.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2008 and 2009.

**2008-09 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Local Telephone Companies**

Company	Number of Days 2008	Number of Days 2009	Change in Days 2008 to 2009
CenturyLink	7.1	6.8	-0.3
Frontier Commonwealth	16.1	16.7	0.6
RCN	22.9	9.9	-13.0
Verizon North	6.0	8.5	2.5
Verizon PA	6.6	9.8	3.2
Windstream	1.2	6.4	5.2
Average	10.0	9.7	-0.3

- The average response time to PARs for the six major telephone companies decreased from 10 days in 2008 to 9.7 days in 2009.
- Only CenturyLink and RCN reduced their response times to PARs in 2009. RCN decreased its response time by 13 days. The response time for Windstream increased by more than five days.

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 agreement 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 agreements and avoid termination. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. Shifts in terminations can signal potential problems with customers maintaining basic telephone service and reflect the impact of universal service programs.

Residential Service Terminations/Termination Rates Major Local Telephone Companies

Company	Residential Service Terminations				Termination Rates		
	2007	2008	2009	% Change in # 2008-09	2007	2008	2009
CenturyLink	5,364	7,776	7,128	-8%	22.50	35.94	36.30
Frontier Commonwealth	3,864	1,380	1,128	-18%	21.96	8.28	7.35
RCN	12,156	8,232	7,908	-4%	146.48	93.02	91.26
Verizon North	11,904	15,348	23,364	52%	29.19	41.88	71.45
Verizon PA	85,272	114,564	160,452	40%	32.79	48.09	73.04
Windstream	4,608	4,284	4,308	1%	29.93	29.21	31.43
Major Telephone	123,168	151,584	204,288	35%			
Average of Rates					47.14	42.74	51.80

- The termination rate equals the number of basic service terminations for each 1,000 residential customers.
- Overall, the average service termination rate for major telephone companies increased from 2008 to 2009.
- From 2008 to 2009, the number of terminations and the termination rates increased for Verizon North and Verizon PA. Termination and termination rates decreased for Frontier Commonwealth and RCN. Windstream's number of terminations was relatively stable from 2008 to 2009.

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 2007, 2008 and 2009. Appendix H, Tables 4 and 5, present detailed information about the infractions identified on 2009 cases to the BCS.

Commission Infraction Rates – Chapter 63 Major Local Telephone Companies

Company	2007*	2008	2009
CenturyLink	0.10	0.03	0.02
Frontier Commonwealth	0.15	0.26	0.20
RCN	0.40	0.29	0.12
Verizon North	0.88	0.67	0.58
Verizon PA	1.03	2.18	1.31
Windstream	0.15	0.17	0.17

* Last year BCS revised the 2007 infraction rates from those reported in the 2007 UCARE. It was discovered that the 2007 infraction statistics included infractions from informal complaints filed in both 2007 and part of 2008.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- In 2009, there was a wide variation in infraction rates among the six major telephone companies. Verizon PA, at 1.31, and Verizon North, at 0.58, had the highest Chapter 63 infraction rates. CenturyLink had the lowest rate at 0.02.
- Appendix H, Table 4, presents the actual number of infractions of Chapter 63 found on 2009 informal complaints for the major local telephone companies by infraction category.

Commission Infraction Rates – Chapter 64 Major Local Telephone Companies

Company	2007*	2008	2009
CenturyLink	0.44	0.38	0.17
Frontier Commonwealth	0.16	0.22	0.14
RCN	0.49	0.28	0.21
Verizon North	0.14	0.27	0.22
Verizon PA	0.14	0.58	0.73
Windstream	0.16	0.14	0.12

* Last year, BCS revised the 2007 infraction rates from those reported in the 2007 UCARE. It was discovered that the 2007 infraction statistics included infractions from informal complaints filed in both 2007 and part of 2008.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates for five of the six major telephone companies decreased since 2008. Only Verizon PA had an infraction rate that was higher in 2009 than it was in 2008.
- Appendix H, Table 5, presents the actual number of infractions of Chapter 64 found on 2009 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 who participated in certain Pennsylvania Department of Public Welfare (DPW) programs. Lifeline service customers could not subscribe to call waiting or other optional services².

