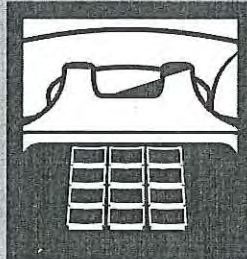
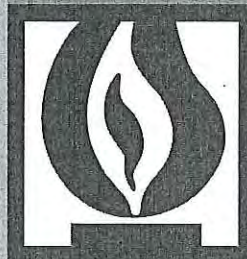
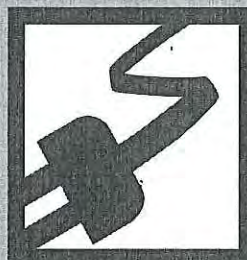


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Utility Consumer Activities Report and Evaluation

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



Pennsylvania Public Utility Commission

1998
Utility Consumer Activities Report and
Evaluation

Electric, Gas, Water & Telephone
Utilities

Pennsylvania Public Utility Commission

The Pennsylvania Public Utility Commission

(Left to right) Commissioner David W. Rolka, Vice Chairman Robert K. Bloom, Commissioner Nora Mead Brownell, Chairman John M. Quain and Commissioner Aaron Wilson, Jr.

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To Our Readers:

The Commission is pleased to present the *1998 Utility Consumer Activities Report and Evaluation: Electric, Gas, Water and Telephone Utilities* that was prepared by the Bureau of Consumer Services (BCS). Once again, we have presented information about the electric, gas, water and telephone industries in one comprehensive report. We believe that this year's report meets the BCS' goals: to satisfy the statutory reporting requirements of 66 Pa. Code §308(d) and to communicate to the Commission, the public and to utility management how utilities under the Commission's jurisdiction performed in 1998.

Those of you who are familiar with last year's report will find that this year's report on 1998 activity has the same format. Chapter 1 includes a discussion of consumer contacts to the Commission's Competition Hotline. The Commission established the toll-free telephone number in May 1997 to answer consumers' questions about competition. Since that time, thousands of consumers have contacted the hotline to learn about electric and gas competition in Pennsylvania. Chapter 1 also contains a brief analysis of residential consumer complaints to the Bureau that are not included in the industry chapters. In Chapter 2 you will find an explanation of the measures the BCS uses to judge the performance of the major electric, gas, water and telephone companies. Chapter 3 focuses exclusively on the electric distribution companies; Chapter 4 focuses on the gas industry and Chapter 5 presents findings from the water industry. Chapter 6 details the performance of the telephone industry. The remaining chapters present information and discussion that include all of the industries.

As with last year's report, this report graphically represents company performance through the presentation of industry tables. Thus, the report should be a valuable resource to consumers in that it will allow them to review their local utility's customer service performance for 1997 and 1998. The Bureau of Consumer Services believes that top utility management will again value the year-to-year comparison of their utility's statistics as well as the comparisons between their utility and other utilities within their industry. Our intention is to use this same format in the future to incorporate the inclusion of the new entrants that will be providing utility service to Pennsylvania's consumers.

As with reports from past years, much of the discussion and data in this report is based solely on consumer contacts to the BCS and as such, may or may not represent broad statistical trends. The level of activity for a particular utility or geographical area may be influenced by a number of factors such as increased marketing, media visibility, demographics, weather and regional activity. Appendix P provides a review of certain consumer contacts to the BCS by county. This information is valuable because it illustrates the areas in Pennsylvania that are responsible for generating the most consumer complaints about electric and telephone utilities. We used the electric and telephone industries because the Commission has jurisdiction over the vast majority of the electric service and all telephone service in each county. Regulated gas and

water service are not available in each county. Appendix P also includes Pennsylvania demographic data by county which indicates areas of poverty and low median incomes.

We would like to point out that in the majority of contacts to the BCS, the utilities had properly followed the Commission's procedures and rules. In spite of this, the customers still appealed to the Commission. In most of these cases, the Commission investigated the consumers' complaints and upheld the utilities' previous actions.

Pennsylvania consumers continue to face unprecedented changes within the utility arena. The Commission is committed to assuring that these transformations are in the public interest. We recognize that because the data in this report stems almost exclusively from the evaluation of consumer contacts to the Commission, the data has certain shortcomings. The Commission will address these shortcomings in the future. The regulations at 52 Pa. Code Chapter 54.151-156 require quality of service reporting from the electric distribution companies (EDCs) beginning in 1999. This reporting should capture a more comprehensive picture of the quality of service consumers receive from their EDCs. The EDCs are to report their telephone access rates and other statistics that pertain to various aspects of customer service performance. The regulations also require the Commission to produce and make public a summary report on the performance of the EDCs, using the data they provide to the Commission. We will propose similar reporting requirements for the natural gas distribution companies.

We hope you find this year's report informative and invite your comments.

Sincerely,

John M. Quain, Chairman
Mitch Miller, BCS Director
Pennsylvania Public Utility Commission

1. Consumer Contacts to the BCS

The Bureau of Consumer Services (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer contacts. Its responsibilities were clarified under Act 114 of 1986 in regard to reporting and deciding customer complaints. In order to fulfill its mandates, the Bureau began investigating utility consumer complaints and writing decisions on service termination cases in April 1977. Since then the Bureau has investigated 566,776 cases (consumer complaints and payment arrangement requests) and has received an additional 386,067 opinions and requests for information (inquiries). The Bureau received 64,046 utility customer contacts that required review in 1998. It is important to note that more than half of these customer complaints had been appropriately handled by the subject utilities before the customers brought them to the Bureau. In spite of the fact that the utilities had properly followed the Public Utility Commission's procedures and rules in handling the complaints, the customers still appealed to the Public Utility Commission. In these instances, the Commission has upheld the utility's actions.

The Staff of the Bureau of Consumer Services

Case Handling

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

Once a customer contacts the Bureau of Consumer Services with a complaint or payment arrangement request (PAR), the Bureau notifies the utility that a complaint or PAR has been filed. (The vast majority of consumers contact the BCS by telephone using the Bureau's toll free numbers. In 1998, more than 96% of informal complaints were filed by telephone.) The utility sends the BCS all records concerning the complaint including records of its contacts with the customer regarding the complaint. The BCS investigator reviews the records, renders a decision and closes the case. The BCS policy unit then examines the case and, among other things, classifies the complaint into one of seven major problem areas as well as one of nearly 200 specific problem categories. This case information is entered into the Consumer Services Information System data base. The analysis from case information is used by the BCS to generate reports to the Commission, utilities, legislators and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

Consumer Feedback Survey

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

The results of the survey for fiscal year 1998-1999 show that 87% of consumers reported that they would contact the PUC again if they were to have another problem with a utility that they could not settle by talking with the company. Over 85% rated the service they received from the PUC as "good" or "excellent".

Consumer Rating of the BCS' Service

How would you rate the service you received from the PUC (BCS)?	1997-98 Fiscal Year	1998-99 Fiscal Year
Excellent	62%	58%
Good	23%	27%
Fair	9%	9%
Poor	6%	6%

Overall, 89% of consumers felt the BCS handled their complaint either very quickly or fairly quickly. In addition, more than 92% of consumers said that the information that the PUC gave them about the outcome of the problem was either “very easy to understand” or “fairly easy to understand”. Further, 94% of consumers indicated that the BCS staff person who took their call was either “very” or “fairly polite” and 93% described the BCS contact person as “very” or “fairly interested” in helping with the problem.¹

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

Data Bases

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

The bulk of the data presented in this report is from the Bureau's CSIS. In addition, this report includes statistics from the Bureau's Collections Reporting System (CRS), Local Exchange Carrier Reporting System (LECRS) and Compliance Tracking System (CTS). The CRS provides a valuable resource for measuring changes in company collection performance including the number of residential service terminations, while the CTS maintains data on the number and type of infractions attributable to the major utilities.

¹ Consumer Feedback results as of February 1999.

Distinctions Between Cases

A number of cases were segregated from the analyses that appear later in this report because they did not fairly represent company behavior. One treatment of the data involved the removal of complaints about problems over which the Commission has no jurisdiction, information requests that did not require investigation and most cases where the customers indicated that they had not contacted the company prior to complaining to the Commission. Commercial customer contacts were also excluded from the data base. Although the Bureau's regulatory authority is largely confined to residential accounts, the Bureau handled 2,298 cases from commercial customers in 1998. Of these cases, 701 were related to loss of utility service and 1,597 were consumer complaints. Due to its limited jurisdiction, the Bureau does not issue decisions regarding commercial disputes. Rather, the Bureau gives the customer information regarding the company's position or attempts to mediate a mutually acceptable agreement regarding the disputed matter. All 1998 cases that involved commercial accounts were deleted from the analyses in this report. The table below illustrates that the vast majority of cases handled by the BCS in 1998 involved residential utility service.

Total Volume of Consumer Complaints and Payment Arrangement Requests to the BCS in 1998

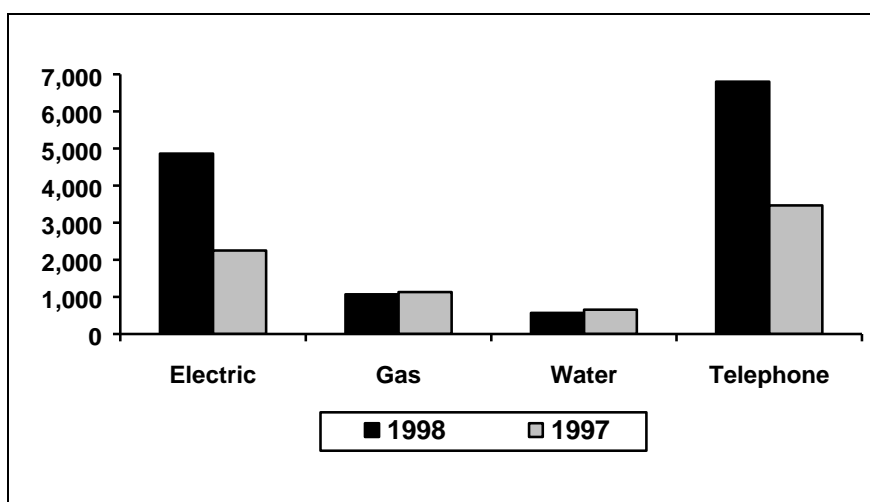
Industry	Consumer Complaints		Payment Arrangement Requests	
	Residential	Commercial	Residential	Commercial
Electric	4,494	367	29,962	564
Gas	995	71	12,720	68
Telephone	5,682	1,117	6,022	66
Water	524	41	1,329	3
Other	19	1	1	0
TOTAL	11,714	1,597	50,034	701

Generally, customer contacts to the Bureau fall into three basic categories: 1) consumer complaints; 2) requests for payment arrangements; and 3) inquiries. The Bureau classifies contacts regarding complaints about utilities' actions related to billing, service delivery, repairs, etc., as *consumer complaints* and contacts involving payment negotiations for unpaid utility service as *payment arrangement requests*. Consumer complaints and payment arrangement requests are often collectively referred to as informal complaints. *Inquiries* include information requests and opinions from consumers, most of which do not require investigation on the part of the Bureau.

Consumer Complaints

Most of the consumer complaints regarding the electric, gas, water, sewer and steam heat industries deal with matters covered under 52 Pa. Code, Chapter 56 *Standards and Billing Practices for Residential Utility Service*. For the telephone industry, most of the cases found in the consumer complaint category deal with matters covered under 52 Pa. Code, Chapter 64 *Standards and Billing Practices for Residential Telephone Service* and Chapter 63 *Quality of Service Standards for Telephone*. For the most part, consumer complaints represent customer appeals to the Commission resulting from the inability of the utility and the customer to reach a mutually satisfactory resolution to a dispute.

Consumer Complaints By Industry 1997-1998



The Bureau investigated 13,311 consumer complaints in 1998. Overall, the volume of consumer complaints to the Bureau increased by 77% from 1997 to 1998. Consumer complaints about the Chapter 56-covered industries (electric, gas, water, sewer and steam heat) increased by 61% from 1997 to 1998. Meanwhile, consumer complaints about the telephone industry increased significantly, by 96%. This increase was primarily due to the growth in competition among telecommunications providers. For example, as a result of increased competition among toll service providers, more customers complained about having their toll service provider switched without their permission (slamming) or unauthorized charges added to their bills (cramming). Also, more telephone customers complained about service problems. In 1998, electric and gas utilities accounted for 37% and 8%, respectively of all consumer complaints investigated by the Bureau. Water utilities accounted for 4% of consumer complaints and the telephone utilities were the subject of 51% of all consumer complaints.

Justified Consumer Complaints

Once a BCS investigator finishes the investigation of a consumer's complaint and makes a decision regarding the complaint, the BCS reviews the utility's records to determine if the utility took appropriate action when handling the customer's contact and uses these records to determine the outcome of the case. There are three possible case outcome classifications: justified, inconclusive and unjustified. This approach focuses strictly on the regulatory aspect of the complaint and evaluates utilities negatively only where, in the judgment of the BCS, appropriate complaint handling procedures were not followed or the regulations were violated. Specifically, a case is considered "justified" in the appeal to the BCS if it is found that, prior to the BCS intervention, the company did not comply with PUC orders, regulations, reports, Secretarial Letters, tariffs, etc. "Unjustified" complaints are those cases in which the company demonstrates that correct procedures were followed prior to the BCS intervention. "Inconclusive" complaints are those in which incomplete records, equivocal findings or uncertain regulatory interpretations make it difficult to determine whether or not the customer was justified in the appeal to the Commission.

Classification of Consumer Complaints

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

The BCS has categorized the 1998 residential consumer complaints into 13 categories for each of the electric, gas, water and telephone utilities. Tables showing the percent of complaints in each category in 1998 appear in each industry chapter. The percentages shown in the tables are for all the cases that consumers filed with BCS, not just cases determined to be justified in coming to the Bureau. The Bureau analyzes the categories that generate complaints or problems for customers, even if the utility records indicate that the utility followed PUC procedures and guidelines in handling the complaint. The BCS often discusses its findings with individual utilities who 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 B show the actual number of cases that fell into each category in 1998.

Payment Arrangement Requests

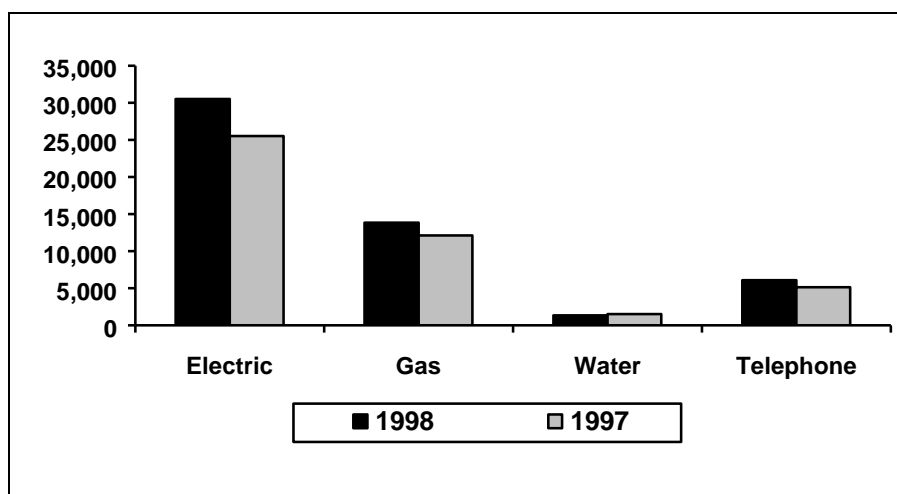
Payment arrangement requests (PARs) principally include contacts to the BCS or to utilities involving requests for payment terms in one of the following situations:

- ✓ suspension/termination of service is pending,
- ✓ service has been terminated and the customer needs payment terms to have service restored, or
- ✓ the customer wants to retire an arrearage.

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

During 1998, the BCS handled 50,735 requests for payment arrangements from customers of the utilities under the Commission's jurisdiction. In approximately 23% of these cases, the customers had previously sought Commission help in establishing an arrangement to pay what they owe to the utility. Customers typically seek further assistance from the BCS if their incomes decrease or their financial circumstances change. These customers find that they are unable to maintain the payment terms that the BCS prescribed in response to their previous contact. The BCS reviews the customer's situation and may issue a new payment arrangement if it is warranted.

Payment Arrangement Requests By Industry 1997-1998



Payment arrangement requests for the Chapter 56-covered utilities increased 14%, from 39,161 in 1997 to 44,646 in 1998. For the telephone industry, the volume of payment arrangement requests increased by 19%, there were 5,113 requests in 1997 compared to 6,088 in 1998. As in past years, the majority of requests for payment arrangements in 1998 involved electric or gas companies. Sixty percent of the PARs (30,526 cases) were from electric customers and 25% (12,788 cases) were from gas customers. Meanwhile, 3% of the PARs (1,332 cases) stemmed from customers of various water utilities.

Inquiries and Opinions

During 1998, the Bureau of Consumer Services received 59,632 customer contacts that, for the most part required no follow-up investigation beyond the initial contact. The Bureau classified these contacts as “inquiries”. The 1998 inquiries include contacts to the Competition Hotline as well as contacts to the Bureau using other telephone numbers, mail service and e-mail communication. Further discussion of the Competition Hotline appears later in this chapter.

In large part, the inquiries in 1998 involved requests for information that the BCS staff handled at the time of the initial contact, referrals to utility companies for initial action and referrals to other agencies. The Bureau also classifies certain requests for payment arrangements as inquiries. For example, the Bureau does not issue payment decisions on requests to restore or avoid suspension/ termination of toll or nonbasic telephone service. When consumers call with these problems, the BCS classifies these requests as inquiries. Similarly, if a customer has recently been through the BCS payment arrangement process and calls again with a new request regarding the same account, the Bureau does not open a new payment arrangement request case. In these instances, the BCS classifies the customer’s contact as an inquiry.

As in past years, the Bureau has also shifted some 1998 contacts that originated as consumer complaints and payment arrangement requests into the inquiry category because it was not appropriate to count these contacts as informal complaints. Examples of these contacts include complaints that were found to be duplicates, informal complaints filed against the wrong company, informal complaints that the BCS handled in spite of the fact that the customers had not previously contacted their companies about their problems and cases that the investigators verbally dismissed. In all, these cases accounted for approximately 3% of inquiries in 1998.

Until 1997, the Bureau of Consumer Services classified and reported inquiries by categories based on either the consumer’s reason for contact or the Bureau’s response to the contact. In May 1998, the Bureau upgraded its information system and, among other

things, changed the way in which it categorizes consumer contacts. The Bureau now records the customer's reason for contact as well as the action the BCS staff person took in response to the contact. In addition, the BCS is now able to expand its list of reasons for contact as customers' reasons grow and change. Currently, the list includes more than 60 reasons for contact from consumers. Possible actions by the BCS intake staff include recording the consumer's opinion, giving information to the consumer, referring the consumer to a utility company, and referring the consumer to an agency or organization outside the PUC. If the contact requires further action, the intake staff refers the contact to a Bureau investigator and thus the contact becomes a consumer complaint or a payment arrangement request. The following table shows the various reasons for contact for the 1998 inquiries.

Categories of 1998 Inquiries

Reason for Contact	Number	Percent
Competition issues and requests for information	36,864	63%
Termination or suspension of service	10,782	19%
Request for general information	3,092	5%
Billing disputes	1,741	3%
PUC has no jurisdiction	1,546	3%
Slamming	761	1%
People-delivered company service	623	1%
Service (company facilities)	505	1%
Rate complaint	274	0%
Rate protest	242	0%
Applicant/deposit	209	0%
Cramming	185	0%
Express opinion	161	0%
Area code change	89	0%
Other miscellaneous reasons	2,024	3%
Reason for contact is not available	534	1%
TOTAL	59,632	100%

Calls to the PUC's Competition Hotline

In May 1997, the Public Utility Commission opened a toll free telephone hotline to answer consumers' questions about competition in the utility environment. At that time, the hotline was part of the Bureau of Consumer Services. In July 1998, an independent call center in Lancaster, Pennsylvania began handling calls to the Competition Hotline. The call center employees use the BCS computerized information system to record information from the consumer contacts about competition. In 1998, 99% of calls to the Competition Hotline were related to the restructuring of the electric industry and 1% concerned the gas industry.

From July until December 1998, the Lancaster Call Center recorded information from more than 30,000 consumer contacts. Many calls came from consumers who called about various issues associated with the pilot programs of the electric distribution companies (EDCs). As electric competition progressed to the next stage of implementation, consumers called seeking information about how to enroll in the electric choice program and choosing an electric generation supplier.

In most instances, the BCS classified the contacts to the Competition Hotline as inquiries because they required no investigation or follow-up. The BCS or call center staff person took care of the consumer's request or question at the initial contact. However, some consumer contacts required further investigation and possibly action to resolve the consumers' concerns. In these cases the BCS more appropriately classified the contacts as consumer complaints and BCS staff investigated the consumer's problem. For example, the BCS investigated numerous consumer contacts in 1998 in which consumers alleged they were assigned to an electric generation supply company without their consent or knowledge (slamming). In most cases these contacts were classified as consumer complaints. Appendix A-1 explains the types of competition complaints that the BCS handles.

The purpose of the EDC pilot programs was to uncover and solve problems associated with the transition to customer choice before large numbers of electric customers were eligible to choose their electric generation supply company. In addition, it was often difficult to determine who was at fault in causing the complaint. Thus, the BCS decided that it would be unfair to include competition complaints with consumer complaints about other issues when it calculates the performance measures it uses to evaluate and compare companies within the electric industry. Therefore, the BCS excluded 1,533 competition-related complaints from the data set used to prepare the tables in the electric industry chapter.

Residential Consumer Complaints Not Included in Industry Chapters

With the introduction of competition into the electric, gas and telephone industries, the Bureau witnessed a tremendous growth in residential consumer complaints in 1998. More customers than ever before sought the Bureau's assistance in solving problems they had, not only with their incumbent service providers, but also with the many new providers of utility service. Traditionally, the primary focus of the Bureau's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. As in past reports, the Bureau does not include complaint statistics for the non-major utilities or for other providers of utility services in its annual assessment and evaluation of the electric, gas, water and telephone industries. However, the Bureau does maintain a limited amount of complaint data for the non-major utilities and the other service providers in its comprehensive database. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

In 1998, Bureau staff investigated a number of consumer complaints about problems related to billing and service that involved the non-major utility companies and other utility service providers. In addition, the BCS investigated a significant number of complaints related to competition issues such as complaints about having been dropped from a company's pilot program, savings delays, slamming, and cramming. During the transition to customer choice in the electric industry and with the many emerging choices in the telephone industry, the Bureau uncovered a variety of new problems facing utility consumers. Given the complex nature of these problems and the difficulty in determining who is at fault (the incumbent provider or the new provider), the Bureau decided to exclude these complaints from its evaluation of the major utilities in the industry chapters that follow. Nevertheless, in order to present a clearer picture of the types of issues that are currently facing Pennsylvania's utility consumers, the Bureau believes that it is worthwhile to present the following information about the other residential complaints it handled in 1998. A brief discussion of the complaints filed against small water companies in 1998 appears in the water industry chapter.

The tables below present a summary of the complaints that the BCS handled in 1998 but which are not included in the tables and charts in the three industry chapters of this report. It is important to note that these tables include both complaints that were "filed" about a major utility company, those filed about smaller electric, gas or telephone companies such as Citizens Electric, T.W. Phillips or North Pittsburgh Telephone Company, and those complaints lodged against various other entities such as electric generation suppliers, long distance service providers, resellers and competitive local exchange carriers, and others in today's market. Each of the following tables shows the

number of customer complaints by “reason for call” within each of the three industries. Since it began tracking “reason for call”, the Bureau has used this variable to identify early in the complaint process why consumers are calling the BCS. The variable “reason for call” attempts to capture, from the consumer’s perspective, the problem or issue that the customer raises in the initial contact to the Bureau. Because reason for call is entered into the computer data base at the time of the consumer’s initial contact to the Bureau, this variable allows the BCS to do a preliminary analysis of emerging problems based on these initial customer contacts.

**1998 Consumer Complaints Not Included
in the Electric Industry Chapter
Presented by Customer’s Reason for Call**

Reason for Call	Number of Consumer Complaints
Dropped from pilot program	788
Slamming	516
Delay in savings from pilot participation	498
Competition billing dispute	140
Delay in receiving competition bill	58
Various other competition issues	203
Billing dispute (not competition-related)	40
Other problems not related to competition or reason for call not available	15
Total	2,258

**1998 Consumer Complaints Not Included
in the Gas Industry Chapter
Presented by Customer’s Reason for Call**

Reason for Call	Number of Consumer Complaints
Billing dispute (not competition-related)	44
Miscellaneous competition issues	30
People-delivered service	26
Competition billing dispute	22
Slamming	10
Service (company facilities)	9
Other problems not related to competition	9
Total	150

**1998 Residential Telephone Consumer Complaints
Not Included in the Telephone Industry Chapter
By Customer's Reason for Call**

Reason for Call	Number of Consumer Complaints
Billing disputes	1,112
Slamming	693
Cramming	516
People-delivered service	96
Service (company facilities)	64
Conversions	10
Rate complaint	9
Miscellaneous problems or reason for call not available	45
Total	2,545

The number of complaints to the BCS about entities other than the major EDCs, gas utilities or local exchange carriers is growing. The BCS will determine how to present information about these complaints in future reports in order to present a true picture of the problems that face utility consumers in today's competitive marketplace.

