

to subscribe to one optional service such as voice mail or call waiting at cost. Customers with incomes up to 150 percent of the federal poverty guidelines and who participated in certain assistance programs⁵ were eligible for this program. The Commission directed telephone companies to discontinue the initial Lifeline program and implement the Lifeline 150 program. However, the Commission allowed Verizon f/k/a Bell of PA to continue its 1999 Lifeline program along with implementing the Lifeline 150 program. As a result of the merger of Bell Atlantic PA and GTE North, Verizon North f/k/a GTE North also is required to offer Lifeline service.

The discussion below describes the status of universal service programs for the telephone industry in 2010.

Lifeline, Lifeline 150 and Lifeline 135 Service

On May 23, 2005, the Commission entered its Final Lifeline Order (Final Order), at Docket No. M-00051871 that resulted in major changes to the Lifeline programs. The Final Order expanded the Lifeline and Link-Up program eligibility to be consistent with the Federal Communications Commission's (FCC) default Lifeline/Link-Up programs⁶. It added the National School Free Lunch Program and an income-only based criterion (income at or below 135 percent of the federal poverty guidelines) as new criteria for Pennsylvania's Lifeline/Link-Up program eligibility. Second, the Final Order directed all jurisdictional eligible telecommunications carriers⁷ (ETCs) to implement the Lifeline provisions contained in Chapter 30. Under these provisions⁸, ETCs are to inform new and existing customers about the availability of Lifeline and Link-Up services. They also must permit eligible Lifeline service customers to purchase any number of optional services (i.e. call waiting) at the tariffed rates for these services. Third, the Final Order requires all local telephone ETCs to implement these changes. It also encourages non-ETCs to continue to offer Lifeline service even though they are no longer required to do so. Finally, the Final Order eliminates the Lifeline 150 program and designates the Lifeline 135 program as the primary telephone universal service program in Pennsylvania.

On Dec. 18, 2008, the Commission adopted the initial decision of a PUC administrative law judge ordering Verizon PA and Verizon North to revise their tariffs to permit their Lifeline 135 customers the opportunity to subscribe to three types of bundled service plans⁹. These customers may now subscribe to a bundled service package plan that offers 1) local service with three optional services; 2) local service with three optional services plus regional toll service; or 3) local service with three optional services plus regional toll service and long-distance service at a single monthly rate.

⁵These programs are as follows: General Assistance (GA); Supplemental Security Income (SSI); Temporary Assistance for Needy Families (TANF); Food Stamps; Low-Income Home Energy Assistance Program (LIHEAP); Medicaid; Federal Public Housing Assistance; and the State Blind Pension.

⁶FCC Report and Order and Further Notice of Proposed Rulemaking in the Matter of Lifeline and Link-Up, at CC Docket No. 04-87, WC Docket No. 03-109.

⁷To provide Lifeline and Link-Up services, telephone companies must be designated Eligible Telecommunications Carriers (ETC) by their state commission or the FCC. ETCs may receive universal service funding.

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

⁹See Dockets C-20077916 and C-20077917.

The following table shows enrollment activity for the various Lifeline programs in 2009 and 2010.

Lifeline Service Activity 2009-10

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2009	2010	2009	2010
CenturyLink	6,629	5,746	4,587	4,138
Frontier Commonwealth	6,251	6,264	5,421	5,303
RCN	417	362	360	325
Verizon North*	19,109	19,229	12,832	12,404
Verizon PA*	175,050	159,559	109,429	101,081
Windstream	6,687	6,391	5,571	5,312
Total	214,143	197,551	138,200	128,563

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

As of July 1, 2011, the monthly credit¹⁰ ranged from \$7.57 to \$8.25 for the Lifeline 135 program, and \$11.32 to \$12 for the Verizon companies' Lifeline program.

¹⁰The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

Link-Up

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

Link-Up Connections 2009-10

Company	Number of Connections 2009	Number of Connections 2010
CenturyLink	320	250
Frontier Commonwealth	290	154
RCN	0	0
Verizon North	3,624	3,361
Verizon PA	30,220	28,063
Windstream	260	193
Total	34,714	32,021

Universal Telephone Assistance Program (UTAP)

Verizon PA implemented a Universal Telephone Assistance Program (UTAP) along with its Lifeline service program as part of a settlement agreement that was approved by the Commission in 1995. Verizon PA is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a pre-existing basic service arrearage) to restore their basic telephone service. The Dollar Energy Fund manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2010 was \$77. Overall, UTAP distributed \$157,969 in financial assistance to 2,059 of Verizon PA's qualified customers in 2010.

Automatic Notification Program

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

Wireless ETC Designation

On Aug. 2, 2010, the Commission entered its order to adopt the final Policy Statement on the Commonwealth of Pennsylvania's Guidelines for Designation and Annual Recertification as an Eligible Telecommunication Carrier (ETC) for purposes of Federal Universal Service Support (ETC Guidelines) at Docket No. M-2010-2164741 which codifies the guidelines at 52 Pa. Code § 69.2501. Designation as an ETC for provision of Lifeline service would permit the wire-line and wireless providers to participate in the Universal Service Fund's (USF) Lifeline program.

Virgin Mobile USA, LP is the first wireless carrier designated by the Commission to be an ETC. On Dec. 22, 2010, the Commission approved Virgin Mobile's petition (Docket No. P-2010-2155915) for limited designation as an ETC. In Jan. 2011, Virgin Mobile filed a petition for reconsideration to lift the Public Safety Answering Point (PSAP) certification requirements since the FCC no longer required facilities-based carriers seeking ETC status to comply with the PSAP certification obligations. The Commission approved Virgin Mobile's petition for reconsideration to lift the PSAP requirements as a condition for ETC status on Feb. 10, 2011. Effective Feb. 14, 2011, Virgin Mobile could operate its Lifeline program, Assurance Wireless, in Pennsylvania.

For more information about the telephone universal service programs, readers may contact Sandra Johnson-Gumby of the PUC's Bureau of Consumer Services at (717) 772-0806 or by email at sjohnson-g@pa.gov.

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendices

Appendix A

Consumer Ratings of the BCS's Service

How quickly did the PUC handle your request?		
	2009	2010
Very quickly	47%	51%
Fairly quickly	28%	28%
Not very quickly	10%	8%
Not at all quickly	10%	8%
Don't recall	1%	3%
Have not heard from PUC	4%	3%
How easy to understand was the information the PUC gave you about the outcome of the problem?		
	2009	2010
Very easy	46%	46%
Fairly easy	19%	18%
Not very easy	3%	4%
Not at all easy	2%	3%
Don't recall	3%	2%
Did not receive any information	27%	27%
How polite was the first person you talked with at the PUC?		
	2009	2010
Very polite	72%	73%
Fairly polite	20%	18%
Not very polite	2%	4%
Not at all polite	2%	1%
Don't recall	1%	1%
Did not speak to anyone	2%	2%
How interested in helping you was the first person you talked with at the PUC?		
	2009	2010
Very interested	62%	63%
Fairly interested	25%	23%
Not very interested	7%	8%
Not at all interested	3%	2%
Don't recall	1%	1%
Did not speak to anyone	2%	1%
If you had another problem with a utility, would you contact the PUC again?		
	2009	2010
Yes	81%	82%
No	8%	8%
Not sure	11%	10%

Appendix B

Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2009 and 2010

Industry	Consumer Complaints						Payment Agreement Requests					
	Residential			Commercial			Residential			Commercial		
	2009	2010	Percent Change	2009	2010	Percent Change	2009	2010	Percent Change	2009	2010	Percent Change
Electric	4,831	4,942	2%	1,031	910	-12%	34,950	37,344	7%	235	222	-6%
Gas	3,992	2,326	-42%	456	361	-21%	14,779	11,946	-19%	134	93	-31%
Water	1,071	934	-13%	119	100	-16%	4,548	5,060	11%	10	19	90%
Telephone	6,221	3,395	-45%	414	367	-11%	945	619	-34%	9	2	-78%
Other	11	5	-55%	1	1	0%	7	13	86%	1	0	100%
Total	16,126	11,602	-28%	2,021	1,739	-14%	55,229	54,982	-<1%	389	336	-14%

Appendix C

2010 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
ELECTRIC	
Non-Major Electric Distribution Companies (EDCs)**	8
Direct Energy Services (EGS)	12
Dominion Energy Solutions (EGS)	5
MX Energy Electric (EGS)	20
Spark Energy (EGS)	6
Verde Energy USA (EGS)	9
Other Electric Generation Suppliers (EGSs)**	21
Total Non-Major Electric	81
GAS	
T.W. Phillips (NGDC)	30
UGI Central Penn Gas (NGDC)	44
Other Non-Major Natural Gas Distribution Companies (NGDCs)**	9
Major Energy Services (NGS)	8
Other Natural Gas Suppliers (NGSs)**	16
Total Non-Major Gas	107
WATER	
Other Private Water**	33
Municipal Water**	5
Total Non-Major Water	38
TELEPHONE	
Conestoga Telephone (ILEC)	9
Consolidated Communications of PA (ILEC)	10
Other Non-Major Incumbent Local Exchange Carriers (ILECs)**	16

* Only those non-major companies having five or more residential consumer complaints in 2010 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2010 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix C (Continued)

2010 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
TELEPHONE (continued)	
AT&T Local (CLEC)	16
Cavalier Telephone Mid-Atlantic (CLEC)	28
Clear Rate Communications (CLEC)	19
Comcast Digital Phone (CLEC)	7
Cordia Communications Corp. (d/b/a CLEC)	46
D & E Systems Inc. (Windstream) (CLEC)	26
Full Service Network (d/b/a CLEC)	34
IDT America (CLEC)	5
Service Electric Telephone, Inc. (CLEC)	7
Trinsic (CLEC)	7
Other Competitive Local Exchange Carriers (CLECs)**	29
VoIP (Voice over Internet Protocol)	19
Other Providers of Telecommunications Services**	10
Total Non-Major Telephone	288

* Only those non-major companies having five or more residential consumer complaints in 2010 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2010 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix D-1

Classification of Consumer Complaints

Electric, Gas & Water

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

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

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

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

Discontinuance/Transfer - Complaints related to the responsibility for or the amount of bills after discontinuance or transfer of service: The customer requested discontinuance of service, and the company failed to finalize the account as requested or 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 or misreading).

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

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

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

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

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

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

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

All Other Problems - All other complaints that do not fit into the above categories, including, but not limited to, complaints about termination procedures when there is a need for payment agreements.

Appendix D-2

Classification of Consumer Complaints Telephone

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

Audiotex - Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services. In 2010, BCS evaluated no residential consumer complaints about audiotex.

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

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

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

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

Extended Area of Service (EAS) - Complaints about a limited local calling area. In 2010, BCS evaluated no residential consumer complaints about EAS.

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

Rates - General or specific complaints about a utility's rates: general or specific rates are too high or the customer is being billed on the incorrect rate. In 2010, BCS evaluated no residential consumer complaints about rates.

Sales Nonbasic Services - Complaints related to the sale of nonbasic services, including the availability of certain services. In 2010, BCS evaluated no residential consumer complaints about sales of nonbasic services.

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

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

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

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

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

Appendix E - Table 1

Consumer Complaint Categories: 2010*

Major Electric Distribution Companies

Categories**	Allegheny	Duquesne	Met-Ed	PECO***	Penelec	Penn Power	PPL	UGI-Elec.	Electric Majors
Billing Disputes	68	88	97	87	61	29	111	6	547
Personnel Problems	46	89	51	85	36	17	44	9	377
Metering	67	16	68	13	35	24	54	6	283
Discontinuance/ Transfer	12	43	34	94	36	8	40	8	275
Credit and Deposits	74	39	23	20	25	9	6	25	221
Service Interruptions	86	60	21	15	9	2	7	0	200
Other Payment Issues	16	38	22	12	11	4	23	0	126
Damages	26	34	11	14	17	3	16	0	121
Service Quality	21	14	12	19	14	1	9	1	91
Service Extensions	12	10	15	5	16	4	4	1	67
Scheduling Delays	8	8	11	9	3	0	9	0	48
Rates	6	3	0	10	1	3	7	1	31
All Other Problems	32	58	32	53	12	3	43	4	237
Total*	474	500	397	436	276	107	373	61	2,624

* Categories are for residential complaints evaluated by BCS as of June 10, 2011, whether the case outcome was found to be "justified."

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

*** PECO statistics include electric and gas, and are based on a probability sample of cases.

Appendix E - Table 2

Consumer Complaint Categories: 2010*

Major Natural Gas Distribution Companies

Categories**	Columbia	Equitable	NFG	Peoples	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	31	49	16	33	179	35	23	366
Personnel Problems	37	46	21	34	47	20	16	221
Credit and Deposits	4	9	1	22	3	60	89	188
Metering	20	14	17	27	49	7	1	135
Discontinuance/ Transfer	16	17	17	14	11	17	12	104
Other Payment Issues	12	8	9	9	29	3	8	78
Scheduling Delays	11	5	2	21	20	1	3	63
Damages	16	5	5	15	8	0	2	51
Service Quality	8	6	2	21	5	2	3	47
Service Extensions	8	7	5	9	5	4	0	38
Service Interruptions	2	0	1	3	1	0	1	8
Rates	2	1	0	2	0	0	0	5
All Other Problems	10	27	10	7	3	27	8	92
Total*	177	194	106	217	360	176	166	1,396

* Categories are for residential complaints evaluated by BCS as of June 10, 2011, whether the case outcome was found to be "justified."

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

Appendix E - Table 3

Consumer Complaint Categories: 2010*

Major Water Companies

Categories**	Aqua	PA-American	"Other Class A" Water	All "Class A" Water
Billing Disputes	111	213	6	330
Metering	25	75	0	100
Personnel Problems	23	40	3	66
Damages	18	34	2	54
Service Quality	13	33	5	51
Discontinuance/Transfer	8	18	2	28
Scheduling Delays	4	8	0	12
Service Extensions	2	10	0	12
Service Interruptions	3	8	0	11
Other Payment Issues	1	7	0	8
Credit and Deposits	2	2	1	5
Rates	3	1	0	4
All Other Problems	30	41	0	71
Total*	243	490	19	752

* Categories are for residential complaints evaluated by BCS as of June 10, 2011, whether the case outcome was found to be "justified."

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

Appendix E - Table 4

Consumer Complaint Categories: 2010*

Major Local Telephone Companies

Categories**	CenturyLink	Frontier Common- wealth	RCN	Verizon North	Verizon PA	Windstream	Telephone Majors
Billing Disputes	33	21	11	51	498	14	628
Service Delivery	8	12	4	13	288	11	336
Unsatisfactory Service	10	11	4	31	245	29	330
Service Termination	14	10	8	13	155	4	204
Toll Services	2	1	0	3	77	0	83
Competition	1	4	5	7	57	7	81
Credit and Deposits	0	3	1	2	25	1	32
Discontinuance/ Transfer	3	2	0	1	22	2	30
Annoyance Calls	0	0	0	0	2	1	3
Non-Recurring Charges	0	0	0	1	1	0	2
All Other Problems	1	5	5	8	70	3	92
Total*	72	69	38	130	1,440	72	1,821

* Categories are for residential complaints evaluated by BCS as of March 25, 2011, whether the case outcome was found to be "justified."

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

Appendix F - Table 1

2009-10 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2010 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2009	2010	% Change in #	2009	2010	Numbers ² / Rates ³ 2009		Numbers ² / Rates ³ 2010	
Allegheny	614,758	538	550	2%	0.88	0.89	68	0.11	87	0.14
Duquesne	524,406	431	579	34%	0.82	1.10	28	0.05	76	0.14
Met-Ed	485,991	456	459	1%	0.94	0.94	29	0.06	47	0.10
PECO ⁵	1,419,415	2,223	1,832	-18%	1.57	1.29	440*	0.31*	311*	0.22*
Penelec	505,397	390	318	-18%	0.77	0.63	28	0.06	27	0.05
Penn Power	140,101	160	127	-21%	1.14	0.91	8	0.06	9	0.06
PPL	1,212,020	542	924	70%	0.45	0.76	53	0.04	144	0.12
UGI-Electric	54,477	74	72	-3%	1.36	1.32	17	0.31	6	0.11
Major Electric	4,956,565	4,814	4,861	1%			671		707	
Average of Rates					0.94⁴	0.93⁴		0.10⁴		0.12⁴

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

² Estimated based on the number of cases on CSIS as of June 10, 2011.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

* Based on a probability sample of cases.

Appendix F - Table 2

2009-10 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	2010 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2009	2010	% Change in #	2009	2010	Numbers ² / Rates ³ 2009		Numbers ² / Rates ³ 2010	
Columbia	372,751	493	231	-53%	1.33	0.62	51	0.14	29	0.08
Equitable	237,688	385	220	-43%	1.60	0.93	36	0.15	22	0.09
NFG	197,843	185	134	-28%	0.94	0.68	11	0.06	18	0.09
Peoples	326,915	517	272	-47%	1.58	0.83	68	0.21	48	0.15
PGW	479,564	1,853	947	-49%	3.85	1.97	332*	0.69*	95*	0.20*
UGI-Gas	305,861	234	212	-9%	0.77	0.69	34	0.11	30	0.10
UGI Penn Natural	144,594	160	203	27%	1.11	1.40	20	0.14	24	0.17
Major Gas	2,065,216	3,827	2,219	-42%			552		266	
Average of Rates					1.60	1.02		0.21		0.12

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

² Estimated based on the number of cases on CSIS as of June 10, 2011.

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

* Based on a probability sample of cases.

Appendix F - Table 3

2009-10 Residential Consumer Complaint Statistics Major Water Companies

Company Name	2010 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2009	2010	% Change in #	2009	2010	Numbers ² / Rates ³ 2009		Numbers ² / Rates ³ 2010	
Aqua	381,054	342	304	-11%	0.90	0.80	165	0.43	110	0.29
PA-American	587,386	662	570	-14%	1.13	0.97	211	0.36	131	0.22
"Other Class A" Water	133,455	24	22	-8%	0.18	0.16	0	0.00*	5	0.04
Major Water	1,101,895	1,028	896	-13%			376		246	
Average of Rates					0.74	0.64		0.40**		0.18

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

² Estimated based on the number of cases on CSIS as of June 10, 2011.

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

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

** The 2009 average of justified consumer complaint rates does not include "Other Class A" companies.

Appendix F - Table 4

2009-10 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2010 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2009	2010	% Change in #	2009	2010	Numbers ² / Rates ³ 2009		Numbers ² / Rates ³ 2010	
CenturyLink	183,824	87	72	-17%	0.44	0.39	22	0.11	30	0.16
Frontier Commonwealth	143,612	80	69	-14%	0.52	0.48	30	0.20	38	0.26
RCN	79,661	36	38	6%	0.42	0.48	12	0.14	19	0.24
Verizon North**	291,308	299	131	-56%	0.91	0.45	129	0.39	61	0.21
Verizon PA**	1,943,972	5,353	2,725	-49%	2.44	1.40	2,100*	0.96*	1,392*	0.72*
Windstream	125,965	54	72	33%	0.39	0.57	20	0.15	26	0.21
Major Telephone	2,768,342	5,909	3,107	-47%			2,313		1,566	
Average of Rates					0.85	0.63		0.32		0.30

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

² Estimated based on the number of cases on CSIS as of April 8, 2011.

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

* Based on a probability sample of cases.

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

Appendix G - Table 1

2009-10 Residential Payment Agreement Request (PAR) Statistics Major Electric Distribution Companies

Company Name	2010 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2009	2010	% Change in #	2009	2010	Numbers ² / Rates ³ 2009		Numbers ² / Rates ³ 2010	
Allegheny	614,758	3,067	2,781	-9%	5.00	4.52	212	0.35	549	0.89
Duquesne	524,406	4,482	4,859	8%	8.55	9.27	246	0.47	133	0.25
Met-Ed	485,991	1,803	1,628	-10%	3.72	3.35	163	0.34	58	0.12
PECO ⁵	1,419,415	10,788	8,462	-22%	7.62	5.96	941	0.66	485	0.34
Penelec	505,397	1,428	1,154	-19%	2.83	2.28	101	0.20	49	0.10
Penn Power	140,101	742	497	-33%	5.31	3.55	96	0.69	13	0.09
PPL	1,212,020	11,900	17,219	45%	9.85	14.21	1,181	0.98	1,037	0.86
UGI-Electric	54,477	706	716	1%	12.94	13.14	30	0.55	21	0.39
Major Electric	4,956,565	34,916	37,316	7%			2,970		2,345	
Average of Rates					6.12⁴	6.16⁴		0.53⁴		0.38⁴

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

² With the exception of UGI-Electric, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for all EDCs is based on the number of cases on CSIS as of June 10, 2011.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

Appendix G - Table 2

2009-10 Residential Payment Agreement Request (PAR) Statistics Major Natural Gas Distribution Companies

Company Name	2010 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2009	2010	% Change in #	2009	2010	Numbers ² / Rates ³ 2009		Numbers ² / Rates ³ 2010	
Columbia	372,751	1,145	834	-27%	3.09	2.24	149	0.40	16	0.04
Equitable	237,688	1,814	1,460	-20%	7.56	6.14	128	0.53	32	0.13
NFG	197,843	1,400	884	-37%	7.09	4.47	72	0.36	51	0.26
Peoples	326,915	1,267	829	-35%	3.88	2.54	132	0.40	40	0.12
PGW	479,564	3,922	2,909	-26%	8.16	6.07	234	0.49	133	0.28
UGI-Gas	305,861	2,518	2,422	-4%	8.32	7.92	217	0.72	72	0.24
UGI Penn Natural	144,594	1,834	2,069	13%	12.68	14.31	157	1.09	177	1.22
Major Gas	2,065,216	13,900	11,407	-18%			1,089		521	
Average of Rates					7.25	6.24		0.57		0.33

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

² Estimated based on a probability sample of cases and the number of cases on CSIS as of June 10, 2011.

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

Appendix G - Table 3

2009-10 Residential Payment Agreement Request (PAR) Statistics Major Water Companies

Company Name	2010 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2009	2010	% Change in #	2009	2010	Numbers ² / Rates ³ 2009		Numbers ² / Rates ³ 2010	
Aqua	381,054	1,419	1,531	8%	3.73	4.02	93*	0.24*	99*	0.26*
PA-American	587,386	2,920	3,336	14%	4.98	5.68	217*	0.37*	570*	0.97*
"Other Class A" Water	133,455	156	134	-14%	1.18	1.00	0	0.00**	3	0.02
Major Water	1,101,895	4,495	5,001	11%			310		672	
Average of Rates					3.30	3.57		0.31***		0.42

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

² Estimated based on a probability sample of cases and the number of cases on CSIS as of June 10, 2011.

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

* Based on a probability sample of cases.

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

*** The 2009 average of justified PAR rates does not include "Other Class A" companies.

Appendix G - Table 4

2009-10 Residential Payment Agreement Request (PAR) Statistics Major Local Telephone Companies

Company Name	2010 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2009	2010	% Change in #	2009	2010	Numbers ² / Rates ³ 2009		Numbers ² / Rates ³ 2010	
CenturyLink	183,824	13	7	-46%	0.07	0.04	4	0.02	0	0.00
Frontier Commonwealth	143,612	12	13	8%	0.08	0.09	2	0.01	4	0.03
RCN	79,661	13	8	-38%	0.15	0.10	3	0.03	2	0.03
Verizon North	291,308	42	18	-57%	0.13	0.06	2	0.01	2	0.01
Verizon PA	1,943,972	771	511	-34%	0.35	0.26	96*	0.04*	72*	0.04*
Windstream	125,965	17	11	-35%	0.12	0.09	2	0.01	4	0.03
Major Telephone	2,768,342	868	568	-35%			109		84	
Average of Rates					0.15	0.11		0.02		0.02

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

² Estimated based on the number of cases on CSIS as of April 8, 2011.

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

* Based on a probability sample of cases.

Appendix H – Table 1

Chapter 56, Chapter 14 and Other Infraction Categories: 2010* Major Electric Distribution Companies

Description	Allegheny Power		Duquesne		Met-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	0	0%	1	3%	4	14%	1	1%	1	8%	0	0%	14	21%	0	0%
Meter Reading (56.12)	1	2%	0	0%	4	14%	1	1%	2	15%	0	0%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	7	11%	2	5%	1	4%	4	4%	2	15%	1	11%	4	6%	2	50%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	0	0%	0	0%	1	4%	7	8%	0	0%	0	0%	1	1%	0	0%
Credit Standards and Deposits (56.32-37, 56.41(1), 1404 (A)-(C) and 1404 (E)-(H))	13	20%	12	31%	1	4%	19	21%	0	0%	0	0%	1	1%	1	25%
Termination Grounds (56.81-83, 1405 (F), 1406 (A) and (C))	0	0%	3	8%	2	7%	1	1%	0	0%	1	11%	2	3%	0	0%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	1	2%	0	0%	0	0%	1	1%	0	0%	0	0%	0	0%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	4	6%	1	3%	2	7%	1	1%	0	0%	0	0%	1	1%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	3	5%	1	3%	0	0%	1	1%	0	0%	0	0%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	1	3%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152, 56.181 (3) and 1410)	36	55%	18	46%	13	46%	53	60%	8	62%	7	78%	45	66%	1	25%
Other (56.1)	1	2%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total**	66		39		28		89		13		9		68		4	

* # equals the number of verified infractions identified by BCS as of July 22, 2011.
% equals the percent of the total number of infractions for a particular company.