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

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

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

The discussion below describes the status of universal service programs for the telephone industry in 2009.

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.

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

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

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

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

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

⁷See Dockets C-20077916 and C-20077917.

service; or 3) local service with three optional services plus regional toll service and long-distance service at a single monthly rate.

The following table shows enrollment activity for the various Lifeline programs in 2008 and 2009.

Lifeline Service Activity 2008-09

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2008	2009	2008	2009
CenturyLink	5,787	6,629	4,452	4,587
Frontier Commonwealth	5,440	6,251	4,586	5,421
RCN	536	417	453	360
Verizon North*	20,681	19,109	10,835	12,832
Verizon PA*	197,129	175,050	105,675	109,429
Windstream	6,640	6,687	5,325	5,571
Total	236,213	214,143	131,326	138,200

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

As of July 1, 2010, the monthly credit⁸ ranged from \$7.59 to \$8.25 for the Lifeline 135 program, and \$11.34 to \$12 for the Verizon companies' Lifeline program.

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

Link-Up

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

Link-Up Connections 2008-09

Company	Number of Connections 2008	Number of Connections 2009
CenturyLink	75	320
Frontier Commonwealth	178	290
RCN	0	0
Verizon North	2,848	3,624
Verizon PA	32,371	30,220
Windstream	512	260
Total	35,984	34,714

Universal Telephone Assistance Program (UTAP)

Verizon PA implemented a Universal Telephone Assistance Program (UTAP) along with its Lifeline service program as part of a settlement agreement that was approved by the Commission in 1995. Verizon PA is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a pre-existing basic service arrearage) to restore their basic telephone service. The Dollar Energy Fund manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2009 was \$78. Overall, UTAP distributed \$441,006 in financial assistance to 5,621 of Verizon PA's qualified customers in 2009.

Automatic Notification Program

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

For more information about the telephone universal service programs, readers may contact Sheila Brown of the PUC's Bureau of Consumer Services at (717) 783-5188 or by email at sheibrown@state.pa.us.

Glossary of Terms

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

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

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

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

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

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

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

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

Incumbent Local Exchange Carrier (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 agreement 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 Agreement Request Rate - The number of justified payment agreement requests per 1,000 residential customers.

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

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

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

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

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

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

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

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

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

Appendices

Appendix A

Consumer Ratings of the BCS's Service

How quickly did the PUC handle your request?		
	2008	2009
Very quickly	46%	47%
Fairly quickly	27%	28%
Not very quickly	11%	10%
Not at all quickly	9%	10%
Don't recall	2%	1%
Have not heard from PUC	5%	4%
How easy to understand was the information the PUC gave you about the outcome of the problem?		
	2008	2009
Very easy	46%	46%
Fairly easy	18%	19%
Not very easy	4%	3%
Not at all easy	2%	2%
Don't recall	4%	3%
Did not receive any information	26%	27%
How polite was the first person you talked with at the PUC?		
	2008	2009
Very polite	78%	72%
Fairly polite	15%	20%
Not very polite	2%	2%
Not at all polite	2%	2%
Don't recall	1%	1%
Did not speak to anyone	2%	2%
How interested in helping you was the first person you talked with at the PUC?		
	2008	2009
Very interested	65%	62%
Fairly interested	24%	25%
Not very interested	5%	7%
Not at all interested	2%	3%
Don't recall	1%	1%
Did not speak to anyone	1%	2%
If you had another problem with a utility, would you contact the PUC again?		
	2008	2009
Yes	82%	81%
No	8%	8%
Not sure	10%	11%