Informal Compliance Process & Infractions

The Bureau's primary compliance effort remains its informal compliance process. This process gives each utility specific examples of its infractions of Chapter 56 and 64. The utilities can use the information to pinpoint and voluntarily correct deficiencies in their customer service operations. The informal compliance process uses consumer complaints to identify, document, and notify utilities of apparent deficiencies. The process begins by the BCS notifying a utility of an alleged infraction. A utility that receives notification of an allegation has an opportunity to affirm or deny the information. If the information about the allegation is accurate, the utility indicates the cause of the problem (i.e., employee error, procedures, a computer program, etc.). In addition, the utility informs the BCS of the date and action it took to correct this problem.

Corrective actions may entail modifying a computer program; revising the text of a notice, bill, letter or company procedures; or providing additional staff training to ensure the proper use of a procedure. If the utility states that the information is inaccurate, the utility provides specific details and supporting data to disprove the allegation. The BCS always provides a final determination to the utility regarding the alleged infraction. For example, if the utility provides supporting data indicating that the information about the allegation is inaccurate, the BCS after reviewing all the information, would inform the

utility that, in this instance, the facts do not reflect an infraction of the regulations. On the other hand, if the company agrees that the information forming the basis of the allegation is accurate and indicates the cause of the problem to be other than an employee error, or if the BCS does not find that the data supports the utility's position that the information is inaccurate, the BCS would inform the company that the facts reflect an infraction of a particular section of the regulations. The notification process allows utilities to receive written clarifications of Chapter 56 or 64 provisions and Commission and BCS policies.

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

2. Performance Measures

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

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

Consumer Complaint Rate

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

Justified Consumer Complaint Rate

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

that correct procedures were followed prior to BCS intervention. “Inconclusive” complaints are those in which insufficient records or equivocal findings make it difficult to determine whether or not the customer was justified in the appeal to the Bureau. The majority of cases fall into either the “justified” or “unjustified” category.

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

The Bureau of Consumer Services monitors the complaint rates and justified rates of the major utilities, paying particular attention to the number of justified complaints that customers file with the Commission. Justified complaints indicate that the subject utilities did not follow the PUC’s rules, procedures or regulations when they dealt with their customers. Justified complaints may indicate areas where the BCS should discuss complaint-handling procedures with a utility so that its customers receive fair and equitable treatment when they deal with the utility. When the BCS encounters company case handling performance (justified consumer complaint rate) that is significantly worse than average, there is reason to suspect that many customers who contact the utility are at risk of improper dispute handling by the utility. As part of the monitoring process, the BCS compares the “justified” rates of individual utilities and industries over time and investigates significant changes when they occur. In the chapters that follow, the BCS compares the consumer complaint rates and the justified consumer complaint rates of the major utilities within the electric, gas, water and telephone industries.

Response Time to Consumer Complaints

Once a customer contacts the BCS with a complaint about a utility, the Bureau notifies the utility. The utility then sends the BCS records of its contact with the customer regarding the complaint. Response time is the time span in days from the date of the Bureau of Consumer Services’ first contact with the utility regarding a complaint, to the date on which the utility provides the BCS with all of the information needed to resolve the complaint. Response time quantifies the speed of a utility’s response to BCS informal complaints. In the following chapters and in Appendix D, response time is presented as the average number of days that each utility took to supply the BCS with complete complaint information.

Payment Arrangement Request Rate

The Bureau of Consumer Services normally intervenes at the customer's request only after direct payment negotiations between the customer and the company have failed. The volume of payment arrangement requests (PARs) from a utility's customers may fluctuate from year to year or even from month to month depending upon the utility's collection strategy as well as economic factors. The calculation of the payment arrangement request rate (payment arrangement requests per 1,000 residential customers) permits the reader to make comparisons among utilities with differing numbers of residential customers. Nevertheless, unusually high or low rates and sizable changes in rates from one year to the next may reflect changes in company policies or bill collection philosophies, as stated earlier, or they may be indicative of problems. The BCS views such variations as potential areas for investigation. Clearly, improved access to the Bureau of Consumer Services has impacted the number of consumers who are able to contact the BCS about payment arrangements. In addition, as utilities have become more aggressive in seeking to collect outstanding bills, the number of PARs to the BCS continues to increase. Many of the payment arrangement requests in the PAR rates are not "justified". The "justified payment arrangement request rate" (justified payment arrangement requests per one thousand residential customers) is a truer indication of a utility's payment negotiation performance.

Justified Payment Arrangement Request Rate

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

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

Response Time to Payment Arrangement Requests

Once a customer contacts the BCS with a payment arrangement request, the Bureau notifies the utility. The utility then sends the BCS records that include the customer's payment history, the amount owed, prior payment arrangements, and the results of the most recent payment negotiation with the customer. Response time is the time span in days from the date of the Bureau of Consumer Services' first contact with the utility regarding a payment arrangement request to the date on which the utility provides the BCS with all of the information it needs to issue payment terms, resolve any other issues raised by the customer and determine whether or not the customer was justified in seeking a payment arrangement through the BCS. Response time quantifies the speed of a utility's response to BCS payment arrangement requests. In the following chapters and in Appendix F, response time is presented as the average number of days that each utility took to supply the BCS with the necessary information. The Commission is currently working on a project to transfer data electronically from utilities to the BCS. When this project is successfully completed, utility response time may decrease.

Infraction Rate

During 1998, the BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential accounts. In order to compare utilities of various sizes within an industry, the Bureau has calculated a measure called "infraction rate". The infraction rate is the number of informally verified infractions for each 1,000 residential customers. Although the BCS has reported a compliance rate for the major telephone companies

since 1989, it introduced “infraction rates” for the electric, gas and water utilities in last year’s report on 1997 activity.

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

The value of the infraction rate is to depict industry trends over time. The trend for 1998 is calculated using the BCS’ Compliance Tracking System’s (CTS) data as of June 1998. The 1998 trends may change if the total number of infractions increases. This would occur if new infractions are discovered from customer complaints that originated in 1998 but were still under investigation by the Bureau when the data was retrieved from the CTS. Often, the total number of infractions for the year will be greater than the number cited in this report. The Bureau will update the number of infractions found on 1998 cases in the report on 1999 complaint activity. Infraction rates for each major electric, gas, water and telephone company are shown for 1996, 1997 and 1998 in the chapters that follow. Appendix G shows additional 1996-1998 infraction statistics.

Termination Rate

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

BCS Performance Measures & Industry Chapters

The industry chapters that follow present charts that depict the performance of each of the major electric, gas, water and telephone utilities. Each chapter includes charts that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are charts that show the 1998

payment arrangement request rates and the justified payment arrangement request rates for each of the major utilities. The charts also show the average of the rates of the major utilities within the industry for each of these measures. In addition, each industry chapter presents charts and tables that show infraction rates for the major utilities, response time to both consumer complaints and payment arrangement requests, and termination rates for the major electric, gas, and telephone utilities.

It is important to note that the industry chapters present only data from those utilities that have more than 100,000 residential customers. In the Water Industry Chapter, data for the 11 Class A water utilities that have less than 100,000 residential customers are presented together as a whole. The Bureau has found that the inclusion of scores for the smaller utilities can skew the average of industry scores in ways that do not fairly represent industry performance. For this reason, the BCS has excluded the statistics involving smaller utilities when it calculated the 1998 averages of industry scores. In the future, the Commission may undertake a project in which it calculates and reports performance measure statistics for the smaller utilities and other utility service providers.

3. Electric Industry

In 1998, the Commission had jurisdiction over 16 electric distribution companies. However, the majority of the consumer complaints and payment arrangement requests involving the electric industry were from residential customers of the six largest electric distribution companies (EDCs): Allegheny Power, Duquesne Light Company, GPU Energy, PECO Energy, Pennsylvania Power Company and PP&L, Inc. This chapter will focus exclusively on those six companies. Most of the complaints and payment arrangement requests dealt with matters covered under 52 Pa. Code, Chapter 56 *Standards and Billing Practices for Residential Utility Service*. For the most part, these consumer complaints and payment arrangement requests represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The tables and charts on the pages that follow depict the performance of each of the six largest EDCs in 1998. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. The Bureau investigated complaints in 1998 that were generated as a result of the electric pilot programs that allowed participants to choose an electric generation supply company. However, as mentioned in the first chapter, the BCS removed these complaints from the data base it used to prepare the tables and charts in this chapter. Appendices B through G present the actual statistics that the Bureau used to produce the charts in this chapter.

Consumer Complaints

During 1998, the BCS handled 2,529 consumer complaints about non-competition matters from customers of the various electric distribution companies (EDCs); 2,248 of the complaints were filed by residential customers. Of those residential complaints, 98% (2,213) were from customers of the six largest EDCs.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS policy unit reviews the complaint, categorizes it into a specific problem category and enters it into the Bureau's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 1998 complaints from residential customers of the six largest EDCs in each of the 13 categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. Appendix C, Table 1 provides the actual number of cases that fell into each category in 1998.

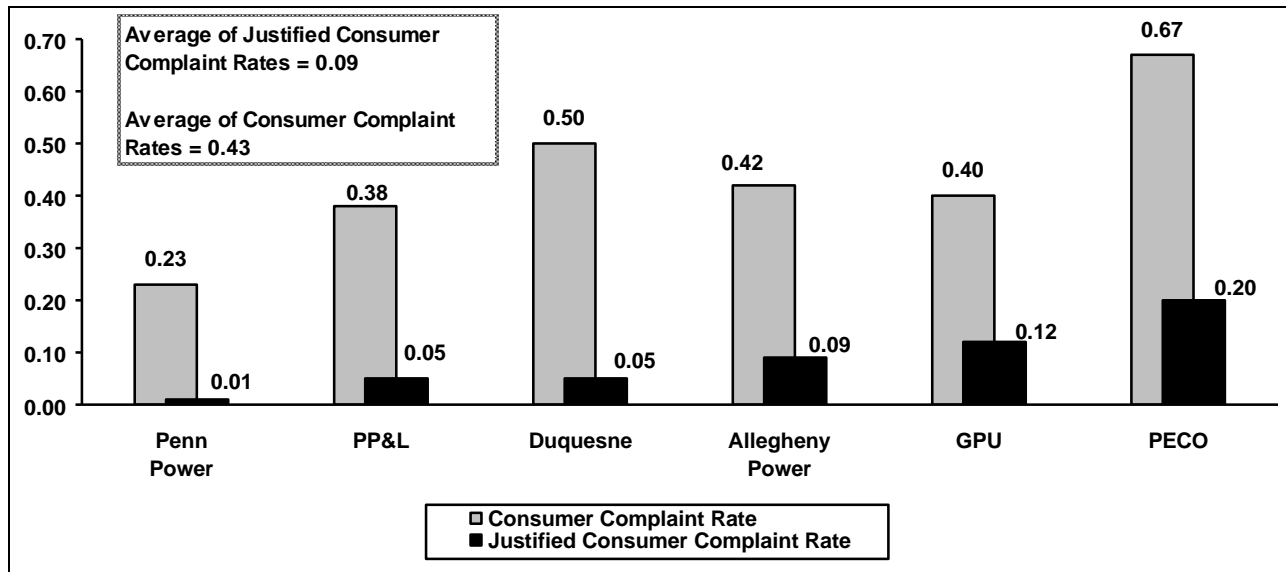
Consumer Complaint Categories: 1998 Major Electric Distribution Companies

Categories	Allegheny Power	Duquesne	GPU	PECO	Penn Power	PP&L	Electric Majors
Billing Disputes	42%	31%	29%	35%	20%	39%	35%
Discontinuance/ Transfer	10%	8%	11%	13%	16%	10%	11%
Metering	12%	7%	9%	10%	4%	14%	10%
Service Interruptions	8%	16%	12%	6%	12%	7%	9%
Personnel Problems	5%	7%	2%	11%	8%	2%	7%
Service Quality	6%	8%	5%	5%	8%	7%	6%
Service Extensions	3%	3%	9%	5%	8%	4%	5%
Damages	8%	9%	7%	3%	12%	3%	5%
Other Payment Issues	2%	2%	5%	3%	0%	4%	3%
Scheduling Delays	1%	1%	2%	2%	0%	2%	2%
Rates	0%	1%	1%	1%	4%	2%	1%
Credit & Deposits	1%	2%	1%	1%	4%	1%	1%
All Other Problems	2%	5%	7%	5%	4%	5%	5%
TOTAL	100%	100%	100%	100%	100%	100%	100%

- Categories are for residential complaints filed with BCS: justified, inconclusive and unjustified. See Appendix A-1 for an explanation of complaint categories and Appendix B-1 for the number of cases in each category.
- In 1998, thirty-five percent of the consumer complaints about the major electric distribution companies involved billing disputes. The proportion of complaints about billing has been increasing each year for the past several years.
- The percentage of complaints about metering decreased by 17% from 1997 to 1998. In 1996, metering complaints accounted for 23% of the total volume of consumer

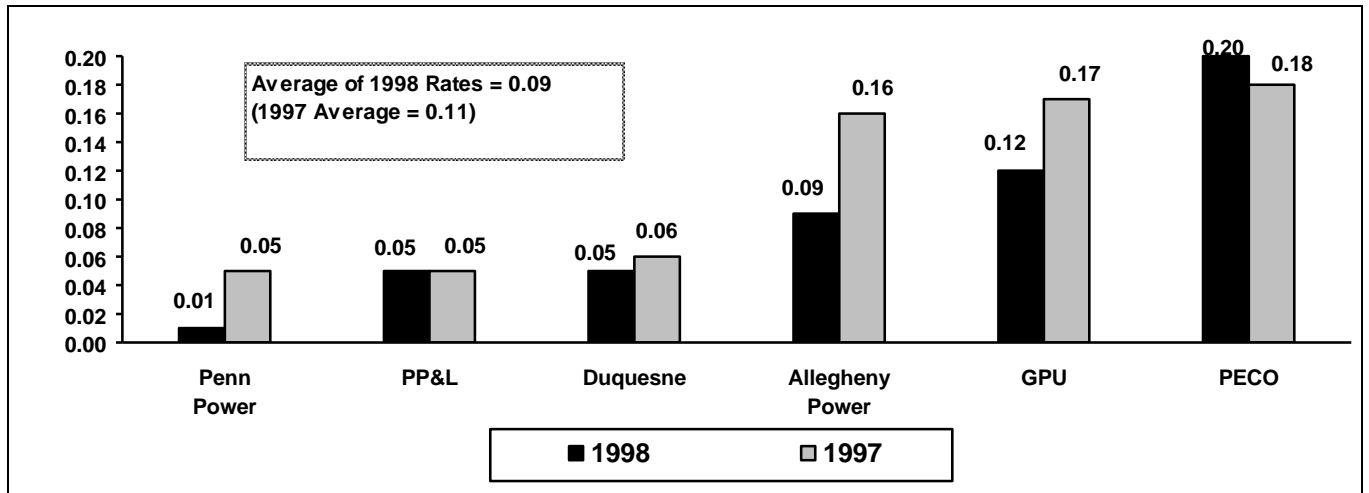
complaints about the electric industry and in 1997, they accounted for 15% of consumer complaints from electric customers.

1998 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies



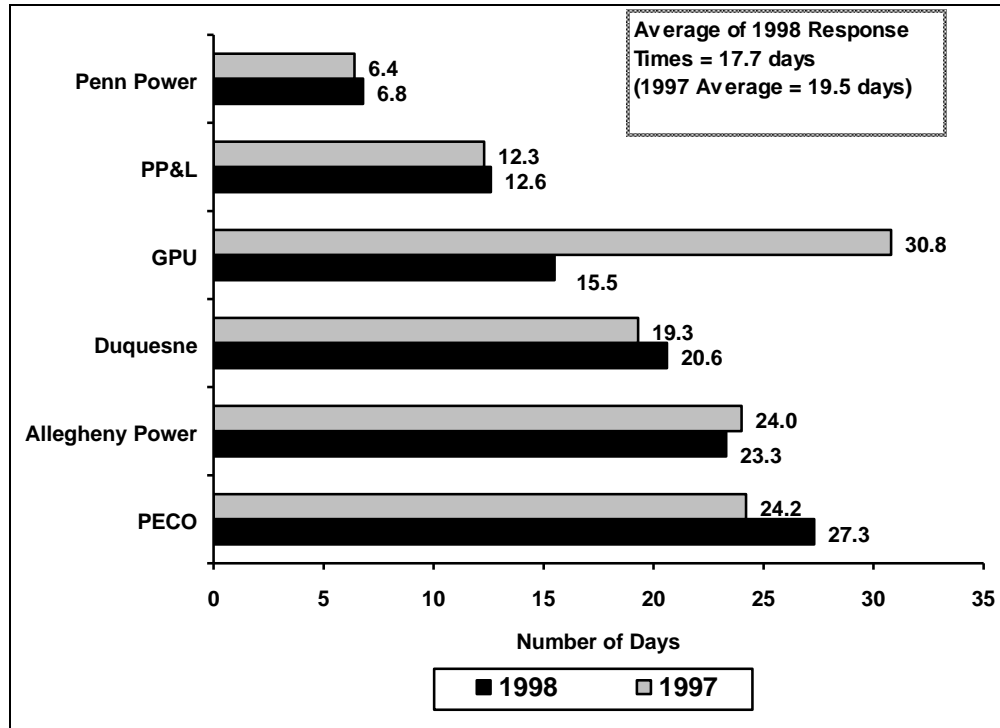
- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is more than four times greater than the average of the justified consumer complaint rates.
- Appendix C, Table 1 presents the number of consumer complaints and justified consumer complaints for each major EDC in 1998.

1997-1998 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies



- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the major electric distribution companies decreased from 1997 to 1998. The justified rates for four of the six major EDCs shown in the chart decreased from 1997 to 1998.
- Appendix C, Table 1 presents the number of justified consumer complaints for each major EDC in 1997 and 1998.

1997-1998 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies

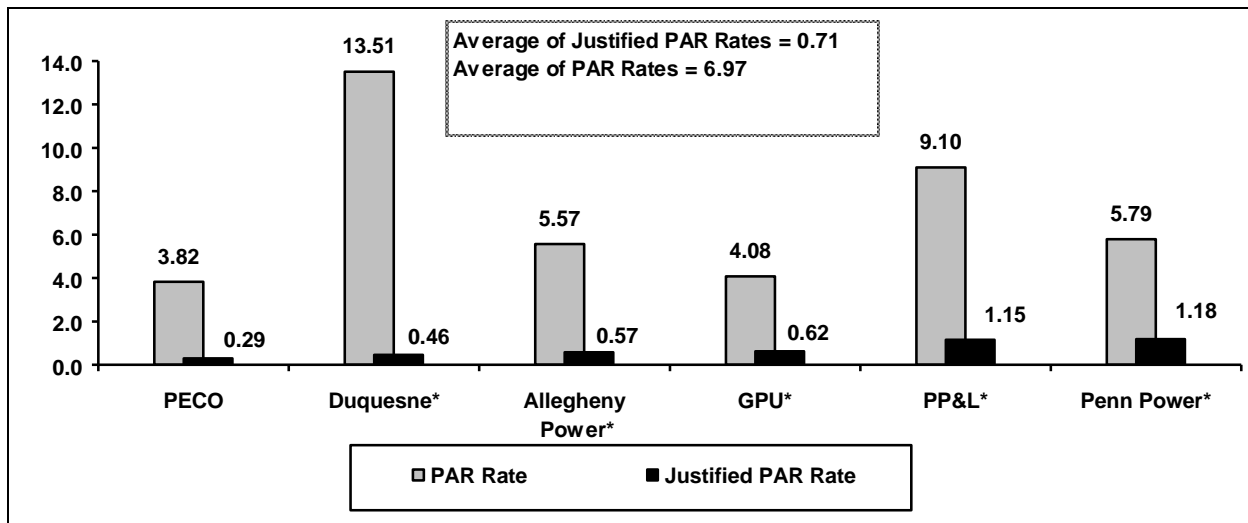


- Overall, the average response time decreased by 1.8 days from 1997 to 1998. However, in 1998, the average response time to consumer complaints increased for four of the six major EDCs.
- Appendix D shows the 1997 and 1998 response times to consumer complaints for each of the major EDCs as well as for the major gas, water and telephone utilities.

Payment Arrangement Requests

In 1998, the Bureau of Consumer Services handled 30,511 payment arrangement requests (PARs) from customers of the electric industry; 29,947 were from residential customers. Ninety-nine percent (29,773) of the residential PARs were from customers of the six largest EDCs. For the companies with the largest volume of requests, the Bureau policy unit reviewed a representative sample of PARs for case outcome and response time. In 1998, the BCS reviewed a sample of the PARs for each of the six largest EDCs: Allegheny Power, Duquesne, GPU, PECO, Penn Power and PP&L. Thus, the calculations for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of these utilities. The BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix E, Table 1 provides additional statistics regarding the payment arrangement requests from residential customers of the major EDCs.

1998 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Electric Distribution Companies

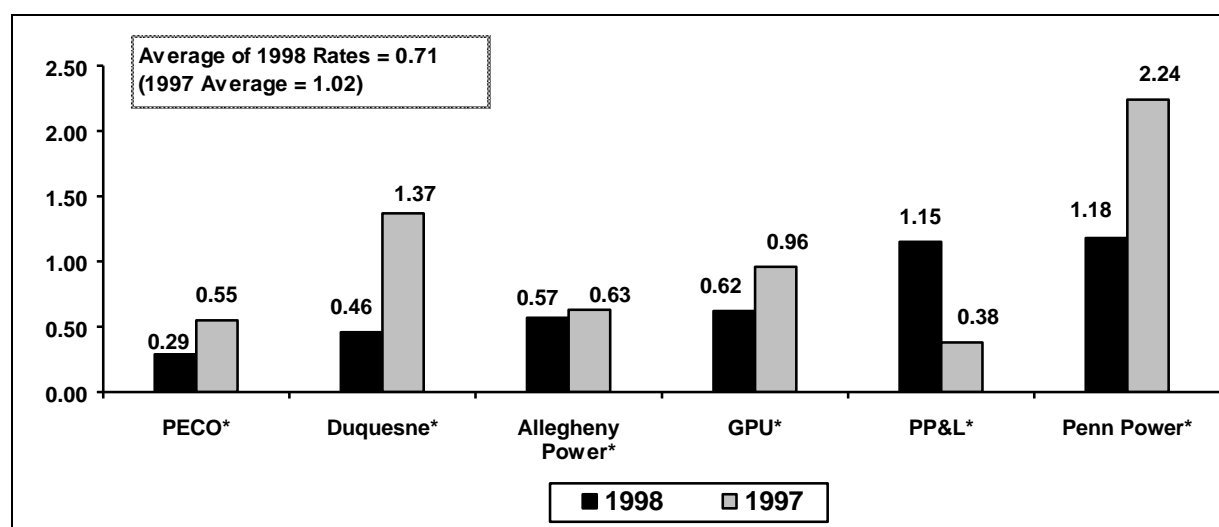


* JPAR Rates based on a probability sample of cases.

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

- On average, there were almost seven payment arrangement requests to the BCS for each 1,000 residential customers of the major EDCs in 1998. However, there was less than one justified PAR for each 1,000 residential customers.
- Appendix E, Table 1 presents the number of payment arrangement requests and justified payment arrangement requests for each major EDC in 1998.

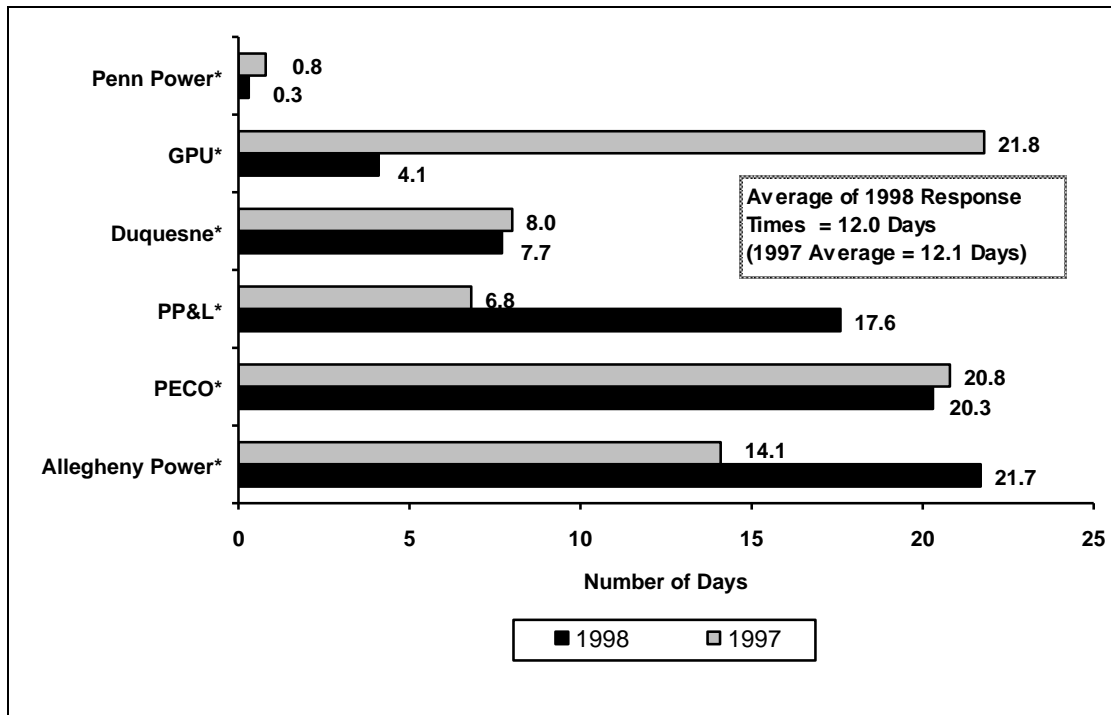
1997-1998 Justified Residential Payment Arrangement Request Rates Major Electric Distribution Companies



*Based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average of the justified PAR rates for the six major EDCs decreased by 30% from 1997 to 1998. The justified PAR rates for five of the six major electric distribution companies decreased from 1997 to 1998.
- Appendix E, Table 1 presents the number of justified payment arrangement requests for each major EDC in 1997 and 1998.