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

+ PECO statistics include electric and gas.

Appendix H – Table 2

Chapter 56, Chapter 14 and Other Infraction Categories: 2010* Major Natural Gas Distribution Companies

Description	Columbia		Equitable		NFG		Peoples		PGW		UGI – Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	0	0%	1	7%	0	0%	9	19%	1	7%	0	0%	3	14%
Meter Reading (56.12)	1	13%	2	14%	0	0%	0	0%	0	0%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	0	0%	1	7%	1	9%	3	6%	2	14%	0	0%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	1	13%	1	7%	1	9%	4	8%	1	7%	0	0%	0	0%
Credit Standards and Deposits (56.32-37, 56.41(1), 1404 (A)-(C) and 1404 (E)-(H))	0	0%	1	7%	1	9%	3	6%	0	0%	9	38%	10	45%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	0	0%	0	0%	1	9%	2	4%	1	7%	1	4%	1	5%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	0	0%	0	0%	0	0%	1	2%	0	0%	0	0%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	0	0%	0	0%	0	0%	0	0%	1	7%	3	13%	1	5%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	0	0%	1	7%	0	0%	0	0%	0	0%	1	4%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	1	2%	0	0%	1	4%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152, 56.181 (3) and 1410)	6	75%	7	50%	7	64%	24	50%	8	57%	7	29%	7	32%
Other (56.202 and Tariff)	0	0%	0	0%	0	0%	1	2%	0	0%	2	8%	0	0%
Total**	8		14		11		48		14		24		22	

* # equals the number of verified infractions identified by BCS as of July 22, 2011.

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

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

Appendix H - Table 3

Chapter 56, Chapter 14 and Other Infraction Categories: 2010* Major Water Companies

Description	Aqua		PA-American		"Other Class A"	
	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21 and 56.22)	11	14%	13	7%	0	0%
Meter Reading (56.12)	1	1%	1	1%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	10	13%	7	4%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	0	0%	0	0%	0	0%
Credit Standards and Deposits (56.32-37, 56.41(1), 1404 (A)-(C) and 1404 (E)-(H))	5	6%	1	1%	0	0%
Termination Grounds (56.81-83, 1406 (A) and 1406 (C))	5	6%	1	1%	0	0%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	1	1%	0	0%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	0	0%	1	1%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	0	0%	1	1%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152, 56.181 (3) and 1410)	44	56%	160	86%	0	0%
Other (56.1, 56.71(4) and 66.1501)	1	1%	2	1%	0	0%
Total**	78		187		0	

* # equals the number of verified infractions identified by BCS as of July 22, 2011.

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

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

Appendix H – Table 4

Chapter 63 Infraction Categories: 2010*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common- wealth		RCN		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%	#	%
Complaint Procedures (63.15)	3	13%	6	25%	3	25%	7	10%	176	10%	3	14%
Service Records (63.22)	4	17%	12	50%	5	42%	0	0%	47	3%	0	0%
Customer Trouble Reports (63.57)	13	54%	6	25%	4	33%	63	86%	1,474	83%	19	86%
Installation of Service (63.58)	0	0%	0	0%	0	0%	0	0%	7	<1%	0	0%
Migration (63.201-221)	3	13%	0	0%	0	0%	2	3%	49	3%	0	0%
Other (63.21, 63.24, 63.53 and 63.59)	1	4%	0	0%	0	0%	1	1%	13	1 %	0	0%
Total**	24		24		12		73		1,766		22	

* # equals the number of verified infractions identified by BCS as of April 1, 2011.

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

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

Appendix H – Table 5

Chapter 64 Infraction Categories: 2010*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common- wealth		RCN		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (64.1, 64.11-14 and 64.17-19)	7	16%	27	33%	11	22%	45	56%	339	31%	16	46%
Slamming and Cramming (64.23)	5	11%	1	1%	2	4%	2	2%	39	4%	1	3%
Credit and Deposits (64.32-34)	0	0%	3	4%	1	2%	1	1%	14	1%	0	0%
Suspension and Termination (64.63, 64.71-74, 64.81, 64.101- 102, 64.107, 64.121-123, 64.133 and 64.181)	9	20%	14	17%	15	29%	0	0%	47	4%	3	9%
Dispute Procedures (64.141-142 and 64.153)	20	45%	35	43%	20	39%	30	37%	603	55%	12	34%
Other (64.2, 64.20, 64.24, 64.52-53 and 64.191-192)	3	7%	1	1%	2	4%	3	4%	53	5%	3	9%
Total**	44		81		51		81		1,095		35	

* # equals the number of verified infractions identified by BCS as of April 1, 2011.

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

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

Consumer Access to the Public Utility Commission

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

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

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

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

Information about the PA PUC is available on the Internet:

www.puc.state.pa.us



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



A central graphic featuring the year '2011' in large, bold, yellow-outlined numbers. The numbers are set against a background of four overlapping, semi-transparent rectangular panels in purple, green, blue, and red. Each panel contains a different utility-related icon: a calendar, a light bulb, a water drop, and a plug. The entire graphic is framed by a blue outline.

Utility Consumer Activities Report and Evaluation

Pennsylvania Public Utility Commission

Table of Contents

1. Consumer Contacts to the Bureau of Consumer Services (BCS)

Consumer Rating of BCS Service	2
Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2011	4
Consumer Complaints by Industry 2010-11	5
Payment Agreement Requests by Industry 2010-11	7
Categories of 2011 Inquiries	9

2. Performance Measures

Consumer Complaint Rate	12
Justified Consumer Complaint Rate.....	12
Response Time to Consumer Complaints	13
Payment Agreement Request Rate	13
Justified Payment Agreement Request Rate	13
Response Time to Payment Agreement Requests.....	14
Infraction Rate	14
Termination Rate	15
BCS Performance Measures and Industry Chapters.....	15
Universal Service and Energy Conservation Programs.....	16

3. Electric Industry

Consumer Complaints	17
Payment Agreement Requests.....	21
Termination and Reconnection of Service	24
Compliance	26

4. Natural Gas Industry

Consumer Complaints	28
Payment Agreement Requests.....	32
Termination and Reconnection of Service	35
Compliance	37

5. Water Industry

Consumer Complaints	39
Payment Agreement Requests.....	43
Compliance	46
Programs That Assist Low-Income Customers.....	47

6. Telephone Industry

Consumer Complaints	49
Payment Agreement Requests.....	53
Termination of Service	56
Compliance	57
Universal Service Programs.....	59
Lifeline, Lifeline 150 and Lifeline 135 Service	60
Link-Up	62
Universal Telephone Assistance Program	62
Automatic Notification Program	63
Wireless ETC Designation	63

Glossary of Terms	64

Appendices

A. Consumer Ratings of BCS Service	67
B. 2010-11 Total Volume of Consumer Complaints and Payment Agreement Requests to BCS	68
C. 2011 Residential Consumer Complaints for Companies Not Included in Industry Chapters	69
D. Classification of Consumer Complaints	
1. Electric, Gas & Water	73
2. Telephone	75
E. Consumer Complaint Categories: 2011	
Table 1 - Major Electric	77
Table 2 - Major Gas	78
Table 3 - Major Water.....	79
Table 4 - Major Telephone.....	80
F. 2010-11 Residential Consumer Complaint Statistics	
Table 1 - Major Electric	81
Table 2 - Major Gas	82
Table 3 - Major Water.....	83
Table 4 - Major Telephone.....	84
G. 2010-11 Residential Payment Agreement Request Statistics	
Table 1 - Major Electric	85
Table 2 - Major Gas	86
Table 3 - Major Water.....	87
Table 4 - Major Telephone.....	88
H. Infraction Categories: 2011	
Table 1 - Major Electric	89
Table 2 - Major Gas	90
Table 3 - Major Water.....	91
Table 4 - Major Telephone (Chapter 63).....	92
Table 5 - Major Telephone (Chapter 64).....	93
Consumer Access to the PUC	Inside Back Cover

1. Consumer Contacts to the Bureau of Consumer Services

The Pennsylvania Public Utility Commission's (PUC or Commission) Bureau of Consumer Services¹ (BCS) was mandated under Act 216 of 1976 to provide responsive, efficient and accountable management of consumer contacts. Its responsibilities were clarified under Act 114 of 1986 in regard to deciding and reporting on customer complaints. In order to fulfill its mandates, BCS began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then, BCS has investigated 1,709,607 cases (consumer complaints and payment agreement requests) and has received 1,421,030 opinions and requests for information (inquiries). BCS received 73,850 utility customer contacts that required investigation in 2011. It is important to note that our statistical analysis indicates that more than 86 percent of these customer complaints had been appropriately handled by the subject utilities before the customers brought them to BCS. In these instances, the Commission has upheld the utility's actions.

Case Handling

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

Once a customer contacts BCS with a complaint or payment agreement request (PAR), BCS notifies the utility that a complaint or PAR has been filed. The vast majority of consumers contact BCS by telephone using a toll-free number. There were 181,320 call-center contacts in 2011. Approximately 94 percent of the informal complaints were filed by telephone in 2011. The utility sends BCS all records concerning the complaint, including records of its contacts with the customer regarding the complaint. The BCS investigator reviews the records, interacts with both the complainant and utility, as necessary, renders a decision and closes the case. The Policy Division then examines the case and, among other things, classifies the complaint into one of seven major problem areas, as well as one of 40 specific problem categories. This case information is entered into the Consumer Services Information System (CSIS) database. The analysis from case information is used by BCS to generate reports to the Commission, utilities, legislators and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

¹BCS statutory basis, 66 Pa. C.S.A. § 308(d).

Consumer Feedback Survey

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

Consumer Rating of BCS Service

How would you rate the service you received from the PUC (BCS)?	2010	2011
Excellent	55%	61%
Good	23%	21%
Fair	11%	9%
Poor	12%	9%

According to the survey results, 82 percent of consumers who contacted BCS in 2011 rated the BCS's service as "excellent" or "good." Appendix A presents more information about how consumers rated the service they received from BCS in 2010 and 2011. The results show 87 percent of consumers felt BCS handled their complaint either "very quickly" or "fairly quickly." In addition, 66 percent of consumers said the information the Commission gave them about the outcome of the problem was either "very easy to understand" or "fairly easy to understand." Further, 93 percent of consumers indicated the BCS staff person who took their call was either "very polite" or "fairly polite," and 90 percent described the BCS contact person as "very interested" or "fairly interested" in helping with the problem. Eighty-five percent of consumers reported they would contact the Commission again if they were to have another problem with a utility that they could not settle with the company.

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

Databases

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

The majority of the data presented in this report is from CSIS. In addition, this report includes statistics from BCS's Collections Reporting System (CRS), Local Exchange Carrier Reporting System (LECRS) and Compliance Tracking System (CTS). Both the CRS (for electric

and gas) and the LECRS (for telephone) provide valuable resources for measuring changes in company collection performance, including the number of residential service terminations, while CTS maintains data on the number and type of apparent infractions attributable to the major utilities.

Distinctions Among Cases

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

Commercial customer contacts also were excluded from the data used in the analysis. Although BCS's regulatory authority has largely been confined to residential accounts, the Bureau handled 1,923 cases from commercial customers in 2011. Of these cases, 335 were related to loss of utility service, while 1,588 were consumer complaints.

With respect to the 335 cases referenced above, BCS does not make payment agreements for commercial accounts. Due to its limited jurisdiction, BCS does not issue decisions regarding commercial disputes. Instead, Bureau investigators give commercial customers information regarding the company position or attempt to mediate a mutually acceptable agreement regarding the disputed matter. All cases in 2011 that involved commercial accounts were deleted from the analyses in subsequent chapters of this report. The table on the next page shows that the vast majority of cases handled by BCS in 2011 involved residential utility service. Appendix B presents a comparison of the number of residential and commercial consumer complaints and PARs for 2010 and 2011.

Total Volume of Consumer Complaints and Payment Agreement Requests (PARs) to BCS in 2011

Industry	Consumer Complaints		Payment Agreement Requests	
	Residential	Commercial	Residential	Commercial
Electric	6,615	786	42,603	223
Gas	2,311	239	11,162	92
Water	787	73	4,568	11
Telephone	3,412	489	460	9
Other	5	1	4	0
Total	13,130	1,588	58,797	335

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

Consumer Complaints

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

Consumer Complaints by Industry*

2010-11

Industry	2010	2011	% Change
Electric	5,852	7,401	26%
Gas	2,687	2,550	-5%
Water	1,034	860	-17%
Telephone	3,762	3,901	4%
Other	6	6	0%
Total	13,341	14,718	10%

* Table includes both residential and commercial consumer complaints.

During 2011, electric and gas utilities accounted for 50 percent and 17 percent, respectively, of all consumer complaints investigated by BCS. Water utilities accounted for 6 percent of consumer complaints while telephone utilities were the subject of 27 percent of all consumer complaints.

Justified Consumer Complaints

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

Classification of Consumer Complaints

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

BCS has categorized the 2011 residential consumer complaints into 13 categories for each of the electric, gas and water utilities, and into 11 categories for each of the telephone utilities. Tables that show the percent of complaints in each category in 2011 appear in each industry chapter. The percentages shown in the tables are for all of the cases that residential consumers filed with BCS, not just the cases that are determined to be justified in

coming to BCS. BCS analyzes the categories that generate complaints or problems for customers, even if the utility records indicate that the utility followed Commission procedures and guidelines in handling the complaint. BCS often discusses its findings with individual utilities so they can use the information to review their complaint-handling procedures in categories that seem to produce large numbers of consumer complaints to the Commission. The four tables in Appendix E show the actual number of cases that fell into each category in 2011.

Payment Agreement Requests

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

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

All of the measures pertaining to PARs are based on assessments of contacts to BCS from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to contacting BCS. During 2011, BCS handled 59,132 PARs from customers of the utilities under the Commission's jurisdiction.

On Nov. 30, 2004, Senate Bill 677, now known as Act 201, was signed into law. This Act went into effect on Dec. 14, 2004. Act 201 amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§ 1401-1418), the "Responsible Utility Customer Protection Act." The legislation is applicable to most of the electric, gas and water companies in Pennsylvania. This report is the seventh report on consumer complaint and PAR activity under this law.

In January 2011, the Commission issued its Third Biennial Report to the General Assembly and the Governor reviewing the implementation of Chapter 14. On June 9, 2011, the Commission adopted a final rulemaking order incorporating Chapter 14 into the Chapter 56 Standards and Billing Practices for Residential Utility Service. The Independent Regulatory Review Commission (IRRC) approved the final form regulations on July 21, 2011. The new Chapter 56 regulations were published in the Pennsylvania Bulletin on Oct. 8, 2011, and are now in effect.

In 2011, the overall volume of PARs handled by the Commission increased by 7 percent from the previous year. PARs from electric customers increased 14 percent from 2010 to 2011. PARs from gas customers decreased 7 percent; while PARs from water customers were down 10 percent and PARs from telephone customers declined 24 percent from 2010 to 2011.

The Commission strives to implement Chapter 14 in a manner that will allow it to achieve the policy goals of increasing utility account collections and to avoid the passing along of bad debt costs to paying consumers. At the same time, the Commission works to implement Chapter 14 as fairly as possible to help ensure that service remains available to all customers on reasonable terms and conditions. The Commission is dedicated to using a

collaborative process that takes into account the needs of both utilities and consumers, and gives all parties an opportunity to participate in these efforts.

Payment Agreement Requests (PARs) by Industry*

2010-11

Industry	2010	2011	% Change
Electric	37,566	42,826	14%
Gas	12,039	11,254	-7%
Water	5,079	4,579	-10%
Telephone	621	469	-24%
Other	13	4	-69%
Total	55,318	59,132	7%

* Table includes both residential and commercial PARs. Please note: All consumer contacts requesting a payment agreement are taken in and classified as a PAR. However, not all customers requesting a PAR receive one. BCS does not have the authority to offer PARs for commercial accounts.

As in past years, the majority of requests for payment agreements in 2011 involved electric or gas companies. Seventy-two percent of the PARs (42,826 cases) were from electric customers, and 19 percent (11,254 cases) were from gas customers. Also, 8 percent of PARs (4,579 cases) came from customers of various water utilities. Only 1 percent of PARs (469) came from telephone customers.

Inquiries and Opinions

During 2011, BCS and its call centers received 66,747 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. BCS classifies these contacts as "inquiries." The inquiries for 2011 include contacts to the BCS Utility Customer Hotline, as well as contacts to BCS using mail service and email communication.

In large part, the inquiries in 2011 involved customers who did not want BCS to review their CAP budget amounts and terminations or suspensions of service. BCS also classifies certain PARs as inquiries. For example, BCS does not issue payment decisions on requests to restore or avoid suspension/termination of toll or nonbasic telephone service. When consumers call with these problems, BCS classifies these requests as inquiries. Similarly, if a customer has recently been through the BCS payment agreement process and calls again with a new request regarding the same account, BCS does not open a new PAR case. In these instances, BCS classifies the customer's contact as an inquiry.

As in past years, BCS also has shifted some contacts that originated as consumer complaints and payment agreement requests into the inquiry category because it was not appropriate to count these contacts as informal complaints. Examples of these contacts include complaints that were found to be duplicates, informal complaints filed against the wrong company, informal complaints that BCS handled in spite of the fact that customers had not previously contacted their companies about their problems, and cases that the investigators verbally dismissed. In all, these 692 cases accounted for 1 percent of inquiries in 2011.

BCS is able to expand its list of reasons for contact as customers' reasons grow and change. Currently, the list includes 77 reasons for contact from consumers. Possible actions by BCS intake staff include: recording the consumer's opinion; giving information to the consumer; referring the consumer to a utility company; and referring the consumer to an agency or organization outside of the Commission. If the contact requires further action, the intake staff refers the contact to a BCS investigator, and the contact becomes a consumer complaint or a payment agreement request. The following table shows the various reasons for contact for the 2011 inquiries.

Categories of 2011 Inquiries

Reason for Contact	Number	Percent
CAP review – declined	12,332	18%
Termination or suspension of service	12,204	18%
Competition issues and requests for information	8,166	12%
Unable to open new PAR – service on	7,464	11%
PUC has no jurisdiction	5,192	8%
Billing dispute	3,801	6%
Request for general information	3,785	6%
People-delivered company service	2,220	3%
Applicant/deposit issue	2,003	3%
Service (company facilities)	1,731	3%
Rate protest	1,442	2%
Weather outage	485	1%
Rate complaint	162	<1%
Unable to open new PAR – service off	109	<1%
Cramming	52	<1%
Slamming	13	<1%
Other miscellaneous reasons	3,631	5%
Reason for contact is not available	1,955	3%
Total	66,747	99%

Residential Consumer Complaints Not Included in Industry Chapters

Traditionally, the primary focus of BCS's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. However, for the past several years, BCS has included a limited amount of complaint information for the non-major utilities and the other service providers in the UCARE. In 2011, BCS experienced a major increase in the overall number of residential consumer complaints. For the non-major utilities, consumer complaints increased over the year in the electric and gas industries, but decreased in the water and telephone industries. In the electric industry, consumer complaints rose significantly for the non-major companies, up 721 percent from 2010. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

In 2011, BCS staff investigated consumer complaints about a variety of problems that consumers were having with the non-major companies under the Commission's jurisdiction. The vast majority of complaints not included in the industry chapters involved deceptive advertising/sales practices.

Residential consumer complaints related to competition billing disputes or general billing disputes generated the next highest volume of complaints to BCS from customers of

the non-major electric, gas, water and telephone companies. Those three types of complaints accounted for 56 percent of the residential consumer complaints about the non-major companies in the electric industry; 51 percent of residential consumer complaints about the non-major gas companies; 34 percent of the complaints about the non-major telecommunications companies; and 25 percent of the complaints about the non-major water companies in 2011.

Appendix C presents a summary of the residential consumer complaints that are not included in the electric, gas, water and telephone chapters that follow. The table lists the non-major companies for these industries, the electric generation suppliers and natural gas suppliers, and other providers of telecommunications services having five or more residential consumer complaints in 2011.

Calls to the Commission about Electric and Gas Competition

In 2011, the Commission's call center employees used BCS's computerized information system to record information from the consumer contacts about electric and gas competition. Statistics show that 93 percent of contacts about electric and gas competition are related to the electric industry while 7 percent concern the gas industry.

In 2011, call center employees recorded information from 8,897 consumer contacts about competition in the energy industries. Many calls came from consumers who called about various issues associated with customer choice in the electric and gas industries. Most frequently consumers called to request competition documents and to seek information about competition in general (41 and 20 percent, respectively).

In most instances, BCS classified these contacts as inquiries because they required no investigation or follow-up. The BCS or call center staff person took care of the consumer's request or question at the initial contact. However, some consumer contacts required further investigation and possibly action to resolve the consumer's concerns. In these cases, BCS classified the contacts as consumer complaints and investigated the consumer's issue. In 2011, deceptive advertising/sales produced the largest volume of competition-related consumer complaints. Appendix D-1 explains the types of competition complaints BCS handles.

In prior years, BCS investigated a number of consumer complaints in which consumers alleged they were assigned to an electric or gas supplier without their consent or knowledge (slamming). In 2011, the BCS received 185 allegations of electric slamming and 21 allegations of slamming in the gas industry. There were 53 allegations of slamming in the telephone industry. With respect to slamming, the Commission has stated clearly, it "...will have zero tolerance for slamming by any means and in any form."² The Commission views customer slamming as among the most serious violations of consumer regulations. Of the 259 slamming complaints received by BCS, 217 were filed by residential customers.

During the early phases of electric and gas competition, BCS expected it would receive consumer complaints associated with the transition to customer choice. As expected, many customers experienced a variety of problems as they began choosing

² L-00970121, Public Meeting of May 21, 1998.

electric and gas suppliers. BCS found that, after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, BCS decided that it would be unfair to include competition complaints with consumer complaints about other issues when it calculates the performance measures it uses to evaluate and compare companies within the electric and gas industries. BCS continued this practice in 2011. Therefore, BCS excluded 884 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 95 such complaints in the gas industry chapter.

Informal Compliance Process and Infractions

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

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

The significance of apparent infractions identified by the informal compliance process is frequently emphasized by the fact that some represent systemic errors that are widespread and affect many utility customers. Since BCS receives only a small portion of the complaints that customers have with their utility companies, limited opportunities exist to identify such errors. Therefore, the informal compliance process is specifically designed to help utilities identify systemic errors. One example of a systemic 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 that error. When such an error is discovered, BCS encourages utilities to investigate the scope of the problem and take corrective action. Some utilities have developed their own information systems to identify problems by reviewing complaints before they come to the Commission's attention. BCS encourages utilities to continue this activity and share their findings with Bureau staff.

2. Performance Measures

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

Consumer Complaint Rate

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

Justified Consumer Complaint Rate

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

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

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

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

Response Time to Consumer Complaints

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

Payment Agreement Request Rate

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

Justified Payment Agreement Request Rate

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

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

Response Time to Payment Agreement Requests

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

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

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

Infraction Rate

During 2011, BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential accounts. In order to compare utilities of various sizes within an industry, BCS has calculated a measure called "infraction rate." The infraction rate is the number of informally verified infractions for each 1,000 residential customers.

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

The value of the infraction rate is to depict industry trends over time. The trend for 2011 is calculated using BCS's Compliance Tracking System (CTS) data as of May 27, 2012, for the electric, gas and water industries, and April 27, 2012, for the telephone industry. The 2011 trends may change if the total number of infractions increases or decreases upon review by the BCS. This would occur if new infractions are discovered from customer complaints that originated in 2011, but were still under investigation by BCS when the data was retrieved from the CTS. Often, the total number of infractions for the year will change from the number cited in this report. BCS will update the number of infractions found on 2011 cases in the report on 2012 complaint activity. Infraction rates for each major electric, gas, water and telephone utility company are shown for 2009, 2010 and 2011 in upcoming chapters. Appendix H shows detailed information about the infractions BCS gleaned from its review of the 2011 consumer complaints and payment agreement requests. The information presented in Appendix H shows the infractions of Chapter 56, Chapter 14 and other regulations for the major electric, gas and water companies, and the infractions of Chapters 63 and 64 for the major telephone companies.