Appendix B

Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2008 and 2009

Industry	Consumer Complaints						Payment Agreement Requests					
	Residential			Commercial			Residential			Commercial		
	2008	2009	Percent Change	2008	2009	Percent Change	2008	2009	Percent Change	2008	2009	Percent Change
Electric	5,230	4,831	-8%	968	1,031	7%	38,663	34,950	-10%	258	235	-9%
Gas	4,177	3,992	-4%	419	456	9%	16,547	14,779	-11%	122	134	10%
Water	1,221	1,071	-12%	118	119	1%	4,035	4,548	13%	10	10	0%
Telephone	7,790	6,221	-20%	490	414	-16%	1,417	945	-33%	5	9	80%
Other	4	11	175%	3	1	-67%	17	7	-59%	0	1	---
Total	18,422	16,126	-12%	1,998	2,021	1%	60,679	55,229	-9%	395	389	-2%

Appendix C

2009 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
ELECTRIC	
Non-Major Electric Distribution Companies (EDCs)**	9
Electric Generation Suppliers (EGSs)**	8
Total Non-Major Electric	17
GAS	
North East Heat and Light (NGDC)	5
PPL Utilities (NGDC)	34
T.W. Phillips (NGDC)	53
Other Non-Major Natural Gas Distribution Companies (NGDCs)**	23
Dominion Energy Solutions (NGS)	37
Other Natural Gas Suppliers (NGSs)**	13
Total Non-Major Gas	165
WATER	
Twin Lakes Water	13
Other Private Water**	23
Municipal Water**	7
Total Non-Major Water	43
TELEPHONE	
Conestoga Telephone (ILEC)	7
Consolidated Communications of PA (ILEC)	6
Frontier Communications ILEC Group (ILEC)	5
Other Non-Major Incumbent Local Exchange Carriers (ILECs)**	13

* Only those non-major companies having five or more residential consumer complaints in 2009 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2009 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 C (Continued)

2009 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
TELEPHONE (continued)	
ACN Communications Services (CLEC)	8
AT&T Local (CLEC)	30
Cavalier Telephone Mid-Atlantic (CLEC)	39
Cordia Communications Corp. (d/b/a CLEC)	50
D & E Systems, Inc. (Windstream) (CLEC)	5
Frontier Communications CTSI (CLEC)	6
Full Service Network (d/b/a CLEC)	24
IDT America (CLEC)	15
MCI Local (CLEC)	19
Metropolitan Telecommunications (CLEC)	6
Nationsline North (CLEC)	5
Trinsic (CLEC)	6
Other Competitive Local Exchange Carriers (CLECs)**	25
AT&T (IXC)	12
VOIP (Voice Over Internet Protocol)	10
Other Providers of Telecommunications Services**	21
Total Non-Major Telephone	312

* Only those non-major companies having five or more residential consumer complaints in 2009 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2009 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 D-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 (defectos).

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 a need for payment agreements.

Appendix D-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 2009, BCS evaluated no residential consumer complaints in this category.

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

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

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

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

Extended Area of Service (EAS) - Complaints about a limited local calling area. In 2009, BCS evaluated only 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 2009, 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 2009, BCS evaluated no residential consumer complaints about sales of nonbasic services.

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

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

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 and excessive coin phone rates. Also included are complaints that were taken in by BCS, but closed before they could be investigated because the consumer called back and resolved the complaint with the company or because the consumer changed their mind about filing the complaint. In addition, some complaints, during investigation, were found to not fall under the PUC's jurisdiction.