1997-1998 Response Time to BCS Residential Payment Arrangement Requests Major Electric Distribution Companies



*Based on a probability sample of cases

- The average response time for the six major EDCs was relatively unchanged from 1997 to 1998.
- Four of the major EDCs reduced their response times to PARs in 1998 compared to 1997.
- Appendix F shows the 1997 and 1998 response times to payment arrangement requests for each of the major EDCs as well as for the major gas, water and telephone utilities.

Termination of Service

Each month the electric companies report to the Commission the number of residential accounts that they terminated during the previous month. Some EDCs have maintained a fairly consistent pattern of termination behavior while others fluctuate from year to year. The table below indicates the annual number of residential accounts each of the six largest EDCs terminated in 1996, 1997 and 1998. The table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Electric Distribution Companies

Company Name	Residential Service Terminations				Termination Rates		
	1996	1997	1998	% Change in # 1997-1998	1996	1997	1998
Allegheny Power	3,952	5,354	6,614	24%	6.88	9.27	11.38
Duquesne	8,853	8,905	11,721	32%	17.19	17.26	22.75
GPU	-----	10,520	8,643	-18%	-----	11.56	9.43
Met-Ed (See GPU in '97 & '98)	3,040	----	----	----	7.36	----	----
PECO	31,023	13,945	34,009	144%	23.30	10.41	25.20
Penelec (See GPU in '97 & '98)	4,201	----	----	----	8.54	----	----
Penn Power	1,635	1,722	1,480	-14%	12.93	13.48	11.46
PP&L	10,747	9,926	9,649	-3%	9.93	9.11	8.80
Major Electric	63,451	50,372	72,116	43%			
Average of Rates					12.30	11.85	14.84

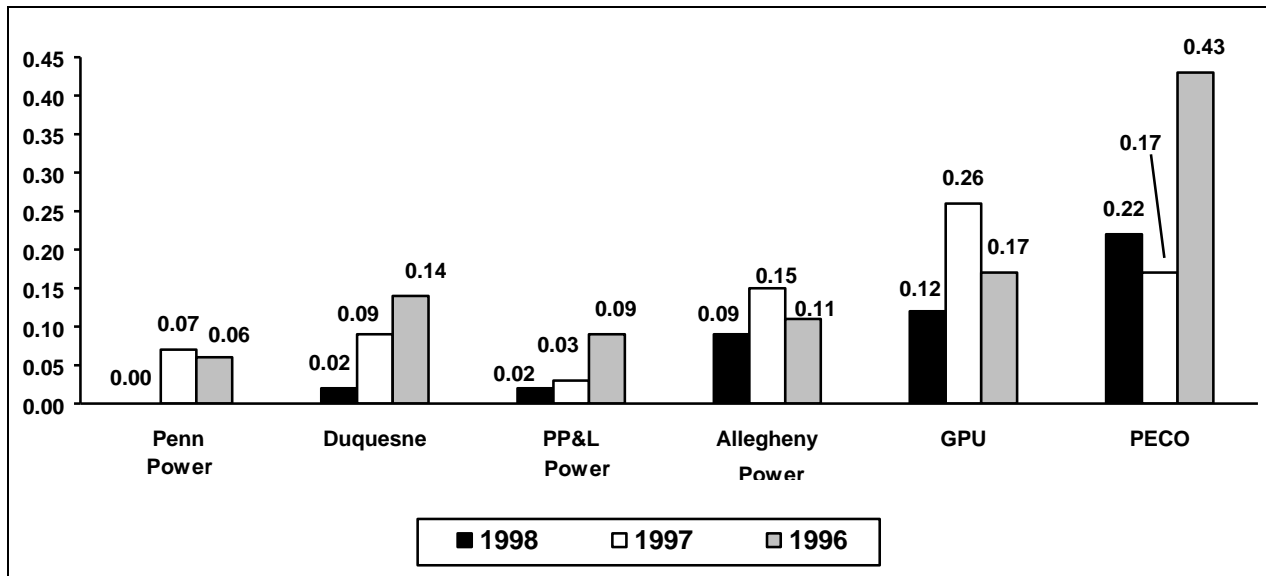
- Overall, the six major EDCs terminated 43% more residential accounts in 1998 than in 1997.
- As part of a trial collection strategy in 1997 to target delinquent customers with the ability to pay, PECO terminated a smaller than normal number of residential accounts in 1997. In 1998, PECO resumed a more typical termination pattern and terminated more than twice as many residential accounts as it did in 1997.

Compliance

The use of “infraction rate” in this report is intended to help the Commission monitor the duty of electric distribution companies at 66 Pa. C.S. §2807(d) to, at a minimum, maintain customer services under retail competition at the same level of quality. In subsequent activity reports, the calculation of “infraction rate” for the electric generation suppliers, the new entrants into electric retail competition, will also help the Commission, pursuant to 66 Pa. C.S. §2809(e), monitor and regulate the service of electric generation suppliers. Electric generation suppliers are required at 66 Pa. C.S. §2809(e) and (f) to both comply with Chapter 56 and to implement practices which prevent deterioration of the present quality of service provided by the electric distribution companies.

During 1996, 1997 and 1998, the Bureau determined that the six major EDCs together logged 2,145 infractions of regulations. The chart that follows and the infraction statistics in Appendix G, Table 1 are drawn from the informal complaints that residential consumers filed with the BCS from 1996 through 1998.

PUC Infraction Rates Major Electric Distribution Companies



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, the number of informally verified infractions attributed to the major EDCs decreased in 1998.
- Appendix G, Table 1 presents the actual number of infractions for each major EDC in 1996, 1997 and 1998.

4. Gas Industry

In 1998, the Commission had jurisdiction over 35 gas utilities. However, the majority of the consumer complaints and payment arrangement requests involving the gas industry came from residential customers of the six major gas utilities: Columbia Gas of Pennsylvania, Equitable Gas, National Fuel Gas Distribution Corporation, PG Energy, Peoples Gas and UGI Utilities-Gas Division. This chapter will focus exclusively on those six utilities. As with the electric industry, most of the complaints and payment arrangement requests dealt with matters covered under 52 Pa. Code, Chapter 56 *Standards and Billing Practices for Residential Utility Service*. These consumer complaints and payment arrangement requests, for the most part, represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The tables and charts on the pages that follow depict the performance of each of the six major gas utilities in 1998. Appendices B through G present the actual statistics that the Bureau used to produce the charts in this chapter.

Consumer Complaints

During 1998, the BCS handled 1,064 consumer complaints from customers of the various gas companies; 995 of the complaints were filed by residential customers. Of those residential complaints, 85% (845) were from customers of the six major gas companies.

Consumer Complaint Categories

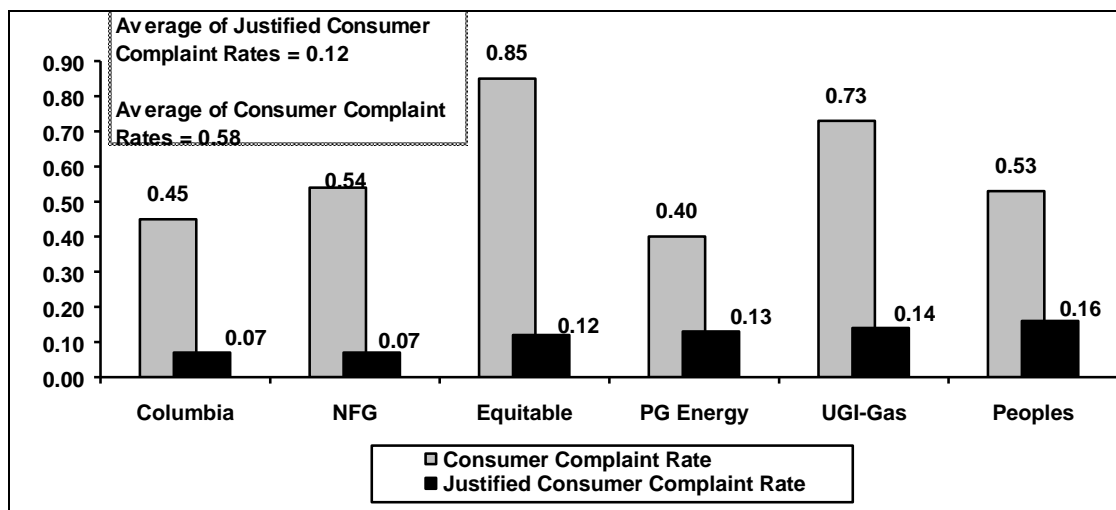
After a BCS investigator closes a consumer complaint, the BCS policy unit reviews the complaint, categorizes it into a specific problem category and enters it into the Bureau's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 1998 complaints from residential customers of the six major gas utilities in each of the 13 categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. The percentages shown in the table are for all the cases that residential customers of the major gas utilities filed with BCS, not just cases determined to be justified in coming to the Bureau. Appendix C, Table 2 provides the actual number of cases that fell into each category in 1998.

Consumer Complaint Categories: 1998 Major Gas Utilities

Categories	Columbia	Equitable	NFG	PG Energy	Peoples	UGI- Gas	Gas Majors
Billing Disputes	36%	50%	19%	41%	33%	46%	39%
Metering	23%	10%	17%	12%	25%	17%	18%
Discontinuance/ Transfer	11%	14%	22%	5%	12%	17%	14%
Personnel Problems	6%	9%	7%	2%	7%	4%	6%
Damages	5%	1%	6%	7%	5%	3%	4%
Other Payment Issues	5%	3%	13%	2%	1%	2%	4%
Service Extensions	3%	1%	1%	10%	4%	3%	3%
Service Quality	5%	3%	6%	0%	3%	1%	3%
Credit & Deposits	1%	3%	1%	7%	1%	2%	2%
Scheduling Delays	2%	2%	0%	0%	4%	1%	2%
Rates	1%	1%	0%	2%	3%	0%	1%
Service Interruptions	0%	0%	1%	0%	0%	0%	0%
All Other Problems	2%	3%	7%	12%	2%	4%	4%
TOTAL	100%	100%	100%	100%	100%	100%	100%

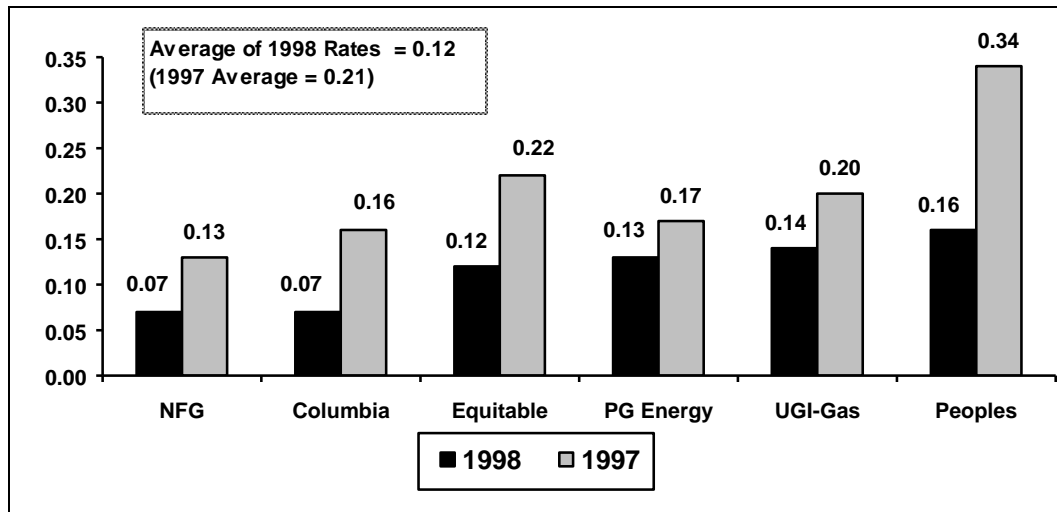
- Categories are for all residential complaints filed with BCS: justified, inconclusive and unjustified. See Appendix A-1 for an explanation of complaint categories and Appendix B-2 for the number of cases in each category.
- Almost 40% of the complaints about the major gas utilities in 1998 involved billing disputes. In 1997 only 26% of the gas consumer complaints were about billing issues.

1998 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Gas Utilities



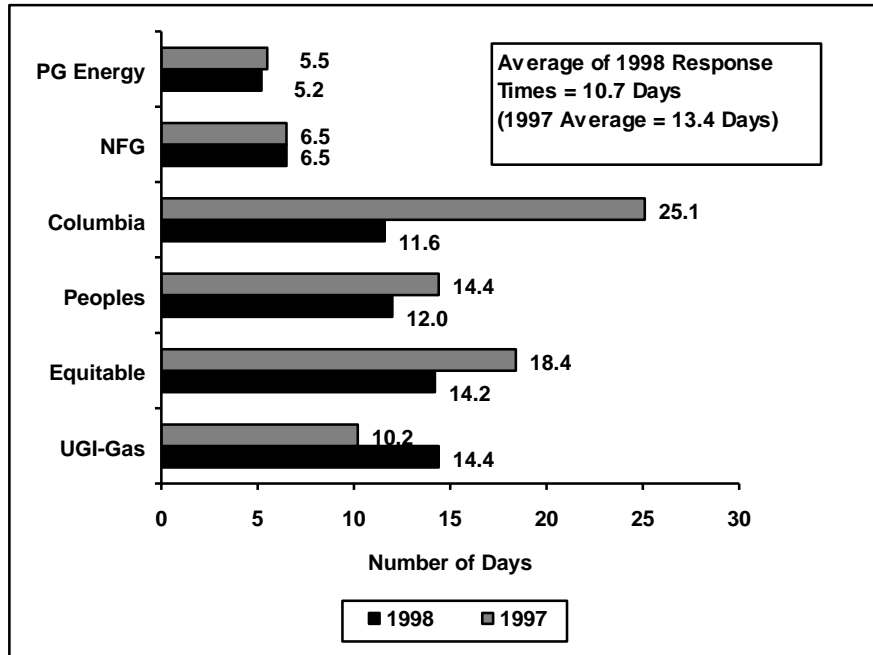
- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.
- For the major gas utilities, the average of the consumer complaint rates is more than 4 times greater than the average of the justified rates.
- Appendix C, Table 2 presents the number of consumer complaints and justified consumer complaints for each major gas utility in 1998.

1997-1998 Justified Residential Consumer Complaint Rates Major Gas Utilities



- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 1998, the average of the justified consumer complaint rates of the major gas utilities decreased from 1997. This is the second decrease in a row for the gas companies. The average justified complaint rate decreased for each of the six major gas utilities in 1998.
- Appendix C, Table 2 shows the number of justified consumer complaints for each major gas utility in 1997 and 1998.

1997-1998 Response Time to BCS Residential Consumer Complaints Major Gas Utilities

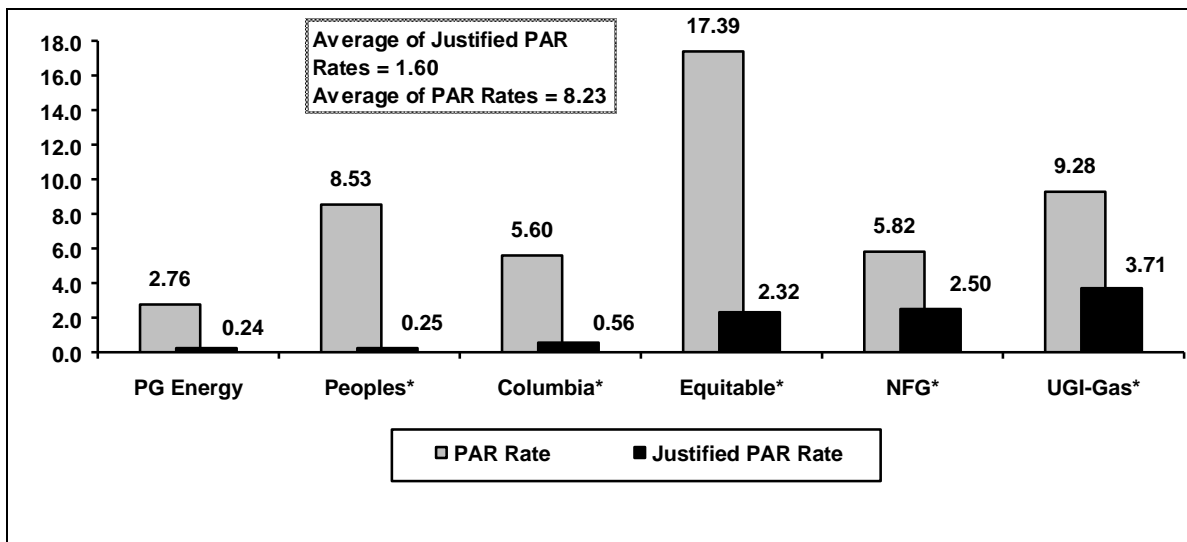


- The average response time for the major gas utilities decreased by 2.7 days from 1997 to 1998. Four of the six major gas utilities decreased response time to consumer complaints in 1998.
- Appendix D shows the 1997 and 1998 response times to consumer complaints for each of the major gas utilities as well as for the major electric, water and telephone utilities.

Payment Arrangement Requests

In 1998, the Bureau of Consumer Services handled 12,788 payment arrangement requests (PARs) from customers of the gas industry; 12,720 were from residential customers. Ninety-six percent (12,231) of the residential PARs were from customers of the six major gas utilities. As in past years, for the companies with the largest volume of requests, the Bureau policy unit reviewed a representative sample of PARs for case outcome and response time. In 1998, the BCS reviewed a sample of the PARs for the following gas utilities: Columbia, Equitable, NFG, Peoples, and UGI-Gas. Thus, the calculations for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of these utilities. The BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix E, Table 2 provides additional statistics regarding the payment arrangement requests from residential customers of the major gas utilities.

1998 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Gas Utilities

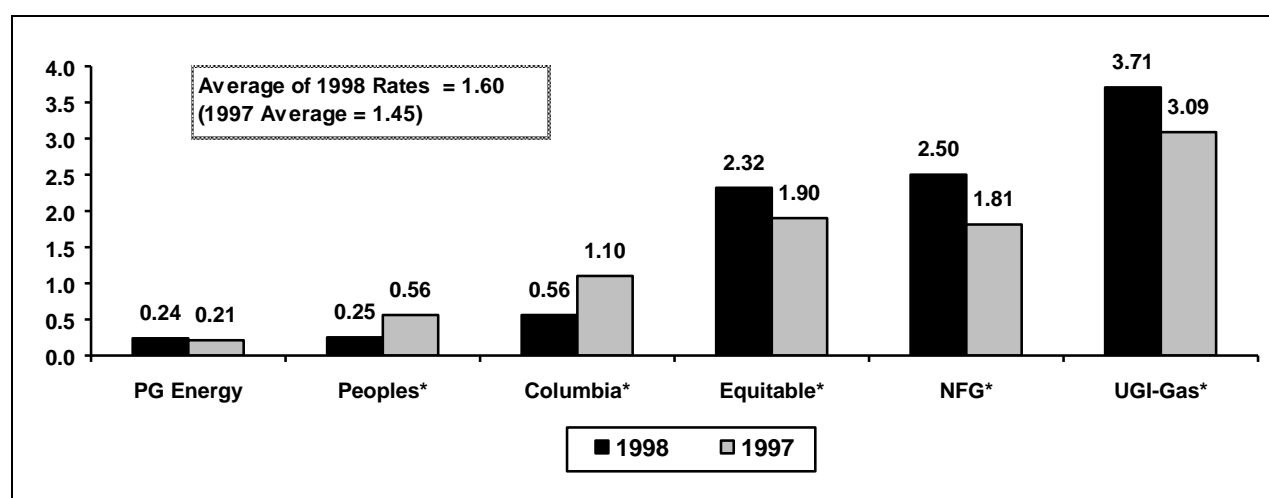


* JPAR rates based on a probability sample of cases.

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

- In 1998, the average of the PAR rates is more than 5 times the average of the justified rates.
- Appendix E, Table 2 presents the number of payment arrangement requests and justified payment arrangement requests for each major gas utility in 1998.

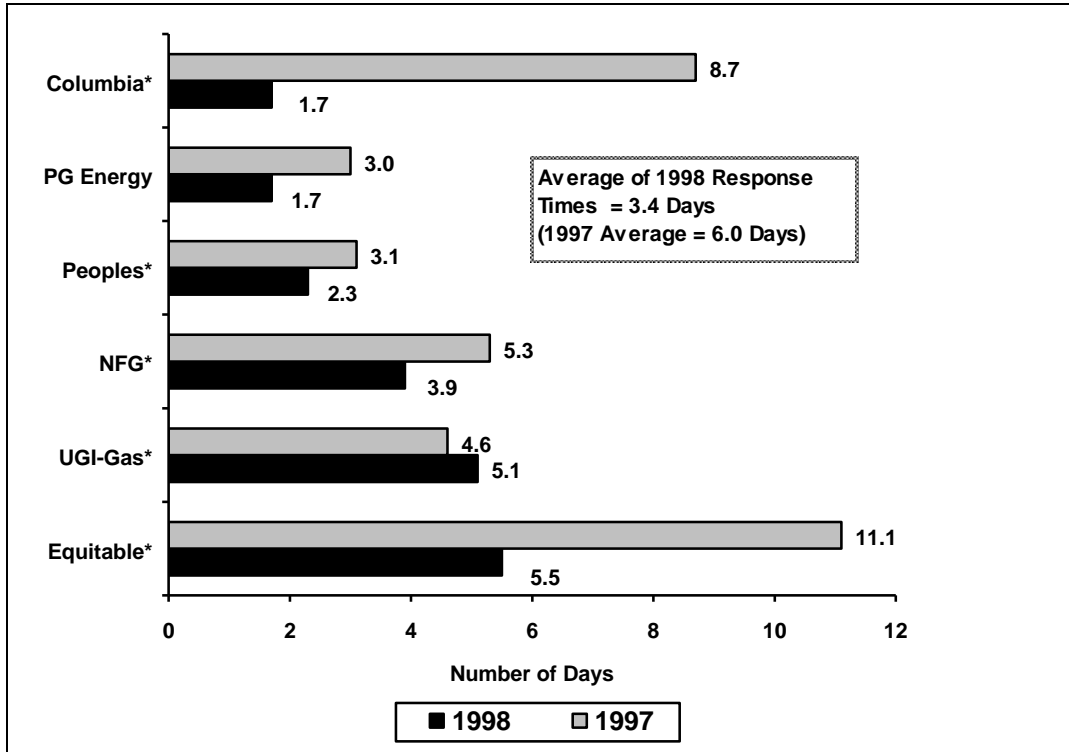
1997-1998 Justified Residential Payment Arrangement Request Rates Major Gas Utilities



* Based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average of the justified PAR rates for the six major gas utilities increased by 10% for the six major gas utilities. On average, there were 1.6 justified payment arrangement requests for each 1,000 residential customers of these companies in 1998.
- Appendix E, Table 2 presents the number of justified payment arrangement requests for each major gas utility in 1997 and 1998.

1997-1998 Response Time to BCS Residential Payment Arrangement Requests Major Gas Utilities



* Based on a probability sample of cases

- From 1997 to 1998, the average response time to BCS payment arrangement requests decreased by 2.6 days. The average response time to BCS PARs for each major gas company was under 6 days in 1998.
- Five of the six major gas utilities had shorter response times to BCS payment arrangement requests in 1998 than in 1997.
- Appendix F shows the 1997 and 1998 response times to payment arrangement requests for each of the major gas utilities as well as for the major electric, water and telephone utilities.