Termination Rate

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

BCS Performance Measures and Industry Chapters

The tables in the following chapters present the data alphabetically by company name. Each chapter includes tables that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are tables that show the prior year's justified consumer complaint rates and justified payment agreement request rates for each of the major utilities. The tables also reflect the average rates of the major utilities within the industry for each of these measures. In addition, each industry chapter presents tables that show infraction rates for the major utilities, response times to consumer complaints and payment agreement requests, and the termination rates for the major electric, gas and telephone utilities.

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

BCS has found the inclusion of statistics for the smaller utilities can skew the average of industry statistics in ways that do not fairly represent industry performance. For this reason, BCS excluded the statistics involving UGI-Electric when it calculated the 2010 and 2011 averages for the electric industry. Similar to previous years, statistics for UGI-Electric are included in the appendices of this report.

Universal Service and Energy Conservation Programs

The Commission has a long history of involvement in universal service and energy conservation programs that help utility consumers obtain and keep service, and conserve energy. At the end of the water and telephone chapters that follow, readers will find highlights of the water and telephone programs that the Commission has supported and encouraged, not only in 2011, but in prior years as well.

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

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

In August 2012, the Commission released the 12th annual report on Universal Service Programs and Collections Performance. BCS prepared the report, which presents 2011 universal service and collections data for the major electric and natural gas distribution companies. The report is available on the Commission's website at:

http://www.puc.pa.gov/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2011.pdf

3. Electric Industry

In 2011, the Commission had jurisdiction over 15 electric distribution companies (EDCs). However, the majority of the consumer complaints and payment agreement requests (PARs) involving the electric industry were from residential customers of the seven major EDCs: Duquesne Light Co. (Duquesne); Metropolitan Edison Co. (Met-Ed) – a FirstEnergy Co.; PECO Energy Co. (PECO); Pennsylvania Electric Co. (Penelec) – a FirstEnergy Co.; Pennsylvania Power Co. (Penn Power) – a FirstEnergy Co.; PPL Electric Utilities Inc. (PPL); and West Penn Power Co. f/k/a Allegheny Power Co. (West Penn). This chapter will focus exclusively on those seven companies. Most of the complaints and payment agreement requests dealt with matters covered under 52 Pa. Code, Chapter 56 Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14 Responsible Utility Customer Protection. Generally, consumer complaints and payment agreement requests represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major electric utilities in 2011. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. BCS investigated complaints in 2011, generated as a result of the electric choice program, which allows customers to choose an electric generation supply company. However, as mentioned in the first chapter, BCS removed these complaints from the data it used to prepare the tables on consumer complaints and payment agreement requests. Appendices E through H present statistics on the performance of the seven largest EDCs and UGI-Electric in 2010 and 2011.

Consumer Complaints

During 2011, BCS handled 5,954 consumer complaints from residential customers of the various EDCs and 661 consumer complaints from residential customers of electric generation supply companies. Of these residential complaints, 89 percent (5,874) were from customers of the seven largest EDCs. For the analyses in this chapter, BCS excluded a total of 113 consumer complaints about the major EDCs that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2011 complaints from residential customers of the seven largest EDCs in each of the 13 categories used by the BCS Policy Division to categorize consumer complaints about electric, gas and water utilities. Appendix E, Table 1, provides the actual number of cases that fell into each category in 2011.

Consumer Complaint Categories*: 2011 Major Electric Distribution Companies

Categories	Duquesne	Met-Ed	PECO+	Penelec	Penn Power	PPL	West Penn	Electric Majors
Personnel Problems	29%	10%	16%	13%	14%	16%	12%	16%
Billing Disputes	12%	15%	20%	22%	14%	16%	11%	15%
Service Interruptions	4%	33%	3%	4%	1%	11%	9%	13%
Metering	2%	14%	6%	21%	11%	8%	12%	11%
Credit and Deposits	6%	5%	5%	5%	8%	3%	19%	7%
Discontinuance/ Transfer	8%	4%	13%	6%	7%	11%	3%	7%
Other Payment Issues	11%	2%	8%	4%	6%	8%	2%	6%
Damages	3%	3%	2%	6%	4%	2%	9%	4%
Scheduling Delays	2%	3%	1%	5%	4%	2%	5%	3%
Service Extensions	1%	2%	1%	3%	5%	1%	4%	2%
Rates	1%	1%	2%	1%	7%	9%	<1%	2%
Service Quality	1%	2%	3%	1%	0%	1%	2%	2%
All Other Problems	20%	7%	19%	10%	18%	11%	12%	13%
Total-Number**	613	799	342	452	112	370	385	3,073

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

** Based on residential complaints evaluated by BCS as of May 27, 2012.

+ PECO statistics include electric and gas, and are based on a probability sample of cases.

- Categories are for all residential complaints filed with BCS, whether they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 1, for the number of cases in each category.
- In 2011, personnel problems accounted for 16 percent of the consumer complaints for the major EDCs. Billing disputes accounted for 15 percent of the consumer complaints, and service interruptions accounted for 13 percent of the consumer complaints. These three categories accounted for 44 percent of consumer complaints about the major EDCs.

2011 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Duquesne	1.48	0.18
Met-Ed	1.99	0.12
PECO+	1.21	0.20*
Penelec	1.11	0.09
Penn Power	0.99	0.04
PPL	1.02	0.08
West Penn	0.76	0.11
Average	1.22	0.12

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

+ PECO statistics include electric and gas.

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is more than 10 times greater than the average of the justified consumer complaint rates.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2010 and 2011.

2010-11 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies

Company	2010	2011
Duquesne	0.14	0.18
Met-Ed	0.10	0.12
PECO*+	0.22	0.20
Penelec	0.05	0.09
Penn Power	0.06	0.04
PPL	0.12	0.08
West Penn	0.14	0.11
Average	0.12	0.12

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the major electric distribution companies remained unchanged in 2010 and 2011 at 0.12.
- Of the seven major EDCs, four have justified consumer complaint rates that are lower than the industry average. Met-Ed's rate is equal to the industry average, while Duquesne and PECO have justified consumer complaint rates that are higher than the 2011 industry average.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2010 and 2011.

2010-11 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies

Company	Number of Days 2010	Number of Days 2011	Change in Days 2010 to 2011
Duquesne	18.6	17.7	-0.9
Met-Ed	11.0	12.1	1.1
PECO+	11.8	8.3	-3.5
Penelec	9.3	12.2	2.9
Penn Power	9.4	10.4	1.0
PPL	22.7	21.4	-1.3
West Penn	13.2	12.0	-1.2
Average	13.7	13.4	-0.3

+ PECO statistics include electric and gas.

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the major electric companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- Overall, the average response time fell from 13.7 to 13.4 days in 2011.
- PECO had the shortest consumer complaint response time in 2011 at 8.3 days while PPL had the longest at 21.4 days. Penelec's consumer complaint response time increased nearly three days from 2010 to 2011.

Payment Agreement Requests

In 2011, BCS handled 42,603 payment agreement requests (PARs) from residential customers of the EDCs. Ninety-eight percent (41,754) of the residential PARs were from customers of the seven largest EDCs. In 2011, BCS reviewed a representative sample of the PARs for each of the seven largest EDCs: Duquesne, Met-Ed, PECO, Penelec, Penn Power, PPL and West Penn. Thus, the calculation for justified payment agreement request rate that appears in the pages that follow is based on a subset of cases that BCS received from the customers of these utilities. BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix G, Table 1, provides additional statistics regarding the payment agreement requests from residential customers of the major EDCs.

2011 Residential Payment Agreement Request (PAR) Rates/ Justified PAR Rates* Major Electric Distribution Companies

Company	PAR Rate	Justified PAR Rate
Duquesne	10.70	0.13
Met-Ed	4.36	0.06
PECO+	6.35	0.10
Penelec	3.68	0.06
Penn Power	4.72	0.12
PPL	16.33	0.90
West Penn	4.25	0.24
Average	7.20	0.23

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

+ PECO statistics include electric and gas.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than seven PARs to BCS for each 1,000 residential customers of the major EDCs in 2011. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2011 PAR rates and justified PAR rates.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2010 and 2011.

2010-11 Justified Residential Payment Agreement Request (PAR) Rates* Major Electric Distribution Companies

Company	2010	2011
Duquesne	0.25	0.13
Met-Ed	0.12	0.06
PECO+	0.34	0.10
Penelec	0.10	0.06
Penn Power	0.09	0.12
PPL	0.86	0.90
West Penn	0.89	0.24
Average	0.38	0.23

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major EDCs decreased from 0.38 in 2010 to 0.23 in 2011.
- The justified PAR rates decreased for five of the seven major EDCs from 2010 to 2011. Two of the major EDCs have justified PAR rates greater than the 2011 industry average while five of the major EDCs have justified PAR rates below the industry average.
- The implementation of Chapter 14 had an impact on the 2010 and 2011 justified PAR rates.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2010 and 2011.

2010-11 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Electric Distribution Companies

Company	Number of Days 2010	Number of Days 2011	Change in Days 2010 to 2011
Duquesne	13.3	10.6	-2.7
Met-Ed	2.3	3.4	1.1
PECO+	4.7	3.4	-1.3
Penelec	2.5	3.5	1.0
Penn Power	2.5	3.9	1.4
PPL	10.3	15.5	5.2
West Penn	10.9	5.7	-5.2
Average	6.6	6.6	0.0

+ PECO statistics include electric and gas.

- Beginning in 2007, the calculation for average response time includes all residential PARs for the major electric companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- The average response time for the seven major EDCs remained unchanged from 2010 to 2011 at 6.6 days.
- There is a wide range of PAR response times among the major EDCs for 2011, from a low of 3.4 days for Met-Ed and PECO to a high of 15.5 days for PPL.

Termination and Reconnection of Service

Each month, the electric companies report to the Commission the number of residential accounts that they terminated for non-payment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Some EDCs maintain a fairly consistent pattern of termination behavior while others fluctuate from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The EDC reconnects a customer's terminated service when a customer either pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The following tables indicate the annual number of residential accounts each of the seven largest EDCs terminated and reconnected in 2009, 2010 and 2011. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates

Major Electric Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2009	2010	2011	% Change 2010-11	2009	2010	2011
Duquesne	23,143	21,915	22,927	5%	4.41	4.18	4.37
Met-Ed	12,915	10,676	18,169	70%	2.67	2.20	3.73
PECO+	76,862	78,180	81,408	4%	5.43	5.51	5.71
Penelec	9,878	6,750	17,513	159%	1.96	1.34	3.46
Penn Power	3,196	1,705	3,622	112%	2.29	1.22	2.58
PPL	33,247	33,536	33,641	<1%	2.75	2.77	2.77
West Penn	17,057	16,803	15,351	-9%	2.78	2.73	2.49
Major Electric	176,298	169,565	192,631	14%			
Average of Rates					3.18	2.85	3.59

+ PECO statistics include electric and gas.

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major EDCs terminated 14 percent more residential accounts in 2011 than in 2010.

Residential Service Reconnections Major Electric Distribution Companies

Company	2009	2010	2011	% Change 2010-11
Duquesne	16,877	15,946	16,846	6%
Met-Ed	10,279	7,650	14,696	92%
PECO+	52,281	55,863	58,323	4%
Penelec	7,603	4,111	14,209	246%
Penn Power	2,739	1,104	3,316	200%
PPL	23,424	22,158	22,727	3%
West Penn	10,500	10,121	9,914	-2%
Major Electric	123,703	116,953	140,031	20%

+ PECO statistics include electric and gas.

- Overall, the seven major EDCs reconnected 20 percent more residential accounts in 2011 than in 2010.

Compliance

BCS's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Commission regulations. Often through the informal process, BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of "infraction rate" is intended to help the Commission monitor the duty of electric companies at 66 Pa. C.S. §2807(d) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Electricity Generation Customer Choice and Competition Act of 1996.

The infraction rates in the table that follows are based on all informal complaints that residential consumers filed with BCS from 2009 through 2011. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 1, presents detailed information about the infractions identified on 2011 cases to the BCS.

Commission Infraction Rates Major Electric Distribution Companies

Company	2009	2010	2011
Duquesne	0.06	0.08	0.12
Met-Ed	0.01	0.06	0.09
PECO+	0.04	0.07	0.04
Penelec	0.01	0.03	0.07
Penn Power	0.05	0.06	0.06
PPL	0.02	0.06	0.02
West Penn	0.06	0.11	0.07

+ PECO statistics include electric and gas.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rates from 2010 to 2011 for Duquesne, Met-Ed and Penelec increased, while the rates for PECO, PPL and West Penn decreased. Penn Power's rate remained stable.
- Appendix H, Table 1, presents the actual number of infractions for 2011 categorized by infraction category.
- As shown in Appendix H, Table 1, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

4. Natural Gas Industry

In 2011, the Commission had jurisdiction over 29 natural gas distribution companies (NGDCs). However, the majority of the consumer complaints and payment agreement requests involving the gas industry came from residential customers of the seven major NGDCs: Columbia Gas of Pennsylvania Inc. (Columbia); Equitable Gas Co. (Equitable); National Fuel Gas Distribution Corp. (NFG); Peoples Natural Gas Co. f/k/a Dominion (Peoples); Philadelphia Gas Works (PGW); UGI Utilities Inc. -Gas; and UGI Penn Natural Gas. This chapter will focus exclusively on those seven utilities. As with the electric industry, most of the complaints and payment agreement requests (PARs) dealt with matters covered under 52 Pa. Code, Chapter 56 Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14 Responsible Utility Customer Protection. Generally, those consumer complaints and PARs represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major gas utilities in 2011. Appendices E through H provide statistics for these utilities from 2010 and 2011.

Consumer Complaints

During 2011, BCS handled 2,233 consumer complaints from residential customers of the various NGDCs and 78 consumer complaints from residential customers of natural gas suppliers (NGSs). Of these residential complaints, 96 percent (2,153) were from customers of the seven largest NGDCs. For the analyses of the seven major gas companies that appear in this chapter, BCS excluded 12 consumer complaints that involved competition issues.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2011 complaints from residential customers of the seven major gas utilities in each of the 13 categories used by the BCS policy unit to categorize consumer complaints about electric, gas and water utilities. Appendix E, Table 2, provides the actual number of cases that fell into each category in 2011.

Consumer Complaint Categories*: 2011 Major Natural Gas Distribution Companies

Categories	Columbia	Equitable	NFG	Peoples	PGW+	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	16%	12%	4%	14%	30%	14%	17%	20%
Personnel Problems	20%	27%	21%	15%	14%	21%	15%	17%
Discontinuance/Transfer	8%	10%	13%	9%	17%	9%	11%	13%
Metering	13%	5%	19%	10%	15%	3%	0%	11%
Other Payment Issues	7%	7%	15%	13%	8%	8%	3%	8%
Credit and Deposits	1%	5%	2%	6%	2%	18%	25%	6%
Scheduling Delays	5%	2%	4%	9%	5%	3%	2%	5%
Damages	8%	2%	6%	9%	1%	4%	2%	4%
Service Quality	8%	4%	8%	7%	<1%	4%	3%	4%
Service Extensions	2%	4%	0%	2%	1%	2%	3%	2%
Service Interruptions	1%	0%	0%	2%	1%	2%	2%	1%
Rates	1%	1%	0%	1%	<1%	0%	2%	<1%
All Other Problems	11%	21%	7%	3%	7%	13%	15%	10%
Total-Number**	181	131	95	171	563	140	115	1,396

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

** Based on residential complaints evaluated by BCS as of May 27, 2012.

+ PGW statistics are based on a probability sample of cases.

- Categories are for all residential complaints filed with BCS, whether they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 2, for the number of cases in each category.
- In 2011, billing disputes generated 20 percent of the complaints about the major gas companies followed by personnel problems (17 percent). Complaints about discontinuance/transfer accounted for 13 percent of residential consumer complaints about the major gas companies.

2011 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Columbia	0.61	0.06
Equitable	0.70	0.06
NFG	0.58	0.04
Peoples	0.65	0.14
PGW	2.34	0.29*
UGI-Gas	0.56	0.03
UGI Penn Natural	0.91	0.11
Average	0.91	0.10

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2011, the average of the consumer complaint rates is more than nine times the average of the justified consumer complaint rates for the seven major gas companies.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2010 and 2011.

2010-11 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	2010	2011
Columbia	0.08	0.06
Equitable	0.09	0.06
NFG	0.09	0.04
Peoples	0.15	0.14
PGW*	0.20	0.29
UGI-Gas	0.10	0.03
UGI Penn Natural	0.17	0.11
Average	0.12	0.10

* Based on a probability sample of cases.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2011, six of the major gas companies had justified consumer complaint rates lower than their justified consumer complaint rates in 2010. The justified consumer complaint rate for PGW increased by 45 percent in 2011.
- The justified consumer complaint rates among the major gas companies ranged from a low of 0.03 for UGI-Gas to a high of 0.29 for PGW in 2011. Overall, the industry average justified consumer complaint rate decreased from 0.12 in 2010 to 0.10 in 2011.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2010 and 2011.

2010-11 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies

Company	Number of Days 2010	Number of Days 2011	Change in Days 2010 to 2011
Columbia	7.0	7.3	0.3
Equitable	3.5	2.9	-0.6
NFG	10.3	7.0	-3.3
Peoples	6.1	13.4	7.3
PGW	12.3	11.7	-0.6
UGI-Gas	36.9	4.9	-32.0
UGI Penn Natural	31.5	4.6	-26.9
Average	15.4	7.4	-8.0

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the major gas companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- The average of response times for the major gas companies decreased from 15.4 days in 2010 to 7.4 days in 2011.
- Consumer complaint response time performance varied among the major gas companies in 2011, from a low of 2.9 days for Equitable to a high of 13.4 days for Peoples.

Payment Agreement Requests

In 2011, BCS handled 11,160 payment agreement requests (PARs) from residential customers of the natural gas distribution companies (NGDCs). There were two PARs from residential customers of Pennsylvania's natural gas supply companies. Ninety-seven percent (10,780) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2011, BCS reviewed a representative sample of the PARs for case outcome for all the major gas companies except Peoples. Thus, the calculation for justified payment agreement request rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these utilities. BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix G, Table 2, provides additional statistics regarding the payment agreement requests from residential customers of the major natural gas distribution companies.

**2011 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates***
Major Natural Gas Distribution Companies

Company	PAR Rate	Justified PAR Rate
Columbia	2.25	0.01
Equitable	5.09	0.05
NFG	2.82	0.08
Peoples	1.13	0.05
PGW	6.79	0.18
UGI-Gas	8.75	0.19
UGI Penn Natural	12.48	0.19
Average	5.62	0.11

* Justified PAR rates based on a probability sample of cases for all NGDCs except Peoples.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than five PARs to BCS for each 1,000 residential customers of the major NGDCs in 2011. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2011 PAR rates and justified PAR rates.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2010 and 2011.

2010-11 Justified Residential Payment Agreement Request (PAR) Rates* Major Natural Gas Distribution Companies

Company	2010	2011
Columbia	0.04	0.01
Equitable	0.13	0.05
NFG	0.26	0.08
Peoples	0.12	0.05
PGW	0.28	0.18
UGI-Gas	0.24	0.19
UGI Penn Natural	1.22	0.19
Average	0.33	0.11

* Based on a probability sample of cases for all NGDCs except Peoples.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major gas utilities decreased from 0.33 in 2010 to 0.11 in 2011. Five of the seven major gas companies had significant decreases in their justified PAR rates, the greatest of which was UGI Penn Natural by 84 percent.
- The 2011 justified PAR rates among the major NGDCs ranged from a low of 0.01 for Columbia to a high of 0.19 for UGI-Gas and UGI Penn Natural.
- The implementation of Chapter 14 had an impact on the 2010 and 2011 justified PAR rates.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2010 and 2011.

2010-11 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Natural Gas Distribution Companies

Company	Number of Days 2010	Number of Days 2011	Change in Days 2010 to 2011
Columbia	3.3	2.8	-0.5
Equitable	1.9	1.4	-0.5
NFG	4.1	2.9	-1.2
Peoples	4.6	6.8	2.2
PGW	5.3	5.8	0.5
UGI-Gas	15.9	1.6	-14.3
UGI Penn Natural	10.2	1.4	-8.8
Average	6.5	3.2	-3.3

- Beginning in 2007, the calculation for average response time includes all residential PARs for the major gas companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- From 2010 to 2011, the average of response times decreased by 3.3 days. The response time for UGI-Gas fell by more than 14 days from 2010 to 2011.
- The 2011 PAR response times for the major NGDCs varied from a low of 1.4 days for Equitable and UGI Penn Natural to a high of 6.8 days for Peoples.

Termination and Reconnection of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company depending on a variety of factors. The NGDC reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The tables that follow indicate the annual number of residential accounts each of the seven largest gas utilities terminated and reconnected in 2009, 2010 and 2011. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Natural Gas Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2009	2010	2011	% Change 2010-11	2009	2010	2011
Columbia	11,662	9,878	9,650	-2%	3.14	2.65	2.58
Equitable	10,836	10,967	10,471	-5%	4.52	4.61	4.36
NFG	12,290	9,296	9,472	2%	6.22	4.70	4.77
Peoples	7,640	7,135	3,696	-48%	2.34	2.18	1.12
PGW	38,536	29,865	28,868	-3%	8.01	6.23	6.02
UGI-Gas	14,891	11,885	11,206	-6%	4.92	3.89	3.61
UGI Penn Natural	8,672	8,569	6,967	-19%	5.99	5.93	4.79
Major Gas	104,527	87,595	80,330	-8%			
Average of Rates					5.02	4.31	3.87

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major gas companies terminated eight percent fewer residential accounts in 2011 than in 2010.

Residential Service Reconnections Major Natural Gas Distribution Companies

Company	2009	2010	2011	% Change 2010-11
Columbia	6,559	5,336	4,958	-7%
Equitable	7,392	7,873	7,587	-4%
NFG	8,249	6,445	6,449	<1%
Peoples	4,597	4,602	2,660	-42%
PGW	33,815	30,626	26,011	-15%
UGI-Gas	8,752	6,703	5,426	-19%
UGI Penn Natural	4,871	5,548	4,276	-23%
Major Gas	74,235	67,133	57,367	-15%

- Overall, the seven major NGDCs reconnected 15 percent fewer residential accounts in 2011 than in 2010.

Compliance

BCS's primary compliance effort is its informal compliance process. This process provides utilities with specific examples of apparent problems that may reflect infractions of Commission regulations. Often through the informal process, BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of "infraction rate" is intended to help the Commission monitor the duty of natural gas companies at 66 Pa. C.S. §2206(a) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Natural Gas Choice and Competition Act of 1999.

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2009 through 2011. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 2, presents detailed information about the infractions identified on 2011 cases to the BCS.

Commission Infraction Rates Major Natural Gas Distribution Companies

Company	2009	2010	2011
Columbia	0.04	0.02	0.03
Equitable	0.13	0.06	0.03
NFG	0.03	0.06	0.02
Peoples	0.14	0.14	0.18
PGW	0.29	0.03	0.16
UGI-Gas	0.08	0.08	0.03
UGI Penn Natural	0.08	0.15	0.08

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- From 2010 to 2011, infraction rates decreased for Equitable, NFG, UGI-Gas and UGI Penn Natural while the infraction rates increased for Columbia, Peoples and PGW.
- Appendix H, Table 2, presents the actual number of infractions for 2011 categorized by infraction category.
- As shown in Appendix H, Table 2, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

5. Water Industry

In 2011, the Commission had jurisdiction over 97 water companies, including 23 municipal water companies. The Commission categorizes the non-municipal water companies into one of three classifications: A, B and C. Those three classifications are based on the amount of the company's annual revenues.

The non-municipal water companies with the largest annual revenues are classified as "Class A" water companies. "Class A" water companies must have annual revenues of \$1 million or more for three years in a row. In 2011, nine "Class A" water companies served residential customers. The number of residential customers for these major companies ranged from 2,346 for United Water Bethel to 588,325 residential customers for Pennsylvania American Water Co. (PAWC). In 2011, the "Class A" water companies were Aqua Pennsylvania Inc. (Aqua), Audubon Water Co., Columbia Water Co., Newtown Artesian Water Co., Pennsylvania American Water Co., Superior Water Co., United Water Bethel, United Water of Pennsylvania Inc. and York Water Co. The tables in this chapter present individual statistics for the two largest water companies, PAWC and Aqua, and for the "Other Class A" companies as a whole.