Appendix E - Table 1

Consumer Complaint Categories: 2009*

Major Electric Distribution Companies

Categories**	Allegheny	Duquesne	Met-Ed	PECO***	Penelec	Penn Power	PPL	UGI-Elec.	Electric Majors
Credit and Deposits	161	50	49	31	27	21	14	19	372
Billing Disputes	25	49	57	59	40	25	68	8	331
Personnel Problems	39	62	48	67	31	13	36	3	299
Metering	44	2	56	24	45	16	58	9	254
Discontinuance/ Transfer	15	20	19	112	9	4	52	5	236
Service Quality	17	11	21	16	23	6	25	0	119
Damages	29	11	12	9	33	4	19	1	118
Service Interruptions	23	9	19	10	26	6	18	0	111
Service Extensions	13	10	20	7	25	6	15	1	97
Other Payment Issues	4	19	10	26	6	3	21	1	90
Scheduling Delays	7	8	11	7	7	2	4	1	47
Rates	1	8	6	5	2	8	13	1	44
All Other Problems	27	64	17	72	23	7	74	8	292
Total*	405	323	345	445	297	121	417	57	2,410

* Categories are for residential complaints evaluated by BCS as of Aug. 6, 2010, whether the case outcome was found to be "justified."

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

*** PECO statistics include electric and gas.

Appendix E - Table 2

Consumer Complaint Categories: 2009*

Major Natural Gas Distribution Companies

Categories**	Columbia	Equitable	NFG	Peoples	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	58	70	27	61	167	33	12	428
Credit and Deposits	16	19	8	46	107	43	52	291
Metering	88	32	27	61	40	16	2	266
Personnel Problems	30	49	21	40	47	13	16	216
Discontinuance/ Transfer	20	23	14	20	27	16	5	125
Other Payment Issues	20	27	8	23	20	4	11	113
Service Quality	23	10	6	31	14	5	7	96
Scheduling Delays	16	9	8	27	12	1	1	74
Damages	26	8	3	20	6	7	2	72
Service Extensions	16	3	1	15	4	6	1	46
Rates	8	6	1	7	1	0	4	27
Service Interruptions	1	1	0	2	1	0	2	7
All Other Problems	17	40	16	17	17	28	6	141
Total*	339	297	140	370	463	172	121	1,902

* Categories are for residential complaints evaluated by BCS as of Aug. 6, 2010, whether the case outcome was found to be "justified."

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

Appendix E - Table 3

Consumer Complaint Categories: 2009*

Major Water Utilities

Categories**	Aqua	PA-American	"Other Class A" Water	All "Class A" Water
Billing Disputes	82	189	3	274
Metering	70	103	2	175
Service Quality	33	74	4	111
Discontinuance/Transfer	9	33	1	43
Personnel Problems	14	26	2	42
Damages	11	26	0	37
Scheduling Delays	10	13	1	24
Service Extensions	6	15	1	22
Other Payment Issues	5	16	0	21
Service Interruptions	3	5	0	8
Credit and Deposits	5	2	0	7
Rates	1	4	0	5
All Other Problems	24	46	2	72
Total*	273	552	16	841

* Categories are for residential complaints evaluated by BCS as of Aug. 6, 2010, whether the case outcome was found to be "justified."

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

Appendix E - Table 4
Consumer Complaint Categories: 2009*
Major Local Telephone Companies

Categories**	Century-Link	Frontier Common- wealth	RCN	Verizon North	Verizon PA	Wind-stream	Telephone Majors
Billing Disputes	40	29	11	122	1,223	13	1,438
Unsatisfactory Service	7	5	3	71	443	14	543
Service Delivery	11	12	4	41	362	12	442
Service Termination	19	15	13	20	271	5	343
Toll Services	1	1	0	13	177	1	193
Competition	2	6	2	7	59	5	81
Discontinuance/ Transfer	3	4	1	5	53	1	67
Credit and Deposits	1	5	0	6	33	0	45
Non-Recurring Charges	0	0	0	2	10	1	13
Annoyance Calls	0	1	1	0	3	1	6
All Other Problems	0	2	1	8	60	1	72
Total*	84	80	36	295	2,694	54	3,243

* Categories are for residential complaints evaluated by BCS as of July 2, 2010, whether the case outcome was found to be "justified."