Termination of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated during the previous month. Some utilities have maintained a fairly consistent pattern of termination behavior, while others fluctuate from year to year. The table that follows indicates the annual number of residential accounts each of the six largest gas utilities terminated in 1996, 1997 and 1998. The table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Gas Utilities

	Residential Service Terminations				Termination Rates		
Company Name	1996	1997	1998	% Change in # 1997-1998	1996	1997	1998
Columbia	4,976	5,490	6,236	14%	15.06	16.76	18.52
Equitable	3,323	3,361	5,683	69%	14.51	14.70	24.83
NFG	3,927	5,500	4,821	-12%	20.18	28.23	24.71
Peoples	3,217	4,513	2,790	-38%	10.21	14.26	8.76
PG Energy	2,175	2,960	2,309	-22%	16.78	22.47	17.22
UGI-Gas	5,274	6,474	7,783	20%	23.72	28.58	33.67
Major Gas	22,892	28,298	29,622	5%			
Average of Rates					16.74	20.83	21.29

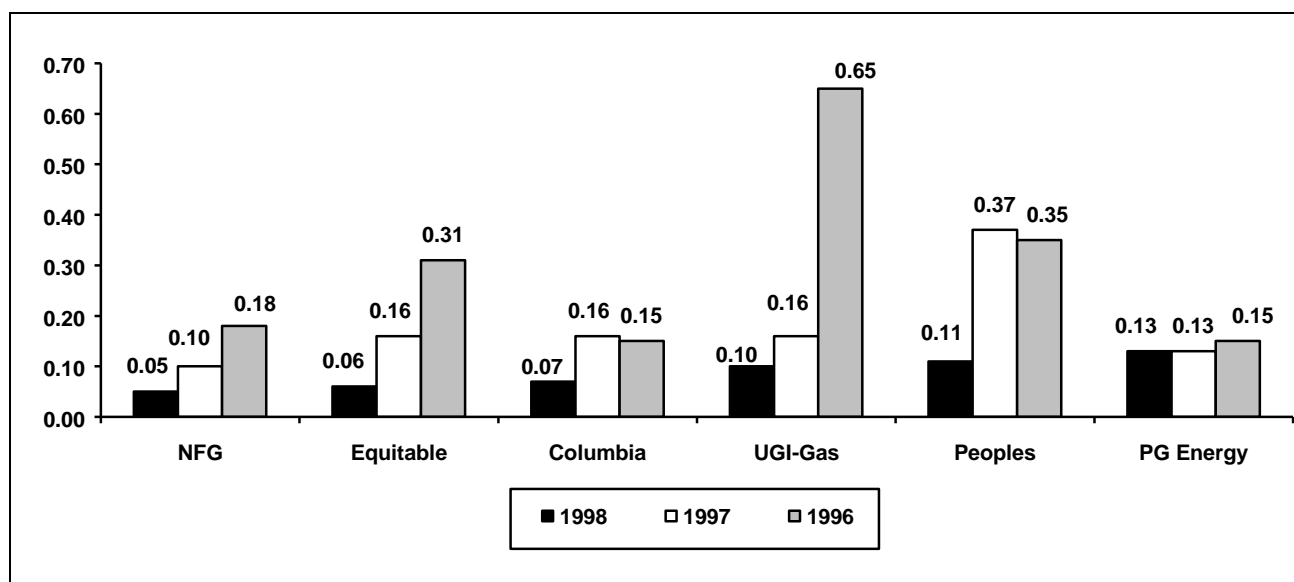
- Overall, the six major gas companies terminated slightly more than 21 out of every 1,000 residential gas customers during 1998.
- Three of the major gas companies terminated more residential accounts in 1998 than in 1997 and three terminated fewer accounts. Overall, the six major gas companies terminated 5% more residential accounts in 1997 than in 1998 and 29% more in 1998 than in 1996.

Compliance

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

During 1996, 1997 and 1998, the Bureau determined that the six major gas utilities together logged 829 infractions of regulations. The chart that follows and the infraction statistics in Appendix G, Table 2 are drawn from the informal complaints that residential consumers filed with the BCS from 1996 through 1998.

PUC Infraction Rates Major Gas Utilities



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, infraction rates decreased for the major gas utilities in 1998.
- Infraction rates decreased for five of the six major gas utilities in 1998.
- Appendix G, Table 2 presents the actual number of infractions for each major gas utility in 1996, 1997 and 1998.

5. Water Industry

In 1998, the Commission had jurisdiction over 199 water utilities, including approximately 41 municipal water companies. The Commission categorizes the non-municipal water utilities into one of four classifications: A, B, C and Short Form. These four 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 \$750,000 or more for three years in a row. In 1998 there were 13 Class A water companies that served the vast majority of residential water customers. The number of residential customers for these companies ranged from 1,882 for Audubon Water to 496,553 residential customers for Pennsylvania-American Water Company; one Class A water company serves no residential customers. In 1998, the Class A water companies were Audubon Water Company, Citizens Utilities Water - PA, Columbia Water Company, Consumers PA Water Company - Roaring Creek Division, Consumers PA Water Company - Shenango Division, Consumers PA Water Company - Susquehanna Division, Manufacturer's Water Company (no residential customers), National Utilities, Inc., Newtown Artesian Water Company, Pennsylvania-American Water Company (PA-American), Philadelphia Suburban Water Company, United Water of Pennsylvania, Inc. and York Water Company. The tables and charts in this chapter present individual statistics for the two largest water companies -- Pennsylvania-American Water Company and Philadelphia Suburban Water Company -- 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 1998, there were 28 Class B companies. Class B water companies have annual revenues between \$100,001 and \$749,999. In 1997, the latest year for which this information is available, the number of residential customers for the Class B companies ranged from 321 to 3,168. There were 106 Class C companies in 1998. Class C water companies have annual revenues between \$5,001 and \$100,000. The number of residential customers for the Class C companies ranged from 21 to 81,222 in 1997. The 11 companies classified as SF (short form) have annual revenues of less than \$5,000. Data from 1997 show that the number of residential customers for the Class SF companies ranged from 5 to 92.

The municipal water companies are companies owned by municipalities that serve customers outside their boundaries. The Commission's jurisdiction is limited to regulating the rates and service of customers outside the municipalities. The Commission does not keep records of the number of residential customers each municipal company

serves. Overall, in 1997, the total number of customers served by the municipals that were outside the boundaries of a particular municipality ranged from 4 to 21,694.

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

The table and charts on the pages that follow depict the performance of the Class A water utilities in 1998. Appendices B through G present the actual statistics that the Bureau used to produce the charts in this chapter. Due to an administrative error, the 1998 justified payment arrangement rate and 1998 response time to payment arrangement requests are not available for the smaller Class A water utilities. However, these statistics are available for PA-American and for Philadelphia Suburban.

Consumer Complaints

During 1998, the BCS handled a total of 565 consumer complaints from customers of the various water companies; 524 were filed by residential customers. Of those complaints, 79% (412) were from customers of the Class A companies. The remaining 21% were from customers of 50 smaller water companies. In spite of the fact that the vast majority of consumer complaints involved the Class A water utilities in 1998, the Commission devoted a significant amount of attention to the smaller water utilities. Often the amount of time that the BCS spends on a few complaints from customers of a smaller company far exceeds the amount of time it spends dealing with the larger number of complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and payment arrangement requests as compared to smaller water companies with limited resources.

In 1998, customers of the small water companies logged complaints with the BCS for a variety of reasons. However, of the 112 consumer complaints filed about the non-Class A water companies, more than half involved some type of service complaint (67 cases) and thirty-four complaints (18% of the total) related to billing disputes. The other complaints were about various issues including the companies' rates and termination procedures.

Consumer Complaint Categories

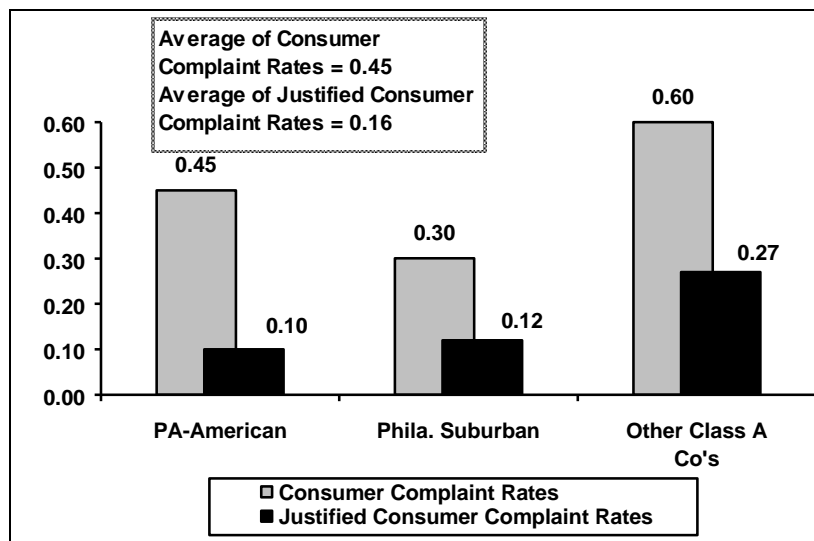
After a BCS investigator closes a consumer complaint, the BCS policy unit reviews the complaint, categorizes it into a specific problem category and enters it into the Bureau's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 1998 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 that residential customers of these water utilities filed with BCS, not just cases determined to be justified in coming to the Bureau. Appendix B, Table 3 provides the actual number of cases that fell into each category in 1998.

Consumer Complaint Categories: 1998 Major Water Utilities

Categories	PA-American	Philadelphia Suburban	Other “Class A” Water	All “Class A” Water
Billing Disputes	36%	51%	19%	36%
Service Quality	17%	10%	37%	21%
Service Extensions	13%	3%	4%	9%
Metering	7%	10%	12%	8%
Damages	8%	4%	3%	6%
Discontinuance/Transfer	4%	10%	9%	6%
Personnel Problems	4%	4%	4%	4%
Rates	3%	3%	0%	2%
Service Interruptions	1%	0%	4%	2%
Credit & Deposits	0%	1%	4%	1%
Scheduling Delays	2%	0%	1%	1%
All Other Problems	5%	4%	3%	4%
TOTAL	100%	100%	100%	100%

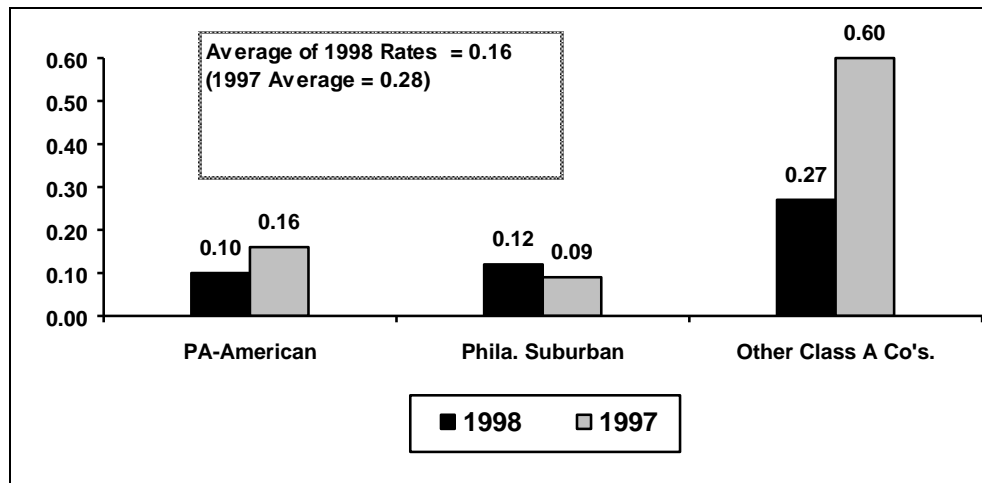
- Categories are for all residential complaints filed with the BCS: justified, inconclusive and unjustified. See Appendix A-1 for an explanation of the various complaint categories and Appendix B-3 for the number of cases in each category.
- More than half of the consumer complaints about the Class A water utilities involved either billing disputes or service quality issues.
- The percentage of complaints about metering decreased from 1997 to 1998. In 1997, thirteen percent of the complaints about the Class A water utilities involved metering. The percentage of complaints about billing accounted for a greater percentage of the complaints in 1998 than in 1997.

1998 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Water Utilities



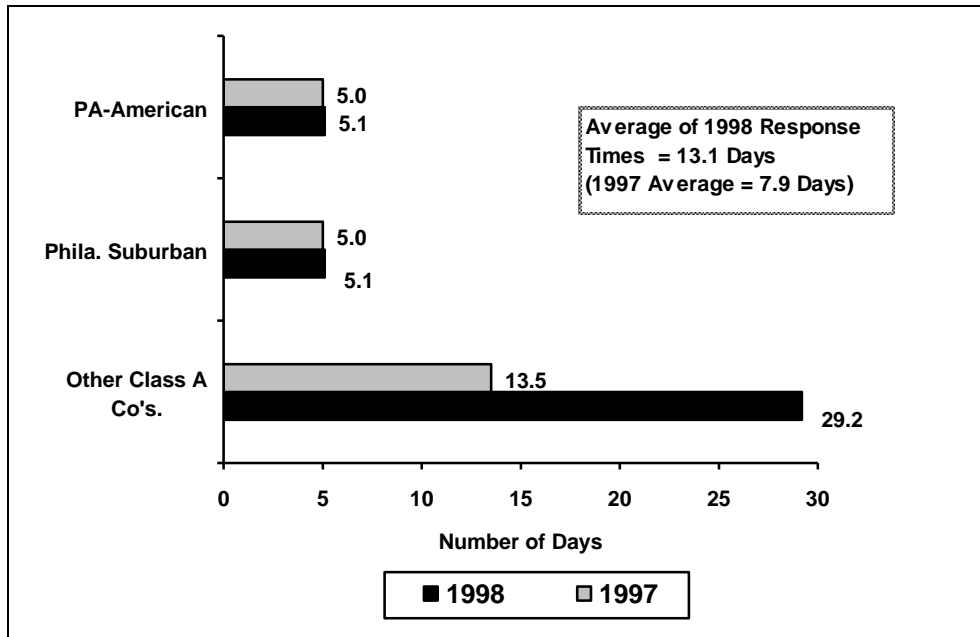
- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- The average of the consumer complaint rates is almost 3 times greater than the average of the justified rates for the Class A water companies.
- Appendix C, Table 3 presents the actual number of consumer complaints and justified consumer complaints for Philadelphia Suburban, PA-American and the other Class A companies in 1998.

1997-1998 Justified Residential Consumer Complaint Rates Major Water Utilities



- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the “Class A” water utilities decreased by more than 42% from 1997 to 1998.
- Appendix C, Table 3 shows the number of justified consumer complaints for Philadelphia Suburban, PA-American and the other Class A water companies in 1997 and 1998.

1997-1998 Response Time to BCS Residential Consumer Complaints Major Water Utilities

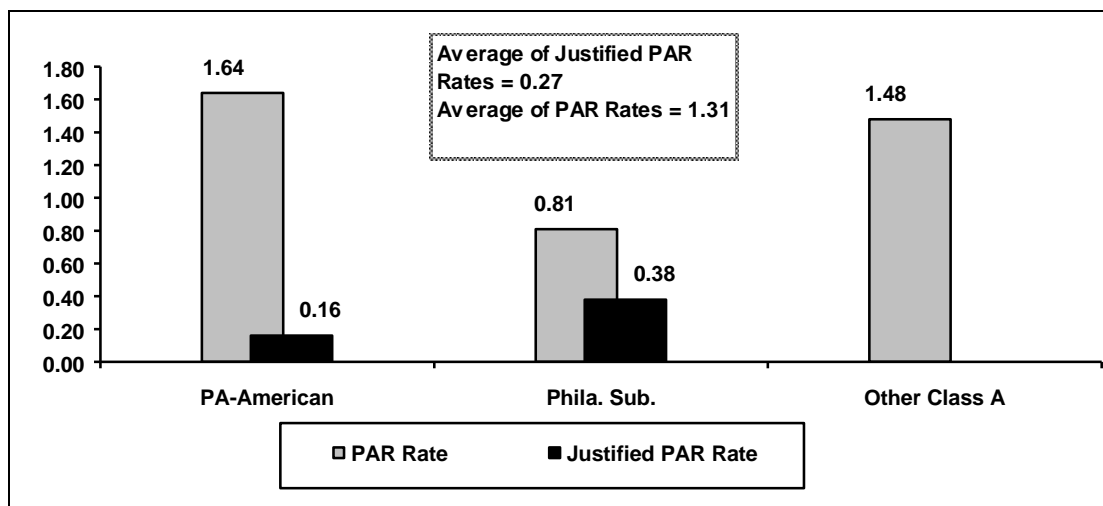


- The average response time for the Class A water utilities increased by more than 5 days from 1997 to 1998. The average response time for the smaller Class A companies increased by more than 15 days.
- Appendix D shows the 1997 and 1998 response times to consumer complaints for the Class A water utilities as well as for the major electric, gas and telephone utilities.

Payment Arrangement Requests

In 1998, the Bureau of Consumer Services handled 1,332 payment arrangement requests (PARs) from customers of the water industry; 1,329 were from residential customers. Ninety-eight percent (1,299) of the residential PARs were from customers of the 13 Class A water utilities. As in past years, for the companies with the largest volume of requests, the Bureau policy unit reviewed a representative sample of PARs for case outcome and response time. In 1998, the BCS reviewed a sample of the PARs for Pennsylvania-American Water Company. Thus, the calculations for justified payment arrangement request rate and response time that appear in the pages that follow are based on a subset of cases that the BCS received from customers of PA-American. The BCS believes that the size of the sample gives a reasonable indication of the performance of this company. As explained above, justified PAR rate is not available for the Other Class A companies for 1998. Due to an administrative oversight, justified PAR rate and response time to PARs are not available for the Other Class A companies for 1998. Appendix E, Table 3 provides additional statistics regarding the payment arrangement requests from residential customers of the Class A water utilities.

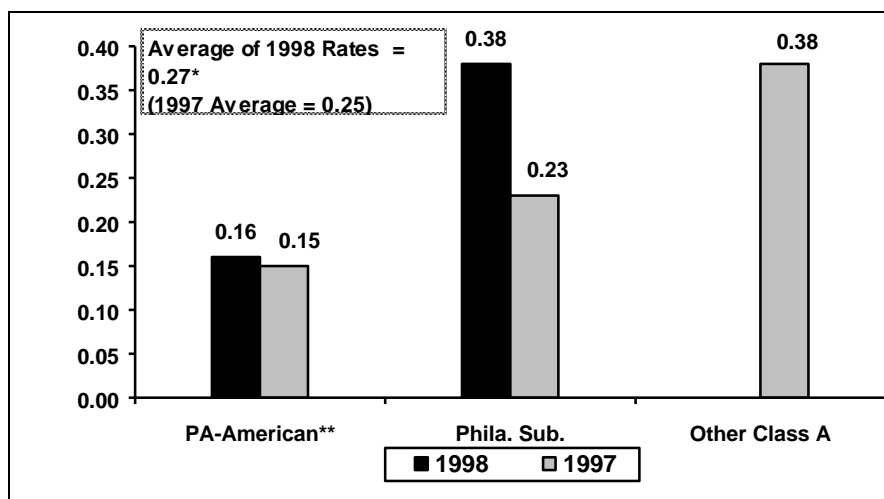
1998 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Water Utilities



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

- The average justified PAR rate is the average for PA-American and Philadelphia Suburban only.
- Appendix E, Table 3 presents the number of payment arrangement requests and justified payment arrangement requests for PA-American, Philadelphia Suburban and the other Class A water companies in 1998.

1997-1998 Justified Residential Payment Arrangement Request Rates Major Water Utilities

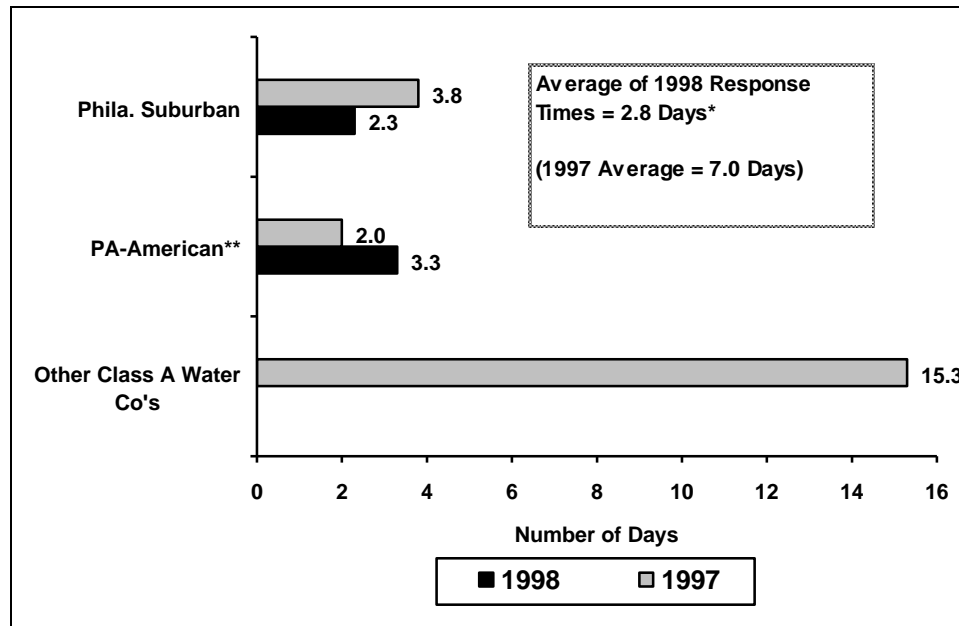


*PA-American and Philadelphia Suburban only

** Based on a probability sample of cases

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The average 1998 justified PAR rate shown above is for PA-American and Philadelphia Suburban only. As previously noted, the 1998 justified PAR rate is not available for the Other Class A water companies.
- Appendix E, Table 3 presents the number of justified payment arrangement requests for PA-American and Philadelphia Suburban in 1998. This table also presents the number of justified payment arrangement requests for PA-American, Philadelphia Suburban and the other Class A water companies in 1997.

1997-1998 Response Time to BCS Residential Payment Arrangement Requests Major Water Utilities



*PA-American and Philadelphia Suburban only

** Based on a probability sample of cases

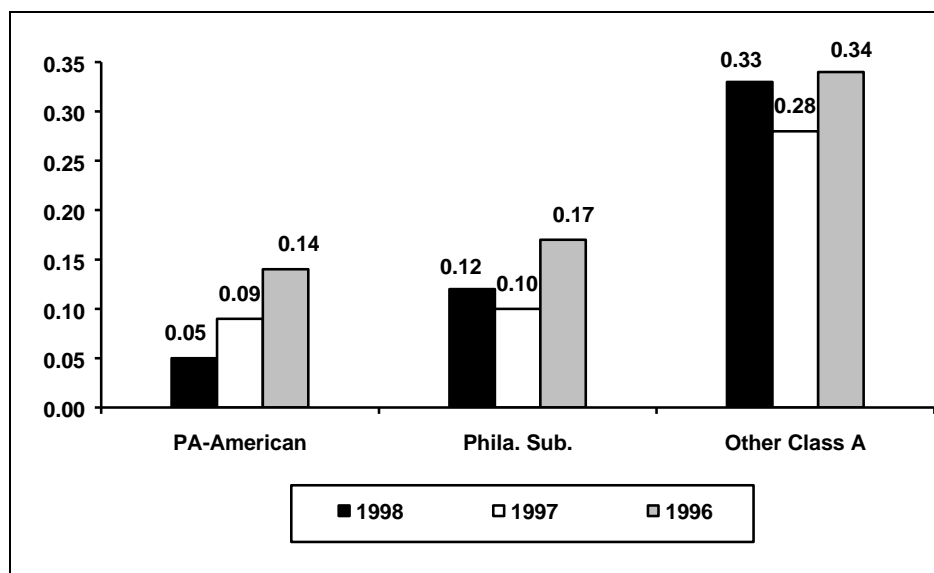
- The average of the 1998 response times to payment arrangement requests shown above is for PA-American and Philadelphia Suburban only. As previously noted, 1998 response time to payment arrangement requests is not available for the other Class A water companies.
- For PA-American and Philadelphia Suburban, the average of response times to payment arrangement requests was relatively unchanged from 1997 to 1998.
- Appendix F shows the 1997 and 1998 response times to payment arrangement requests for PA-American and Philadelphia Suburban. It also shows the response times for the major electric, gas and telephone utilities. Appendix F also shows the 1997 response times to PARs for the other Class A water companies.

Compliance

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

During 1996, 1997 and 1998, the Bureau informally verified 400 infractions of regulations for the Class A water utilities. The chart that follows and the infraction statistics in Appendix G, Table 3 are drawn from the informal complaints that residential consumers filed with the BCS from 1996 through 1998.

PUC Infraction Rates Major Water Utilities



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The number of informally verified infractions and the average of infraction rates for the Class A water companies remained almost the same from 1997 to 1998.
- Appendix G, Table 3 presents the actual number of infractions for PA-American, Philadelphia Suburban and the other Class A water companies in 1996, 1997 and 1998.

6. Telephone Industry

Given the growing competitive telecommunications market, the BCS may handle cases against or inquiries about many different types of telecommunication service providers such as local telephone utilities, resellers, access providers, operator services, competitive local exchange carriers including billing services for telecommunication providers. As a result of this growth, there were over 500 such providers doing business in Pennsylvania. Of this group of telecommunications providers, 37 were local telephone utilities. Thirty-two of the local telephone utilities are nonmajor utilities each serving less than 50,000 residential customers. The remaining five local telephone utilities are major utilities, each with over 100,000 residential customers. Collectively, the major telephone utilities serve over 4.9 million residential accounts. This chapter will focus exclusively on the five major telephone utilities: ALLTEL Pennsylvania, Inc. (ALLTEL), Bell Atlantic-Pennsylvania, Inc. (Bell), Commonwealth Telephone Company (Commonwealth), GTE North Incorporated (GTE) and United Telephone Company of Pennsylvania (United) d/b/a Sprint.