The other classes of water companies have lower annual revenues and, typically, fewer residential customers. In 2011, 11 "Class B" companies were operating. "Class B" water companies have annual revenues between \$200,000 and \$999,999. In 2011, the number of residential customers for the "Class B" companies ranged from 295 to 3,055. There were 53 "Class C" companies in 2011. "Class C" water companies have annual revenues of less than \$200,000. The number of residential customers for the "Class C" companies ranged from two to 1,148 in 2011.

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

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

The tables on the pages that follow depict the performance of the "Class A" water companies in 2011. Appendices E through H also present statistics about the performance of the "Class A" water companies.

Consumer Complaints

During 2011, BCS handled a total of 787 consumer complaints from residential customers of the various water companies. Of those complaints, 96 percent (757) were from customers of the "Class A" companies. The remaining 4 percent were from customers of smaller water companies. While a majority of consumer complaints involved the "Class A" water companies in 2011, the Commission devoted a significant amount of attention to the smaller water companies. Sometimes the amount of time BCS spends on a few complaints from customers of a smaller company exceeds the amount of time it spends dealing with complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and payment agreement requests as compared to smaller water companies with limited resources.

In 2011, customers of the small water companies filed complaints with BCS for a variety of reasons. Of the 30 consumer complaints filed about the "Non-Class A" water companies, 67 percent involved complaints about service, including people-delivered service, service quality or other aspects of the companies' service to customers (20 cases). An additional 23 percent involved billing disputes (7 cases).

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into BCS's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2011 complaints from residential customers of the "Class A" water companies in each of the categories used by the BCS Policy Division to categorize consumer complaints about electric, gas and water companies. Appendix E, Table 3, provides the actual number of cases that fell into each category in 2011.

Consumer Complaint Categories*: 2011 Major Water Companies

Categories	Aqua	PAWC	"Other Class A"	All "Class A" Water
Billing Disputes	44%	44%	47%	44%
Personnel Problems	13%	13%	11%	13%
Metering	10%	6%	11%	8%
Damages	5%	8%	0%	7%
Service Quality	6%	4%	5%	5%
Discontinuance/Transfer	4%	3%	5%	4%
Scheduling Delays	3%	3%	16%	4%
Other Payment Issues	2%	2%	0%	2%
Service Interruptions	1%	2%	0%	2%
Service Extensions	2%	1%	0%	1%
Rates	2%	1%	0%	1%
Credit and Deposits	<1%	<1%	0%	<1%
All Other Problems	10%	11%	5%	10%
Total-Number**	242	353	19	614

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

** Based on residential complaints evaluated by BCS as of May 27, 2012.

- Categories are for all residential complaints filed with BCS, whether they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 3, for the number of cases in each category.
- Sixty-five percent of residential complaints for the Class A water companies fell into one of three complaint categories: billing disputes, personnel problems or metering complaints. Billing disputes generated the highest number of complaints in 2011.

**2011 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Water Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Aqua	0.77	0.19
PAWC	0.75	0.15
"Other Class A"	0.16	0.04
Average	0.56	0.13

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The consumer complaint rate for PAWC is five times greater than its justified consumer complaint rate.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua, PAWC and the "Other Class A" water companies in 2010 and 2011.

2010-11 Justified Residential Consumer Complaint Rates Major Water Companies

Company	2010	2011
Aqua	0.29	0.19
PAWC	0.22	0.15
"Other Class A"	0.04	0.04
Average	0.18	0.13

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The justified consumer complaint rates decreased from 2010 to 2011 for both Aqua and PAWC.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua, PAWC and the "Other Class A" water companies in 2010 and 2011.

2010-11 Response Time to BCS Residential Consumer Complaints Major Water Companies

Company	Number of Days 2010	Number of Days 2011	Change in Days 2010 to 2011
Aqua	16.2	14.4	-1.8
PAWC	6.7	3.5	-3.2
"Other Class A"	6.8	19.7	12.9
Average	9.9	12.5	2.6

- Beginning in 2007, the calculation for average response time includes all residential consumer complaints for the "Class A" water companies. In prior years, BCS used only the response times for evaluated consumer complaints in this calculation.
- The average response time for Aqua decreased by 1.8 days from 2010 to 2011. The average response time for PAWC decreased 3.2 days, from 6.7 days in 2010 to 3.5 days in 2011.

Payment Agreement Requests

In 2011, BCS handled 4,568 payment agreement requests (PARs) from residential customers of the water industry. Ninety-nine percent (4,521) of the residential PARs were from customers of the "Class A" water companies. As in past years, for the companies with the largest volume of requests, the BCS Policy Division reviewed a representative sample of PARs for case outcome. In 2011, BCS reviewed a sample of the PARs for Aqua and PAWC. Thus, the calculation for justified payment agreement request rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these two companies. BCS believes the size of the sample gives a reasonable indication of the performance of these companies. Appendix G, Table 3, provides additional statistics regarding the payment agreement requests from residential customers of the "Class A" water companies.

2011 Residential Payment Agreement Request (PAR) Rates/ Justified PAR Rates Major Water Companies

Company	PAR Rate	Justified PAR Rate
Aqua	3.92	0.16*
PAWC	4.83	0.41*
"Other Class A"	1.31	0.00
Average	3.35	0.19

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than three PARs to BCS for each 1,000 residential customers of the major water companies in 2011. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2011 PAR rates and justified PAR rates.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua, PAWC and the "Other Class A" water companies in 2010 and 2011.

2010-11 Justified Residential Payment Agreement Request (PAR) Rates Major Water Companies

Company	2010	2011
Aqua	0.26*	0.16*
PAWC	0.97*	0.41*
"Other Class A"	0.02	0.00
Average	0.42	0.19

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The justified PAR rates decreased from 2010 to 2011 for Aqua and PAWC.
- The implementation of Chapter 14 had an impact on the 2010 and 2011 justified PAR rates.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua, PAWC and the "Other Class A" water companies in 2010 and 2011.

2010-11 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Water Companies

Company	Number of Days 2010	Number of Days 2011	Change in Days 2010 to 2011
Aqua	6.0	7.0	1.0
PAWC	6.7	1.8	-4.9
"Other Class A"	7.1	2.8	-4.3
Average	6.6	3.9	-2.7

- Beginning in 2007, the calculation for average response time includes all residential PARs for the "Class A" water companies. In prior years, BCS used only the response times for evaluated PARs in this calculation.
- Aqua's response time increased by one day from 2010 to 2011 while PAWC's response time decreased by nearly five days, from 6.7 to 1.8 days in 2011.

Compliance

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

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2009 through 2011. Appendix H, Table 3, presents detailed information about the infractions identified on 2011 cases to the BCS.

Commission Infraction Rates Major Water Companies

Company	2009	2010	2011
Aqua	0.38	0.20	0.21
PAWC	0.37	0.32	0.13
"Other Class A"	0.00	0.01	0.02

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rates for Aqua and "Other Class A" water companies increased slightly from 2010 to 2011. The infraction rate for PAWC dropped significantly to 0.13 in 2011.
- Appendix H, Table 3, presents the actual number of infractions for 2011 categorized by infraction category.
- As shown in Appendix H, Table 3, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

Programs That Assist Low-Income Customers

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

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

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

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

At the end of 2011, 947 active participants were enrolled in the Helping Hand program. During the year, Aqua spent \$146,221 to complete eligibility interviews and household audits. In addition, the company provided \$40,340 in arrearage forgiveness credits to 1,162 program participants.

Pennsylvania American Water Co. (PAWC) – In 1991, PAWC established the “Help to Others” (H2O) program. The H2O program provides customers with a 65 percent discount on their monthly service fees – a savings of about \$8.94 per month. The program also provides water saving devices and conservation education. As of December 2010, 11,630 customers were receiving the discounted rate. (As of December 2011, 12,554 customers were receiving the discount for water.)

In addition to a discount for water, the company also offers a discount for wastewater customers in Coatesville, Bushkill, Lehman Pike, Claysville, Clarion, East Stroudsburg, Blue Mountain and Winona Lakes. This discount offers a 15 percent discount off the total wastewater billing for those who qualify. As of December 2011, 311 customers were receiving the discount for wastewater.

As part of the H2O program, PAWC also participates with the Dollar Energy Fund to provide cash grants of up to \$500 per year for those water and wastewater customers listed above. Dollar Energy Fund is a hardship fund administrator that provides cash assistance to utility customers who need help in paying their utility bills. During the 2010-11 program year, PAWC’s shareholders and customers provided \$314,073 in hardship fund benefits to 1,149 customers for an average benefit of \$273. In addition, PAWC’s shareholders provided \$10,000 for the 2010-11 program year for their wastewater customers.

United Water of Pennsylvania Inc. (United Water) - United Water implemented the “UW Cares” program in 2005. UW Cares is a nonprofit 501(c)(3) organization that provides financial assistance to customers who experience a temporary financial crisis caused by such occurrences as a job loss, severe illness, casualty or extensive military service. Cash grants up to \$100 are provided to qualifying customers who are first screened by the Salvation Army for eligibility. To be eligible for a grant, customers must have made a nominal payment within the last 90 days. During the 2010-11 program year, the company provided grants totaling nearly \$5,200 to qualifying customers.

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

During 2011, the company expended \$1,631 for customer plumbing repairs and enrolled a total of 17 new customers in the York Water Cares program. As of program end 2011, 34 customers received arrearage forgiveness benefits totaling \$1,755 for an average benefit of approximately \$52 per customer. The company anticipates an annual savings of \$3,468 in costs for termination proceedings that may be avoided as a result of customer participation in the York Water Cares program.

6. Telephone Industry

During 2011, BCS handled consumer complaints, payment agreement requests (PARs) and inquiries from the customers of a variety of telecommunications service providers, including incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), long-distance companies and resellers. Just over 700 providers of telecommunications services were certificated and able to conduct business in Pennsylvania in 2011. Of this group of telecommunications providers, 37 were ILECs. Thirty-two of these ILECs were non-major utilities each serving fewer than 50,000 residential customers. The remaining five ILECs were major companies, each with more than 50,000 residential customers. Collectively, these five major telephone companies served nearly 2.4 million residential customers in 2011.

This chapter will focus exclusively on the five major ILECs in 2011 – CenturyLink f/k/a Embarq Pennsylvania (CenturyLink); Frontier Communications Commonwealth Telephone Co. f/k/a Commonwealth Telephone Co. (Frontier Commonwealth); Verizon North Inc. (Verizon North); Verizon Pennsylvania (Verizon PA); and Windstream Communications f/k/a ALLTEL Pennsylvania (Windstream). Prior reports included data about RCN Telecom Services, Inc. However, in this year's report, RCN is not included in this chapter because the company reported it served fewer than 50,000 residential customers during 2011.

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

Consumer Complaints

Although BCS handled consumer complaints about different types of telecommunications service providers in 2011, the complaints predominantly came from the residential customers of the five major ILECs. Overall, BCS handled 3,412 consumer complaints from residential customers of telecommunications service providers in 2011. Of those complaints, 3,179 were from residential customers of all of Pennsylvania's ILECs while 3,129 were from customers of the five major ILECs. Meanwhile, 205 consumer complaints were from residential customers of the CLECs operating in Pennsylvania. The remaining 28 consumer complaints were from residential customers of other providers of telecommunications services such as long-distance carriers, resellers and Voice over Internet Protocol (VoIP) providers.

In September 2009, BCS began offering all Verizon PA and Verizon North customers who call with a service issue the voluntary option of being transferred to a special Verizon team that immediately begins working to resolve the customer's complaint. If a customer chooses the voluntary transfer, BCS categorizes the contact as an "inquiry"³ rather than as a "consumer complaint."

³BCS categorized 1,415 of these contacts regarding Verizon service issues as inquiries during 2011.

Consumer Complaint Categories

After a BCS investigator closes a consumer complaint, the BCS Policy Division reviews the complaint, categorizes it into a specific problem category and enters it into the Bureau's computerized information system. The BCS data system then aggregates the data from all complaints. The following table shows the percentage of 2011 consumer complaints from residential customers of the major telephone companies in each of the 11 categories used by the BCS policy unit to categorize consumer complaints about telephone companies.

Consumer Complaint Categories*: 2011 Major Local Telephone Companies

Categories	Century-Link	Frontier Common-wealth	Verizon North	Verizon PA	Wind-stream	Telephone Majors
Unsatisfactory Service	19%	27%	24%	27%	35%	27%
Billing Disputes	38%	22%	22%	27%	18%	27%
Service Delivery	13%	23%	29%	22%	23%	22%
Service Terminations	8%	6%	7%	7%	11%	7%
Competition	3%	12%	5%	3%	2%	4%
Toll Services	8%	1%	3%	1%	0%	1%
Credit and Deposits	1%	2%	2%	1%	2%	1%
Discontinuance/Transfer	1%	3%	2%	1%	0%	1%
Non-Recurring Charges	0%	0%	1%	<1%	3%	<1%
Annoyance Calls	0%	0%	0%	<1%	0%	<1%
All Other Problems	8%	3%	7%	10%	6%	10%
Total-Number**	89	86	119	1,467	65	1,826

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

** Based on residential complaints evaluated by BCS as of April 27, 2012.

- Categories are for all residential complaints filed with BCS, whether they were found to be justified. See Appendix D-2 for an explanation of complaint categories and Appendix E, Table 4, for the number of cases in each category.
- Seventy-six percent of all complaints for the major telephone companies fall into one of three complaint categories: unsatisfactory service, billing disputes or service delivery.
- Unsatisfactory service and billing disputes each account for 27 percent of the total number of consumer complaints filed against the five major telephone companies in 2011. Last year, unsatisfactory service accounted for 18 percent, while billing disputes accounted for 34 percent of all consumer complaints filed against the major telephone companies.

- Service delivery accounts for another 22 percent of all the consumer complaints filed against the five major telephone companies in 2011.

The 2010 and 2011 consumer complaint figures for justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages. Appendix F, Table 4, provides additional statistics about the consumer complaints from residential customers of the five major local telephone companies.

2011 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
CenturyLink	0.55	0.25
Frontier Commonwealth	0.63	0.41
Verizon North	0.47	0.25
Verizon PA	1.64	0.92*
Windstream	0.56	0.27
Average	0.77	0.42

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the five major telephone companies, the average of their consumer complaint rates is 1.8 times greater than the average of their justified consumer complaint rates.
- The consumer complaint rates for CenturyLink and Windstream are more than double their justified consumer complaint rates.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2010 and 2011.

2010-11 Justified Residential Consumer Complaint Rates Major Local Telephone Companies

Company	2010	2011
CenturyLink	0.16	0.25
Frontier Commonwealth	0.30**	0.41
Verizon North	0.21	0.25
Verizon PA*	0.72	0.92
Windstream	0.21	0.27
Average	0.32	0.42

* Based on a probability sample of cases.

** BCS revised the 2010 justified consumer complaint rate for Frontier Commonwealth. It was discovered that a submission error was made when reporting the 2010 number of residential customers to BCS.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The industry average of justified consumer complaint rates increased by 31 percent from 2010 to 2011. All five major telephone companies had an increase in their justified consumer complaint rate in 2011. CenturyLink and Frontier Commonwealth had the largest increases. CenturyLink's justified consumer complaint rate increased 56 percent, while Frontier Commonwealth's justified consumer complaint rate increased 37 percent since 2010.
- Of the five major telephone companies, only Verizon PA had a justified consumer complaint rate that was higher than the industry average.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2010 and 2011.

2010-11 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies

Company	Number of Days 2010	Number of Days 2011	Change in Days 2010 to 2011
CenturyLink	19.0	22.4	3.4
Frontier Commonwealth	25.5	14.1	-11.4
Verizon North	21.1	19.1	-2.0
Verizon PA	18.6	18.6	0.0
Windstream	20.3	18.9	-1.4
Average	20.9	18.6	-2.3

- For the five major telephone companies, the average response time to consumer complaints decreased by 2.3 days from 2010 to 2011.
- The response time for Frontier Commonwealth decreased by more than 11 days. Only CenturyLink increased their average response time from 2010 to 2011.

Payment Agreement Requests

Telephone service consists of three components: basic service, nonbasic service and toll service. BCS does not handle customer requests for payment agreements that involve toll or nonbasic services. For the telephone industry, payment agreement requests (PARs) are principally contacts to BCS or to companies involving a request for payment terms for arrearages associated with basic service. Most PARs are cases relating to the suspension of basic telephone service for nonpayment. Suspension of basic telephone service involves the temporary cessation of service without the consent of the customer and occurs when the customer owes the local telephone company money. If the customer does not pay or make an agreement to pay the amount owed, the company proceeds to terminate the customer's service, which is the permanent cessation of service. The majority of PARs are from customers who contact BCS to request payment agreements after they have received a suspension notice.

Under Chapter 64, a customer contact in response to a suspension notice is a dispute (as the term is defined in §64.2) only if the contact includes a disagreement with respect to the application of a provision of Chapter 64. Where telephone cases involving telephone service suspension are concerned, failure to negotiate a payment agreement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve PARs have been separated from telephone PARs that also involve a dispute. For the telephone industry, PARs that involve a dispute are classified as consumer complaints. During 2011, BCS handled 460 PARs from residential customers of telecommunications service providers. Of these PARs, 394 were from residential customers of the five major telephone companies: CenturyLink, Frontier Commonwealth, Verizon North, Verizon PA and Windstream.

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

The 2010 and 2011 payment agreement request figures for justified payment agreement request rates and response times for the major telephone companies are presented in the tables that follow.

2011 Residential Payment Agreement Request (PAR) Rates/ Justified PAR Rates Major Local Telephone Companies

Company	PAR Rate	Justified PAR Rate
CenturyLink	0.15	0.02
Frontier Commonwealth	0.06	0.01
Verizon North	0.07	0.01
Verizon PA	0.20	0.01*
Windstream	0.07	0.02
Average	0.11	0.01

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The overall 2011 PAR rate is 11 times the overall justified PAR rate for the five major telephone companies.
- For the individual companies, the ratio between the PAR rate and the justified PAR rate varies. For Verizon North, the company's 2011 PAR rate is 20 times the company's justified PAR rate.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2010 and 2011.

2010-11 Justified Residential Payment Agreement Request (PAR) Rates Major Local Telephone Companies

Company	2010	2011
CenturyLink	0.00	0.02
Frontier Commonwealth	0.03	0.01
Verizon North	0.01	0.01
Verizon PA*	0.04	0.01
Windstream	0.03	0.02
Average	0.02	0.01

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The 2011 average justified PAR rate for the five major telephone companies decreased from 0.02 in 2010 to 0.01 in 2011. Only CenturyLink had a justified PAR rate that increased from 2010 to 2011. The justified PAR rate for Verizon North remained stable at 0.01.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2010 and 2011.

2010-11 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Local Telephone Companies

Company	Number of Days 2010	Number of Days 2011	Change in Days 2010 to 2011
CenturyLink	3.4	14.4	11.0
Frontier Commonwealth	21.5	6.1	-15.4
Verizon North	11.9	8.5	-3.4
Verizon PA	13.6	11.4	-2.2
Windstream	11.9	18.5	6.6
Average	12.5	11.8	-0.7

- The average response time to PARs for the five major telephone companies decreased from 12.5 days in 2010 to 11.8 days in 2011.
- Frontier Commonwealth reduced their response time to PARs by more than 15 days from 2010 to 2011.

Termination of Service

Chapter 64 defines suspension as a temporary cessation of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent end of service after a suspension without the consent of the customer. Most payment agreement requests are cases relating to the termination of telephone service and are registered during the suspension phase. Many customers who have their basic service suspended are able to make payment agreements and avoid termination. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. Shifts in terminations can signal potential problems with customers maintaining basic telephone service and reflect the impact of universal service programs.

Residential Service Terminations/Termination Rates

Major Local Telephone Companies

Company	Residential Service Terminations				Termination Rates		
	2009	2010	2011	% Change 2010-11	2009	2010	2011
CenturyLink	7,128	6,468	5,136	-21%	36.30	35.19	30.13
Frontier Commonwealth	1,128	408*	552	35%	7.35	3.21*	4.08
Verizon North	23,364	11,412	7,056	-38%	71.45	39.18	27.14
Verizon PA	160,452	171,648	136,572	-20%	73.04	88.30	80.82
Windstream	4,308	3,984	3,648	-8%	31.43	31.63	30.88
Major Telephone	196,380	193,920	152,964	-21%			
Average of Rates					43.91	39.50	34.61

* BCS revised the 2010 number of residential service terminations and termination rate for Frontier Commonwealth. It was discovered a submission error was made when reporting the 2010 number of residential customers and 2010 number of terminations to BCS.

- The termination rate equals the number of basic service terminations for each 1,000 residential customers.
- Overall, the average residential service termination rate for the major telephone companies decreased from 2010 to 2011.
- From 2010 to 2011, the number of terminations and the termination rates decreased for four of the five major telephone companies. Only Frontier Commonwealth had an increase in their number of terminations and their termination rate from 2010 to 2011.

Compliance

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

Each year, BCS retrieves infraction data from the BCS Compliance Tracking System and produces tables that present Chapter 63 and Chapter 64 infraction statistics for the major telephone companies reviewed in this chapter. The infraction statistics are typically drawn from all cases that residential consumers filed with BCS in 2009, 2010 and 2011. Appendix H, Tables 4 and 5, present detailed information about the infractions identified on 2011 cases to the BCS.

Commission Infraction Rates – Chapter 63 Major Local Telephone Companies

Company	2009	2010	2011
CenturyLink	0.02	0.14	0.22
Frontier Commonwealth	0.20	0.19	0.60
Verizon North	0.58	0.26	0.52
Verizon PA	1.31	0.98	1.87
Windstream	0.17	0.17	0.18

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates increased for each of the five major telephone companies since 2010. In 2011, Frontier Commonwealth's infraction rate was more than three times higher than in 2010. The infraction rate for Windstream remained relatively stable from 2010 to 2011.
- Appendix H, Table 4, presents the actual number of infractions of Chapter 63 found on 2011 informal complaints for the major local telephone companies by infraction category.

Commission Infraction Rates – Chapter 64 Major Local Telephone Companies

Company	2009	2010	2011
CenturyLink	0.18	0.24	0.56
Frontier Commonwealth	0.14	0.64	0.61
Verizon North	0.22	0.29	0.22
Verizon PA	0.73	0.63	0.70
Windstream	0.13	0.41	0.36

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates decreased for three of the five major telephone companies in 2011. Only CenturyLink and Verizon PA had infraction rates higher in 2011 than in 2010. CenturyLink's 2011 infraction rate was more than double its infraction rate for 2010.
- Appendix H, Table 5, presents the actual number of infractions of Chapter 64 found on 2011 informal complaints for the major local telephone companies by infraction category.

Universal Service Programs

As part of its ongoing responsibilities, BCS monitors the universal service programs of local telephone companies. For the telephone industry, universal service programs⁴ include Link-Up America (Link-Up), Lifeline Service (Lifeline) and the Universal Telephone Assistance Program (UTAP). These programs ensure that low-income consumers have access to telephone service by providing discounts or credits for service installation and basic telephone service. The Commission approved the implementation of Pennsylvania's first universal service program in 1989 with the implementation of Link-Up. By December 1997, the Commission approved Lifeline service plans for 44 telephone companies and marked the statewide implementation of telephone companies' Lifeline programs in 1998.

The initial Lifeline program targeted those customers who had incomes at or below 100 percent of the federal poverty guidelines, who received Supplemental Security Income or who participated in certain Pennsylvania Department of Public Welfare (DPW) programs. Lifeline service customers could not subscribe to call waiting or other optional services⁵.

On Sept. 30, 1999, the Commission approved a Global Telecommunication Order that created the Lifeline 150 program. Under the Lifeline 150 program, customers were allowed to subscribe to one optional service such as voice mail or call waiting at cost. Customers with incomes up to 150 percent of the federal poverty guidelines and who participated in

⁴With the exception of UTAP, these programs are supported fully or in part by federal universal service funds.

⁵Lifeline service customers were permitted to subscribe to call trace service under special circumstances.

certain assistance programs⁶ were eligible for this program. The Commission directed telephone companies to discontinue the initial Lifeline program and implement the Lifeline 150 program. However, the Commission allowed Verizon f/k/a Bell of PA to continue its 1999 Lifeline program along with implementing the Lifeline 150 program. As a result of the merger of Bell Atlantic PA and GTE North, Verizon North f/k/a GTE North also is required to offer Lifeline service.

On March 2, 2012, the FCC issued a Final Rule which reformed and begins to modernize the Universal Service Fund's Lifeline program. The reforms substantially strengthen protections against waste, fraud and abuse; improve program administration and accountability; improve enrollment and consumer disclosures; initiate modernization of the program for broadband; and constrain the growth of the program in order to reduce the burden of all who contribute to the Universal Service Fund. In addition, the FCC has identified numerous unserved census block groups in Pennsylvania where wireless eligible telecommunications carriers (ETCs) may bid to receive Mobility Fund Phase 1 support to build infrastructure over which to deliver 3G or better broadband and voice service.