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

Appendix F - Table 1

2008-09 Residential Consumer Complaint Statistics

Major Electric Distribution Companies

Company Name	2009 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2008	2009	% Change in #	2008	2009	Numbers ² / Rates ³ 2008		Numbers ² / Rates ³ 2009	
Allegheny	613,972	509	538	6%	0.83	0.88	77	0.13	68	0.11
Duquesne	524,333	639	431	-33%	1.22	0.82	37	0.07	28	0.05
Met-Ed	484,382	371	456	23%	0.77	0.94	52	0.11	29	0.06
PECO ⁵	1,416,394	2,512	2,223	-12%	1.77	1.57	309*	0.22*	440*	0.31*
Penelec	504,915	323	390	21%	0.64	0.77	49	0.10	28	0.06
Penn Power	139,848	181	160	-12%	1.30	1.14	12	0.09	8	0.06
PPL	1,208,715	553	542	-2%	0.46	0.45	69	0.06	53	0.04
UGI-Electric	54,539	102	74	-27%	1.86	1.36	15	0.27	17	0.31
Major Electric	4,947,098	5,190	4,814	-7%			620		671	
Average of Rates					1.00⁴	0.94⁴		0.11⁴		0.10⁴

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

² Estimated based on the number of cases on CSIS as of Aug. 6, 2010.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

*Based on a probability sample of cases.

Appendix F - Table 2

2008-09 Residential Consumer Complaint Statistics

Major Natural Gas Distribution Companies

Company Name	2009 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2008	2009	% Change in #	2008	2009	Numbers ² / Rates ³ 2008		Numbers ² / Rates ³ 2009	
Columbia	370,838	524	493	-6%	1.42	1.33	87	0.24	51	0.14
Equitable	239,882	605	385	-36%	2.52	1.60	93	0.39	36	0.15
NFG	197,474	262	185	-29%	1.32	0.94	36	0.18	11	0.06
Peoples	326,931	784	517	-34%	2.40	1.58	197	0.60	68	0.21
PGW	480,908	1,429	1,853	30%	2.97	3.85	374*	0.78*	332*	0.69*
UGI-Gas	302,561	316	234	-26%	1.06	0.77	39	0.13	34	0.11
UGI Penn Natural	144,690	115	160	39%	0.80	1.11	15	0.10	20	0.14
Major Gas	2,063,284	4,035	3,827	-5%			841		552	
Average of Rates					1.78	1.60		0.35		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 Aug. 6, 2010.

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

* Based on a probability sample of cases.

Appendix F - Table 3

2008-09 Residential Consumer Complaint Statistics

Major Water Utilities

Company Name	2009 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2008	2009	% Change in #	2008	2009	Numbers ² / Rates ³ 2008		Numbers ² / Rates ³ 2009	
Aqua	380,184	325	342	5%	0.86	0.90	156	0.41	165	0.43
PA-American	585,777	721	662	-8%	1.24	1.13	197	0.34	211	0.36
"Other Class A" Water	132,338	28	24	-14%	0.21	0.18	1	0.01	0	0.00*
Major Water	1,098,299	1,074	1,028	-4%			354		376	
Average of Rates					0.77	0.74		0.25		0.40**

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

² Estimated based on the number of cases on CSIS as of Aug. 6, 2010.

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

* BCS was unable to review enough 2009 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 does not include "Other Class A" companies.

Appendix F - Table 4

2008-09 Residential Consumer Complaint Statistics

Major Local Telephone Companies

Company Name	2009 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2008	2009	% Change in #	2008	2009	Numbers ² / Rates ³ 2008		Numbers ² / Rates ³ 2009	
CenturyLink	196,364	180	87	-52%	0.83	0.44	57	0.26	22	0.11
Frontier Commonwealth	153,501	95	80	-16%	0.57	0.52	47	0.28	30	0.20
RCN	86,658	59	36	-39%	0.67	0.42	37	0.42	12	0.14
Verizon North**	326,996	382	299	-22%	1.04	0.91	196	0.53	129	0.39
Verizon PA**	2,196,720	6,279	5,353	-15%	2.64	2.44	3,243*	1.36*	2,100*	0.96*
Windstream	137,074	79	54	-32%	0.54	0.39	34	0.23	20	0.15
Major Telephone	3,097,313	7,074	5,909	-16%			3,614		2,313	
Average of Rates					1.05	0.85		0.51		0.32

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

² Estimated based on the number of cases on CSIS as of July 2, 2010.