Consumer Complaints

As previously stated, the Bureau may handle consumer complaints regarding many different types of telecommunication service providers in addition to complaints from local telephone utilities. In 1998, the Bureau handled 5,682 telephone complaints from residential customers. Of these complaints, there were 3,202 from residential customers of the incumbent local telephone utilities. Within this universe of complaints against local telephone utilities, 3,137 (98%) were residential consumer complaints against the five major telephone utilities. The remaining 2,480 complaints were from telephone customers about the various problems (i.e., slamming, cramming, billing, etc.) they encountered with other telecommunications providers.

As the data shows, the Bureau received a very large number of consumer complaints about the telephone industry in 1998. Given this unprecedented number of consumer complaints, the Bureau did not have the resources to evaluate all of them for case outcome and response time. Therefore, the BCS policy unit reviewed a representative sample of consumer complaints from customers of the largest local telephone utility, Bell. Thus, the calculations for justified consumer complaint rate and response time for Bell that appear in the pages that follow are based on a subset of cases that the BCS received from customers of this utility. The BCS believes that the size of the sample gives a reasonable indication of Bell's performance.

The 1997 and 1998 consumer complaint figures for justified consumer complaint rate and response time for each of the major telephone utilities are presented on the following pages.

Consumer Complaint Categories

Most of the cases found in the consumer complaint categories deal with matters covered under 52 Pa. Code Chapter 64 and 52 Pa. Chapter 63. The consumer complaint categories table presents the percentage of consumer complaints found in each of the 13 complaint categories for each of the major telephone utilities and the telephone industry. The Bureau first classifies all consumer complaints into one of six major problem areas then expands them into one of 13 distinct problem categories for the telephone industry.

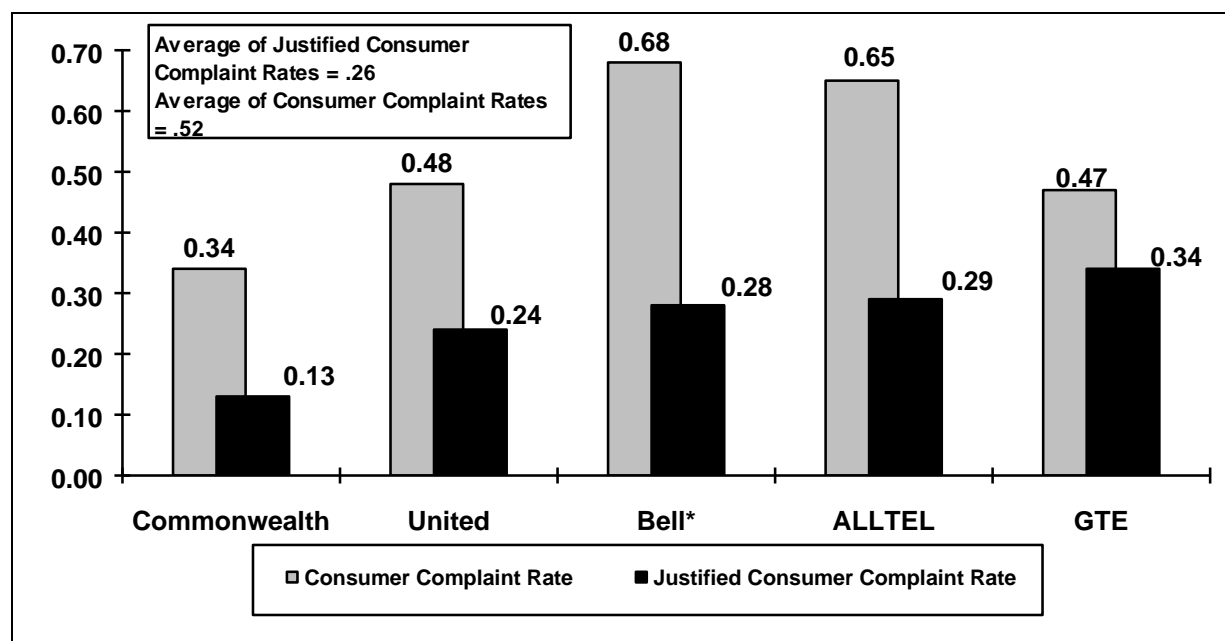
Consumer Complaint Categories: 1998 Major Telephone Utilities

Categories	ALLTEL	Bell	Commonwealth	GTE	United	Telephone Majors
Service Delivery	20%	25%	19%	24%	20%	23%
Billing Disputes	21%	16%	35%	15%	24%	19%
Unsatisfactory Service	20%	12%	11%	36%	18%	18%
Toll Services	4%	17%	22%	9%	13%	14%
Non-Recurring Charges	9%	7%	3%	2%	4%	5%
Sales Nonbasic Services	2%	6%	1%	4%	7%	5%
Credit & Deposits	20%	3%	1%	2%	3%	4%
Annoyance Calls	2%	5%	1%	5%	2%	4%
Discontinuance/Transfer	2%	3%	0%	1%	8%	3%
Rates	0%	4%	4%	0%	1%	2%
Audiotex	0%	2%	0%	0%	1%	1%
Disputes Related to Suspensions/Terminations	0%	1%	1%	0%	0%	0%
Other	0%	0%	0%	1%	0%	0%
Total*	100%	100%	100%	100%	100%	99%

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

- It is important to note that the percentages shown in the tables are for all the cases that customers filed with BCS, including unjustified cases. See Appendix A-2 for an explanation of complaint categories and Appendix B-4 for the number of cases in each category.
- Nearly 60% of all complaints for the telephone industry fall into one of three complaint categories, unsatisfactory service, service delivery, or billing disputes.
- The table shows that 18% of all the consumer complaints filed against the telephone industry are about unsatisfactory service while 23% are about service delivery.
- Billing disputes account for 19% of the total number of consumer complaints. With the exception of toll services (14%), the remaining complaint categories each account for 5% or less of total complaints about the telephone industry.

1998 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Telephone Utilities

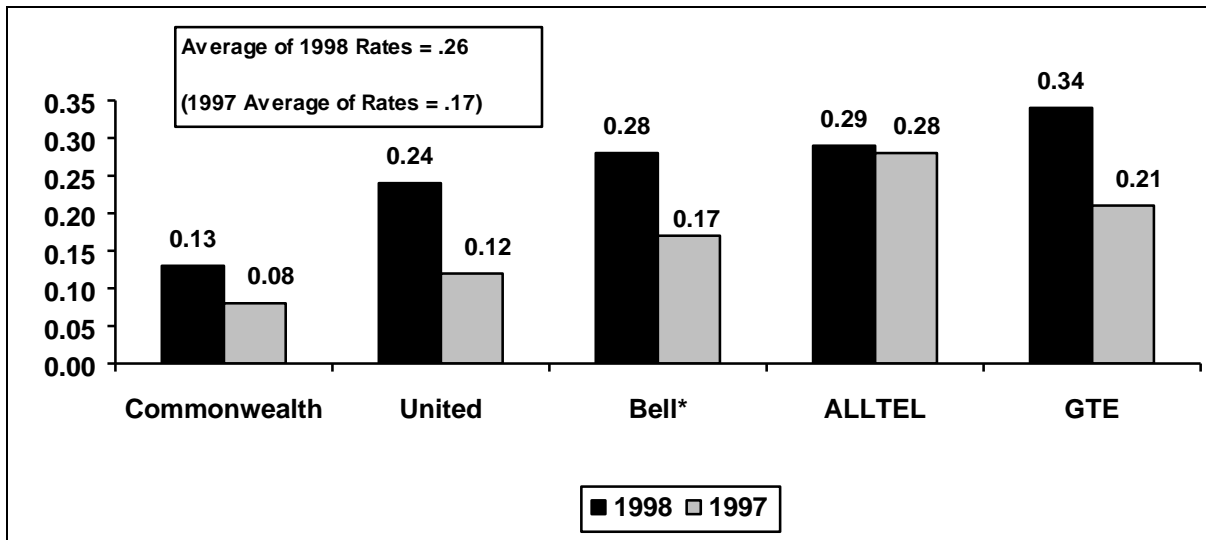


*Based on a probability sample of cases

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers. The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers.

- The Bureau received more complaints from customers about the telephone industry in 1998 than in 1997. As a result of this increase in complaints, the telephone industry average for consumer complaint rate increased from 1997 to 1998.
- Generally, the justified consumer complaint rate is less than the consumer complaint rate. For 1998, the industry average for consumer complaint rate is twice the justified consumer complaint rate.
- Appendix C, Table 4 shows the number of consumer complaints and justified consumer complaints for each major telephone utility in 1998.

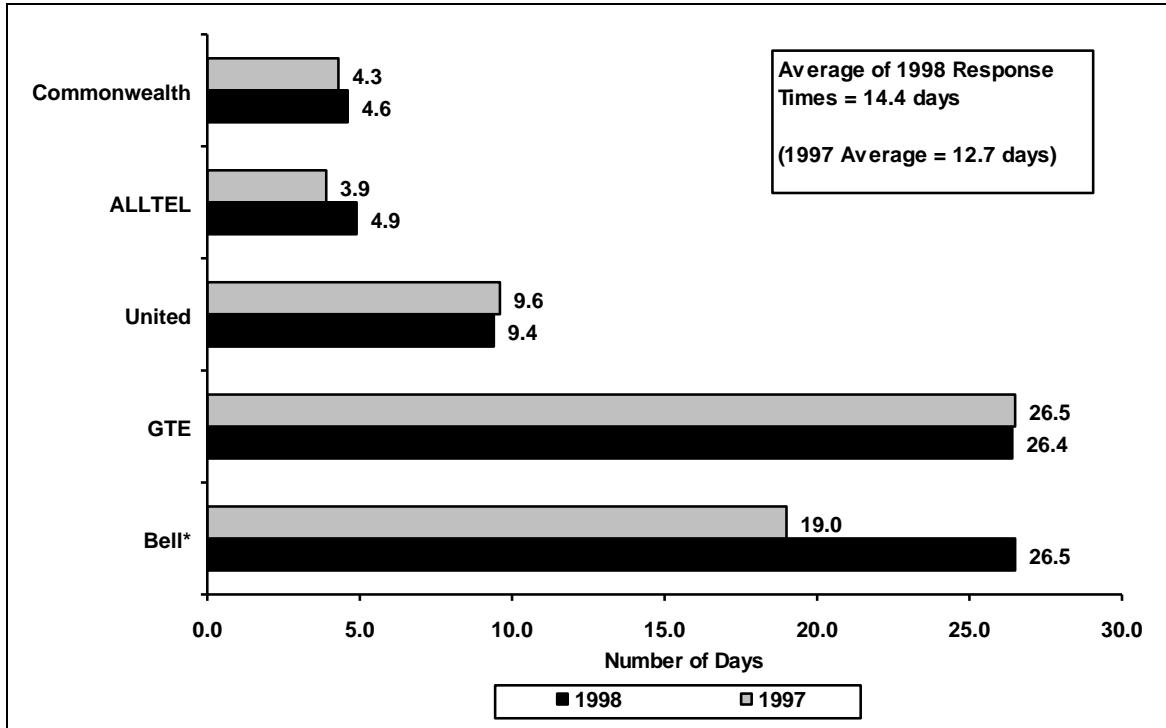
1997-1998 Justified Residential Consumer Complaint Rates Major Telephone Utilities



*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.
- Most major telephone utilities' justified consumer complaint rates were worse in 1998 than in 1997.
- Appendix C, Table 4 shows the number of justified consumer complaints for each major telephone utility in 1997 and 1998.

1997-1998 Response Time to BCS Residential Consumer Complaints Major Telephone Utilities



*Based on a probability sample of cases

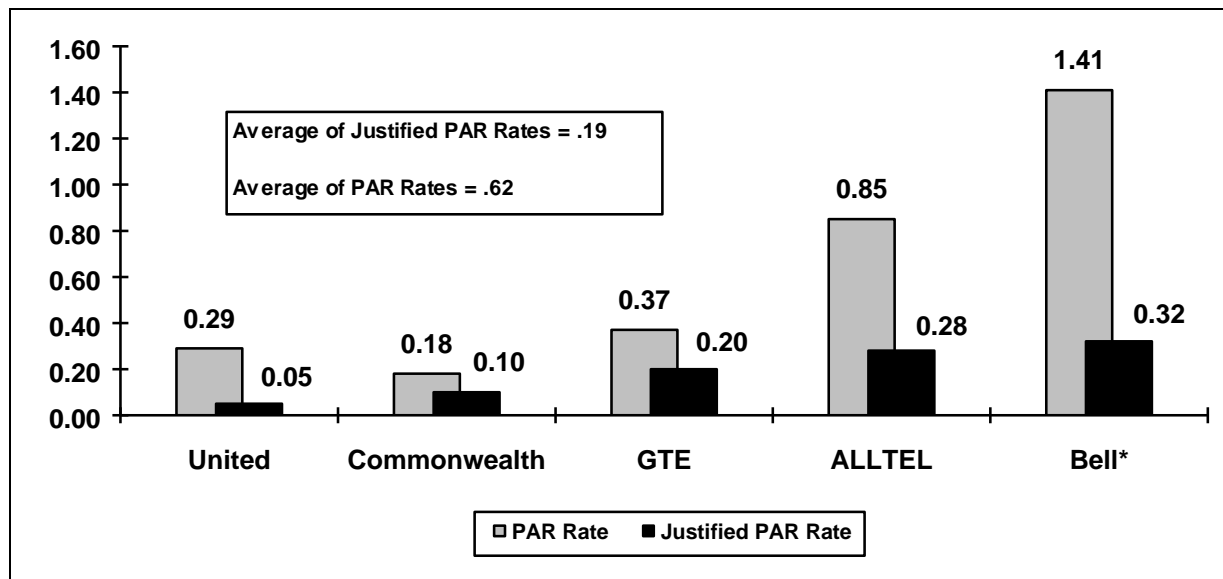
- Appendix D shows the 1997 and 1998 response times to consumer complaints for each of the major telephone utilities as well as for the major electric, gas and water utilities.
- The telephone industry's response time increased by more than one day from 1997 to 1998.

Payment Arrangement Requests

Telephone service falls into three categories: basic, nonbasic and toll service. However, the Bureau does not handle customer requests for payment arrangements that involve toll or nonbasic services. For the telephone industry, payment arrangement requests are principally contacts to the Bureau or to utilities involving a request for payment terms for basic service. Most payment arrangement requests are cases relating to the cessation of telephone service and are registered during the suspension phase. Under Chapter 64, a customer contact in response to a suspension notice is a dispute (as the term is defined in §64.2) only if the contact includes a disagreement with respect to the application of a provision of Chapter 64. Where telephone cases involving telephone service suspension are concerned, failure to negotiate a payment arrangement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve payment arrangement requests have been separated from telephone cases that also involve a dispute. During 1998, the Bureau handled 5,938 payment arrangement requests from residential and commercial customers of local telephone utilities. Of these cases, 5,838 payment arrangement requests were from customers of the five major telephone utilities: ALLTEL, Bell, Commonwealth, GTE and United.

As previously mentioned, the Bureau has used sampling over the years to evaluate the large volume of cases it receives from the largest major utilities. Given the large volume of payment arrangement requests from Bell, the Bureau evaluated a representative sample of the company's payment arrangement requests to determine justified rate and response time. The BCS believes that the size of the sample gives a reasonable indication of the company's performance. The 1997 and 1998 payment arrangement request figures for justified payment arrangement request rate and response times for major telephone utilities are presented in the tables that follow.

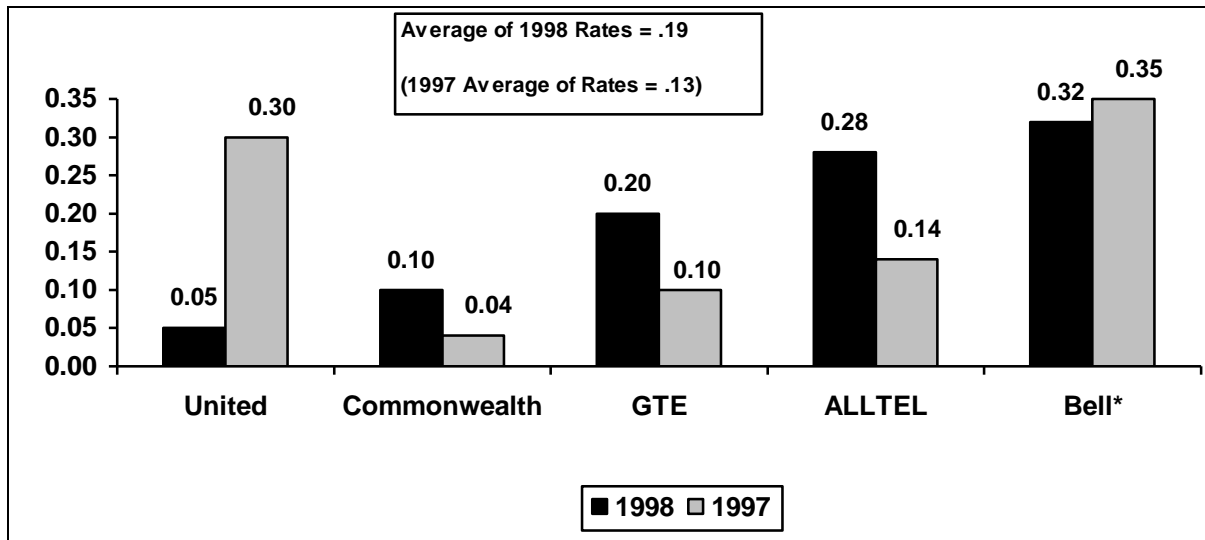
1998 Residential Payment Arrangement Request Rates/ Justified Payment Arrangement Request Rates Major Telephone Utilities



* JPAR rate based on a probability sample of cases.

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers. The payment arrangement request rate equals the number of payment arrangement requests for each 1,000 residential customers.
- Most customers in 1998 had already contacted their utility prior to contacting the BCS regarding a payment arrangement request. More customers sought the Commission's assistance in making payment arrangements with their local telephone utilities in 1998.
- The payment arrangement request rate for the major telephone utilities is more than three times the justified payment arrangement request rate.
- Appendix E, Table 4 presents the number of payment arrangement requests and justified payment arrangement requests for each major telephone utility in 1998.

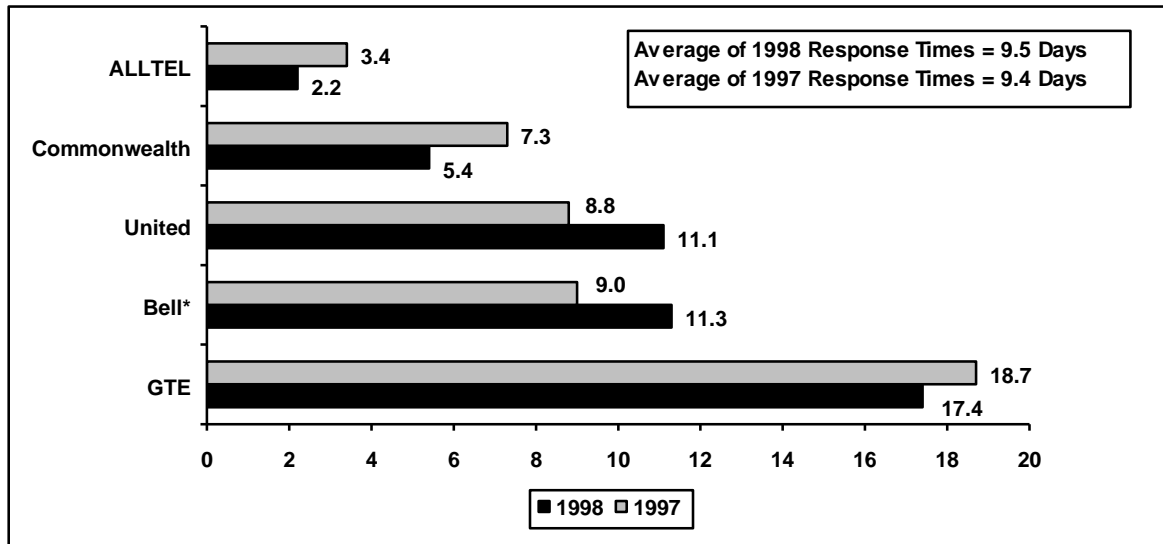
1997-1998 Justified Residential Payment Arrangement Request Rates Major Telephone Utilities



*Based on a probability sample of cases

- The justified payment arrangement request rate equals the number of justified payment arrangement requests for each 1,000 residential customers.
- The telephone industry's justified payment arrangement request rate increased from 1997 to 1998.
- Appendix E, Table 4 shows the number of justified payment arrangement requests for each major telephone utility in 1997 and 1998.

1997-1998 Response Time to BCS Residential Payment Arrangement Requests Major Telephone Utilities



*Based on a probability sample of cases.

- Appendix F shows the 1997 and 1998 response times to payment arrangement requests for each of the major telephone utilities as well as for the major electric, gas and water utilities.

Termination of Service

In Chapter 64, suspension is defined as a temporary cessation of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent cessation of service after a suspension without the consent of the customer. Most payment arrangement requests are cases relating to the cessation of telephone service and are registered during the suspension phase. Many customers who have their basic service suspended are able to make payment arrangements and avoid termination. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. For the telephone industry, termination rate is based on the number of basic service terminations per one thousand residential customers. Shifts in terminations can signal potential problems with customers maintaining basic telephone service and the impact of universal service programs for telephone.

Residential Service Terminations/Termination Rates Major Telephone Utilities

	Residential Service Terminations				Termination Rates		
Company Name	1996	1997	1998	% Change in # 1997-1998	1996	1997	1998
ALLTEL	3,780	3,564	3,504	-2%	22.28	20.50	19.89
Bell	114,336	158,892	167,928	6%	30.51	41.92	43.93
Commonwealth	3,048	3,420	2,880	-16%	17.32	17.38	13.77
GTE ¹	NA	24,612	18,840	-23%	NA	52.63	39.34
United	5,448	5,292	5,832	10%	20.07	19.22	20.85
Major Telephone	126,612²	195,780	198,984				
Average of Rates				2%	22.55²	30.33	27.55

¹NA = GTE's termination statistics are not available for 1996.

²Does not include GTE.

- Overall, major telephone utilities reported more basic service terminations in 1998 than in 1997.

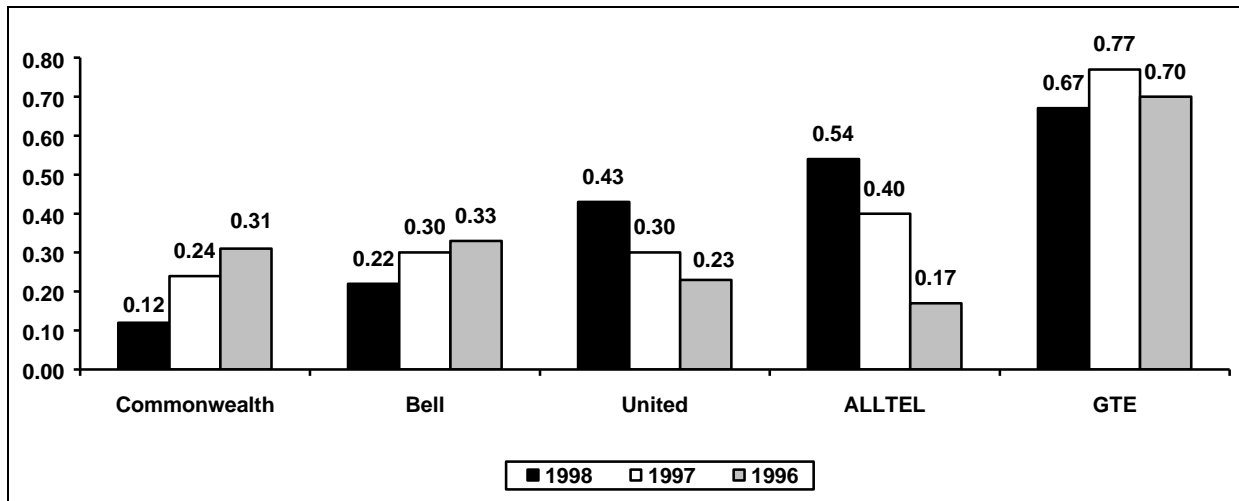
Compliance

The Bureau's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Chapter 64 regulations. Often, through the informal notification process, the BCS provides utilities with written clarifications or explanations of Chapter 64 provisions and Bureau policies.

During 1996, 1997 and 1998, the Bureau determined that the five major local telephone utilities under the PUC's jurisdiction together logged 4,842 informally verified infractions of the Chapter 64 standards and billing practices. The informal compliance process is specifically designed to identify systematic errors. Utilities can then investigate the scope of the problem and take corrective action.