The discussion below describes the status of universal service programs for the telephone industry in 2011, prior to the implementation of the FCC's reforms.

Lifeline, Lifeline 150 and Lifeline 135 Service

On May 23, 2005, the Commission entered its Final Lifeline Order (Final Order), at Docket No. M-00051871 that resulted in major changes to the Lifeline programs. The Final Order expanded the Lifeline and Link-Up program eligibility to be consistent with the Federal Communications Commission's (FCC) default Lifeline/Link-Up programs⁷. It added the National School Free Lunch Program and an income-only based criterion (income at or below 135 percent of the federal poverty guidelines) as new criteria for Pennsylvania's Lifeline/Link-Up program eligibility. Second, the Final Order directed all jurisdictional ETCs⁸ to implement the Lifeline provisions contained in Chapter 30. Under these provisions⁹, ETCs are to inform new and existing customers about the availability of Lifeline and Link-Up services. They also must permit eligible Lifeline service customers to purchase any number of optional services (i.e. call waiting) at the tariffed rates for these services. Third, the Final Order requires all local telephone ETCs to implement these changes. It also encourages non-ETCs to continue to offer Lifeline service even though they are no longer required to do so. Finally, the Final Order eliminates the Lifeline 150 program and designates the Lifeline 135 program as the primary telephone universal service program in Pennsylvania.

On Dec. 18, 2008, the Commission adopted the initial decision of a PUC administrative law judge ordering Verizon PA and Verizon North to revise their tariffs to permit their Lifeline

⁶These programs are as follows: General Assistance (GA); Supplemental Security Income (SSI); Temporary Assistance for Needy Families (TANF); Food Stamps; Low-Income Home Energy Assistance Program (LIHEAP); Medicaid; Federal Public Housing Assistance; and the State Blind Pension.

⁷FCC Report and Order and Further Notice of Proposed Rulemaking in the Matter of Lifeline and Link-Up, at CC Docket No. 04-87, WC Docket No. 03-109.

⁸To provide Lifeline and Link-Up services, telephone companies must be designated Eligible Telecommunications Carriers (ETC) by their state commission or the FCC. ETCs may receive universal service funding.

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

135 customers the opportunity to subscribe to three types of bundled service plans¹⁰. Those customers may now subscribe to a bundled service package plan that offers 1) local service with three optional services; 2) local service with three optional services plus regional toll service; or 3) local service with three optional services plus regional toll service and long-distance service at a single monthly rate.

The following table shows enrollment activity for the various Lifeline programs in 2010 and 2011.

Lifeline Service Activity 2010-11

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2010	2011	2010	2011
CenturyLink	5,746	4,685	4,138	3,384
Frontier Commonwealth	6,264	5,865	5,303	4,861
Verizon North*	19,229	15,942	12,404	10,548
Verizon PA*	159,559	130,389	101,081	85,102
Windstream	6,391	6,046	5,312	5,011
Total	197,189	162,927	128,238	108,906

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

As of July 1, 2012, the monthly credit¹¹ is \$9.25 for the Lifeline 135 program, and \$11.75 for the Verizon companies' Lifeline program.

¹⁰See Dockets C-20077916 and C-20077917.

¹¹The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

Link-Up

Link-Up helps make telephone service more affordable for low-income customers who apply for new telephone service or who transfer telephone service to a new location. Link-Up provides qualified customers with a 50 percent discount, up to \$30, on line connection charges for one residential telephone line. The program targets those customers who have incomes at or below 135 percent of the federal poverty guidelines, who receive Supplemental Security Income, or who participate in certain DPW assistance programs. The March 2, 2012, FCC Final Rule eliminated Link-Up support to all ETCs on non-Tribal lands and limits Link-Up on Tribal lands to high cost recipients deploying infrastructure. The following table presents the number of Link-Up connections reported by major local companies for 2010 and 2011 prior to the FCC rule.

Link-Up Connections 2010 - 11

Company	Number of Connections 2010	Number of Connections 2011
CenturyLink	250	86
Frontier Commonwealth	154	84
Verizon North	3,361	641
Verizon PA	28,063	5,391
Windstream	193	122
Total	32,021	6,324

Universal Telephone Assistance Program

Verizon PA implemented a Universal Telephone Assistance Program (UTAP) along with its Lifeline service program as part of a settlement agreement that was approved by the Commission in 1995. Verizon PA is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a pre-existing basic service arrearage) to restore their basic telephone service. The Dollar Energy Fund manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2011 was \$80. Overall, UTAP distributed \$83,525 in financial assistance to 1,050 of Verizon PA's qualified customers in 2011.

Automatic Notification Program

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

Wireless ETC Designation

On Aug. 2, 2010, the Commission entered its order to adopt the final Policy Statement on the Commonwealth of Pennsylvania's Guidelines for Designation and Annual Recertification as an ETC for purposes of Federal Universal Service Support (ETC Guidelines) at Docket No. M-2010-2164741, which codifies the guidelines at 52 Pa. Code § 69.2501. Designation as an ETC for provision of Lifeline service would permit the wire-line and wireless providers to participate in the Universal Service Fund's (USF) Lifeline program.

Virgin Mobile USA, LP is the first wireless carrier designated by the Commission to be an ETC. On Dec. 22, 2010, the Commission approved Virgin Mobile's petition (Docket No. P-2010-2155915) for limited designation as an ETC. In January 2011, Virgin Mobile filed a petition for reconsideration to lift the Public Safety Answering Point (PSAP) certification requirements since the FCC no longer required facilities-based carriers seeking ETC status to comply with the PSAP certification obligations. The Commission approved Virgin Mobile's petition for reconsideration on Feb. 10, 2011. Effective Feb. 14, 2011, Virgin Mobile could operate its Lifeline program, Assurance Wireless, in Pennsylvania.

On Oct. 14, 2011, the Commission approved YourTel America's petition to become an ETC in Pennsylvania. On May 24, 2012, the Commission approved the ETC petitions for Cricket Communications, Inc.; Keystone Wireless, LLC d/b/a Immix Wireless; T-Mobile Northeast, LLC; T-Mobile Central, LLC and Voicestream Pittsburgh, LP. Keystone and T-Mobile each petitioned for both low-income and high-cost support and are seeking Mobility Fund Phase 1 support.

For more information about the telephone universal service programs, contact Sandra Johnson-Gumby in BCS at (717) 772-0806 or by email at sjohnson-g@pa.gov.

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendices

Appendix A

Consumer Ratings of BCS Service

How quickly did the PUC handle your request?		
	2010	2011
Very quickly	51%	59%
Fairly quickly	28%	28%
Not very quickly	8%	5%
Not at all quickly	8%	3%
Don't recall	3%	1%
Have not heard from PUC	3%	3%
How easy to understand was the information the PUC gave you about the outcome of the problem?		
	2010	2011
Very easy	46%	50%
Fairly easy	18%	16%
Not very easy	4%	3%
Not at all easy	3%	2%
Don't recall	2%	3%
Did not receive any information	27%	26%
How polite was the first person you talked with at the PUC?		
	2010	2011
Very polite	73%	74%
Fairly polite	18%	19%
Not very polite	4%	3%
Not at all polite	1%	1%
Don't recall	1%	1%
Did not speak to anyone	2%	2%
How interested in helping you was the first person you talked with at the PUC?		
	2010	2011
Very interested	63%	67%
Fairly interested	23%	23%
Not very interested	8%	6%
Not at all interested	2%	2%
Don't recall	1%	1%
Did not speak to anyone	1%	1%
If you had another problem with a utility, would you contact the PUC again?		
	2010	2011
Yes	82%	85%
No	8%	7%
Not sure	10%	8%

Appendix B

Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2010 and 2011

Industry	Consumer Complaints						Payment Agreement Requests					
	Residential			Commercial			Residential			Commercial		
	2010	2011	Percent Change	2010	2011	Percent Change	2010	2011	Percent Change	2010	2011	Percent Change
Electric	4,942	6,615	34%	910	786	-14%	37,344	42,603	14%	222	223	<1%
Gas	2,326	2,311	-1%	361	239	-34%	11,946	11,162	-7%	93	92	-1%
Water	934	787	-16%	100	73	-27%	5,060	4,568	-10%	19	11	-42%
Telephone	3,395	3,412	1%	367	489	33%	619	460	-26%	2	9	350%
Other	5	5	0%	1	1	0%	13	4	-69%	0	0	0%
Total	11,602	13,130	13%	1,739	1,588	-9%	54,982	58,797	7%	336	335	<1%

Appendix C

2011 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
ELECTRIC	
Non-Major Electric Distribution Companies (EDCs)**	4
AP Gas and Electric (EGS)	14
Champion Energy Services (EGS)	7
Clearview Electric (EGS)	13
Commerce Energy (EGS)	7
Constellation Energy Power Choice (EGS)	36
Direct Energy (EGS)	33
Dominion Energy Solutions (EGS)	28
Energetix (EGS)	10
Energy Plus Holdings (EGS)	13
First Energy Solutions (EGS)	49
Gateway Energy (EGS)	12
Great American Power (EGS)	6
Hop Energy (EGS)	5
IDT Energy (EGS)	30
Liberty Power (EGS)	39
North American Power (EGS)	27
Oasis Energy (EGS)	13
Palmco Power PA (EGS)	83
PPL Energy Plus (EGS)	6
Public Power (EGS)	27
Respond Power (EGS)	38

* Only those non-major companies having five or more residential consumer complaints in 2011 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2011 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix C (Continued)

2011 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
ELECTRIC (continued)	
Spark Energy (EGS)	23
Starion Energy PA (EGS)	5
Stream Energy (EGS)	16
Superior Plus Energy Services (EGS)	8
Verde Energy USA (EGS)	74
Washington Gas Energy Services (EGS)	13
Other Electric Generation Suppliers (EGSs)**	26
Total Non-Major Electric	665
GAS	
Peoples TWP (f.k.a TW Phillips (NGDC)	36
UGI Central Penn Gas (NGDC)	33
Other Non-Major Natural Gas Distribution Companies (NGDC)**	11
Dominion Energy Solutions (NGS)	12
EnergyMark (NGS)	10
IDT Energy (NGS)	5
IGS Energy (NGS)	5
Major Energy (NGS)	24
Palmco Energy PA (NGS)	5
Titan Gas and Power (NGS)	5
Other Natural Gas Suppliers (NGSs)**	12
Total Non-Major Gas	158

* Only those non-major companies having five or more residential consumer complaints in 2011 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2011 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix C (Continued)

2011 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
WATER	
Lake Spangenberg Water (Private)	6
Other Private Water**	17
Municipal Water**	7
Total Non-Major Water	30
TELEPHONE	
Armstrong Telephone (ILEC)	6
Conestoga (Windstream) (ILEC)	12
Consolidated Communications of PA (ILEC)	5
Denver & Ephrata Telephone (ILEC)	9
North-Eastern PA Telephone (ILEC)	6
Other Non-Major Incumbent Local Exchange Carriers (ILECs)**	12
AT&T Local (CLEC)	25
Cavalier Telephone Mid-Atlantic (CLEC)	38
Cordia Communications Corp. (d/b/a CLEC)	38
Clear Rate Communications (CLEC)	9
D & E Systems Inc. (Windstream) (CLEC)	7
Frontier Communications CTSI (CLEC)	5
Full Service Network (CLEC)	21
RCN (CLEC)	19
Service Electric Telephone, Inc. (CLEC)	5
Other Competitive Local Exchange Carriers (CLECs)**	38

* Only those non-major companies having five or more residential consumer complaints in 2011 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2011 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix C (Continued)

2011 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
TELEPHONE (Continued)	
AT&T (IXC)	8
Other Interexchange Carriers (IXCs)**	3
VoIP (Voice Over Internet Protocol)	8
Other Providers of Telecommunications Services**	9
Total Non-Major Telephone	283

* Only those non-major companies having five or more residential consumer complaints in 2011 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2011 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

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

Appendix D-1

Classification of Consumer Complaints

Electric, Gas & Water

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

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

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

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

Discontinuance/Transfer - Complaints related to the responsibility for or the amount of bills after discontinuance or transfer of service: The customer requested discontinuance of service, and the company failed to finalize the account as requested or 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 or misreading).

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

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

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 or pressure); the company's equipment is unsatisfactory or unsafe; the company fails to act on a complaint about safety; the company plans to abandon service; the company does not offer needed service; the company wants to change location of equipment; or the company providing service is not certified by the Commission (defectos).

All Other Problems - All other complaints that do not fit into the above categories, including, but not limited to, complaints about termination procedures when there is a need for payment agreements.

Appendix D-2

Classification of Consumer Complaints Telephone

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

Audiotex - Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services. In 2011, BCS evaluated no residential consumer complaints about audiotex.

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

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

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

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

Extended Area of Service (EAS) - Complaints about a limited local calling area. In 2011, BCS evaluated no residential consumer complaints about EAS.

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

Rates - General or specific complaints about a utility's rates: general or specific rates are too high or the customer is being billed on the incorrect rate. In 2011, BCS evaluated one residential consumer complaint about rates.

Sales Nonbasic Services - Complaints related to the sale of nonbasic services, including the availability of certain services. In 2011, BCS evaluated one residential consumer complaint about sales of nonbasic services.

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

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

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

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

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

Appendix E - Table 1

Consumer Complaint Categories: 2011*

Major Electric Distribution Companies

Categories**	Duquesne	Met-Ed	PECO***	Penelec	Penn Power	PPL	UGI-Electric	West Penn	Electric Majors
Personnel Problems	180	83	56	60	16	61	4	45	505
Billing Disputes	73	118	67	98	16	60	5	43	480
Service Interruptions	26	262	10	16	1	40	12	34	401
Metering	12	108	22	95	12	31	4	45	329
Credit and Deposits	39	38	18	24	9	11	15	72	226
Discontinuance/ Transfer	50	33	46	25	8	40	8	13	223
Other Payment Issues	66	17	28	16	7	29	4	8	175
Damages	16	20	7	28	4	7	2	34	118
Scheduling Delays	13	21	5	24	5	9	0	21	98
Service Extensions	8	18	2	15	6	2	1	17	69
Rates	4	4	7	3	8	33	1	1	61
Service Quality	6	18	9	3	0	5	2	7	50
All Other Problems	120	59	65	45	20	42	10	45	406
Total*	613	799	342	452	112	370	68	385	3,141

* Categories are for residential complaints evaluated by BCS as of May 27, 2012, whether the case outcome was found to be "justified."

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

*** PECO statistics include electric and gas, and are based on a probability sample of cases.

Appendix E - Table 2

Consumer Complaint Categories: 2011*

Major Natural Gas Distribution Companies

Categories**	Columbia	Equitable	NFG	Peoples	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	29	16	4	24	170	19	20	282
Personnel Problems	37	35	20	26	78	29	17	242
Discontinuance/ Transfer	15	13	12	16	95	13	13	177
Metering	23	7	18	17	83	4	0	152
Other Payment Issues	13	9	14	23	44	11	4	118
Credit and Deposits	2	7	2	10	9	25	29	84
Scheduling Delays	9	3	4	15	26	4	2	63
Damages	14	3	6	16	4	6	2	51
Service Quality	15	5	8	12	2	5	4	51
Service Extensions	3	5	0	3	6	3	3	23
Service Interruptions	1	0	0	3	4	3	2	13
Rates	1	1	0	1	1	0	2	6
All Other Problems	19	27	7	5	41	18	17	134
Total*	181	131	95	171	563	140	115	1,396

* Categories are for residential complaints evaluated by BCS as of May 27, 2012, whether the case outcome was found to be "justified."

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

Appendix E - Table 3

Consumer Complaint Categories: 2011*

Major Water Companies

Categories**	Aqua	PAWC	"Other Class A" Water	All "Class A" Water
Billing Disputes	106	157	9	272
Personnel Problems	31	47	2	80
Metering	23	22	2	47
Damages	11	29	0	40
Service Quality	15	15	1	31
Discontinuance/Transfer	10	11	1	22
Scheduling Delays	7	12	3	22
Other Payment Issues	4	7	0	11
Service Interruptions	2	8	0	10
Service Extensions	4	4	0	8
Rates	4	2	0	6
Credit and Deposits	1	1	0	2
All Other Problems	24	38	1	63
Total*	242	353	19	614

* Categories are for residential complaints evaluated by BCS as of May 27, 2012, whether the case outcome was found to be "justified."

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

Appendix E - Table 4

Consumer Complaint Categories: 2011*

Major Local Telephone Companies

Categories**	CenturyLink	Frontier Common- wealth	Verizon North	Verizon PA	Windstream	Telephone Majors
Unsatisfactory Service	17	23	29	400	23	492
Billing Disputes	34	19	26	398	12	489
Service Delivery	12	20	34	319	15	400
Service Terminations	7	5	8	99	7	126
Competition	3	10	6	45	1	65
Toll Services	7	1	3	16	0	27
Credit and Deposits	1	2	2	18	1	24
Discontinuance/ Transfer	1	3	2	13	0	19
Non-Recurring Charges	0	0	1	3	2	6
Annoyance Calls	0	0	0	3	0	3
All Other Problems	7	3	8	153	4	175
Total*	89	86	119	1,467	65	1,826

* Categories are for residential complaints evaluated by BCS as of April 27, 2012, whether the case outcome was found to be "justified."

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

Appendix F - Table 1

2010-11 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2011 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2010	2011	% Change in #	2010	2011	Numbers ² / Rates ³ 2010		Numbers ² / Rates ³ 2011	
Duquesne	524,865	579	777	34%	1.10	1.48	76	0.14	94	0.18
Met-Ed	486,796	459	970	111%	0.94	1.99	47	0.10	56	0.12
PECO ⁵	1,425,355	1,832	1,729	-6%	1.29	1.21	311*	0.22*	283*	0.20*
Penelec	505,585	318	559	76%	0.63	1.11	27	0.05	45	0.09
Penn Power	140,338	127	139	9%	0.91	0.99	9	0.06	6	0.04
PPL	1,213,953	924	1,235	34%	0.76	1.02	144	0.12	100	0.08
UGI-Electric	55,588	72	76	6%	1.32	1.37	6	0.11	7	0.13
West Penn	615,450	550	465	-15%	0.89	0.76	87	0.14	65	0.11
Major Electric	4,967,930	4,861	5,950	22%			707		656	
Average of Rates					0.93⁴	1.22⁴		0.12⁴		0.12⁴

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

² Estimated based on the number of cases on CSIS as of May 27, 2012.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

* Based on a probability sample of cases.

Appendix F - Table 2

2010-11 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	2011 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2010	2011	% Change in #	2010	2011	Numbers ² / Rates ³ 2010		Numbers ² / Rates ³ 2011	
Columbia	374,275	231	229	-1%	0.62	0.61	29	0.08	24	0.06
Equitable	240,115	220	168	-24%	0.93	0.70	22	0.09	15	0.06
NFG	198,419	134	115	-14%	0.68	0.58	18	0.09	7	0.04
Peoples	329,805	272	214	-21%	0.83	0.65	48	0.15	46	0.14
PGW	479,284	947	1,120	18%	1.97	2.34	95*	0.20*	139*	0.29*
UGI-Gas	310,453	212	175	-18%	0.69	0.56	30	0.10	10	0.03
UGI Penn Natural	145,341	203	132	-35%	1.40	0.91	24	0.17	16	0.11
Major Gas	2,077,692	2,219	2,153	-3%			266		257	
Average of Rates					1.02	0.91		0.12		0.10

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

² Estimated based on the number of cases on CSIS as of May 27, 2012.

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

* Based on a probability sample of cases.

Appendix F - Table 3

2010-11 Residential Consumer Complaint Statistics Major Water Companies

Company Name	2011 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2010	2011	% Change in #	2010	2011	Numbers ² / Rates ³ 2010		Numbers ² / Rates ³ 2011	
Aqua	383,068	304	294	-3%	0.80	0.77	110	0.29	74	0.19
PAWC	588,325	570	441	-23%	0.97	0.75	131	0.22	86	0.15
"Other Class A" Water	134,190	22	22	0%	0.16	0.16	5	0.04	6	0.04
Major Water	1,105,583	896	757	-16%			246		166	
Average of Rates					0.64	0.56		0.18		0.13

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

² Estimated based on the number of cases on CSIS as of May 27, 2012.

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

Appendix F - Table 4

2010-11 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2011 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2010	2011	% Change in #	2010	2011	Numbers ² / Rates ³ 2010		Numbers ² / Rates ³ 2011	
CenturyLink	170,440	72	93	29%	0.39	0.55	30	0.16	43	0.25
Frontier Commonwealth	135,451	69	86	25%	0.54***	0.63	38	0.30***	55	0.41
Verizon North**	260,003	131	121	-8%	0.45	0.47	61	0.21	65	0.25
Verizon PA**	1,689,877	2,725	2,763	1%	1.40	1.64	1,392*	0.72*	1,554*	0.92*
Windstream	118,122	72	66	-8%	0.57	0.56	26	0.21	32	0.27
Major Telephone	2,373,893	3,069	3,129	2%			1,547		1,749	
Average of Rates					0.67	0.77		0.32		0.42

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

² Estimated based on the number of cases on CSIS as of April 27, 2012.

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

* Based on a probability sample of cases.

** BCS is currently offering all Verizon customers who call with a service issue the voluntary option of being transferred to a special Verizon team that immediately begins working to resolve the customer's complaint. If a customer chooses the voluntary transfer, BCS categorizes the contact as an "inquiry" rather than as a "consumer complaint." BCS categorized 1,415 of these contacts regarding Verizon service issues as inquiries during 2011.

*** BCS revised the 2010 consumer complaint rate and 2010 justified consumer complaint rate for Frontier Commonwealth. It was discovered a submission error was made when reporting the 2010 number of residential customers to BCS.

Appendix G - Table 1

2010-11 Residential Payment Agreement Request (PAR) Statistics Major Electric Distribution Companies

Company Name	2011 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2010	2011	% Change In #	2010	2011	Numbers ² / Rates ³ 2010		Numbers ² / Rates ³ 2011	
Duquesne	524,865	4,859	5,616	16%	9.27	10.70	133	0.25	67	0.13
Met-Ed	486,796	1,628	2,120	30%	3.35	4.36	58	0.12	28	0.06
PECO ⁵	1,425,355	8,462	9,056	7%	5.96	6.35	485	0.34	143	0.10
Penelec	505,585	1,154	1,860	61%	2.28	3.68	49	0.10	32	0.06
Penn Power	140,338	497	663	33%	3.55	4.72	13	0.09	17	0.12
PPL	1,213,953	17,219	19,823	15%	14.21	16.33	1,037	0.86	1,088	0.90
UGI-Electric	55,588	716	797	11%	13.14	14.34	21	0.39	7	0.13
West Penn	615,450	2,781	2,616	-6%	4.52	4.25	549	0.89	145	0.24
Major Electric	4,967,930	37,316	42,551	14%			2,345		1,527	
Average of Rates					6.16⁴	7.20⁴		0.38⁴		0.23⁴

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

² With the exception of UGI-Electric, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for all EDCs is based on the number of cases on CSIS as of May 27, 2012.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

Appendix G - Table 2

2010-11 Residential Payment Agreement Request (PAR) Statistics Major Natural Gas Distribution Companies

Company Name	2011 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2010	2011	% Change in #	2010	2011	Numbers ² / Rates ³ 2010		Numbers ² / Rates ³ 2011	
Columbia	374,275	834	841	1%	2.24	2.25	16	0.04	2	0.01
Equitable	240,115	1,460	1,222	-16%	6.14	5.09	32	0.13	13	0.05
NFG	198,419	884	559	-37%	4.47	2.82	51	0.26	16	0.08
Peoples	329,805	829	374	-55%	2.54	1.13	40	0.12	18	0.05
PGW	479,284	2,909	3,253	12%	6.07	6.79	133	0.28	87	0.18
UGI-Gas	310,453	2,422	2,717	12%	7.92	8.75	72	0.24	58	0.19
UGI Penn Natural	145,341	2,069	1,814	-12%	14.31	12.48	177	1.22	28	0.19
Major Gas	2,077,692	11,407	10,780	-5%			521		222	
Average of Rates					6.24	5.62		0.33		0.11

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

² Estimated based on a probability sample of cases for all NGDCs except Peoples and the number of cases on CSIS as of May 27, 2012.