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

* Based on a probability sample of cases.

** At least part of the reduction in consumer complaints for Verizon North and Verizon PA can be attributed to a trial being conducted by the Commission with the Verizon companies. BCS is currently offering all Verizon customers who call with a service issue the voluntary option of being transferred to a special Verizon team that immediately begins working to resolve the customer's complaint. If a customer chooses the voluntary transfer, BCS categorizes the contact as an "inquiry" rather than as a "consumer complaint."

Appendix G - Table 1

2008-09 Residential Payment Agreement Request (PAR) Statistics

Major Electric Distribution Companies

Company Name	2009 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2008	2009	% Change in #	2008	2009	Numbers ² / Rates ³ 2008		Numbers ² / Rates ³ 2009	
Allegheny	613,972	2,874	3,067	7%	4.69	5.00	378	0.62	212	0.35
Duquesne	524,333	5,089	4,482	-12%	9.71	8.55	505	0.96	246	0.47
Met-Ed	484,382	2,858	1,803	-37%	5.92	3.72	551	1.14	163	0.34
PECO ⁵	1,416,394	13,460	10,788	-20%	9.50	7.62	3,197	2.26	941	0.66
Penelec	504,915	2,653	1,428	-46%	5.25	2.83	341	0.68	101	0.20
Penn Power	139,848	1,289	742	-42%	9.23	5.31	275	1.97	96	0.69
PPL	1,208,715	9,788	11,900	22%	8.13	9.85	2,897	2.41	1,181	0.98
UGI-Electric	54,539	616	706	15%	11.26	12.94	72	1.32	30	0.55
Major Electric	4,947,098	38,627	34,916	-10%			8,216		2,970	
Average of Rates					7.49⁴	6.12⁴		1.43⁴		0.53⁴

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

² With the exception of UGI Electric, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for UGI Electric is based on the number of cases on CSIS as of Aug. 6, 2010.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

Appendix G - Table 2

2008-09 Residential Payment Agreement Request (PAR) Statistics

Major Natural Gas Distribution Companies

Company Name	2009 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2008	2009	% Change in #	2008	2009	Numbers ² / Rates ³ 2008		Numbers ² / Rates ³ 2009	
Columbia	370,838	1,475	1,145	-22%	3.99	3.09	364	0.98	149	0.40
Equitable	239,882	2,217	1,814	-18%	9.27	7.56	371	1.55	128	0.53
NFG	197,474	1,793	1,400	-22%	9.06	7.09	232	1.17	72	0.36
Peoples	326,931	2,003	1,267	-37%	6.13	3.88	265	0.81	132	0.40
PGW	480,908	4,092	3,922	-4%	8.50	8.16	614	1.28	234	0.49
UGI-Gas	302,561	2,636	2,518	-4%	8.83	8.32	313	1.05	217	0.72
UGI Penn Natural	144,690	1,660	1,834	10%	11.55	12.68	262	1.82	157	1.09
Major Gas	2,063,284	15,876	13,900	-12%			2,421		1,089	
Average of Rates					8.19	7.25		1.24		0.57

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

² Estimated based on a probability sample of cases and/or the number of cases on CSIS as of Aug. 6, 2010.