The following data come from the informal complaints filed with the PUC by residential customers during 1996, 1997 and 1998. The informally verified infraction statistics for the five major telephone utilities are presented by company and year in Appendix G, Table 4. It is important to keep in mind that the figures presented in this table are viewed by the BCS along with other information that is case specific. The value of the aggregate figures is to depict apparent trends over time and point out extreme deviations. The data used for this section was retrieved from the BCS' Compliance Tracking System as of June 1999.

PUC Infraction Rate Major Telephone Utilities



- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Overall, the number of informally verified infractions reported by BCS for the five major local exchange carriers declined 18% from 1997 to 1998.
- Overall, compliance performance improved from 1997 to 1998 based on the number of informally verified infractions.
- Appendix G, Table 4 presents the actual number of infractions for each major telephone utility in 1996, 1997 and 1998.
- Overall, the decline in the number of informally verified infractions mirrors a decline in infractions related to company dispute procedures which were substantively revised effective July 18, 1998.

7. Universal Service and Energy Conservation Programs

The Public Utility Commission has a long history of involvement in universal service and energy conservation programs that help utility consumers obtain and keep service and conserve energy. In the sections that follow, readers will find highlights of the many programs that the PUC has supported and encouraged, not only in 1998 but in prior years as well.

Electric, Gas and Water Programs

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

Experience and evaluation indicate that the programs that grew out of the Commission's involvement are successful at helping to maintain universal service and cost effective to the utilities. In apparent recognition of the success and value of these programs, the Electricity Generation Customer Choice and Competition Act (Act) directs the Commission to ensure that universal service and energy conservation programs are appropriately funded and available in each electric distribution territory. The Public Utility Code, as amended by the Act, imposes a mandate for universal service and energy conservation policies, programs and protections.

The Act further requires the Commission to ensure that EDCs operate universal service programs efficiently and cost-effectively. To ensure that programs are available and appropriately funded, the Commission directed each electric distribution company (EDC) to significantly expand universal service funding and enrollment levels. The Commission directed that total Low Income Usage Reduction (LIURP) funding will double and total CAP funding will triple over the next four years. Appendix H, Table 1 highlights future funding and enrollment levels for CAP and LIURP. The sources of the projected funding and enrollment levels can be found in the EDC final restructuring orders and Commission-approved settlement agreements.

With expanded universal service programs, each EDC in Pennsylvania will have a CAP and LIURP program to meet low-income needs in its service territory. Enrollment in CAP could reduce a customer's payment by as much as 50%. Enrollment in LIURP could reduce usage by 12.5% for heating customers, 14.7% for baseload customers and by

approximately 8.6% for water heating customers. While choosing an alternative competitive supplier by itself is unlikely to ever provide the level of benefits available through CAP or LIURP, engaging in retail choice may supplement these benefits. With respect to universal service, therefore, the top priorities are to help ensure that utilities identify and enroll low-income customers in universal service programs, and ensure that these programs are efficient and cost-effective. As a result, the Commission and the Bureau of Consumer Services will continue to devote time and attention to monitoring these important public purpose programs.

During 1998, the BCS reviewed universal service and energy conservation programs in utility restructuring filings and advised the Commission regarding funding levels and program design for each EDC's proposed universal service plan. The BCS also prepared a final rulemaking to establish reporting requirements for universal service. At Public Meeting held on April 30, 1998, the Commission adopted the final rulemaking. The data collected as a result of the reporting requirements will assist the Commission in monitoring the progress of each EDC in achieving universal service in its service territory.

The following sections briefly discuss the status of universal service programs in the electric, gas and water industries during 1998. The programs include Customer Assistance Programs, the Low Income Usage Reduction Programs, Utility Hardship Fund Programs, Customer Assistance and Referral Evaluation Services programs, and other programs to assist low-income customers.

Customer Assistance Programs

CAPs provide an alternative to traditional collection methods for low-income, payment troubled utility customers. Generally, customers enrolled in a CAP agree to make monthly payments to the utility based on household size and gross income. Customers make regular monthly payments, which may be for an amount that is less than the current bill for utility service, in exchange for continued provision of the service. Besides regular monthly payments, customers need to comply with certain responsibilities and restrictions to remain eligible for continued participation. This section presents a progress report on the implementation of the Commission's CAP policy statement by the major electric and gas utilities in Pennsylvania. This section also includes a summary of the results of a process and impact evaluation for PECO's CAP Rate and impact evaluations for Duquesne and Met-Ed. A process evaluation focuses on whether the CAP implementation conforms to the program design and determines if the program operates efficiently. Impact evaluations focus on the degree to which a program achieves the continuation of utility service to CAP participants at reasonable cost levels.

CAP Progress Report

In 1998, all of the major electric and gas utilities except Penn Power and UGI-Electric had operational CAPs. As a result of Final Restructuring Orders and Settlement Agreements, Penn Power and UGI will implement universal service programs that include CAPs and the remaining EDCs will significantly expand the funding levels and enrollments of their CAPs.

As of December 31, 1998, utilities had enrolled approximately 69,000 customers in CAP compared with 47,000 customers at the end of December 1997. Beginning in 1999, EDCs will further expand their programs. However, it is unlikely that they will reach maximum participation levels until 2002. With respect to the major gas utilities, Equitable and NFG continue to operate full-size programs. Although both of these utilities have maximum participation levels, they have not closed enrollment due to reaching those levels. The remaining gas utilities operate pilot CAPs with limited enrollments. Each gas utility with limited enrollment determines whether or not it will replace participants who leave with new participants. Only Columbia and Peoples have reached their enrollment limit.

Participants leave CAPs for reasons other than nonpayment or failure to comply with program rules. Utilities find that many participants voluntarily leave CAP pilots because they move or have changes in income. Utilities target CAPs to low-income customers who have chronic payment problems rather than to those who have short term payment problems. Because the problems of a payment troubled, low-income household are often chronic, a successful participant does not necessarily graduate from CAP. Rather, a successful CAP participant is one who makes regular, monthly payments and complies with program rules. Nevertheless, 963 participants graduated from CAP in 1998 because their circumstances improved.

Program Changes

The table on the following page shows the status of the electric and gas CAPs for 1998. Program changes in 1998 include the following:

- The Commission approved the universal service designs submitted by Duquesne, PECO, PP&L and UGI in each company's restructuring plan.
- Duquesne's proposal expands the kinds of services CAP will offer. Duquesne now offers five variations of CAP payment assistance depending on a customer's individual needs.
- PP&L made no changes to its CAP design.

- PECO proposed to transfer over 20,000 CAP participants into its electric CAP Rate program. With this transfer, PECO no longer offers the traditional CAP to its customers. In October 1998, PECO received Commission approval to implement a gas CAP Rate.
- As a result of a Settlement Agreement, UGI will implement a CAP that will serve approximately 100 participants.
- The Commission directed Allegheny Power, GPU, and Penn Power to submit their final universal service proposals to the BCS for review and Commission approval.
- Peoples Gas received Commission approval to extend its CAP pilot another year through November 1999.

1998 CAP Status Summary

Utility	Pilot Size	Enrollment as of 12/98	Enrollment Began	Payment Behavior*	Phase-In Size 2002
Allegheny	2,000	332	1994	91%	16,800
Duquesne	1,600	731	1995	73%	15,000
Met-Ed	1,200	689	1993	78%	7,000
PECO	39,000	55,327	1984	81%	80,000
Penelec	1,300	513	1994	83%	7,000-11,800
Penn Power	----	----	1999		3,4000-4,500
PP&L	2,000	2,579	1993		18,500
UGI-Elec	----		1999		100
Electric	47,100	60,171		81%	147,800-153,700
Columbia	1,000	896	1992	81%	
Equitable	7,000	5,053	1991	85%	
NFG	5,000	2,408	1991	69%	
PG Energy	1,000	280	1995	68%	
Peoples	1,000	697	1994	93%	
UGI-Gas	1,000	312	1997	97%	
Gas	16,000	9,646		82%	
Total	63,100	69,817		82%	

*Quarterly average percentage of participants who made all monthly payments in a quarter

Payment Monitoring

Quarterly reports from utilities continue to show that the majority of participants enrolled in CAPs pay according to their CAP agreements. In 1998, based on a quarterly average, 82 percent of participants enrolled in CAPS made all monthly payments in a quarter. Appendix I shows that the participant payment rate has remained stable since 1995.

Summary Status of CAP Evaluations

The CAP Policy Statement recommends that a utility thoroughly and objectively evaluate its CAP. Utilities have contracted with independent third-parties to conduct both process and impact evaluations of their programs. As noted previously, the process component focuses on whether the CAP implementation conforms to the program design and determines if the program operates efficiently.

Impact evaluations focus on the degree to which a program achieves the continuation of utility service to CAP participants at reasonable cost levels. The evaluation should include an analysis of the costs and benefits of traditional collection methods versus the costs and benefits of handling low-income customers whose expenses exceed their incomes through a CAP. The comparative analysis is to include: 1) payment history, 2) energy assistance participation, 3) energy consumption, 4) administrative costs and 5) actual collection costs.

In 1998, Duquesne, Met-Ed and PECO submitted the results of their impact evaluations. The findings from the evaluations are available upon request from Janice Hummel of the PUC's Bureau of Consumer Services at (717) 783-9088.

Dollar Share

Dollar Share is an arrearage forgiveness program directed toward Met-Ed customers who are payment troubled but ineligible for the company's customer assistance program. The program matches dollar-for-dollar the monthly bill payments of qualifying customers. This matching grant, applied after a customer makes a monthly payment, eventually eliminates a customer's arrearage. In 1998, Met-Ed enrolled 183 new participants into Dollar Share and forgave \$148,411 of arrearages for 248 customers. In 1998, based on a quarterly average, 66% of participants enrolled in Dollar Share made their monthly payments.

The Dollar Share program is the result of an order adopted by the Commission on June 16, 1994. The order approved the application of Met-Ed for participation in the

proposed lease of certain present reserve capacity of fiber optic cable and related facilities to MCI Telecommunication Corporation (MCI). As part of this application, Met-Ed filed a revised compliance plan to apply the revenues from the lease agreement to fund Dollar Share. Although Met-Ed's lease with MCI expired October 1997, Met-Ed continued to fund Dollar Share in 1998.

A Helping Hand

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

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

At the end of 1998, PSW's program had 336 active participants. During the year, PSW spent \$24,998 to complete district interviews and home audits. In addition, the company granted \$1,100 in forgiveness credits to 22 program participants.

Low-Income Rate

By order dated October 2, 1997, the Commission approved Pennsylvania American Water Company's (PAWC) request to establish a Low-Income Rate. By the end of 1998, the Low-Income Rate program had 2,990 participants. PAWC projects that it will enroll a total of approximately 5,000 customers in the program. PAWC targets the program to customers whose incomes are below 110% of the federal poverty guidelines. Customers agree to make monthly payments in exchange for a 15% discount on the service charge. Customers who miss more than two payments in a six-month period become ineligible to participate in the program for one year.

CARES Programs

In May 1985, the Commission issued a Secretarial letter encouraging each of the major electric and gas utilities to establish a Customer Assistance and Referral Evaluation Services (CARES) program. The purpose of a CARES program is to provide a cost-effective service that helps selected, payment-troubled customers maximize their ability to pay utility bills. A utility CARES representative works with program participants on a personal basis to help them secure energy assistance funds. By securing these funds, customers with special needs can maintain safe and adequate utility service. Besides directly providing assistance to needy customers, CARES representatives also perform the task of strengthening and maintaining a network of community organizations and government agencies that can provide services to the program clients.

Quantifying the advantages of CARES is often difficult; a CARES program generally helps address health and safety concerns relating to utility service by providing important benefits. In 1998, Allegheny Power, Duquesne, Penn Power and each major gas utility attempted to quantify CARES benefits by tracking "direct dollars". "Direct dollars" refers to money applied directly to a CARES customer's account from sources other than the customer, such as energy assistance grants. For 1998, the CARES participants in the programs of these utilities received a total of \$13 million in direct dollars. Appendix J shows the number of participants in each utility's CARES program.

For more information about CAPs, Dollar Share, A Helping Hand, Low-Income Rate or CARES, readers may contact Janice K. Hummel at (717) 783-9088.

Low Income Usage Reduction Program

The Pennsylvania Low Income Usage Reduction Program (LIURP) is a statewide, utility-sponsored, residential usage reduction program mandated by Pennsylvania Public Utility Commission regulations. Overall, the 15 major electric and gas companies that are required to participate in LIURP have spent \$153 million from 1988 through 1998 by providing weatherization/usage reduction treatments to 141,466 low-income households. While the initial regulations mandated the program from 1988 to 1992, revised regulations extended LIURP for an additional five years through January 1998. The regulations were revised again on January 31, 1998 and extended without a sunset provision.

The primary goals of LIURP are to assist low-income residential customers to conserve energy and reduce their energy bills. If these goals are met, LIURP should serve as an effective means to improve the LIURP recipients' ability to pay their energy bills. LIURP is targeted toward customers with annual incomes at or below 150% of the federal

poverty level. Beginning in 1998, the regulations permit companies to spend up to 20% of their annual LIURP budgets on customers with incomes between 150% and 200% of the federal poverty level. LIURP places priority on the highest energy users which offer the greatest opportunities for bill reductions. When feasible, the program targets customers with payment problems (arrearages). The program is available to both home owners and renters. LIURP services all housing types, including single family homes, mobile homes, and small and large multi-family residences.

The 1996 program year is the latest year for which post-installation annual usage data is available. Overall, the 15 major electric and gas companies spent \$14,159,905 on LIURP in 1996. These companies provided usage reduction services to 15,840 low-income households in 1996. LIURP was successful in achieving its goals by producing benefits in the areas of demand side management, bill reduction, arrearage reduction and avoided collection costs. The list of LIURP benefits includes many other benefits for both utilities and their customers. Noteworthy among the program benefits is arrearage reduction. The analysis of the accounts of payment-troubled LIURP recipients in recent years shows that their arrearages were increasing in the year prior to the customers' receipt of LIURP services. However, in the year following these treatments, arrearages declined. Overall, the total annual program arrearage reductions have been between \$1 million and \$2 million. The BCS believes that this result is directly attributable to two factors: 1) lower bills and 2) the development of a partnership between the customer and the utility as a result of the provision of LIURP services. The energy savings and bill reductions for 1996 are presented in the following table:

1996 Energy Savings and Bill Reduction

Job Type	1996 Average Energy Savings	Estimated Annual Bill Reduction
Electric Heating	12.5%	\$242
Electric Water Heating	8.6%	\$125
Electric Baseload	14.7%	\$183
Gas Heating	23.0%	\$404

Appendices K and L show the spending and production levels of each participating utility from 1996 to 1998 and include the total spending and production amounts since LIURP began in 1988.

For more information about LIURP, readers may contact David Mick of the PUC's Bureau of Consumer Services at (717) 783-3232.

Utility Hardship Fund Programs

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

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

Contributions

In the electric industry the average ratepayer/employee contribution in the 1997-98 program year was \$.35 per residential customer. In the gas industry, the average contribution was \$.33 per residential customer and for PAWC, the average contribution was \$.10 per residential customer. According to the 1997-98 survey data, total contributions from electric, gas and water ratepayers and employees decreased for the third year in a row. In 1997-98, contributions from ratepayers and employees totaled \$2,115,385 compared to \$2,173,018 in 1996-97. Meanwhile contributions from shareholders increased; electric, gas and water shareholders contributed \$3,494,389 in 1997-98 compared to \$2,995,744 in 1996-97. For the 1997-98 program year, on average, shareholders of the electric distribution companies contributed .07% of residential revenues to their utility’s hardship fund. For the gas utilities, the average was .10% of residential revenues. PAWC’s shareholders contributed .04% of residential revenues.

Shareholders contribute to utility hardship funds in three ways: grants for program administration, outright grants to the funds, and grants that match the contributions of ratepayers. Relative comparisons of shareholder contributions are based on the total

dollars of shareholder contributions in 1997-1998 divided by the company's residential revenues for 1998. The following table shows the amount of contributions from each company's shareholders and from employees and ratepayers for the 1997-1998 program year.

**1997-98 Ratepayer/Employee and
Shareholder Contributions to Hardship Funds**

Company	Ratepayer/ Employee Contributions	Average Ratepayer/ Employee Contribution per Customer	Shareholder Contributions	1997-98 Contribution/ Residential Revenues
Duquesne	\$293,581	\$.57	\$390,000	.095%
Met-Ed	87,811	.21	166,996	.044
Penelec	66,152	.13	175,582	.047
Penn Power	66,639	.52	147,000	.128
PP&L	391,011	.36	435,000	.046
PECO*	435,360	.32	930,117	.057
Allegheny Power	202,647	.35	195,271	.053
Columbia	110,215	.38	119,166	.051
Equitable	100,701	.44	240,000	.113
NFG	45,461	.23	33,333	.022
PG Energy	17,398	.13	38,179	.036
Peoples	206,394	.65	420,000	.237
T.W. Phillips	22,691	.42	38,900	.103
UGI*	18,289	.08	98,845	.067
PAWC	51,035	.10	66,000	.038
TOTAL	\$2,115,385		\$3,494,389	
Average		\$.33		

*Includes electric and gas

Benefits

The amount of benefits disbursed to eligible ratepayers increased slightly from the 1996-1997 program year to the 1997-1998 program year. However, the number of ratepayers receiving grants decreased by 7% during that time, while the size of the average grant increased by 8%. The following table presents information regarding the number of ratepayers receiving grants for each utility and the amount of the total benefits disbursed during each of the past two program years.

Utility Hardship Fund Grant Distribution

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	1996-97	1997-98	1996-97	1997-98	1996-97	1997-98
Duquesne	3,071	2,704	\$212	\$240	\$450,000	\$650,000
Met Ed	2,622	1,856	86	95	225,634	176,131
Penelec	1,850	1,856	108	95	200,592	176,131
Penn Power	827	693	200	210	165,447	145,305
PP&L	2,985	2,936	219	258	655,129	757,724
PECO*	2,862	3,908	458	414	1,310,090	1,617,084
Allegheny Power	1,156	1,163	260	258	300,000	300,000
Columbia	2,624	1,741	219	200	573,779	347,430
Equitable	1,674	1,301	239	307	400,000	400,000
NFG	391	361	183	184	71,661	66,297
PG Energy	607	552	97	96	58,808	52,851
Peoples	2,702	2,356	259	283	700,000	666,910
T.W. Phillips	224	432	268	75	60,000	32,300
UGI*	828	584	101	114	83,643	66,349
PAWC	587	699	153	157	90,000	110,000
TOTAL	25,010	23,142	\$222	\$240	\$5,544,783	\$5,564,512

*Includes electric and gas

For more information about the utility hardship funds, readers may contact Dianna Bentz of the PUC's Bureau of Consumer Services at (717) 783-3970.

Telephone Universal Service Programs

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

Link-Up

Thirty-six local telephone utilities, including the five major local telephone utilities, participated in the Link-Up program in 1998. Link-Up helps make telephone service more affordable for low-income customers who apply for new telephone service or who transfer telephone service. Link-Up provides qualified customers with a 50% discount, up to \$30, on line connection charges for one residential telephone line. The program targets those customers who have incomes at or below 150% of the federal poverty guidelines, who receive Supplemental Security Income or who participate in certain Pennsylvania Department of Welfare assistance programs. The table below presents the number of Link-Up connections reported by major local companies.

Link-Up Connections 1998

Company	Number of Connections
ALLTEL	762
Bell	5,7402
Commonwealth	276
GTE	1,388
United	1,010
Total	60,838

Lifeline Service

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

Lifeline Service Activity

Company	Total Number of Customers Who Received Lifeline Service in 1998	Total Number of Customers Enrolled As of December 31, 1998
ALLTEL	1,914	1,608
Bell	34,029	28,482
Commonwealth	419	324
GTE	2,013	1,388
United	607	518
Total	38,982	32,320

Universal Telephone Assistance Program (UTAP)

Bell 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. Bell is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a preexisting basic service arrearage) to restore their basic telephone service. The Salvation Army manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance for 1998 ranged from \$109 to \$149. Overall, UTAP distributed \$1,632,161 in financial assistance to 11,127 of Bell's Lifeline customers in 1998.

For more information about the telephone universal service programs readers may contact Lenora Best of the PUC's Bureau of Consumer Services at (717) 783-9090.

8. Other Consumer Activities of the Commission

The Pennsylvania Public Utility Commission serves consumers in a variety of ways. The informal complaint handling services of the Bureau of Consumer Services and the establishment and monitoring of universal service programs are just some of the consumer activities in which the Commission engages. The Commission also has a unit outside of the BCS that is dedicated to educating consumers about utility-related issues. The unit's goal is to help utility customers make good consumer decisions. The Commission, through its Office of Communications, is strongly committed to help customers understand their rights and make the most of competitive alternatives. As utility industries change, the PUC believes it must actively assist customers to make the connections between those changes and the effects they will have on customers' daily lives.

In addition to its consumer education program, the Commission sponsors a Consumer Advisory Council that studies and develops issues of concern to utility consumers. The Commission also supports the Pennsylvania Relay Service Advisory Board that provides guidance to the Commission regarding matters affecting telecommunications relay service in Pennsylvania. This chapter briefly discusses the Commission's consumer education program, the Consumer Advisory Council and the Pennsylvania Relay Service Advisory Board and provides highlights of their 1998 activities.

Office of Communications -- Consumer Education

In July 1997, the Commission reorganized the Office of Communications to increase consumer education activities. As a result, the PUC Press Office and the Consumer Education staff began working together to develop and disseminate information on utility issues critical to Pennsylvania's utility consumers. This shared resource continued throughout 1998.

The Commission's consumer education program has five interrelated, operational goals:

- ◆ **Consumer Information:** Disseminating consumer information about regulatory matters, current utility issues and competition.
- ◆ **Outreach and Leadership Training:** Establishing the Commission's presence and increasing its visibility as a consumer education agent.
- ◆ **Regulatory Review:** Developing and monitoring utility company performance in consumer education.

- ◆ **Feedback:** Obtaining information from the utility industry and consumers about consumer education needs and the success of existing programs.
- ◆ **Coordinated Resources:** Responding to legislative requests for assistance and sharing consumer education materials with legislative offices, community organizations and state and local agencies.

Consumer Information

The consumer education staff increased consumer information efforts during 1998 while maintaining many of its traditional brochure and pamphlet distribution efforts. Electric competition and the Electric Choice program were responsible for much of this increase in activity, although the staff also focused attention on other industries under the Commission's jurisdiction. The staff, in cooperation with the Council on Electricity Choice developed several electric brochures, "*How to Enroll*", an overview of the Electric Choice program and essential information on how to become part of the Electric Choice program; and "*How to Shop Guide*", a guide developed for consumers choosing an electric supplier. A third brochure entitled "*Answers to Commonly Asked Questions: Helpful Hints*" was also available to consumers as a supplement to the "*How to Enroll*" and "*How to Shop*" guides.

The staff also designed a worksheet that participants could use to calculate the Electric Choice program savings. The worksheet included questions consumers should ask electric generation suppliers when shopping for electric generation supply. The staff also developed a list of licensed suppliers serving the specific residential markets. This information was also made available on the Commission's Electric Choice website (<http://www.electrichoice.com>)

In addition, staff developed plain language bullet point summaries of the major electric restructuring orders and Joint Petitions for Settlement for use in conjunction with press releases. Charts depicting the stranded costs and estimated consumer "price to compare" charts for each restructuring order were developed to establish benchmark comparisons between orders and settlements.

Consumer education staff continued the distribution of the *Consumer Update Series 1-9; Saving Water Around the House; Telephone Handbook for Consumers; A Look inside the PUC; Consumer's Guide to Utility Rate Cases; Caller ID; Glossary of Electric Competition Terms* and the Commissioners' biographies in 1998. In addition to encouraging consumers to reduce their energy costs through competition, the consumer education staff has promoted the use of energy conservation to reduce energy bills through the redesign and expansion of the "*Guide to Lower Your Utility Bills: An Energy Efficiency Guide for Your Home*". This new version includes updated savings

calculations, a section on indoor air quality, an expanded section on home appliances and lighting, and information on home office equipment.

The Press Office produced 127 press releases during the year: 50 of these releases involved electric competition issues, 20 addressed telecommunications topics - including area code changes and overlays, 28 addressed natural gas and miscellaneous topics and 29 pertained to water matters. Both the Press Office and the consumer education staff provided information for posting on the Commission's Internet website (<http://puc.paonline.com>) during 1998.

Outreach and Leadership Training

Consumer education staff traveled throughout Pennsylvania to help educate community and consumer leaders and individual consumers about the Commission and the utilities it regulates. The staff notified consumers, businesses, townships, schools and others of public input hearings statewide to enable these interested parties to participate in the hearings. Staff members participated in numerous senior citizen, community, government and legislative sponsored fairs and conducted numerous outreach seminars, workshops and utility fairs.

A "first" for consumer education staff in 1998 included a "Train the Trainer" series where the Commission staff trained over 1,300 community-based organization (CBO) members about Electric Choice. The CBOs then disseminated the information in a grass roots manner to their members. The efforts of Commission staff reached 82,000 community leaders in all.