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

Appendix G - Table 3

2010-11 Residential Payment Agreement Request (PAR) Statistics Major Water Companies

Company Name	2011 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2010	2011	% Change in #	2010	2011	Numbers ² / Rates ³ 2010		Numbers ² / Rates ³ 2011	
Aqua	383,068	1,531	1,501	-2%	4.02	3.92	99*	0.26*	60*	0.16*
PAWC	588,325	3,336	2,844	-15%	5.68	4.83	570*	0.97*	241*	0.41*
"Other Class A" Water	134,190	134	176	31%	1.00	1.31	3	0.02	0	0.00
Major Water	1,105,583	5,001	4,521	-10%			672		301	
Average of Rates					3.57	3.35		0.42		0.19

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

² Estimated based on a probability sample of cases and the number of cases on CSIS as of May 27, 2012.

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

* Based on a probability sample of cases.

Appendix G - Table 4

2010-11 Residential Payment Agreement Request (PAR) Statistics Major Local Telephone Companies

Company Name	2011 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2010	2011	% Change in #	2010	2011	Numbers ² / Rates ³ 2010		Numbers ² / Rates ³ 2011	
CenturyLink	170,440	7	25	257%	0.04	0.15	0	0.00	3	0.02
Frontier Commonwealth	135,451	13	8	-38%	0.10**	0.06	4	0.03	1	0.01
Verizon North	260,003	18	17	-6%	0.06	0.07	2	0.01	2	0.01
Verizon PA	1,689,877	511	336	-34%	0.26	0.20	72*	0.04*	19*	0.01*
Windstream	118,122	11	8	-27%	0.09	0.07	4	0.03	2	0.02
Major Telephone	2,373,893	560	394	-30%			82		27	
Average of Rates					0.11	0.11		0.02		0.01

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

² Estimated based on the number of cases on CSIS as of April 27, 2012.

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

* Based on a probability sample of cases.

** BCS revised the 2010 PAR rate for Frontier Commonwealth. It was discovered a submission error was made when reporting the 2010 number of residential customers to BCS.

Appendix H – Table 1

Chapter 56, Chapter 14 and Other Infraction Categories: 2011* Major Electric Distribution Companies

Description	Duquesne		Met-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric		West Penn	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22 and 56.24)	1	2%	4	9%	3	5%	2	5%	0	0%	4	14%	1	25%	2	5%
Meter Reading (56.12)	1	2%	3	7%	3	5%	6	16%	0	0%	1	3%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	0	0%	3	7%	1	2%	1	3%	1	13%	0	0%	0	0%	2	5%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	1	2%	2	5%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Credit Standards and Deposits (56.32-37, 56.41, 1404 (A)-(C) and 1404 (E)-(H))	11	18%	4	9%	6	10%	3	8%	1	13%	1	3%	2	50%	5	11%
Termination Grounds (56.2-Def. of Delinquent Acct., 56.81-83, 1405 (F), 1406 (A) and 1406 (C))	3	5%	3	7%	0	0%	2	5%	2	25%	0	0%	0	0%	1	2%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	2	3%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	7	16%
Reconnection of Service (56.191 and 1407 (A)-(C))	2	3%	1	2%	1	2%	1	3%	0	0%	0	0%	0	0%	5	11%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	3	5%	0	0%	1	2%	1	3%	0	0%	0	0%	0	0%	2	5%
Landlord/Ratepayer (1521-1533)	2	3%	2	5%	1	2%	1	3%	0	0%	0	0%	0	0%	1	2%
Dispute Handling (56.2-Def. of Dispute, 56.141-152, 56.181 and 1410)	31	51%	21	49%	41	69%	19	51%	3	38%	20	69%	1	25%	19	43%
Other (56.1, 56.72, 56.111, 56.202, 57.173, 1417 and Marketing Guidelines G and O)	4	7%	0	0%	2	3%	1	3%	1	13%	3	10%	0	0%	0	0%
Total**	61		43		59		37		8		29		4		44	

* # equals the number of verified infractions identified by BCS as of July 25, 2012.

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

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

+ PECO statistics include electric and gas.

Appendix H – Table 2

Chapter 56, Chapter 14 and Other Infraction Categories: 2011* Major Natural Gas Distribution Companies

Description	Columbia		Equitable		NFG		Peoples		PGW		UGI – Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22 and 56.24)	0	0%	1	13%	0	0%	6	10%	4	5%	0	0%	1	8%
Meter Reading (56.12)	2	15%	0	0%	0	0%	3	5%	0	0%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	0	0%	0	0%	0	0%	1	2%	15	19%	0	0%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	2	15%	0	0%	1	25%	1	2%	1	1%	0	0%	0	0%
Credit Standards and Deposits (56.32-37, 56.41, 1404 (A)-(C) and 1404 (E)-(H))	2	15%	0	0%	0	0%	7	11%	7	9%	0	0%	1	8%
Termination Grounds (56.2-Def. of Delinquent Acct., 56.81-83, 1406 (A) and 1406 (C))	2	15%	1	13%	0	0%	1	2%	0	0%	0	0%	2	17%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	0	0%	1	13%	0	0%	2	3%	2	3%	1	11%	2	17%
Reconnection of Service (56.191 and 1407 (A)-(C))	1	8%	0	0%	0	0%	0	0%	5	6%	0	0%	0	0%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	0	0%	1	13%	0	0%	0	0%	4	5%	1	11%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152, 56.181 and 1410)	4	31%	4	50%	3	75%	38	62%	34	43%	4	44%	5	42%
Other (56.71, 56.72, 1414(C), 1501 and Marketing Guidelines G)	0	0%	0	0%	0	0%	2	3%	7	9%	3	33%	1	8%
Total**	13		8		4		61		79		9		12	

* # equals the number of verified infractions identified by BCS as of July 25, 2012.

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

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

Appendix H - Table 3

Chapter 56, Chapter 14 and Other Infraction Categories: 2011* Major Water Companies

Description	Aqua		PAWC		"Other Class A"	
	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22 and 56.24)	21	26%	20	26%	2	67%
Meter Reading (56.12)	1	1%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	13	16%	1	1%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	2	2%	1	1%	0	0%
Credit Standards and Deposits (56.32-37, 56.41, 1404 (A)-(C) and 1404 (E)-(H))	2	2%	1	1%	0	0%
Termination Grounds (56.2-Def. of Delinquent Acct., 56.81-83, 1406 (A) and 1406 (C))	2	2%	2	3%	0	0%
Termination Procedures (56.91-97, 1406 (B), 1406 (D)-(F) and 1406 (H))	2	2%	1	1%	0	0%
Reconnection of Service (56.191 and 1407 (A)-(C))	0	0%	0	0%	1	33%
Liability - Responsibility for Bills (1403-Def. of Applicant, 1403-Def. of Customer, 1404 (D) and 1407 (D)-(E))	2	2%	1	1%	0	0%
Landlord/Ratepayer (1521-1533)	2	2%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152, 56.181 and 1410)	34	42%	50	64%	0	0%
Other (56.202)	0	0%	1	1%	0	0%
Total**	81		78		3	

* # equals the number of verified infractions identified by BCS as of July 25, 2012.

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

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

Appendix H – Table 4

Chapter 63 Infraction Categories: 2011*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common- wealth		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%
Complaint Procedures (63.15)	3	8%	12	15%	11	8%	202	6%	6	29%
Service Records (63.22)	14	38%	23	28%	1	1%	41	1%	0	0%
Customer Trouble Reports (63.57)	20	54%	45	56%	120	89%	2,845	90%	15	71%
Installation of Service (63.58)	0	0%	0	0%	0	0%	0	0%	0	0%
Migration (63.201-221)	0	0%	1	1%	3	2%	63	2%	0	0%
Other (63.21, 63.53 and 63.59)	0	0%	0	0%	0	0%	4	<1%	0	0%
Total**	37		81		135		3,155		21	

* # equals the number of verified infractions identified by BCS as of May 14, 2012.

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

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

Appendix H – Table 5

Chapter 64 Infraction Categories: 2011*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common- wealth		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%
Billing and Payment (64.1, 64.12-14, 64.16 and 64.18-19)	36	38%	11	13%	18	31%	305	26%	19	45%
Slamming and Cramming (64.23)	9	9%	17	20%	4	7%	207	17%	0	0%
Credit and Deposits (64.32-34 and 64.36)	1	1%	5	6%	2	3%	12	1%	1	2%
Suspension and Termination (64.63, 64.71-74, 64.81, 64.121, 64.123, 64.133 and 64.181)	4	4%	3	4%	1	2%	48	4%	3	7%
Dispute Procedures (64.141 and 64.153)	41	43%	41	49%	31	53%	555	47%	19	45%
Other (64.2, 64.24, 64.51-53 and 64.191-192)	4	4%	6	7%	2	3%	62	5%	0	0%
Total**	95		83		58		1,189		42	

* # equals the number of verified infractions identified by BCS as of May 14, 2012.

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

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

Consumer Access to the Public Utility Commission

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

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

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

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

Information about the PUC is available on the Internet:

www.puc.pa.gov



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



A graphic featuring the year '2012' in large, stylized, glowing yellow numbers. The numbers are set against a background of several overlapping, semi-transparent rectangular panels. These panels contain various images related to utilities: a purple panel with a calendar, a green panel with a water droplet, a blue panel with a telephone keypad, and a red panel with a person's face. The entire graphic is framed by a blue outline that resembles the shape of the state of Pennsylvania.

Utility Consumer Activities Report and Evaluation

Pennsylvania Public Utility Commission



Utility Consumer Activities Report and Evaluation 2012

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**Bureau of Consumer Services
Alexis Bechtel, Director**

Table of Contents

1. Consumer Contacts to the Bureau of Consumer Services (BCS)	
Consumer Rating of BCS Service	2
Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2012.....	3
Consumer Complaints by Industry 2011-12	4
Payment Agreement Requests by Industry 2011-12	6
Categories of 2012 Inquiries	7
2. Performance Measures	
Consumer Complaint Rate	11
Justified Consumer Complaint Rate	11
Response Time to Consumer Complaints	12
Payment Agreement Request Rate	12
Justified Payment Agreement Request Rate	12
Response Time to Payment Agreement Requests	13
Infraction Rate	13
Termination Rate.....	14
BCS Performance Measures and Industry Chapters.....	14
Universal Service and Energy Conservation Programs.....	15
3. Electric Industry	
Consumer Complaints	16
Payment Agreement Requests	20
Termination and Reconnection of Service.....	23
Compliance	25
4. Natural Gas Industry	
Consumer Complaints	27
Payment Agreement Requests	31
Termination and Reconnection of Service.....	34
Compliance	36

5. Water Industry

Consumer Complaints	38
Payment Agreement Requests	42
Compliance	45
Programs That Assist Low-Income Customers	46

6. Telephone Industry

Consumer Complaints	48
Payment Agreement Requests	52
Termination of Service	55
Compliance	56
Universal Service Programs	58
Lifeline and Lifeline 135 Service	58
Universal Telephone Assistance Program	60
Automatic Notification Program	60
Wireless ETC Designation	61

Glossary of Terms	62

Appendices

A. Consumer Ratings of BCS Service	65
B. 2011-12 Total Volume of Consumer Complaints and Payment Agreement Requests to BCS	66
C. 2012 Residential Consumer Complaints for Companies Not Included in Industry Chapters	67
D. Classification of Consumer Complaints	
1. Electric, Gas & Water	72
2. Telephone	74
E. Consumer Complaint Categories: 2012	
Table 1 - Major Electric	76
Table 2 - Major Gas	77
Table 3 - Major Water	78
Table 4 - Major Telephone	79
F. 2011-12 Residential Consumer Complaint Statistics	
Table 1 - Major Electric	80
Table 2 - Major Gas	81
Table 3 - Major Water	82
Table 4 - Major Telephone	83
G. 2011-12 Residential Payment Agreement Request Statistics	
Table 1 - Major Electric	84
Table 2 - Major Gas	85
Table 3 - Major Water	86
Table 4 - Major Telephone	87
H. Infraction Categories: 2012	
Table 1 - Major Electric	88
Table 2 - Major Gas	89
Table 3 - Major Water	90
Table 4 - Major Telephone (Chapter 63)	91
Table 5 - Major Telephone (Chapter 64)	92
Consumer Access to the PUC	Inside Back Cover

1. Consumer Contacts to the Bureau of Consumer Services

The Pennsylvania Public Utility Commission's Bureau of Consumer Services (BCS) began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then, BCS has investigated 1,777,479 cases (consumer complaints and payment agreement requests (PARs)) and has received 1,484,143 opinions and requests for information (inquiries). The Public Utility Commission (PUC) received 67,872 utility customer contacts that required investigation in 2012. It is important to note that our statistical analysis indicates that nearly 88 percent of those customer complaints had been appropriately handled by the subject utilities before the customers brought them to the PUC. In these instances, the PUC has upheld the utility's actions.

Case Handling

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

Once a customer contacts the PUC with an informal complaint or PAR, BCS notifies the utility that a complaint or PAR has been filed. There were 175,809 telephone contacts to BCS by consumers in 2012, representing about 95 percent of the informal complaints filed. The utility sends BCS all records concerning the complaint, including records of its contacts with the customer regarding the complaint. A BCS investigator reviews the records, interacts with both the complainant and utility, as necessary, renders a decision and closes the case.

Consumer Feedback Survey

In order to monitor its own service to consumers, BCS surveys customers who have contacted BCS with a utility-related problem or PAR. The purpose of the survey is to collect information from the consumer's perspective about the quality of the BCS complaint-handling service. BCS uses a 3rd party to survey a sample of consumers who have been served by BCS staff. The table on the next page shows how consumers rate the service they received from BCS.

Consumer Rating of BCS Service

How would you rate the service you received from the PUC (BCS)?	2011	2012
Excellent	61%	58%
Good	21%	25%
Fair	9%	9%
Poor	9%	7%

According to the survey results, 83 percent of consumers who contacted BCS in 2012 rated the BCS's service as "excellent" or "good." Appendix A presents more information about how consumers rated the service they received from BCS in 2011 and 2012. BCS management frequently reviews the findings of the consumer feedback survey and promptly investigates any negative trends to improve staff performance.

Databases

To manage and use its complaint data, BCS maintains a computer-based Consumer Services Information System (CSIS) through a contract with the Pennsylvania State University. This system enables BCS to aggregate and analyze the thousands of informal complaints that are reported to the Commission each year. In this way, BCS can address generic, as well as individual, problems. BCS policy analysts categorize complaints into one of seven major problem areas, as well as one of 36 specific problem categories. This case information is entered into the CSIS database. The analysis from case information is used by BCS to generate reports to the Commission, utilities, legislators and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

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

Distinctions Among Cases

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

Commercial customer contacts also were excluded from the data used in the analysis. Although BCS's regulatory authority has largely been confined to residential accounts, the Bureau handled 1,665 cases from commercial customers in 2012. Of these cases, 292 were related to loss of utility service, while 1,373 were consumer complaints.

With respect to the 292 commercial cases, BCS does not make payment agreements for those accounts. Due to its limited jurisdiction, BCS does not issue decisions regarding commercial disputes. Instead, Bureau investigators give commercial customers information regarding the company position or attempt to mediate a mutually acceptable agreement regarding the disputed matter. Many such cases are referred to the Office of Administrative Law Judge's Mediation Unit for Alternative Dispute Resolution where an attempt is made to mediate a resolution between the utility and its customer.

All cases in 2012 that involved commercial accounts were deleted from the analyses in subsequent chapters of this report. The table below shows that the vast majority of cases handled by BCS in 2012 involved residential utility service. Appendix B presents a comparison of the number of residential and commercial consumer complaints and PARs for 2011 and 2012.

Total Volume of Consumer Complaints and Payment Agreement Requests (PARs) to BCS in 2012

Industry	Consumer Complaints		Payment Agreement Requests	
	Residential	Commercial	Residential	Commercial
Electric	7,742	778	36,158	183
Gas	2,543	190	11,585	78
Water	724	91	4,607	21
Telephone	2,443	314	394	10
Other	5	0	6	0
Total	13,457	1,373	52,750	292

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

Consumer Complaints

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

Consumer Complaints by Industry* 2011-12

Industry	2011	2012	% Change
Electric	7,401	8,520	15%
Gas	2,550	2,733	7%
Water	860	815	-5%
Telephone	3,901	2,757	-29%
Other	6	5	-17%
Total	14,718	14,830	1%

* Table includes both residential and commercial consumer complaints.

During 2012, electric and gas utilities accounted for 57 percent and 18 percent, respectively, of all consumer complaints investigated by BCS. Water utilities accounted for 6 percent, while telephone utilities were the subject of 19 percent.

Justified Consumer Complaints

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

Classification of Consumer Complaints

BCS has categorized the 2012 residential complaints into 13 categories for each of the electric, gas and water utilities and into 11 categories for each of the telephone utilities. The tables that show the percent of complaints in each category in 2012 appear in each industry chapter. The percentages shown in the tables are for all of the cases that residential consumers filed with BCS, not just the cases that are determined to be justified in coming to BCS. BCS analyzes the categories that generate complaints or problems for customers, even if the utility records indicate that the utility followed Commission procedures and guidelines in handling the complaint. BCS often discusses its findings with individual utilities so they can use the information to review their complaint-handling procedures in categories that seem to produce large numbers of consumer complaints to the Commission. The four tables in Appendix E show the actual number of cases in each category in 2012.

Payment Agreement Requests

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

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

All of the measures pertaining to PARs are based on assessments of contacts to BCS from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to contacting BCS. During 2012, BCS handled 53,042 PARs from customers of the utilities under the Commission's jurisdiction.

Act 201 of 2004 amended Title 66 by adding Chapter 14, the Responsible Utility Customer Protection Act, which changed the rules for terminations, reconnections and PARs. On June 9, 2011, the Commission adopted a final rulemaking order incorporating Chapter 14 into Chapter 56. The Independent Regulatory Review Commission (IRRC) approved these regulations on July 21, 2011. The revised Chapter 56 regulations have been in effect since Oct. 8, 2011.

In 2012, the overall volume of PARs handled by the Commission decreased by 10 percent from the previous year. PARs from electric customers decreased 15 percent, while PARs from gas and water customers increased 4 and 1 percent, respectively, since 2011. PARs from telephone customers declined 14 percent from 2011 to 2012.

Payment Agreement Requests (PARs) by Industry*

2011-12

Industry	2011	2012	% Change
Electric	42,826	36,341	-15%
Gas	11,254	11,663	4%
Water	4,579	4,628	1%
Telephone	469	404	-14%
Other	4	6	50%
Total	59,132	53,042	-10%

* Table includes both residential and commercial PARs. Please note: All consumer contacts requesting a payment agreement are taken in and classified as a PAR. However, not all customers requesting a PAR receive one. BCS does not have the authority to offer PARs for commercial accounts.

As in past years, the majority of requests for payment agreements in 2012 involved electric or gas companies. Sixty-nine percent of the PARs (36,341 cases) were from electric customers, and 22 percent (11,663 cases) were from gas customers. Also, 9 percent of PARs (4,628 cases) came from customers of various water utilities. Only 1 percent of PARs (404) came from telephone customers.

Inquiries and Opinions

During 2012, BCS received 63,113 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. BCS classifies these contacts as "inquiries." The inquiries for 2012 include contacts to the BCS Utility Customer Hotline, as well as contacts to BCS using mail service and email communication.

In large part, the inquiries in 2012 involved competition issues and requests for information about competition. BCS also classifies certain PARs as inquiries. For example, BCS does not issue payment decisions on requests to restore or avoid suspension/termination of toll or non-basic telephone service. When consumers call with these problems, BCS classifies these requests as inquiries. Similarly, if a customer has recently been through the BCS payment agreement process and calls again with a new request regarding the same account, BCS does not open a new PAR case. In these instances, BCS classifies the customer's contact as an inquiry.

As in past years, BCS also has shifted some contacts that originated as consumer complaints and PARs into the inquiry category because it was not appropriate to count these contacts as informal complaints. Examples include complaints that were found to be duplicates, informal complaints filed against the wrong company, informal complaints that BCS handled in spite of the fact that customers had not previously contacted their companies about their problems and cases that the investigators verbally dismissed. These 528 cases accounted for 1 percent of inquiries in 2012.

BCS is able to expand its list of 79 reasons for contact as consumer reasons grow and change. Possible actions by BCS intake staff include: recording the consumer's opinion; giving information to the consumer; referring the consumer to a utility company; and referring the consumer to an agency or organization outside of the Commission. If the contact requires further action, the intake staff refers the contact to a BCS investigator, and the contact becomes a consumer complaint or a PAR. The following table shows the various reasons for contact for the 2012 inquiries.

Categories of 2012 Inquiries

Reason for Contact	Number	Percent
Competition issues and requests for information	14,344	23%
CAP review – declined	10,065	16%
Termination or suspension of service	9,666	15%
Unable to open new PAR – service on	6,078	10%
PUC has no jurisdiction	4,825	8%
Request for general information	4,441	7%
Billing dispute	2,990	5%
Applicant/deposit issue	1,755	3%
People-delivered company service	1,341	2%
Service (company facilities)	891	1%
Rate protest	533	1%
Weather outage	371	1%
Rate complaint	162	<1%
Unable to open new PAR – service off	125	<1%
Cramming	17	<1%
Slamming	7	<1%
Other miscellaneous reasons	4,071	6%
Reason for contact is not available	1,431	2%
Total	63,113	100%

Residential Consumer Complaints Not Included in Industry Chapters

Traditionally, the primary focus of BCS's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. However, for the past several years, BCS has included a limited amount of complaint information for the non-major utilities and the other service providers in the UCARE. In 2012, BCS experienced a major increase in the overall number of residential consumer complaints. For the non-major utilities, consumer complaints increased over the year in the electric industries, but decreased in the gas, water and telephone industries. In the electric industry, consumer complaints rose significantly for the non-major companies, up 114 percent from 2011. This

section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

In 2012, BCS staff investigated consumer complaints about a variety of problems that consumers were having with the non-major companies under the Commission's jurisdiction. The vast majority of complaints not included in the industry chapters involved billing disputes.

The next-highest volume of complaints coming from residential customers of the non-major electric, gas, water and telephone companies involved deceptive advertising or slamming. Those three types of complaints accounted for 82 percent of the residential consumer complaints about the non-major companies in the electric industry; 49 percent of residential consumer complaints about the non-major gas companies; and 36 percent of the complaints about the non-major telecommunications companies. BCS did not receive any complaints about these three issues from customers of the non-major water companies in 2012.

Appendix C presents a summary of the residential consumer complaints that are not included in the electric, gas, water and telephone chapters that follow. The table lists the non-major companies for these industries; the electric generation suppliers and natural gas suppliers; and other providers of telecommunications services having five or more residential consumer complaints in 2012.

Calls to the Commission about Electric and Gas Competition

In 2012, the Commission's call center employees used BCS's computerized information system to record information from the consumer contacts about electric and gas competition. Statistics show that 96 percent of contacts about electric and gas competition are related to the electric industry, while 4 percent concern the gas industry.

Call center employees recorded information from 15,914 consumer contacts about competition in the energy industries. Many calls came from consumers who called about various issues associated with customer choice in the electric and gas industries. Most frequently, consumers called to request competition documents and to seek information about competition in general (44 and 16 percent of calls, respectively).

In most instances, BCS classified these contacts as inquiries because they required no investigation or follow-up. The BCS or call center staff person took care of the consumer's request or question at the initial contact. However, some consumer contacts required further investigation and possibly action to resolve the consumer's concerns. In these cases, BCS classified the contact as a consumer complaint and investigated the consumer's issue. In 2012, deceptive advertising/sales produced the largest volume of competition-related consumer complaints. Appendix D-1 explains the types of competition complaints BCS handles.

In prior years, BCS investigated a number of consumer complaints in which consumers alleged they were assigned to an electric or gas supplier without their consent or knowledge (slamming). In 2012, BCS received 352 allegations of electric slamming and 12 allegations of slamming in the gas industry. There were 28 allegations of slamming in the telephone

industry. With respect to slamming, the Commission has stated clearly, it "...will have zero tolerance for slamming by any means and in any form."¹ The Commission views customer slamming as among the most serious violations of consumer regulations. Of the 392 slamming complaints received by BCS, 344 were filed by residential customers.

During the early phases of electric and gas competition, BCS expected it would receive consumer complaints associated with the transition to customer choice. As expected, many customers experienced a variety of problems as they began choosing electric and gas suppliers. BCS found that, after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, BCS decided that it would be unfair to include competition complaints with consumer complaints about other issues when it calculates the performance measures it uses to evaluate and compare companies within the electric and gas industries. BCS continued this practice in 2012. Therefore, BCS excluded 1,756 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 73 such complaints in the gas industry chapter.

Informal Compliance Process and Infractions

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

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

The significance of apparent infractions identified by the informal compliance process is frequently emphasized by the fact that some represent systemic errors that are

¹ L-00970121, Public Meeting of May 21, 1998.

widespread and affect many utility customers. Since BCS receives only a small portion of the complaints that customers have with their utility companies, limited opportunities exist to identify such errors. Therefore, the informal compliance process is specifically designed to help utilities identify systemic errors. One example of a systemic 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 that error. When such an error is discovered, BCS encourages utilities to investigate the scope of the problem and take corrective action. Some utilities have developed their own information systems to identify problems by reviewing complaints before they come to the Commission's attention. BCS encourages utilities to continue this activity and share their findings with Bureau staff.