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

Appendix G - Table 3

2008-09 Residential Payment Agreement Request (PAR) Statistics

Major Water Utilities

Company Name	2009 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2008	2009	% Change in #	2008	2009	Numbers ² / Rates ³ 2008		Numbers ² / Rates ³ 2009	
Aqua	380,184	1,251	1,419	13%	3.30	3.73	149*	0.39*	93*	0.24*
PA-American	585,777	2,556	2,920	14%	4.39	4.98	724*	1.24*	217*	0.37*
"Other Class A" Water	132,338	172	156	-9%	1.32	1.18	9	0.07	0	0.00**
Major Water	1,098,299	3,979	4,495	13%			882		310	
Average of Rates					3.00	3.30		0.57		0.31***

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

² Estimated based on a probability sample of cases and/or the number of cases on CSIS as of Aug. 6, 2010.

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

* Based on a probability sample of cases.

** BCS did not evaluate enough 2009 residential PARs to calculate a valid justified PAR rate.

*** Average of justified PAR rates does not include "Other Class A" companies.

Appendix G - Table 4

2008-09 Residential Payment Agreement Request (PAR) Statistics

Major Local Telephone Companies

Company Name	2009 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2008	2009	% Change in #	2008	2009	Numbers ² / Rates ³ 2008		Numbers ² / Rates ³ 2009	
CenturyLink	196,364	30	13	-57%	0.14	0.07	3	0.01	4	0.02
Frontier Commonwealth	153,501	14	12	-14%	0.08	0.08	0	0.00	2	0.01
RCN	86,658	18	13	-28%	0.20	0.15	3	0.03	3	0.03
Verizon North	326,996	49	42	-14%	0.13	0.13	3	0.01	2	0.01
Verizon PA	2,196,720	1,108	771	-30%	0.47	0.35	185*	0.08*	96*	0.04*
Windstream	137,074	26	17	-35%	0.18	0.12	1	0.01	2	0.01
Major Telephone	3,097,313	1,245	868	-30%			195		109	
Average of Rates					0.20	0.15		0.02		0.02

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

² Estimated based on the number of cases on CSIS as of July 2, 2010.

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

* Based on a probability sample of cases.

Appendix H – Table 1

Chapter 56, Chapter 14 and Other Infraction Categories: 2009*

Major Electric Distribution Companies

Description	Allegheny Power		Duquesne		Met-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	0	0%	3	10%	0	0%	0	0%	0	0%	3	43%	1	5%	5	26%
Meter Reading (56.12)	4	12%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	4	21%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9(C))	3	9%	1	3%	0	0%	1	2%	1	14%	0	0%	1	5%	5	26%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	0	0%	0	0%	0	0%	6	10%	1	14%	0	0%	1	5%	0	0%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	16	47%	15	52%	2	29%	12	19%	1	14%	1	14%	3	14%	3	16%
Termination Grounds (56.81-83, 1405 (F), 1406 (A) and 1406 (C))	0	0%	2	7%	1	14%	7	11%	1	14%	0	0%	3	14%	0	0%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	0	0%	0	0%	1	14%	3	5%	1	14%	0	0%	3	14%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	1	3%	0	0%	0	0%	2	3%	0	0%	0	0%	0	0%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	1	3%	1	3%	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 1410)	8	24%	7	24%	3	43%	29	47%	2	29%	3	43%	9	43%	2	11%
Other (66.1312)	1	3%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total**	34	101%	29	99%	7	100%	62	101%	7	99%	7	100%	21	100%	19	100%

- * # equals the number of verified infractions identified by BCS as of Sept. 17, 2010.
 % 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 H – Table 2