Some highlights of 1998 outreach activities are listed below:

- ◆ Harrisburg staff organized, promoted and conducted 138 workshops held in Allegheny, Blair, Clinton, Columbia, Crawford, Dauphin, Erie, Fayette, Fulton, Indiana, and Schuylkill Counties. The staff reached over 6,500 senior and low-income customers and social service agencies.
- ◆ Philadelphia staff planned, coordinated and presented 197 fairs and workshops in Philadelphia, Bucks, Montgomery, Delaware, Chester, Lehigh and Northampton counties.
- ◆ A total of sixteen (16) Utility and Supplier fairs were held. Staff also increased outreach to Church groups to include 57 speaking engagements geared for religious groups.

- ◆ The Electric Choice web site, <http://www.electrichoice.com> received over 50,000 hits. This page was developed as a plain language tool to assist consumers who are looking for electric choice information and may be discouraged by the volume of regulatory materials posted on the PUC's home page.

(Left to right) Shari Williams; Maureen Mulligan, Consumer Education Manager; Verna Edmonds - Missing from Photo: Kevin Cadden, Manager of Communications, Eric Levis, Press Secretary, Maria Hanley, Utility Analyst, and Roxy Naugle, Clerical Support)

In the Spring of 1998, the consumer education staff assisted in a legislative training seminar for 60 legislators and their staffs. The staff distributed camera-ready copies of the two brochures to the House and Senate printing offices. An estimated 285,000 copies of the brochures were distributed on a local level to legislative district offices, local libraries and other locations. Staff also distributed copies of a training handbook to all legislative staff for use as a reference source on electric competition and the Electric Choice program.

Regulatory Review

Consumer education staff completed plain language reviews on a variety of utility company notices and newspaper advertisements. As part of its review, the staff makes recommendations to utilities and suppliers regarding the language, content and layout of the materials so they are accurate and readily understood by residential customers. The staff uses the Commission's plain language guidelines as a basis for its recommendations. Notices concerning utility rate changes, bill messages, billing changes, plain language summaries of the reasons for requested rate increases, new billing charges, and announcements of public hearings are examples of company materials the staff reviews. In 1998, staff reviewed a number of utility bills and customer notices, as well as numerous electric generation supplier items and publications targeted to consumers that related to the Electric Choice program.

During 1998, the consumer education staff continued its ongoing participation in numerous Commission rulemakings and orders such as restructuring implementation, licensing, customer information, consumer education, metering and universal service. Staff prepared consumer education guidelines for each electric company's restructuring order to ensure that the EDC's implement these important procedures.

Budgets for the statewide and local consumer education campaigns were approved by the Commission. Electric distribution companies submitted local education plans for review and approval by the Council on Electricity Choice. The Council serves as the oversight body for the Electric Choice campaign and is represented by the following organizations: the Commission's consumer education staff, the Commission's Consumer Advisory Council, the Pennsylvania Electric Association, the Pennsylvania Office of Consumer Advocate, the Governor's Advisory Commission on African American Affairs, the Pennsylvania Rural Development Council, the Governor's Advisory Commission on Latino Affairs, and the Community Action Association of PA.

Feedback

Consumer education staff evaluated the utility fairs that were held in cities across the state. Fair-planning committee members and attendees completed evaluations which the consumer education staff used to develop recommendations for future fairs and events.

The staff solicited informal feedback from consumer leaders and the PUC's Consumer Advisory Council (CAC) on the Commission's education efforts. In addition, staff regularly briefs the CAC at their monthly meetings. The staff used the feedback to develop appropriate education methods for various consumer groups and geographic areas throughout Pennsylvania. In addition, the Council for Electricity Choice solicited

formal feedback through focus groups in conjunction with the Council's educational consultant. Survey results assisted in determining how to transition from the Electric Pilot program into the first phase of Electric Choice. These quarterly survey results measure the progress and provide the education campaign with feedback in order to make any mid-course corrections as necessary, or to reinforce a positive aspect of the consumer education process.

Coordinated Resources

Through the efforts of the Consumer Advisory Council (CAC), the consumer education staff developed a network of resources through other state agencies and community-based organizations to help in disseminating the consumer education messages of the Commission.

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

In 1998, the consumer education staff actively participated on the Phase In Committee that the Commission established to oversee broad policy issues relating to the Electric Choice program. The staff continues to serve on this committee in 1999.

The consumer education staff participated in media appearances, including radio, television, and cable programs and discussions to provide information about Electric Choice and other utility issues that affect consumers statewide.

Toll Free Number

The toll free telephone number for reaching the PUC's consumer education office is 1-800-PUC-8685. For more information about the Commission's consumer education activities, readers may contact Maria A. Hanley of the PUC's Office of Communications by telephone at (717)787-3559 or by e-mail at hanley@puc.state.pa.us.

The PUC Consumer Advisory Council

The purpose of the Consumer Advisory Council (CAC) is to represent the public in advising the Commissioners on matters relating to the protection of consumer interests which are under the jurisdiction of the Commission, or which, in the opinion of the Council, should be brought under the jurisdiction of the Commission. The Council acts as a source of information and advice for the Commissioners. Interactions between the Council and the Commissioners occur through periodic meetings with the Commissioners

and in writing via minutes of meetings and formal motions. Council meetings are generally held on the fourth Tuesday of the month in PUC Executive Chambers in Harrisburg starting at 10:00 a.m. and are open to the public.

Agenda Items

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

Qualifications and Appointment of Council Members

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

Front row (left to right): William Farally, Cindy Datig (Vice-Chair), Katherine Newell (Chair), William Jones, Dr. Daniel Paul, Andrew McElwaine; Back row (left to right): Joseph Dudick, Jr., Julio Tio, Harry Geller, Carl Kahl, Brooks Montcastle; Missing from photo: J.D. Dunbar, Christina Jirak O'Donnell, and James Schneider.

The current, two-year Council term started in July 1997. Katherine Newell served as Chair and Cindy Datig served as Vice Chair. The CAC met eleven times in 1998.

Summary of Activities

In 1998, the Council focused on the variety of issues arising from the restructuring of the electric, gas, and telecommunication industries. Issues the Council addressed included the following:

- The Council closely monitored the development and implementation of the consumer education program for Electric Choice. The Council was particularly interested in insuring that these efforts targeted hard-to-reach consumer groups such as the rural, minority, and aged communities. Representatives of the public relation agencies responsible for implementing the Electric Choice consumer education campaign regularly briefed the Council, and the Council provided recommendations as to the direction and content of the program. In addition, the Chair of the Council participated as an active member of the Consumer Education Board; the entity

responsible for coordinating all consumer education campaign activities.

- The Council followed the developments of the electric competition pilot program closely, was briefed on the issues and problems that came to the Commission's attention as a result of the pilot, and received regular reports of consumer calls to the Electric Choice consumer hotline. The Council used the lessons learned in the pilot program to develop recommendations to the Commission on important electric restructuring matters.
- The Commission devoted much time in 1998 to preparing the rules and regulations for a restructured electric industry. The Council actively participated in these matters to insure that consumer interests were addressed and protected by the Commission. Issues that the Council examined included universal service programs, advanced meter systems, enrollment procedures, and customer rights.
- The Council followed the development of the emerging competitive natural gas market. Gas company managers met with the Council to share their experiences with the gas choice pilot programs that are operating in some areas of the Commonwealth. The Council also submitted written comments in response to the Commission's November 23 Tentative Order "Obligations of Gas Suppliers to Comply with Chapter 56 provisions" (M-00981208). The Council emphasized the importance of maintaining Chapter 56 consumer protections for all residential customers participating in gas choice programs.
- The rapidly changing telecommunications industry attracted much Council attention. The Council expressed its support for Commission attempts to curtail slamming (unauthorized change of a service carrier) and cramming (unauthorized charges on a phone bill), and encouraged aggressive action to address these problems.
- The Council urged the Commission to continue its efforts to slow the proliferation of new area codes and to make the implementation of new codes as consumer-friendly as possible. The Council asked that the Commission maintain its efforts to get the federal government to also address remedies for this problem.
- During 1998, the Council also addressed utility readiness for Y2K compliance, landlord/tenant utility regulations, LIHEAP, and the future of distributed electric generation.

Readers may contact Dan Mumford of the Bureau of Consumer Services at (717) 783-1957 for more information about the PUC's Consumer Advisory Council. Information on the Council and its activities, including "Minutes" from recent meetings,

is also available on the PUC's website at <http://puc.paonline.com> under "Consumer Information and Education." A listing of the names and addresses of Council members appears in Appendix N.

Pennsylvania Relay Service Advisory Board

The Commission established the Pennsylvania Relay Service Advisory Board (PRSAB) on May 24, 1990, with its order to establish a statewide Telecommunications Relay Service (TRS)¹. The purpose of the PRSAB is to review the success of TRS and identify improvements that should be implemented. The PRSAB functions primarily as a TRS consumer group by providing feedback and guidance to the TRS provider regarding communication assistant training, problem solving and service enhancements.

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

¹ TRS is a telecommunications service that allows people with hearing and/or speech disabilities to communicate with others by phone. TRS centers are staffed with communications assistants who relay conversation verbatim between people who use text telephone (TTY) or telebraille and people who use standard phones. Pennsylvania's TRS center is located in Wayne, Pennsylvania and is operated by AT&T of Pennsylvania. The total volume of calls through the Pennsylvania TRS increased 3% from 1997 to 1998. AT&T reported that it handled 1,661,893 relay calls in 1998.

1999-2000 Board -- Seated (left to right): Russell Fleming, Secretary; Lawrence Brick, Chairman; Tacko, service dog; Donald Lurwick, Vice Chairman; Standing (left to right): Lenora Best; Gary Bootay; Debra Scott; Lois Steele; Gail Wickwire; Douglas Hardy; Not pictured: Marcia Finisdore; Colleen Conway-Danielson; Steve Samara

The ten members of the Board are appointed by the Commission and serve two-year terms. The Commission requires that the Board consist of one representative from the Pennsylvania Telephone Association, the Office for the Deaf and Hard of Hearing, (ODHH) and the TRS provider (AT&T of Pennsylvania); two representatives from the Commission and five representatives from the speech and hearing-impaired community. During 1998, board members from the speech and hearing-impaired community included representatives from the following organizations: Pennsylvania Society for Advancement of the Deaf, Self Help for the Hard of Hearing, and Central Pennsylvania Association for the Deaf & Blind. See Appendix O for the Board membership listing.

As a user group, the Board meeting agenda items are primarily related to quality of service issues for improving relay service. However, since the establishment of the PRSAB, the Board has advised the Commission on many critical policy issues that affect TRS users. The following highlights some of the issues addressed by the Board in 1998.

1998 Highlights

- On December 3, 1998, the PSRAB voted to amend its by-laws to increase the number of board members representing the deaf, hard of hearing, and speech disabled communities from five to seven. During the Commission's December 17, 1998, Public Meeting, it approved the amendment and appointed two additional representatives to serve on the 1999-2000 PRSAB. Beginning with the 1999-2000 term, the PRSAB will have twelve members.
- Many of the Board's discussions in 1998 focused on ways to improve the quality of service relay users get from TRS. Several board members expressed the concern that relay users were confused about how to file a complaint. To address this concern, the Board requested that AT&T provide the Board with a copy of the TRS complaint procedures for dissemination to their organizations. BCS reviewed the TRS complaint procedures to ensure that AT&T's procedures complied with the Commission's regulations. In order to more closely monitor customer interactions with TRS, the Board requested that AT&T also provide the Board with its quarterly Customer Contact reports, which include complaints made to AT&T as well as inquiries and commendations.
- One of the major concerns of the Board in 1998 was consumer education and outreach for TRS. The Board's discussion about outreach centered on increasing general community awareness about TRS and its benefits. The Board also discussed ideas for increasing awareness among businesses, utilities, and medical professionals as well as the general public. After much discussion, the Board concluded that a media campaign consisting of Public Service Announcements on radio and television could increase the public's awareness of TRS. The Board urged AT&T to include these ideas in its future outreach plans and to expand its marketing of relay services.
- During 1998 the Board examined the pros and cons of adding "Turbo Code" as a feature of TRS in Pennsylvania. According to AT&T, "Turbo Code is an enhanced form of Baudot, the communications method used by TTYs that allows TTY conversation to occur at a more natural pace." This would mean that relay calls could be processed faster so there would be a decrease in calling time. The Board viewed a video supplied by Ultratec (the company that created Turbo Code) to get a better understanding of how Turbo Code could enhance relay service. In June 1998, the majority of Board believed that there wasn't enough statistical data to show that calls could be processed faster with Turbo Code. The Board continued to discuss the pros and cons of Turbo Code throughout the year. By December 1998, the Board passed a motion to make Turbo Code available at the TRS as soon possible along with a motion

that AT&T provide the Board with a analysis as to the cost of providing Turbo Code in Pennsylvania.

- In 1997, the Federal Communication Commission (FCC) issued its First Report and Order and Further Notice of Proposed Rulemaking (Docket No. 92-105) which included the implementation of “711” as a national number for access to telecommunications relay services. The Board began to discuss the potential benefits of 711 for Pennsylvania TRS users in 1997 and continued to discuss this matter in 1998. The Board was very interested in the development and implementation of 711 as a way for TRS users to access relay services by simply dialing three digits. Bell Atlantic-Pennsylvania (Bell) and AT&T requested an opportunity to get feedback from the Board on various approaches for implementing 711 in Pennsylvania. Both companies made presentations to the Board on the feasibility and technical challenges of developing and implementing 711 statewide. After the companies’ presentations, the Board passed a motion to support cooperative efforts between telephone providers to pursue implementing 711 access for relay services statewide.
- The Board is very interested in the progress of the Telecommunications Device Distribution Program (TDDP). This program provides qualified people who are deaf, hard of hearing, deaf-blind or speech disabled with communications equipment such as a TTY, amplifier, telebraille, and other devices to help them use telephone services. As of December 1998, 481 pieces of equipment had been distributed.
- Other issues that were discussed by the Board include the FCC’s Notice of Proposed Rulemaking RE: Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities (CC Docket No. 98-67).

For more information about the Pennsylvania Relay Service Advisory Board contact Louise Fink Smith, PUC Liaison and Legal Advisor at (717) 787-8866. To learn more about TRS, contact Colleen Danielson, AT&T Outreach Manager, by using the TRS at 1-800-654-5988, then (914) 397-3473-TTY.

9. Quality of Service Benchmarking

Historically, the annual report prepared by the BCS for electric, gas, water and telephone utilities has presented information based in large part on customer contacts to the PUC's Bureau of Consumer Services. This has been and still is the case for consumer complaint, payment arrangement and compliance information. As such, the discussion may or may not represent broad statistical trends. The Commission recognizes that this approach has certain shortcomings. For example, most customer contacts to utilities do not result in contacts to the PUC and thus, the BCS and the Commission have had no opportunity to evaluate the quality of the majority of customer contacts with their utilities. The measures that the Bureau of Consumer Services has traditionally used focus on only a portion of the customer service performance of utilities.

In order to capture a more accurate and complete picture of the quality of customer service experienced by customers of utility companies, this report will evolve over the next several years to include additional measures. The development of the report will coincide with the Commission's efforts to develop quality of service measurement and reporting on the part of utilities and other energy providers as appropriate.

The Commission took steps in this direction beginning in 1997. The Electricity Generation Customer Choice and Competition Act is clear in its intent that the electric distribution companies are to maintain, at a minimum, the levels of customer service to customers that were in effect prior to electric competition. In order to fulfill this legislative mandate, the Commission adopted a final rulemaking in April 1998 to establish uniform measurements and reporting requirements regarding various aspects of EDC customer service performance. The regulations were published in the *Pennsylvania Bulletin* on July 11, 1998 and became effective on that date. In compliance with the regulation, the EDCs will begin reporting quality of service data to the Commission in August 1999. The measures to be reported include telephone access to the EDC, billing performance, meter reading performance, response to customer disputes, customer survey results, and informal complaints to the Bureau of Consumer Services. The regulation requires that the Commission annually produce a summary of the EDC-supplied data and make it available to the public.

In addition to these regulations, in March 1998, the Commission issued a Secretarial letter to all EDCs. In this letter, the Commission requested that EDCs report data on various quality of service measures until the proposed regulations take effect. In response, the EDCs have reported some customer service

performance data to the Commission for 1997 and 1998. However, the EDCs have had to take steps to revise their data collection systems in order to obtain the requested information. Therefore, the data that the companies have submitted thus far is neither complete nor uniformly collected. The BCS has been working with the EDCs to improve the quality of the data that they will be collecting and reporting in accordance with the regulations.

Future Plans

The Commission will analyze the quality of service data submissions of the EDCs in response to the Tentative Order, the Secretarial Letter and the Reporting Requirements. After the Commission has received a year or two of reporting from the EDCs on uniform measurements, the Commission will consider setting standards for performance. These standards could be company specific or present a band of acceptance for an industry standard. The setting of standards will be the subject of a future proceeding.

In addition, in compliance with the reporting requirements for quality of service benchmarks and standards, the Commission will use the quality of service statistics submitted by the EDCs to produce a summary report. The Bureau of Consumer Services may include this information in its annual report.

Finally, the BCS anticipates proposing similar quality of service reporting requirements for the gas industry. The Natural Gas Choice and Competition Act which Governor Tom Ridge signed into law on June 22, 1999 requires that customer service “for retail gas customers shall, at a minimum, be maintained at the same level of quality under retail competition as in existence on the effective date of this chapter.” In order to monitor that this requirement is being met, the Commission will need to require the gas distribution companies to regularly collect and report quality of service statistics.

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendices

Appendix A-1

Classification of Consumer Complaints Electric, Gas & Water

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix A-2

Classification of Consumer Complaints Telephone

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

Audiotex: Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services.

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

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

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

Disputes Related to Suspension/Termination: Complaints about suspension or termination procedures when there is no need for a payment arrangement.

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

Rates: General or specific complaints about a utility's rates; general or specific rates are too high; or the customer is being billed on the incorrect rate.

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

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

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

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

Other: Complaints about matters such as Extended Area of Service and the expansion of local calling areas, excessive rates from operator services that provide phone service to hospitals, hotels, and excessive coin phone rates.

Appendix B - Table 1

Consumer Complaint Categories*: 1998 Major Electric Distribution Companies

Categories**	Allegheny Power	Duquesne	GPU	PECO	Penn Power	PP&L	UGI-Elec.	Electric Majors
Billing Disputes	86	61	92	260	5	129	11	644
Discontinuance/Transfer	20	16	35	93	4	32	1	201
Metering	25	14	28	75	1	45	1	189
Service Interruptions	16	32	40	41	3	23	2	157
Personnel Problems	10	14	6	80	2	8	2	122
Service Quality	13	16	15	36	2	24	1	107
Service Extensions	7	5	27	36	2	12	1	90
Damages	17	18	21	20	3	9	0	88
All Other Problems	4	9	21	33	1	16	0	84
Other payment Issues	4	4	16	21	0	14	0	59
Scheduling Delays	2	2	7	16	0	7	0	34
Rates	1	1	4	7	1	5	0	19
Credit & Deposits	3	3	4	5	1	2	0	18
TOTAL	208	195	316	723	25	326	19	1,812

* Categories are for residential complaints evaluated by BCS as of May 21, 1999. The case outcome may have been justified, inconclusive or unjustified

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

Appendix B - Table 2

Consumer Complaint Categories*: 1998 Major Gas Utilities

Categories**	Columbia	Equitable	NFG	PG Energy	Peoples	UGI-Gas	Gas Majors
Billing disputes	46	76	17	17	45	63	264
Metering	29	16	15	5	35	24	124
Discontinuance/Transfer	14	21	19	2	17	23	96
Personnel Problems	8	13	6	1	9	6	43
Other Payment Issues	7	5	11	1	2	3	29
Damages	6	2	5	3	7	4	27
All Other Problems	2	4	6	5	3	5	25
Service quality	7	5	5	0	4	2	23
Service Extensions	4	2	1	4	6	4	21
Credit & Deposits	1	5	1	3	1	3	14
Scheduling Delays	3	3	0	0	6	1	13
Rates	1	1	0	1	4	0	7
Service Interruptions	0	0	1	0	0	0	1
TOTAL	128	153	87	42	139	138	687

* Categories are for residential complaints evaluated by BCS as of May 21, 1999. The case outcome may have been justified, inconclusive or unjustified.

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

Appendix B - Table 3

Consumer Complaint Categories*: 1998 Major Water Utilities

Categories**	PA-American	Philadelphia Suburban	Other "Class A" Water	All "Class A" Water
All Other Problems	9	3	2	14
Billing Disputes	68	34	13	115
Credit & Deposits	0	1	3	4
Damages	15	3	2	20
Discontinuance/ Transfer	7	7	6	20
Metering	12	6	8	26
Personnel Problems	7	3	3	13
Rates	6	2	0	8
Scheduling Delays	3	0	1	4
Service Extensions	23	2	3	28
Service Interruptions	2	0	3	5
Service Quality	32	7	25	64
TOTAL	184	68	69	321

* Categories are for residential complaints evaluated by BCS as of May 21, 1999. The case outcome may have been justified, inconclusive or unjustified.

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

Appendix B-Table 4
Consumer Complaint Categories*: 1998
Major Telephone Utilities

Categories**	ALLTEL	Bell	Commonwealth	GTE	United	Telephone Majors
Annoyance Calls	2	27	1	10	2	42
Audiotex	0	10	0	0	1	11
Billing Disputes	21	79	24	31	30	185
Credit & Deposits	20	13	1	5	4	43
Discontinuance/Transfer	2	14	0	2	10	28
Disputes Related to Sus/Terms	0	3	1	0	0	4
Non-Recurring charges	9	33	2	5	5	54
Other	0	2	0	1	0	3
Rates	0	19	3	0	1	23
Sales Nonbasic Services	2	28	1	8	9	48
Service Delivery	20	126	13	49	25	233
Toll Services	4	84	15	18	17	138
Unsatisfactory Service	20	60	8	73	23	184
TOTAL	100	498	69	202	127	996

* Categories are for all complaints evaluated by BCS as of May 21, 1999. The case outcome may have been justified, inconclusive or unjustified.