2. Performance Measures

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

Consumer Complaint Rate

The calculation of consumer complaint rate (consumer complaints per 1,000 residential customers) permits the reader to make comparisons among utilities of various sizes. BCS has found 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, since many of the complaints in the consumer complaint rates are not "justified," BCS considers the "justified consumer complaint rate" (justified consumer complaints per 1,000 residential customers) to be a more clear indication of a utility's complaint handling performance.

Justified Consumer Complaint Rate

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

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

BCS monitors the complaint rates and justified rates of the major utilities, paying particular attention to the number of justified complaints that customers file with the Commission. Justified complaints may indicate areas where BCS should discuss complaint-

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

Response Time to Consumer Complaints

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

Payment Agreement Request Rate

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

Justified Payment Agreement Request Rate

Just as with consumer complaints, once a customer contacts BCS with a PAR, BCS notifies the utility. The company sends a report to BCS that details the customer's payments, usage and payment negotiation history. Many of these cases are “straight” PARs, without any other issue or complaint against the company. Those cases are processed in an automated fashion and are not evaluated in the justified rate. In cases where the utility claims ineligibility for a PUC payment plan, or where there are complaints or claims in addition to the PAR, 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. BCS policy analysts review a sampling of these case records to determine if the utility negotiated properly with the customer and uses this record to

determine the outcome of the case. This approach evaluates companies negatively only when BCS finds appropriate payment negotiation procedures were not followed, or where the regulations have been misapplied. Specifically, a case is considered “justified” in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with Commission regulations, reports, Secretarial Letters, tariffs or guidelines.

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

Response Time to Payment Agreement Requests

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

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

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

Infraction Rate

During 2012, BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential accounts. In order to compare utilities of various sizes within an industry, BCS has calculated a measure called the infraction rate. The infraction rate is the number of informally verified infractions for each 1,000 residential customers.

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

The value of the infraction rate is to depict industry trends over time. The trend for 2012 is calculated using BCS's Compliance Tracking System (CTS) data as of Nov. 14, 2013, for the electric, gas and water industries, and April 4, 2013, for the telephone industry. The 2012 trends may change if the total number of infractions increases or decreases upon review by BCS. This would occur if new infractions are discovered from customer complaints that originated in 2012, but were still under investigation by BCS when the data was retrieved from CTS. Often, the total number of infractions for the year will change from the number cited in this report. BCS will update the number of infractions found on 2012 cases in the report on 2013 complaint activity. Infraction rates for each major electric, gas, water and telephone utility company are shown for 2010, 2011 and 2012 in upcoming chapters. Appendix H shows detailed information about the infractions BCS gleaned from its review of the 2012 consumer complaints and PARs. The information presented in Appendix H shows the infractions of Chapter 56, Chapter 14 and other regulations for the major electric, gas and water companies, and the infractions of Chapters 63 and 64 for the major telephone companies.

Termination Rate

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

BCS Performance Measures and Industry Chapters

The tables in the following chapters present the data alphabetically by company name. Each chapter includes tables that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are tables that show the prior year's justified consumer complaint rates and justified PAR rates for each of the major utilities. The tables also reflect the average rates of the major utilities within the industry for each of these measures. In addition, each industry chapter presents tables that show infraction rates for the major utilities, response times to consumer

complaints and PARs, and the termination rates for the major electric, gas and telephone utilities.

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

BCS has found the inclusion of statistics for the smaller utilities can skew the average of industry statistics in ways that do not fairly represent industry performance. For this reason, BCS excluded the statistics involving UGI-Electric when it calculated the 2011 and 2012 averages for the electric industry. Similar to previous years, statistics for UGI-Electric are included in the appendices of this report.

Universal Service and Energy Conservation Programs

The Commission has a long history of involvement in universal service and energy conservation programs that help utility consumers obtain and keep service, and conserve energy. At the end of the water and telephone chapters that follow, readers will find highlights of the water and telephone programs that the Commission has supported and encouraged, not only in 2012, but in prior years as well.

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

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

In Nov. 2013, the Commission released the 13th annual report on Universal Service Programs and Collections Performance. BCS prepared the report, which presents 2012 universal service and collections data for the major electric and natural gas distribution companies. The report is available on the Commission's website at:

http://www.puc.pa.gov/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2012.pdf

3. Electric Industry

In 2012, the Commission had jurisdiction over 15 electric distribution companies (EDCs). However, the majority of the consumer complaints and PARs involving the electric industry were from residential customers of the seven major EDCs: Duquesne Light Co. (Duquesne); PECO Energy Co. (PECO); PPL Electric Utilities Inc. (PPL) and four FirstEnergy companies – Metropolitan Edison Co. (Met-Ed); Pennsylvania Electric Co. (Penelec); Pennsylvania Power Co. (Penn Power) and West Penn Power Co. (West Penn). This chapter will focus exclusively on those seven companies. Most of the complaints and PARs dealt with matters covered under 52 Pa. Code, Chapter 56, Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14, Responsible Utility Customer Protection. Generally, consumer complaints and PARs represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major electric utilities in 2012. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. PECO's statistics include data for both electric and gas service. Because their gas and/or electric customers contact the same call center and receive only one bill per billing period, PECO is unable to separate and report data by gas and electric service. BCS investigated complaints in 2012, generated as a result of the electric choice program, which allows customers to choose an electric generation supply company. However, as mentioned in the first chapter, BCS removed these complaints from the data it used to prepare the tables on consumer complaints and PARs. Appendices F and G present statistics on the performance of the seven largest EDCs, as well as UGI-Electric, in 2011 and 2012.

Consumer Complaints

During 2012, BCS handled 6,332 consumer complaints from residential customers of the various EDCs and 1,410 consumer complaints from residential customers of electric generation supply companies. Of these residential complaints, 81 percent (6,237) were from customers of the seven largest EDCs. For the analyses in this chapter, BCS excluded a total of 188 consumer complaints about the major EDCs that involved competition issues.

Consumer Complaint Categories

The following table shows the percentage of 2012 complaints from residential customers of the seven largest EDCs, in each of the 13 categories used by BCS policy analysts. Appendix E, Table 1, provides the actual number of cases that fell into each category in 2012.

Consumer Complaint Categories: 2012 Major Electric Distribution Companies

Categories	Duquesne	Met-Ed	PECO+**	Penelec	Penn Power	PPL**	West Penn	Electric Majors
Personnel Problems	30%	15%	17%	16%	17%	12%	16%	18%
Metering	2%	27%	3%	21%	11%	6%	18%	15%
Billing Disputes	9%	9%	17%	13%	17%	12%	7%	10%
Service Interruptions	2%	15%	3%	7%	5%	5%	13%	9%
Discontinuance/ Transfer	7%	5%	10%	6%	9%	16%	3%	7%
Credit and Deposits	6%	4%	11%	5%	6%	2%	5%	5%
Other Payment Issues	6%	3%	7%	3%	6%	5%	4%	5%
Damages	2%	3%	2%	5%	5%	2%	8%	4%
Service Extensions	1%	3%	2%	3%	1%	2%	9%	3%
Scheduling Delays	2%	2%	2%	2%	3%	2%	6%	3%
Service Quality	2%	4%	2%	3%	3%	4%	3%	3%
Rates	0%	1%	1%	1%	1%	1%	<1%	1%
All Other Problems	31%	9%	24%	17%	17%	30%	8%	18%
Total-Number*	578	847	356	511	109	370	640	3,411

* Based on residential complaints evaluated by BCS as of July 12, 2013.

** Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 1, for the number of cases in each category.
- In 2012, personnel problems accounted for 18 percent of the consumer complaints for the major EDCs. Metering disputes accounted for 15 percent of the consumer complaints, and billing disputes accounted for 10 percent of the consumer complaints. These three categories accounted for 43 percent of consumer complaints about the major EDCs.

2012 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Duquesne	1.55	0.16
Met-Ed	2.41	0.34
PECO+	1.09	0.15*
Penelec	1.39	0.12
Penn Power	1.09	0.14
PPL	0.77	0.10*
West Penn	1.45	0.30
Average	1.39	0.19

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

+ PECO statistics include electric and gas.

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is more than seven times greater than the average of the justified consumer complaint rates.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2011 and 2012.

2011-12 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies

Company	2011	2012
Duquesne	0.18	0.16
Met-Ed	0.12	0.34
PECO*+	0.20	0.15
Penelec	0.09	0.12
Penn Power	0.04	0.14
PPL*	0.08	0.10
West Penn	0.11	0.30
Average	0.12	0.19

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the major electric distribution companies increased from 0.12 in 2011 to 0.19 in 2012.
- Of the seven major EDCs, five have justified consumer complaint rates that are lower than the industry average. Met-Ed and West Penn have justified consumer complaint rates that are higher than the 2012 industry average.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2011 and 2012.

2011-12 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies

Company	Number of Days 2011	Number of Days 2012	Change in Days 2011 to 2012
Duquesne	17.7	19.5	1.8
Met-Ed	12.1	15.3	3.2
PECO+	8.3	7.6	-0.7
Penelec	12.2	15.4	3.2
Penn Power	10.4	13.2	2.8
PPL	21.4	18.4	-3.0
West Penn	12.0	17.4	5.4
Average	13.4	15.3	1.9

+ PECO statistics include electric and gas.

- The calculation for average response time includes all residential consumer complaints for the major electric companies.
- Overall, the average response time increased from 13.4 days in 2011 to 15.3 days in 2012.
- PECO had the shortest consumer complaint response time in 2012 at 7.6 days, while Duquesne had the longest at 19.5 days. West Penn's consumer complaint response time increased by more than five days from 2011 to 2012.

Payment Agreement Requests

In 2012, BCS handled 36,158 PARs from residential customers of the EDCs. There were 61 PARs from residential customers of Pennsylvania's electric generation supply companies. Ninety-eight percent (35,367) of the residential PARs were from customers of the seven largest EDCs. In 2012, BCS reviewed a representative sample of the PARs for six of the seven largest EDCs: Duquesne, Met-Ed, PECO, Penelec, PPL and West Penn. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from the customers of these utilities. BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix G, Table 1, provides additional statistics regarding the PARs from residential customers of the major EDCs.

**2012 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates*
Major Electric Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Duquesne	11.46	0.13
Met-Ed	4.88	0.11
PECO+	5.52	0.05
Penelec	4.18	0.08
Penn Power	4.32	0.09
PPL	12.25	0.45
West Penn	2.33	0.08
Average	6.42	0.14

* All companies, with the exception of Penn Power, have justified PAR rates based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than six PARs to BCS for each 1,000 residential customers of the major EDCs in 2012. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2012 PAR rates and justified PAR rates.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2011 and 2012.

2011-12 Justified Residential Payment Agreement Request (PAR) Rates* Major Electric Distribution Companies

Company	2011	2012
Duquesne	0.13	0.13
Met-Ed	0.06	0.11
PECO+	0.10	0.05
Penelec	0.06	0.08
Penn Power	0.12	0.09
PPL	0.90	0.45
West Penn	0.24	0.08
Average	0.23	0.14

* All companies, with the exception of Penn Power, have justified PAR rates based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major EDCs decreased from 0.23 in 2011 to 0.14 in 2012.
- The justified PAR rates decreased for four of the seven major EDCs from 2011 to 2012. One of the major EDCs has a justified PAR rate greater than the 2012 industry average while six of the major EDCs have justified PAR rates below the industry average.
- The implementation of Chapter 14 had an impact on the 2011 and 2012 justified PAR rates.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2011 and 2012.

2011-12 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Electric Distribution Companies

Company	Number of Days 2011	Number of Days 2012	Change in Days 2011 to 2012
Duquesne	10.6	12.6	2.0
Met-Ed	3.4	9.5	6.1
PECO+	3.4	3.2	-0.2
Penelec	3.5	9.5	6.0
Penn Power	3.9	9.0	5.1
PPL	15.5	9.5	-6.0
West Penn	5.7	8.4	2.7
Average	6.6	8.8	2.2

+ PECO statistics include electric and gas.

- The calculation for average response time includes all residential PARs for the major electric companies.
- The average response time for the seven major EDCs increased from 6.6 days in 2011 to 8.8 days in 2012.
- There is a wide range of PAR response times among the major EDCs for 2012, from a low of 3.2 days for PECO to a high of 12.6 days for Duquesne.

Termination and Reconnection of Service

Each month, the electric companies report to the Commission the number of residential accounts that they terminated for non-payment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Some EDCs maintain a fairly consistent pattern of termination behavior, while others fluctuate from year to year. The number of reconnections varies from year to year and from company to company, depending on a variety of factors. The EDC reconnects a customer's terminated service when a customer either pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The following tables indicate the annual number of residential accounts each of the seven largest EDCs terminated and reconnected in 2010, 2011 and 2012. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates

Major Electric Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2010	2011	2012	% Change 2011-12	2010	2011	2012
Duquesne	21,915	22,927	23,533	3%	4.18	4.37	4.48
Met-Ed	10,676	18,169	17,995	-1%	2.20	3.73	3.69
PECO+	78,180	81,408	73,887	-9%	5.51	5.71	5.16
Penelec	6,750	17,513	13,747	-22%	1.34	3.46	2.72
Penn Power	1,705	3,622	3,514	-3%	1.22	2.58	2.50
PPL	33,536	33,641	38,303	14%	2.77	2.77	3.15
West Penn	16,803	15,351	11,092	-28%	2.73	2.49	1.79
Major Electric	169,565	192,631	182,071	-5%			
Average of Rates					2.85	3.59	3.36

+ PECO statistics include electric and gas.

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major EDCs terminated 5 percent fewer residential accounts in 2012 than in 2011.

Residential Service Reconnections Major Electric Distribution Companies

Company	2010	2011	2012	% Change 2011-12
Duquesne	15,946	16,846	18,179	8%
Met-Ed	7,650	14,696	14,651	-<1%
PECO+	55,863	58,323	52,512	-10%
Penelec	4,111	14,209	10,989	-23%
Penn Power	1,104	3,316	3,208	-3%
PPL	22,158	22,727	26,326	16%
West Penn	10,121	9,914	9,082	-8%
Major Electric	116,953	140,031	134,947	-4%

+ PECO statistics include electric and gas.

- Overall, the seven major EDCs reconnected 4 percent fewer residential accounts in 2012 than in 2011.

Compliance

BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of "infraction rate" is intended to help the Commission monitor the duty of electric companies at 66 Pa. C.S. §2807(d) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Electricity Generation Customer Choice and Competition Act of 1996.

The infraction rates in the table that follows are based on all informal complaints that residential consumers filed with BCS from 2010 through 2012. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 1, presents detailed information about the infractions identified in 2012 cases to the BCS.

Commission Infraction Rates Major Electric Distribution Companies

Company	2010	2011	2012
Duquesne	0.08	0.11	0.10
Met-Ed	0.06	0.08	0.23
PECO+	0.07	0.04	0.04
Penelec	0.03	0.07	0.07
Penn Power	0.06	0.06	0.06
PPL	0.06	0.02	0.05
West Penn	0.11	0.07	0.10

+ PECO statistics include electric and gas.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rates from 2011 to 2012 for Met-Ed, PPL and West Penn increased, while the rate for Duquesne decreased. The rates remained stable for PECO, Penelec and Penn Power.
- Appendix H, Table 1, presents the actual number of infractions for 2012 categorized by infraction category.
- As shown in Appendix H, Table 1, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

4. Natural Gas Industry

In 2012, the Commission had jurisdiction over 30 natural gas distribution companies (NGDCs). However, the majority of the consumer complaints and PARs involving the gas industry came from residential customers of the seven major NGDCs: Columbia Gas of Pennsylvania Inc. (Columbia); Equitable Gas Co. (Equitable); National Fuel Gas Distribution Corp. (NFG); Peoples Natural Gas Co. (Peoples); Philadelphia Gas Works (PGW); UGI Utilities Inc. -Gas; and UGI Penn Natural Gas. This chapter will focus exclusively on those seven utilities. As with the electric industry, most of the complaints and PARs dealt with matters covered under 52 Pa. Code, Chapter 56, Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14, Responsible Utility Customer Protection. Generally, those consumer complaints and PARs represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major gas utilities in 2012. Appendices F and G provide statistics for these utilities from 2011 and 2012.

Consumer Complaints

During 2012, BCS handled 2,486 consumer complaints from residential customers of the various NGDCs and 57 consumer complaints from residential customers of natural gas suppliers (NGSs). Of these residential complaints, 95 percent (2,410) were from customers of the seven largest NGDCs. For the analyses of the seven major gas companies that appear in this chapter, BCS excluded 19 consumer complaints that involved competition issues.

Consumer Complaint Categories

The following table shows the percentage of 2012 complaints from residential customers of the seven major gas utilities in each of the 13 categories, used by BCS policy analysts to categorize consumer complaints about electric, gas and water utilities. Appendix E, Table 2, provides the actual number of cases that fell into each category in 2012.

Consumer Complaint Categories: 2012 Major Natural Gas Distribution Companies

Categories	Columbia	Equitable	NFG	Peoples	PGW**	UGI-Gas	UGI Penn Natural	Gas Majors
Personnel Problems	28%	36%	15%	20%	18%	26%	14%	22%
Billing Disputes	9%	13%	11%	18%	22%	14%	16%	17%
Metering	7%	1%	12%	13%	18%	2%	3%	11%
Discontinuance/Transfer	3%	6%	15%	5%	16%	11%	10%	10%
Other Payment Issues	6%	4%	4%	11%	8%	3%	9%	7%
Credit and Deposits	6%	6%	3%	1%	1%	14%	17%	5%
Damages	6%	4%	4%	11%	1%	4%	1%	4%
Service Extensions	6%	4%	3%	2%	<1%	10%	10%	3%
Service Quality	6%	7%	3%	5%	2%	1%	1%	3%
Scheduling Delays	4%	4%	7%	4%	2%	2%	0%	3%
Rates	6%	0%	0%	1%	0%	0%	1%	1%
Service Interruptions	1%	0%	0%	1%	0%	0%	0%	<1%
All Other Problems	11%	16%	24%	8%	12%	14%	18%	13%
Total-Number*	159	141	74	225	474	132	90	1,295

* Based on residential complaints evaluated by BCS as of July 12, 2013.

** Based on a probability sample of cases.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 2, for the number of cases in each category.
- In 2012, personnel problems generated 22 percent of the complaints about the major gas companies followed by billing disputes (17 percent). Complaints about metering accounted for 11 percent of residential consumer complaints about the major gas companies.

2012 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Columbia	0.57	0.05
Equitable	0.72	0.04
NFG	0.50	0.07
Peoples	0.92	0.19
PGW	2.72	0.68*
UGI-Gas	0.59	0.05
UGI Penn Natural	0.80	0.09
Average	0.98	0.17

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2012, the average of the consumer complaint rates is more than five times the average of the justified consumer complaint rates for the seven major gas companies.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2011 and 2012.

2011-12 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	2011	2012
Columbia	0.06	0.05
Equitable	0.06	0.04
NFG	0.04	0.07
Peoples	0.14	0.19
PGW*	0.29	0.68
UGI-Gas	0.03	0.05
UGI Penn Natural	0.11	0.09
Average	0.10	0.17

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

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2012, three of the major gas companies had justified consumer complaint rates lower than their justified consumer complaint rates in 2011. The justified consumer complaint rate for PGW increased by 134 percent in 2012.
- The justified consumer complaint rates among the major gas companies ranged from a low of 0.04 for Equitable to a high of 0.68 for PGW in 2012. Overall, the industry average justified consumer complaint rate increased from 0.10 in 2011 to 0.17 in 2012.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2011 and 2012.

2011-12 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies

Company	Number of Days 2011	Number of Days 2012	Change in Days 2011 to 2012
Columbia	7.3	5.5	-1.8
Equitable	2.9	3.0	0.1
NFG	7.0	5.2	-1.8
Peoples	13.4	8.4	-5.0
PGW	11.7	20.4	8.7
UGI-Gas	4.9	5.5	0.6
UGI Penn Natural	4.6	6.2	1.6
Average	7.4	7.7	0.3

- The calculation for average response time includes all residential consumer complaints for the major gas companies.
- The average response times for the major gas companies increased from 7.4 days in 2011 to 7.7 days in 2012.
- Consumer complaint response time performance varied among the major gas companies in 2012, from a low of 3.0 days for Equitable to a high of 20.4 days for PGW.

Payment Agreement Requests

In 2012, BCS handled 11,583 PARs from residential customers of the natural gas distribution companies (NGDCs). There were two PARs from residential customers of Pennsylvania's natural gas supply companies. Ninety-five percent (11,039) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2012, BCS reviewed a representative sample of the PARs for case outcome for all the major gas companies except Columbia and Peoples. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these utilities. BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix G, Table 2, provides additional statistics regarding the PARs from residential customers of the major natural gas distribution companies.

**2012 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates*
Major Natural Gas Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Columbia	2.22	0.03
Equitable	4.39	0.06
NFG	3.40	0.02
Peoples	1.58	0.11
PGW	8.41	0.15
UGI-Gas	7.46	0.44
UGI Penn Natural	10.39	0.65
Average	5.41	0.21

* All companies, with the exception of Columbia and Peoples, have justified PAR rates based on a probability sample of cases.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than five PARs to BCS for each 1,000 residential customers of the major NGDCs in 2012. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2012 PAR rates and justified PAR rates.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2011 and 2012.

**2011-12 Justified Residential
Payment Agreement Request (PAR) Rates*
Major Natural Gas Distribution Companies**

Company	2011	2012
Columbia	0.01	0.03
Equitable	0.05	0.06
NFG	0.08	0.02
Peoples	0.05	0.11
PGW	0.18	0.15
UGI-Gas	0.19	0.44
UGI Penn Natural	0.19	0.65
Average	0.11	0.21

* All companies, with the exception of Columbia and Peoples, have justified PAR rates based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major gas utilities increased from 0.11 in 2011 to 0.21 in 2012. Five of the seven major gas companies had increases in their justified PAR rates, the greatest of which was UGI Penn Natural by 242 percent.
- The 2012 justified PAR rates among the major NGDCs ranged from a low of 0.02 for NFG to a high of 0.65 for UGI Penn Natural.
- The implementation of Chapter 14 had an impact on the 2011 and 2012 justified PAR rates.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2011 and 2012.

**2011-12 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Natural Gas Distribution Companies**

Company	Number of Days 2011	Number of Days 2012	Change in Days 2011 to 2012
Columbia	2.8	2.7	-0.1
Equitable	1.4	1.0	-0.4
NFG	2.9	2.6	-0.3
Peoples	6.8	4.9	-1.9
PGW	5.8	12.1	6.3
UGI-Gas	1.6	2.2	0.6
UGI Penn Natural	1.4	1.9	0.5
Average	3.2	3.9	0.7

- The calculation for average response time includes all residential PARs for the major gas companies.
- From 2011 to 2012, the average of response times increased by 0.7 days. The response time for PGW went up by more than six days from 2011 to 2012.
- The 2012 PAR response times for the major NGDCs varied from a low of 1.0 day for Equitable to a high of 12.1 days for PGW.

Termination and Reconnection of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company, depending on a variety of factors. The NGDC reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The tables that follow indicate the annual number of residential accounts each of the seven largest gas utilities terminated and reconnected in 2010, 2011 and 2012. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Natural Gas Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2010	2011	2012	% Change 2011-12	2010	2011	2012
Columbia	9,878	9,650	11,321	17%	2.65	2.58	2.96
Equitable	10,967	10,471	8,394	-20%	4.61	4.36	3.47
NFG	9,296	9,472	8,347	-12%	4.70	4.77	4.20
Peoples	7,135	3,696	6,601	79%	2.18	1.12	2.00
PGW	29,865	28,868	25,507	-12%	6.23	6.02	5.32
UGI-Gas	11,885	11,206	8,434	-25%	3.89	3.61	2.66
UGI Penn Natural	8,569	6,967	5,403	-22%	5.93	4.79	3.67
Major Gas	87,595	80,330	74,007	-8%			
Average of Rates					4.31	3.87	3.47

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major gas companies terminated 8 percent fewer residential accounts in 2012 than in 2011.