Chapter 56, Chapter 14 and Other Infraction Categories: 2009*

Major Natural Gas Distribution Companies

Description	Columbia		Equitable		NFG		Peoples		PGW		UGI – Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	0	0%	17	50%	0	0%	2	5%	4	4%	0	0%	0	0%
Meter Reading (56.12)	3	20%	3	9%	0	0%	4	11%	0	0%	1	4%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9(C))	0	0%	3	9%	0	0%	1	3%	6	6%	4	17%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	6	40%	1	3%	0	0%	1	3%	4	4%	2	8%	0	0%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	1	7%	1	3%	1	20%	15	39%	28	26%	7	29%	8	73%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	0	0%	3	9%	0	0%	0	0%	9	8%	1	4%	0	0%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	0	0%	0	0%	0	0%	0	0%	6	6%	0	0%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	0	0%	1	3%	0	0%	0	0%	6	6%	1	4%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	1	7%	0	0%	2	40%	0	0%	6	6%	1	4%	1	9%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 1410)	3	20%	5	15%	2	40%	15	39%	32	30%	7	29%	2	18%
Other (56.202 and 66.1501)	1	7%	0	0%	0	0%	0	0%	6	6%	0	0%	0	0%
Total**	15	101%	34	101%	5	100%	38	100%	107	102%	24	99%	11	100%

* # equals the number of verified infractions identified by BCS as of Sept. 17, 2010.

% 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 H - Table 3

Chapter 56, Chapter 14 and Other Infraction Categories: 2009*

Major Water Companies

Description	Aqua		PA-American		"Other Class A"	
	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	13	9%	7	3%	0	0%
Meter Reading (56.12)	15	10%	1	<1%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9(C))	44	31%	26	12%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	2	1%	2	1%	0	0%
Credit Standards and Deposits (56.32-37, 1404 (A)-(C) and 1404 (E)-(H))	2	1%	0	0%	0	0%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	5	3%	5	2%	0	0%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	3	2%	1	<1%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	1	1%	2	1%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	1	1%	4	2%	0	0%
Landlord/Ratepayer (1521-1533)	1	1%	1	<1%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 1410)	52	36%	168	77%	0	0%
Other (66.1312)	4	3%	0	0%	0	0%
Total**	143	99%	217	98%	0	0%

* # equals the number of verified infractions identified by BCS as of Sept. 17, 2010.

% 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 H – Table 4

Chapter 63 Infraction Categories: 2009*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common- wealth		RCN		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%	#	%
Complaint Procedures (63.15)	1	33%	3	10%	0	0%	17	9%	162	6%	0	0%
Service Records (63.22)	0	0%	20	67%	3	30%	1	1%	62	2%	8	35%
Customer Trouble Reports (63.57)	0	0%	5	17%	2	20%	168	89%	2,606	90%	9	39%
Installation of Service (63.58)	0	0%	0	0%	0	0%	0	0%	7	<1%	0	0%
Migration (63.201-221)	1	33%	0	0%	5	50%	1	1%	38	1%	6	26%
Other (63.21, 63.24, 63.53 and 63.59)	1	33%	2	7%	0	0%	2	1%	9	<1%	0	0%
Total**	3	99%	30	101%	10	100%	189	101%	2,884	100%	23	100%

*# equals the number of verified infractions identified by BCS as of July 22, 2010.

% 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 H – Table 5

Chapter 64 Infraction Categories: 2009*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common- wealth		RCN		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (64.1, 64.11-14, 64.16-17 and 64.19)	8	24%	2	9%	5	28%	15	21%	531	33%	5	31%
Slamming and Cramming (64.23)	1	3%	1	5%	0	0%	6	8%	45	3%	0	0%
Credit and Deposits (64.32-34)	0	0%	3	14%	0	0%	2	3%	17	1%	0	0%
Suspension and Termination (64.61, 64.63, 64.71-74, 64.81, 64.101-103, 64.121, 64.123, 64.133 and 64.181)	6	18%	1	5%	8	44%	2	3%	98	6%	4	25%
Dispute Procedures (64.141-142 and 64.153)	15	44%	13	59%	5	28%	46	63%	840	53%	7	44%
Other (64.2, 64.52-53, 64.171 and 64.191-192)	4	12%	2	9%	0	0%	2	3%	64	4%	0	0%
Total**	34	101%	22	101%	18	100%	73	101%	1,595	100%	16	100%

* # equals the number of verified infractions identified by BCS as of July 22, 2010.

% 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



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