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

Appendix C - Table 1

1997-1998 Residential Consumer Complaint Statistics Major Electric Distribution Companies

		Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints Numbers ² and Rates ³			
Company Name	1998 Residential Customers	1997	1998	% Change in #	1997	1998	1997		1998	
Allegheny Power	581,119	252	246	-2%	0.44	0.42	93	0.16	51	0.09
Duquesne	515,280	236	256	8%	0.48	0.50	31	0.06	26	0.05
GPU	916,931	344	368	7%	0.39	0.40	157	0.17	114	0.12
PECO	1,349,517	695	898	29%	0.53	0.67	244	0.18	273	0.20
Penn Power	129,137	39	30	-23%	0.34	0.23	7	0.05	1	0.01
PP&L	1,096,944	326	415	27%	0.30	0.38	56	0.05	55	0.05
UGI-Electric	53,822	16	23	44%	0.32	0.43	8	0.15	2	0.04
Major Electric	4,642,750	1,908	2,236	17%			596		520	
Average of Rates					0.42⁴	0.43⁴		0.11⁴		0.09⁴

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

²Estimated based on the number of cases on CSIS as of May 21, 1999

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

⁴Does not include UGI-Electric

Appendix C - Table 2

1997-1998 Residential Consumer Complaint Statistics Major Gas Utilities

		Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints Numbers ² and Rates ³			
Company Name	1998 Residential Customers	1997	1998	% Change in #	1997	1998	1997		1998	
Columbia	336,689	181	153	-15%	0.55	0.45	52	0.16	25	0.07
Equitable	228,865	246	194	-21%	1.08	0.85	51	0.22	28	0.12
NFG	195,134	89	106	19%	0.46	0.54	26	0.13	13	0.07
Peoples	318,352	242	170	-30%	0.76	0.53	109	0.34	50	0.16
PG Energy	134,112	58	53	-9%	0.44	0.40	23	0.17	18	0.13
UGI-Gas	231,171	152	169	11%	0.67	0.73	45	0.20	32	0.14
Major Gas	1,444,323	968	845	-13%			306		166	
Average of Rates					0.66	0.58		0.21		0.12

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

²Estimated based on the number of cases on CSIS as of May 21, 1999

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

Appendix C - Table 3

1997-1998 Residential Consumer Complaint Statistics Major Water Utilities

		Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints Numbers ² and Rates ³			
Company Name	1998 Residential Customers	1997	1998	% Change in #	1997	1998	1997		1998	
PA-American	496,553	263	225	-14%	0.53	0.45	81	0.16	49	0.10
Phila. Suburban	273,493	75	82	9%	0.28	0.30	23	0.09	33	0.12
Other Class A	176,089	156	105	-33%	0.93	0.60	101	0.60	47	0.27
Major Water	946,135	494	412	-17%			205		129	
Average of Rates					0.58	0.45		0.28		0.16

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

²Estimated based on the number of cases on CSIS as of May 21, 1999

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

Appendix C-Table 4

1997-1998 Residential Consumer Complaints/Consumer Complaint Rate Major Telephone Utilities

		Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints Numbers ² and Rates ³			
Company Name	1998 Residential Customers	1997	1998	% Change in #	1997	1998	1997		1998	
ALLTEL	176,147	81	114	41%	.47	.65	48	.28	51	.29
Bell	3,822,824	1178	2,593	120%	.31	.68	642	.17	1,078	.28*
Commonwealth	209,143	31	72	132%	.16	.34	16	.08	28	.13
GTE	478,962	159	224	41%	.34	.47	100	.21	163	.34
United	279,740	93	134	44%	.34	.48	34	.12	66	.24
Major Telephone	4,966,816	1,542	3,137				840		1,386	
Average of Rates					.32	.52		.17		.26

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

²Estimated based on the number of cases on CSIS as of May 21, 1999

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

*Based on a probability sample of cases

Appendix D

1997-1998 Response time: BCS Consumer Complaints

Company	Average Time in Days		Change in Days 1997 to 1998
	1997	1998	
Allegheny Power	24.0	23.3	-0.7
Duquesne	19.3	20.6	1.3
GPU	30.8	15.5	-15.3
PECO	24.2	27.3	3.1
Penn Power	6.4	6.8	0.4
PP&L	12.3	12.6	0.3
UGI-Electric	17.2	17.8	0.6
Major Electric¹	19.5²	17.7²	-1.8
Columbia	25.1	11.6	-13.5
Equitable	18.4	14.2	-4.2
NFG	6.5	6.5	No Change
Peoples	14.4	12.0	-2.4
PG Energy	5.5	5.2	-0.3
UGI-Gas	10.2	14.4	4.2
Major Gas¹	13.4	10.7	-2.7
PA-American	5.0	5.1	0.1
Phila. Suburban	5.0	5.1	0.1
Other Class A	13.5	29.2	15.7
Major Water¹	7.9	13.1	5.2
ALLTEL	3.9	4.9	1.0
Bell	19.0	26.5*	7.5
Commonwealth	4.3	4.6	0.3
GTE	26.5	26.4	-0.1
United	9.6	9.4	-0.2
Major Telephone¹	12.7	14.4	1.7

*Based on a probability sample of cases

¹Average of response times

²Does not include UGI-Electric

Appendix E - Table 1

1997-1998 Residential Payment Arrangement Request Statistics Major Electric Distribution Companies

Company Name	1998 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests Numbers ² and Rates ³			
		1997	1998	% Change in #	1997	1998	1997		1998	
Allegheny Power	581,119	2,445	3,234	32%	4.23	5.57	365	0.63*	329	0.57*
Duquesne	515,280	7,471	6,960	-7%	14.48	13.51	709	1.37*	239	0.46*
GPU	916,931	5,037	3,698	-27%	5.54	4.03	872	0.96*	568	0.62*
PECO	1,349,517	4,023	5,152	28%	3.00	3.82	742	0.55*	397	0.29*
Penn Power	129,137	970	748	-23%	7.59	5.79	286	2.24*	153	1.18*
PP&L	1,096,944	4,977	9,981	101%	4.57	9.10	415	0.38*	1,261	1.15*
UGI-Electric	53,822	160	160	No Change	2.99	2.97	54	1.01	60	1.11
Major Electric	4,642,750	25,083	29,933	19%			3,443		3,007	
Average of Rates						6.57⁴	6.97⁴		1.02⁴	0.71⁴

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

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of May 21, 1999

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

⁴Does not include UGI-Electric

* Based on a probability sample of cases

Appendix E - Table 2

1997-1998 Residential Payment Arrangement Request Statistics Major Gas Utilities

		Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests Numbers ² and Rates ³			
Company Name	1998 Residential Customers	1997	1998	% Change in #	1997	1998	1997		1998	
Columbia	336,689	1,492	1,886	26%	4.55	5.60	360	1.10*	189	0.56
Equitable	228,865	3,997	3,979	No Change	17.48	17.39	434	1.90*	532	2.32
NFG	195,134	1,100	1,136	3%	5.65	5.82	352	1.81*	488	2.50
Peoples	318,352	2,940	2,715	-8%	9.29	8.53	178	0.56*	81	0.25
PG Energy	134,112	275	370	35%	2.09	2.76	28	0.21*	32	0.24
UGI-Gas	231,171	1,841	2,145	17%	8.13	9.28	701	3.09*	857	3.71
Major Gas	1,444,323	11,645	12,231	5%			2,053		2,179	
Average of Rates					7.86	8.23		1.45		1.60

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

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of May 21, 1999

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

*Based on a probability sample of cases

Appendix E - Table 3

1997-1998 Residential Payment Arrangement Request Statistics Major Water Utilities

Company Name	1998 Residential Customers	Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates ¹		Justified Payment Arrangement Requests Numbers ² and Rates ³			
		1997	1998	% Change in #	1997	1998	1997		1998	
PA-American	496,553	1,101	816	-26%	2.24	1.64	76	0.15*	79	0.16*
Phila. Suburban	273,493	129	222	72%	0.48	0.81	62	0.23	104	0.38
Other "Class A" Water	176,089	222	261	18%	1.33	1.48	64	0.38	N/A ⁴	N/A ⁴
Major Water	946,135	1,452	1,299	-11%			202		183⁵	
Average of Rates					1.35	1.31		0.26		0.27⁵

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

²Estimated based on a probability sample of cases and/or the number of cases on CSIS as of May 21, 1999

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

⁴Due to an oversight as explained in Chapter 5, justified number and rate are not available for the other Class A water companies in 1998.

⁵Number and Rate for PA-American and Philadelphia Suburban only

*Based on a probability sample of cases

Appendix E - Table 4
1997-1998 Residential Payment Arrangement Request Statistics
Telephone Utilities

		Residential Payment Arrangement Requests (PARs) to BCS			Payment Arrangement Request Rates¹		Justified Payment Arrangement Requests Numbers² and Rates³			
Company Name	1998 Residential Customers	1997	1998	% Change in #	1997	1998	1997		1998	
ALLTEL	176,147	96	150	56%	.55	.85	25	.14	49	.28
Bell	3,822,824	4,734	5,394	14%	1.25	1.41	1,340*	.35*	1,240*	.32*
Commonwealth	209,143	20	37	85%	.10	.18	8	.04	21	.10
GTE	478,962	82	175	113%	.18	.37	46	.10	98	.20
United	279,740	55	82	49%	.20	.29	9	.03	14	.05
Major Telephone	4,966,816	4,987	5,838				1,428		1,373	
Average of Rates					.46	.62		.13		.19

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

²Estimated based on the number of cases on CSIS as of May 21, 1999

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

*Based on a probability sample of cases

Appendix F

1997-1998 Response Time: BCS Payment Arrangement Requests

Company	Average Time in Days		Change in Days 1997 to 1998
	1997	1998	
Allegheny Power	14.1*	21.7*	7.6
Duquesne	8.0*	7.7*	-0.3
GPU	21.8*	4.1*	-17.7
PECO	20.8*	20.3*	-0.5
Penn Power	0.8*	0.3*	-0.5
PP&L	6.8*	17.6*	10.8
UGI-Electric	5.4	9.7	4.3
Major Electric¹	12.1²	12.0²	-0.1
Columbia	8.7*	1.7*	-7.0
Equitable	11.1*	5.5*	-5.6
NFG	5.3*	3.9*	-1.4
Peoples	3.1*	2.3*	-0.8
PG Energy	3.0	1.7	-1.3
UGI-Gas	4.6*	5.1*	-.5
Major Gas¹	6.0	3.4	2.6
PA-American	2.0*	3.3*	1.3
Philadelphia Suburban	3.8	2.3	-1.5
Other Class A	15.3	N/A ³	N/A
Major Water¹	2.9⁴	2.8⁴	-0.1
ALLTEL	3.4	2.2	-1.2
Bell	9.0*	11.3*	2.3
Commonwealth	7.3	5.4	-1.9
GTE	18.7	17.4	-1.3
United	8.8	11.1	2.3
Major Telephone¹	9.4	9.5	0.1

*Based on a probability sample of cases

¹Average of Response Times

²Does not include UGI-Electric

³Due to an oversight, average response time is not available for the Other Class A water companies in 1998.

⁴Average of PA-American and Philadelphia Suburban

Appendix G - Table 1

1996-1998 Infraction Statistics Major Electric Distribution Companies

Company	1998 Residential Customers	Infractions				Infraction Rates ¹		
		1996	1997	1998	% Change in 1997-1998	1996	1997	1998
Allegheny Power	581,119	65	84	50	-40%	0.11	0.15	0.09
Duquesne	515,280	72	46	9	-80%	0.14	0.09	0.02
GPU	916,931	-----	237	111	-53%	-----	0.26	0.12
Met-Ed (see GPU in 1998)	N/A	69	-----	-----	-----	0.17	-----	-----
PECO	1,349,517	573	233	297	27%	0.43	0.17	0.22
Penelec (see GPU in 1998)	N/A	82	-----	-----	-----	0.17	-----	-----
Penn Power	129,137	8	9	0	-100%	0.06	0.07	0.00
PP&L	1,096,944	98	34	26	-24%	0.09	0.03	0.02
UGI-Electric	53,822	20	13	9	-31%	0.37	0.24	0.17
Major Electric	4,642,750	987	656	502	-23%			

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

Appendix G - Table 2

1996-1998 Infraction Statistics Major Gas Utilities

Company	1998 Residential Customers	Infractions				Infraction Rates ¹		
		1996	1997	1998	% Change in 1997-1998	1996	1997	1998
Columbia	336,689	51	51	22	-57%	0.15	0.16	0.07
Equitable	228,865	72	36	14	-61%	0.31	0.16	0.06
NFG	195,134	36	19	9	-53%	0.18	0.10	0.05
Peoples	318,352	110	117	34	-71%	0.35	0.37	0.11
PG Energy	134,112	19	17	18	6%	0.15	0.13	0.13
UGI-Gas	231,171	144	37	23	-38%	0.65	0.16	0.10
Major Gas	1,444,323	432	277	120	-57%			

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

Appendix G - Table 3

1996-1998 Infraction Statistics Major Water Utilities

Company	1998 Residential Customers	Infractions				Infraction Rates ¹		
		1996	1997	1998	% Change in 1997-1998	1996	1997	1998
PA-American	496,553	67	45	24	-47%	0.14	0.09	0.05
Phila. Suburban	273,493	44	26	34	31%	0.17	0.10	0.12
Other "Class A"	176,089	56	46	58	26%	0.34	0.28	0.33
Major Water	946,135	167	117	116	-1%			

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

Appendix G - Table 4
1996-1998 Infraction Statistics
Major Telephone Utilities

Company Name	1998 Residential Customers	Infractions				Infraction Rates ¹		
		1996	1997	1998	% Change in 1997-1998 #	1996	1997	1998
ALLTEL	176,147	29	69	95	38%	0.17	0.40	.54
Bell	3,822,824	1,249	1,158	845	-27%	0.33	0.30	.22
Commonwealth	209,143	54	47	26	-45%	0.31	0.24	.12
GTE	478,962	321	361	322	-10%	0.70	0.77	.67
United	279,740	63	82	121	48%	0.23	0.30	.43
Major Telephone	4,966,816	1,716	1,717	1,409	-18%	0.36	0.35	.28

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

Appendix H - Table 1

1999-2002 Universal Service Funding Levels¹

Company Name	1999		2000		2001		2002	
	LIURP	CAP	LIURP	CAP	LIURP	CAP	LIURP	CAP
Allegheny Power	\$1,016,000	\$1,750,000	\$1,450,000	\$3,130,000	\$1,900,000	\$4,510,000	\$2,202,000	\$5,880,000
Duquesne	\$1,000,000	\$1,000,000	\$1,250,000	\$2,245,000	\$1,500,000	\$3,850,000	\$1,750,000	\$5,275,000
Met-Ed	\$1,231,000	\$1,481,000	\$1,400,000	\$2,500,000	\$1,600,000	\$3,500,000	\$1,826,000	\$4,564,000
PECO	\$5,600,000	\$44,400,000	\$5,600,000	\$44,400,000	\$5,600,000	\$44,400,000	\$5,600,000	\$44,400,000
Penelec	\$972,000	\$2,420,000	\$1,320,000	\$3,300,000	\$1,640,000	\$4,100,000	\$1,962,000	\$4,900,000
Penn Power ²	\$180,000	\$500,000					\$645,250	\$1,613,125
PP&L	\$4,700,000	\$5,875,000	\$4,700,000	\$8,000,000	\$4,700,000	\$10,000,000	\$4,700,000	\$11,700,000
UGI - Electric	\$131,791	\$150,000	\$131,791	\$150,000	\$131,791	\$150,000	\$131,791	\$150,000
Total	\$14,830,791	\$57,576,000	\$15,851,791	\$63,725,000	\$17,071,791	\$70,510,000	\$18,817,041	\$78,482,125

¹Final EDC restructuring orders and Commission-approved settlement agreements have established these projected funding levels.

²The Commission specified beginning and ending funding levels.

Appendix H - Table 2

1999-2002 Estimated CAP Enrollment¹

Company Name	1999	2000	2001	2002
Allegheny Power	5,000	8,943	12,886	16,800
Duquesne	4,000	6,378	10,938	15,000
Met-Ed	2,275	3,840	5,376	7,000
PECO	80,000	80,000	80,000	80,000
Penelec	3,457-5,831	4,714-7,952	5,857-9,880	7,000-11,800
Penn Power				3,400-4,500
PP&L	9,296	12,658	15,823	18,500
UGI-Electric	100	100	100	100
Total	104,128-106,502	116,633-119,871	130,980-135,003	147,800-153,700

¹The projected enrollment figures are estimates based on final EDC restructuring orders and Commission-approved settlement agreements.

Appendix I

1998 CAP Participant Payment Rate			
Utility	1996	1997	1998
Allegheny	89%	90%	91%
Duquesne	89%	85%	73%
Met-Ed	82%	78%	78%
PECO-CAP	77%	87%	89%
CAP Rate	70%	68%	81%
Penelec	81%	85%	83%
Penn Power	No Program		
PP&L	N/A	N/A	N/A
UGI-Electric	No Program		
Columbia	N/A	N/A	81%
Equitable	87%	84%	85%
NFG	80%	77%	69%
PG Energy	69%	66%	68%
Peoples	85%	91%	93%
UGI-Gas	Program began 7/97		97%
Quarterly Ave	81%	81%	82%

N/A - Not available -- Company is unable to report this information.

*The BCS defines participant payment rate as the total number of bills issued in a quarter divided by the total number of full, on-time payments in a quarter.

Appendix J

CARES Programs

The fourteen major electric and gas utilities all have CARES programs that reflect the guidelines in the Commission's Secretarial letter. Utilities report that CARES programs serve households whose average annual incomes are below \$11,000. These households generally receive their incomes from Social Security, pensions and/or wages. According to company reports, CARES participants are often elderly customers.

Utilities point out that as a result of funding decreases for LIHEAP and welfare reform, CARES representatives must find new sources of assistance to help the customers in their CARES programs. The table below shows the number of CARES participants for each of the utilities that sponsors a CARES program. Companies generally have not set limits on the number of participants in their CARES programs. As Customer Assistance Programs (CAPs) expand, utilities will enroll customers with long term payment difficulties into their CAPs rather than into their CARES programs.

1997-1998 CARES Participants

Utility	# of CARES Participants		Short Term Assistance Recipients	
	1997	1998	1997	1998
Allegheny	324	234	1,254	
Duquesne+	3,340	3,157		
GPU	492	193		
Penn Power	88	61		50
PP&L	224	578		
PECO	N/A	N/A	220	
UGI-Electric	N/A	N/A	312	
Columbia	172	221	1,221	1,403
Equitable	359	103		3,334
NFG	14	16		
PG Energy	53	56		8
Peoples	834	760	2,525	2,284
TW Phillips	10	3		74
UGI-Gas	98	140		
Total	5,920	5,522	5,532	7,153

+Includes both long-term and short-term assistance

For more information about the design elements of each utility's CARES program, readers may contact Janice K. Hummel at (717) 783-9088.

Appendix K

LIURP SPENDING

	1996	1997	1998	Eleven Year Total
Allegheny Power	\$812,439	\$568,966	\$604,341	\$9,451,371
Duquesne	\$778,460	\$742,033	\$790,455	\$7,644,711
Met-Ed	\$772,065	\$1,353,009	\$1,413,946	\$13,517,007
Penelec	\$652,372	\$861,646	\$997,558	\$10,107,391
Penn Power	\$162,500	\$153,800	\$123,100	\$1,611,407
PP&L	\$2,990,666	\$3,057,730	\$3,061,100	\$33,181,072
PECO*	\$3,300,000	\$3,119,853	\$3,292,514	\$35,022,367
UGI-Electric	\$102,726	\$62,787	\$109,508	\$806,950
Electric-Total	\$9,571,228	\$9,919,824	\$10,392,522	\$111,342,276
Columbia	\$1,324,439	\$1,206,201	\$1,219,238	\$10,873,726
Equitable	\$644,062	\$649,122	\$574,952	\$6,292,793
NFG	\$898,751	\$996,744	\$867,008	\$6,946,250
Peoples	\$678,224	\$674,852	\$575,418	\$7,220,079
PG Energy	\$305,302	\$293,182	\$380,185	\$3,267,392
TW Phillips	\$183,559	\$252,179	\$240,000	\$1,832,182
UGI-Gas	\$554,340	\$470,167	\$618,334	\$5,296,542
Gas-Total	\$4,588,677	\$4,542,477	\$4,475,135	\$41,728,964
Overall Total	\$14,159,905	\$14,462,271	\$14,867,657	\$153,071,240

*Combined electric and gas

Appendix L

LIURP Production Levels

	Heating Jobs				Water Heating Jobs				Baseload Jobs				
	1996	1997	1998	11 Yr. Total	1996	1997	1998	11 Yr. Total	1996	1997	1998	7 Yr. Total	Cumulative 11 Yr. Total
Allegheny Power	203	297	179	5,942	295	314	343	9,221	1	3	0	306	15,469
Duquesne	73	4	2	1,966	8	8	5	981	624	1,011	791	4,182	7,129
Met-Ed	302	405	382	6,339	296	315	381	5,020	62	233	350	949	12,308
Penelec	344	240	188	4,518	809	685	705	11,520	39	79	136	911	16,949
Penn Power	33	27	11	543	91	127	74	1,712	18	50	60	254	2,509
PP&L	1,849	1,965	1,619	21,822	249	202	323	5,504	543	427	387	2,491	29,817
PECO*	740	769	1,344	14,363	1,236	0	0	7,644	6,504	4,693	4,218	20,696	42,703
UGI-Electric	37	5	26	260	0	0	1	13	29	13	23	147	420
Electric-Total	3,581	3,712	3,751	55,753	2,984	1,651	1,832	41,615	7,860	6,509	5,965	29,936	127,304
Columbia	375	298	255	3,058									3,058
Equitable	181	194	163	1,636									1,636
NFG	232	244	195	2,199									2,199
Peoples	222	225	167	2,681									2,681
PG Energy	143	138	133	1,826									1,826
TW Phillips	41	42	19	694									694
UGI-Gas	221	179	231	2,068									2,068
Gas-Total	1,415	1,320	1,163	14,162									14,162
Overall Total	4,996	5,032	4,914	69,915	2,984	1,651	1,832	41,615	7,860	6,509	5,965	29,936	141,466

*Combined electric and gas

Appendix M

Utility Hardship Funds

Company	Hardship Fund Name
Allegheny Power	Dollar Energy Fund
Duquesne	Dollar Energy Fund
Met-Ed	Project Good Neighbor
PECO*	Matching Energy Assistance Fund (UESF and others)
Penelec	Project Good Neighbor
Penn Power	Project Reach
PP&L	Operation Help
Columbia	Dollar Energy Fund (Western PA.) Project Warm-up (Central PA.)
Equitable	Dollar Energy Fund
NFG	Neighbor for Neighbor
Peoples	Dollar Energy Fund
PG Energy	Project Outreach
T.W. Phillips	Dollar Energy Fund
UGI*	Operation Share
PAWC	Dollar Energy Fund

*Includes electric and gas

Appendix N

1997-99 PUC Consumer Advisory Council

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Association
Chief International Representative
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Appendix O

1997-1998 Pennsylvania Relay Service Advisory Board

Mr. Donald R. Lurwick, Chairman**
PA Society for Advancement of the Deaf
P.O. Box 27055
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Mr. Jim Stoltz, Vice Chairman
Self-Help for Hard of Hearing
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*Member of the 1999-2000 Pennsylvania Relay Advisory Board

**Officers of the 1999-2000 Pennsylvania Relay Advisory Board: Lawrence Brick, Chairman; Donald Lurwick, Vice Chairman; Russell Fleming, Secretary

Appendix P-3

1990 Census Pennsylvania Counties Households, Income, and Poverty

County	Total No. of Households	Median Household Income	% and # of Households Below Poverty	
Pennsylvania	4,495,966	\$29,069	11.58	520,633
Adams	28,067	\$30,210	6.87	1,927
Allegheny	541,261	\$22,623	12.41	67,176
Armstrong	28,309	\$22,372	13.37	3,785
Beaver	71,939	\$23,962	13.64	9,810
Bedford	18,038	\$21,591	14.33	2,584
Berks	127,649	\$31,712	8.32	10,616
Blair	50,332	\$22,890	14.61	7,355
Bradford	22,492	\$23,977	13.70	3,081
Bucks	190,507	\$42,867	4.41	8,403
Butler	55,325	\$28,860	10.70	5,919
Cambria	62,004	\$21,309	15.19	9,417
Cameron	2,395	\$20,775	12.65	303
Carbon	21,989	\$25,103	10.88	2,392
Centre	42,683	\$25,873	17.77	7,586
Chester	133,257	\$42,215	4.61	6,136
Clarion	14,990	\$21,750	18.11	2,715
Clearfield	29,808	\$21,513	14.93	4,450
Clinton	13,844	\$21,954	15.03	2,081

County	Total No. of Households	Median Household Income	% and # of Households Below Poverty	
Pennsylvania	4,495,966	\$29,069	11.58	520,633
Columbia	23,478	\$23,984	11.23	2,636
Crawford	32,185	\$22,749	14.98	4,822
Cumberland	73,452	\$34,119	5.80	4,258
Dauphin	95,264	\$30,593	10.35	9,857
Delaware	201,374	\$36,901	7.51	15,121
Elk	13,131	\$24,392	11.77	1,545
Erie	101,564	\$26,331	12.94	13,139
Fayette	56,110	\$18,939	21.05	11,811
Forest	1,908	\$19,309	13.21	252
Franklin	45,675	\$28,566	8.56	3,911
Fulton	5,139	\$23,421	14.03	721
Greene	14,624	\$19,704	21.59	3,157
Huntingdon	15,527	\$23,058	14.38	2,232
Indiana	31,710	\$22,454	18.53	5,875
Jefferson	17,608	\$21,727	14.93	2,628
Juniata	7,598	\$25,328	10.70	813
Lackawanna	84,528	\$24,339	12.41	10,487
Lancaster	150,956	\$33,013	7.37	11,132
Lawrence	36,350	\$22,142	14.01	5,094
Lebanon	42,688	\$29,443	7.64	3,260
Lehigh	112,887	\$32,268	7.67	8,658
Luzerne	128,483	\$23,343	12.77	16,413
Lycoming	44,949	\$25,254	12.09	5,436
McKean	17,837	\$23,021	15.04	2,682
Mercer	45,591	\$24,133	13.17	6,002
Mifflin	17,697	\$22,667	14.01	2,480

County	Total No. of Households	Median Household Income	% and # of Households Below Poverty	
Pennsylvania	4,495,966	\$29,069	11.58	520,633
Monroe	34,206	\$32,572	7.47	2,556
Montgomery	254,995	\$43,204	4.24	10,804
Montour	6,543	\$27,210	8.05	527
Northampton	90,955	\$32,416	7.72	7,023
Northumberland	38,736	\$21,941	13.29	5,148
Perry	14,949	\$29,692	7.83	1,170
Philadelphia	603,075	\$23,941	19.51	117,683
Pike	10,536	\$30,265	7.33	772
Potter	6,246	\$21,380	15.98	998
Schuylkill	60,773	\$22,640	12.84	7,804
Snyder	12,764	\$26,097	10.58	1,350
Somerset	29,574	\$21,524	15.06	4,455
Sullivan	2,280	\$20,112	17.24	393
Susquehanna	14,898	\$24,269	13.24	1,973
Tioga	14,974	\$22,542	14.37	2,151
Union	11,689	\$27,552	9.30	1,087
Venango	22,408	\$22,463	14.17	3,176
Warren	17,244	\$26,021	9.71	1,675
Washington	78,533	\$25,251	13.83	10,859
Wayne	14,638	\$24,761	11.67	1,708
Westmoreland	144,080	\$25,307	12.02	17,318
Wyoming	10,002	\$27,038	12.17	1,217
York	128,666	\$32,322	6.70	8,620

Consumer Access to the Public Utility Commission

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

Consumer Education Hotline: 1-800-PUC-8685

Termination Hotline: 1-800-692-7380

Complaint Hotline: 1-800-782-1110

Electric Competition Hotline: 1-888-782-3228

General Information Line: 717-783-1740 (not toll free)



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

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



Information about the PA PUC is available on the following Internet site:

www.puc.paonline.com



Information about electric choice is available on the following Internet site:

www.electrichoice.com