Residential Service Reconnections Major Natural Gas Distribution Companies

Company	2010	2011	2012	% Change 2011-12
Columbia	5,336	4,958	6,310	27%
Equitable	7,873	7,587	6,221	-18%
NFG	6,445	6,449	5,458	-15%
Peoples	4,602	2,660	4,654	75%
PGW*	30,626	26,011	18,114	-30%
UGI-Gas	6,703	5,426	3,990	-26%
UGI Penn Natural	5,548	4,276	3,453	-19%
Major Gas	67,133	57,367	48,200	-16%

* Prior to 2012, PGW's reconnections were overstated as a result of the company's reporting methodology not validating whether each completed turn-on was associated with the previously terminated customer.

- Overall, the seven major NGDCs reconnected 16 percent fewer residential accounts in 2012 than in 2011.

Compliance

BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of “infraction rate” is intended to help the Commission monitor the duty of natural gas companies at 66 Pa. C.S. §2206(a) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Natural Gas Choice and Competition Act of 1999.

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2010 through 2012. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 2, presents detailed information about the infractions identified on 2012 cases to the BCS.

Commission Infraction Rates Major Natural Gas Distribution Companies

Company	2010	2011	2012
Columbia	0.02	0.04	0.02
Equitable	0.06	0.03	0.02
NFG	0.06	0.02	0.10
Peoples	0.14	0.18	0.20
PGW	0.03	0.16	0.29
UGI-Gas	0.08	0.03	0.03
UGI Penn Natural	0.15	0.08	0.04

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- From 2011 to 2012, infraction rates decreased for Columbia, Equitable and UGI Penn Natural while the infraction rates increased for NFG, Peoples and PGW. The rate for UGI-Gas remained stable.
- Appendix H, Table 2, presents the actual number of infractions for 2012 categorized by infraction category.
- As shown in Appendix H, Table 2, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

5. Water Industry

In 2012, the Commission had jurisdiction over 94 water companies, including 22 municipal water companies. The Commission categorizes the non-municipal water companies into one of three classifications: A, B and C. Those three classifications are based on the amount of the company's annual revenues.

The non-municipal water companies with the largest annual revenues are classified as "Class A" water companies. "Class A" water companies must have annual revenues of \$1 million or more for three years in a row. In 2012, nine "Class A" water companies served residential customers. The number of residential customers for these major companies ranged from 2,346 for United Water Bethel to 589,738 residential customers for Pennsylvania American Water Co. (PAWC). In 2012, the "Class A" water companies were Aqua Pennsylvania Inc. (Aqua), Audubon Water Co., Columbia Water Co., Newtown Artesian Water Co., Pennsylvania American Water Co., Superior Water Co., United Water Bethel, United Water of Pennsylvania Inc. and York Water Co. The tables in this chapter present individual statistics for the two largest water companies, PAWC and Aqua, and for the "Other Class A" companies as a whole.

The other classes of water companies have lower annual revenues and, typically, fewer residential customers. In 2012, 12 "Class B" companies were operating. "Class B" water companies have annual revenues between \$200,000 and \$999,999. In 2012, the number of residential customers for the "Class B" companies ranged from 295 to 2,048. There were 51 "Class C" companies in 2012. "Class C" water companies have annual revenues of less than \$200,000. The number of residential customers for the "Class C" companies ranged from two to 1,149 in 2012.

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

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

The tables on the pages that follow depict the performance of the "Class A" water companies in 2012. Appendices F and G also present statistics about the performance of the "Class A" water companies.

Consumer Complaints

During 2012, BCS handled a total of 724 consumer complaints from residential customers of the various water companies. Of those complaints, 96 percent (695) were from customers of the “Class A” companies. The remaining 4 percent were from customers of smaller water companies. While a majority of consumer complaints involved the “Class A” water companies in 2012, the Commission devoted a significant amount of attention to the smaller water companies. Sometimes the amount of time BCS spends on a few complaints from customers of a smaller company exceeds the amount of time it spends dealing with complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and PARs as compared to smaller water companies with limited resources.

In 2012, customers of the small water companies filed complaints with BCS for a variety of reasons. Of the 29 consumer complaints filed about the “Non-Class A” water companies, 48 percent involved complaints about service, including people-delivered service, service quality or other aspects of the companies’ service to customers (14 cases). An additional 34 percent involved billing disputes (10 cases).

Consumer Complaint Categories

The following table shows the percentage of 2012 complaints from residential customers of the “Class A” water companies in each of the categories used by BCS policy analysts to categorize consumer complaints about electric, gas and water companies. Appendix E, Table 3, provides the actual number of cases that fell into each category in 2012.

Consumer Complaint Categories: 2012 Major Water Companies

Categories	Aqua	PAWC	"Other Class A"	All "Class A" Water
Billing Disputes	32%	40%	7%	36%
Personnel Problems	9%	15%	24%	13%
Service Quality	6%	8%	21%	8%
Damages	4%	6%	10%	6%
Scheduling Delays	7%	3%	7%	5%
Metering	4%	3%	3%	3%
Discontinuance/Transfer	<1%	4%	0%	2%
Credit and Deposits	4%	1%	0%	2%
Service Extensions	1%	2%	0%	2%
Service Interruptions	1%	1%	0%	1%
Other Payment Issues	1%	0%	0%	<1%
Rates	0%	<1%	3%	<1%
All Other Problems	30%	17%	24%	22%
Total-Number*	208	338	29	575

* Based on residential complaints evaluated by BCS as of July 5, 2013.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 3, for the number of cases in each category.
- Forty-nine percent of residential complaints for the "Class A" water companies fell into two complaint categories: billing disputes and personnel problems. Billing disputes accounted for more than one-third of the total number of consumer complaints filed against the "Class A" water companies.

**2012 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Water Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Aqua	0.67	0.21
PAWC	0.68	0.14
"Other Class A"	0.25	0.01
Average	0.54	0.12

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The consumer complaint rate for PAWC is nearly five times greater than its justified consumer complaint rate.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua, PAWC and the "Other Class A" water companies in 2011 and 2012.

2011-12 Justified Residential Consumer Complaint Rates Major Water Companies

Company	2011	2012
Aqua	0.19	0.21
PAWC	0.15	0.14
"Other Class A"	0.04	0.01
Average	0.13	0.12

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- There was only a slight change in the justified consumer complaint rates for Aqua and PAWC between 2011 and 2012.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua, PAWC and the "Other Class A" water companies in 2011 and 2012.

2011-12 Response Time to BCS Residential Consumer Complaints Major Water Companies

Company	Number of Days 2011	Number of Days 2012	Change in Days 2011 to 2012
Aqua	14.4	7.1	-7.3
PAWC	3.5	6.7	3.2
"Other Class A"	19.7	6.2	-13.5
Average	12.5	6.7	-5.8

- The calculation for average response time includes all residential consumer complaints for the major water companies.
- The average response time for Aqua decreased by 7.3 days from 2011 to 2012. The average response time for PAWC increased 3.2 days, from 3.5 days in 2011 to 6.7 days in 2012.

Payment Agreement Requests

In 2012, BCS handled 4,607 PARs from residential customers of the water industry. Ninety-nine percent (4,546) of the residential PARs were from customers of the "Class A" water companies. As in past years, for the companies with the largest volume of requests, BCS policy analysts reviewed a representative sample of PARs for case outcome. In 2012, BCS reviewed a sample of the PARs for Aqua and PAWC. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these two companies. BCS believes the size of the sample gives a reasonable indication of the performance of these companies. Appendix G, Table 3, provides additional statistics regarding the PARs from residential customers of the "Class A" water companies.

2012 Residential Payment Agreement Request (PAR) Rates/ Justified PAR Rates Major Water Companies

Company	PAR Rate	Justified PAR Rate
Aqua	4.23	0.19*
PAWC	4.56	0.23*
"Other Class A"	1.70	0.00
Average	3.50	0.14

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than three PARs to BCS for each 1,000 residential customers of the major water companies in 2012. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2012 PAR rates and justified PAR rates.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua, PAWC and the "Other Class A" water companies in 2011 and 2012.

2011-12 Justified Residential Payment Agreement Request (PAR) Rates Major Water Companies

Company	2011	2012
Aqua	0.16*	0.19*
PAWC	0.41*	0.23*
"Other Class A"	0.00	0.00
Average	0.19	0.14

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The justified PAR rate increased for Aqua, but decreased for PAWC between 2011 and 2012.
- The implementation of Chapter 14 had an impact on the 2011 and 2012 justified PAR rates.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua, PAWC and the "Other Class A" water companies in 2011 and 2012.

**2011-12 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Water Companies**

Company	Number of Days 2011	Number of Days 2012	Change in Days 2011 to 2012
Aqua	7.0	3.1	-3.9
PAWC	1.8	4.7	2.9
"Other Class A"	2.8	5.9	3.1
Average	3.9	4.6	0.7

- The calculation for average response time includes all residential PARs for the major water companies.
- Aqua's response time decreased by nearly four days from 2011 to 2012 while PAWC's response time increased almost three days, from 1.8 to 4.7 days in 2012.

Compliance

BCS provides water utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2010 through 2012. Appendix H, Table 3, presents detailed information about the infractions identified on 2012 cases to the BCS.

Commission Infraction Rates Major Water Companies

Company	2010	2011	2012
Aqua	0.20	0.22	0.22
PAWC	0.32	0.13	0.16
"Other Class A"	0.01	0.02	0.01

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rate for PAWC increased from 2011 to 2012. The infraction rate for "Other Class A" water companies dropped in 2012, while Aqua's rate remained stable.
- Appendix H, Table 3, presents the actual number of infractions for 2012 categorized by infraction category.
- As shown in Appendix H, Table 3, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

Programs That Assist Low-Income Customers

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

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

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

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

At the end of 2012, 887 active participants were enrolled in the Helping Hand program. During the year, Aqua spent \$137,506 to complete eligibility interviews and household audits. In addition, the company provided \$30,560 in arrearage forgiveness credits to 920 program participants.

Pennsylvania American Water Co. (PAWC) – In 1991, PAWC established the “Help to Others” (H2O) program. The H2O program provides customers with a 65 percent discount on their monthly service fees – a savings of about \$8.94 per month. The program also provides water-saving devices and conservation education. As of December 2012, 13,660 customers were receiving the discounted rate.

In addition to a discount for water, the company also offers a discount for wastewater customers in Coatesville, Bushkill, Lehman Pike, Claysville, Clarion, East Stroudsburg, Blue Mountain and Winona Lakes. This discount offers a 15 percent discount off the total wastewater billing for those who qualify. As of December 2012, 378 customers were receiving the discount for wastewater.

As part of the H2O program, PAWC also participates with the Dollar Energy Fund to provide cash grants of up to \$500 per year for those water and wastewater customers listed above. Dollar Energy Fund is a hardship fund administrator that provides cash assistance to utility customers who need help in paying their utility bills. During the 2011-12 program year, PAWC’s shareholders and customers provided \$319,805 in hardship fund benefits to 1,173 water and wastewater customers for an average benefit of \$273.

United Water of Pennsylvania Inc. (United Water) - United Water implemented the “UW Cares” program in 2005. UW Cares is a nonprofit 501(c)(3) organization that provides financial assistance to customers who experience a temporary financial crisis caused by such occurrences as a job loss, severe illness, casualty or extensive military service. Cash grants up to \$100 are provided to qualifying customers who are first screened by the Salvation Army for eligibility. To be eligible for a grant, customers must have made a nominal payment within the last 90 days. During the 2011-12 program year, the company provided grants totaling nearly \$6,300 to qualifying customers.

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

During 2012, the company expended \$637 for customer plumbing repairs and enrolled a total of five new customers in the York Water Cares program. As of program end 2012, 14 customers received arrearage forgiveness benefits totaling \$855 for an average benefit of approximately \$61 per customer. The company anticipates an annual savings of \$1,428 in costs for termination proceedings that may be avoided as a result of customer participation in the York Water Cares program.

6. Telephone Industry

During 2012, BCS handled consumer complaints, PARs and inquiries from the customers of a variety of telecommunications service providers, including incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), long-distance companies and resellers. Just over 700 providers of telecommunications services were certificated and able to conduct business in Pennsylvania in 2012. Of this group of telecommunications providers, 37 were ILECs. Thirty-two of these ILECs were non-major utilities each serving fewer than 50,000 residential customers. The remaining five ILECs were major companies, each with more than 50,000 residential customers. Collectively, these five major telephone companies served just over 2 million residential customers in 2012.

This chapter will focus exclusively on the five major ILECs in 2012 – CenturyLink (CenturyLink); Frontier Communications Commonwealth Telephone Co. (Frontier Commonwealth); Verizon North Inc. (Verizon North); Verizon Pennsylvania (Verizon PA); and Windstream Communications (Windstream).

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

Consumer Complaints

Although BCS handled consumer complaints about different types of telecommunications service providers in 2012, the complaints predominantly came from the residential customers of the five major ILECs. Overall, BCS handled 2,443 consumer complaints from residential customers of telecommunications service providers in 2012. Of those complaints, 2,263 were from residential customers of all of Pennsylvania's ILECs while 2,237 were from customers of the five major ILECs. Meanwhile, 157 consumer complaints were from residential customers of the CLECs operating in Pennsylvania. The remaining 23 consumer complaints were from residential customers of other providers of telecommunications services such as long-distance carriers, resellers and Voice over Internet Protocol (VoIP) providers.

In September 2009, BCS began offering all Verizon PA and Verizon North customers who call with a service issue the voluntary option of being transferred to a special Verizon team that immediately begins working to resolve the customer's complaint. If a customer chooses the voluntary transfer, BCS categorizes the contact as an "inquiry"² rather than as a "consumer complaint."

² BCS categorized 435 of these contacts regarding Verizon service issues as inquiries during 2012.

Consumer Complaint Categories

The following table shows the percentage of 2012 consumer complaints from residential customers of the major telephone companies in each of the 11 categories used by BCS policy analysts to categorize consumer complaints about telephone companies.

Consumer Complaint Categories: 2012 Major Local Telephone Companies

Categories	Century-Link	Frontier Common-wealth	Verizon North	Verizon PA**	Wind-stream	Telephone Majors
Unsatisfactory Service	9%	26%	29%	30%	30%	29%
Service Delivery	20%	14%	32%	24%	33%	24%
Billing Disputes	32%	36%	23%	20%	19%	22%
Service Terminations	17%	13%	5%	5%	4%	6%
Competition	0%	0%	0%	3%	7%	2%
Credit and Deposits	3%	0%	1%	2%	2%	2%
Toll Services	5%	0%	0%	1%	0%	1%
Discontinuance/Transfer	0%	1%	0%	1%	0%	1%
Non-Recurring Charges	0%	0%	0%	1%	0%	1%
Annoyance Calls	1%	0%	1%	1%	0%	1%
All Other Problems	13%	10%	9%	13%	5%	12%
Total-Number*	76	72	82	959	57	1,246

* Based on residential complaints evaluated by BCS as of April 19, 2013.

** Based on a probability sample of cases.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-2 for an explanation of complaint categories and Appendix E, Table 4, for the number of cases in each category.
- Seventy-five percent of all complaints for the major telephone companies fall into one of three complaint categories: unsatisfactory service, service delivery or billing disputes.

- Unsatisfactory service complaints account for 29 percent of the total number of consumer complaints filed against the five major telephone companies in 2012. Last year, unsatisfactory service accounted for 27 percent of all consumer complaints filed against the major telephone companies.
- Service delivery complaints account for 24 percent of all consumer complaints filed against the five major telephone companies. In 2012, billing disputes made up another 22 percent of the complaints filed against the major telephone companies.

The 2011 and 2012 consumer complaint figures for justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages. Appendix F, Table 4, provides additional statistics about the consumer complaints from residential customers of the five major local telephone companies.

2012 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
CenturyLink	0.55	0.14
Frontier Commonwealth	0.73	0.27
Verizon North	0.41	0.18
Verizon PA	1.34	0.68*
Windstream	0.55	0.10
Average	0.72	0.27

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the five major telephone companies, the average of their consumer complaint rates is 2.7 times greater than the average of their justified consumer complaint rates.
- The consumer complaint rate for Windstream is more than five times greater than its justified consumer complaint rate. The consumer complaint rate for CenturyLink is nearly four times greater than its justified consumer complaint rate.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2011 and 2012.

**2011-12 Justified Residential
Consumer Complaint Rates
Major Local Telephone Companies**

Company	2011	2012
CenturyLink	0.25	0.14
Frontier Commonwealth	0.41	0.27
Verizon North	0.25	0.18
Verizon PA*	0.92	0.68
Windstream	0.27	0.10
Average	0.42	0.27

* 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 industry average of justified consumer complaint rates decreased by 36 percent from 2011 to 2012. All five major telephone companies had a decrease in their justified consumer complaint rate in 2012. Windstream and CenturyLink had the largest percentage decreases. Windstream's justified consumer complaint rate decreased 63 percent, while CenturyLink's justified consumer complaint rate decreased 44 percent since 2011.
- Of the five major telephone companies, only Verizon PA and Frontier Commonwealth had a justified consumer complaint rate that was equal to or higher than the industry average.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2011 and 2012.

2011-12 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies

Company	Number of Days 2011	Number of Days 2012	Change in Days 2011 to 2012
CenturyLink	22.4	13.3	-9.1
Frontier Commonwealth	14.1	9.3	-4.8
Verizon North	19.1	14.9	-4.2
Verizon PA	18.6	15.8	-2.8
Windstream	18.9	24.7	5.8
Average	18.6	15.6	-3.0

- For the five major telephone companies, the average response time to consumer complaints decreased by three days from 2011 to 2012.
- The response time for CenturyLink decreased by more than nine days. Only Windstream increased their average response time from 2011 to 2012.

Payment Agreement Requests

Telephone service consists of three components: basic service, nonbasic service and toll service. BCS does not handle customer requests for payment agreements that involve toll or nonbasic services. For the telephone industry, PARs are principally contacts to BCS or to companies involving a request for payment terms for arrearages associated with basic service. Most PARs are cases relating to the suspension of basic telephone service for nonpayment. Suspension of basic telephone service involves the temporary cessation of service without the consent of the customer and occurs when the customer owes the local telephone company money. If the customer does not pay or make an agreement to pay the amount owed, the company proceeds to terminate the customer's service, which is the permanent cessation of service. The majority of PARs are from customers who contact BCS to request payment agreements after they have received a suspension notice.

Under Chapter 64, a customer contact in response to a suspension notice is a dispute (as the term is defined in §64.2) only if the contact includes a disagreement with respect to the application of a provision of Chapter 64. Where telephone cases involving telephone service suspension are concerned, failure to negotiate a payment agreement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve PARs have been separated from telephone PARs that also involve a dispute. For the telephone industry, PARs that involve a dispute are classified as consumer complaints. During 2012, BCS handled 394 PARs from residential customers of telecommunications service providers. Of these PARs, 358 were from residential customers of the five major telephone

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

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

The 2011 and 2012 justified PAR rates and response times for the major telephone companies are presented in the tables that follow.

2012 Residential Payment Agreement Request (PAR) Rates/ Justified PAR Rates Major Local Telephone Companies

Company	PAR Rate	Justified PAR Rate
CenturyLink	0.19	0.05
Frontier Commonwealth	0.09	0.03
Verizon North	0.03	0.00
Verizon PA	0.21	0.01*
Windstream	0.05	0.00
Average	0.12	0.02

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The overall 2012 PAR rate is six times the overall justified PAR rate for the five major telephone companies.
- For the individual companies, the ratio between the PAR rate and the justified PAR rate varies. For Verizon PA, the company's 2012 PAR rate is 21 times the company's justified PAR rate.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2011 and 2012.

**2011-12 Justified Residential
Payment Agreement Request (PAR) Rates
Major Local Telephone Companies**

Company	2011	2012
CenturyLink	0.02	0.05
Frontier Commonwealth	0.01	0.03
Verizon North	0.01	0.00
Verizon PA*	0.01	0.01
Windstream	0.02	0.00
Average	0.01	0.02

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The 2012 average justified PAR rate for the five major telephone companies increased from 0.01 in 2011 to 0.02 in 2012. Only CenturyLink and Frontier Commonwealth had justified PAR rates greater than the 2012 industry average.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2011 and 2012.

2011-12 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Local Telephone Companies

Company	Number of Days 2011	Number of Days 2012	Change in Days 2011 to 2012
CenturyLink	14.4	8.3	-6.1
Frontier Commonwealth	6.1	7.3	1.2
Verizon North	8.5	11.5	3.0
Verizon PA	11.4	7.5	-3.9
Windstream	18.5	21.2	2.7
Average	11.8	11.1	-0.7

- The average response time to PARs for the five major telephone companies decreased slightly from 11.8 days in 2011 to 11.1 days in 2012.
- Of the five major telephone companies, only CenturyLink and Verizon PA reduced their response time to PARs from 2011 to 2012.

Termination of Service

Chapter 64 defines suspension as a temporary cessation of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent end of service after a suspension without the consent of the customer. Most PARs are cases relating to the termination of telephone service and are registered during the suspension phase. Many customers who have their basic service suspended are able to make payment agreements and avoid termination. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. Shifts in terminations can signal potential problems with customers maintaining basic telephone service and reflect the impact of universal service programs.

Residential Service Terminations/Termination Rates

Major Local Telephone Companies

Company	Residential Service Terminations				Termination Rates		
	2010	2011	2012	% Change 2011-12	2010	2011	2012
CenturyLink	6,468	5,136	8,412	64%	35.19	30.13	52.86
Frontier Commonwealth	408*	552	444	-20%	3.21*	4.08	3.75
Verizon North	11,412	7,056	7,140	1%	39.18	27.14	30.66
Verizon PA	171,648	136,572	57,432	-58%	88.30	80.82	40.49
Windstream	3,984	3,648	3,516	-4%	31.63	30.88	31.25
Major Telephone	193,920	152,964	76,944	-50%			
Average of Rates					39.50	34.61	31.80

* BCS revised the 2010 number of residential service terminations and termination rate for Frontier Commonwealth. It was discovered a submission error was made when reporting the 2010 number of residential customers and 2010 number of terminations to BCS.

- The termination rate equals the number of basic service terminations for each 1,000 residential customers.
- Overall, the average residential service termination rate for the major telephone companies decreased from 2011 to 2012.
- CenturyLink had a significant increase in their number of terminations and their termination rate from 2011 to 2012. Verizon PA had a major decrease in their number of terminations and their termination rate in 2012.

Compliance

The informal compliance notification process enables BCS to provide companies with written clarifications and explanations of Chapter 63 and Chapter 64 provisions and BCS policies. The informal compliance process is specifically designed to identify systemic errors. Companies can then investigate the scope of the problem and take corrective action. Appropriate corrective action usually involves modifying a computer program; revising the text of a notice, a billing or a letter; changing a company procedure; or providing additional staff training to ensure the proper implementation of a sound procedure.

Each year, BCS retrieves infraction data from the BCS Compliance Tracking System and produces tables that present Chapter 63 and Chapter 64 infraction statistics for the major telephone companies reviewed in this chapter. The infraction statistics are typically drawn from all cases that residential consumers filed with BCS in 2010, 2011 and 2012.

Appendix H, Tables 4 and 5, present detailed information about the infractions identified on 2012 cases to the BCS.

Commission Infraction Rates – Chapter 63 Major Local Telephone Companies

Company	2010	2011	2012
CenturyLink	0.14	0.22	0.13
Frontier Commonwealth	0.19	0.60	0.27
Verizon North	0.26	0.52	0.31
Verizon PA	0.98	1.87	1.18
Windstream	0.17	0.18	0.04

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates decreased for each of the five major telephone companies in 2012. Windstream's infraction rate had the largest percentage decline since 2011.
- Appendix H, Table 4, presents the actual number of infractions of Chapter 63 found on 2012 informal complaints for the major local telephone companies by infraction category.

Commission Infraction Rates – Chapter 64 Major Local Telephone Companies

Company	2010	2011	2012
CenturyLink	0.24	0.56	0.14
Frontier Commonwealth	0.64	0.61	0.35
Verizon North	0.29	0.22	0.16
Verizon PA	0.63	0.70	0.39
Windstream	0.41	0.36	0.12

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates decreased for each of the five major telephone companies in 2012. CenturyLink and Windstream had the largest declines, down 75 and 67 percent, respectively, since 2011.
- Appendix H, Table 5, presents the actual number of infractions of Chapter 64 found on 2012 informal complaints for the major local telephone companies by infraction category.

Universal Service Programs

As part of its ongoing responsibilities, BCS monitors the universal service programs of local telephone companies and wireless companies. For the telephone industry, universal service programs³ include Lifeline 135 Service (Lifeline 135), Lifeline Service (Lifeline) and the Universal Telephone Assistance Program (UTAP). These programs ensure that low-income consumers have access to telephone service by providing discounts or credits for telephone service. The Commission approved the implementation of Pennsylvania's first universal service program for local telephone companies in 1989.⁴ In December 1997, the Commission approved Lifeline service plans for 44 telephone companies which led to the statewide implementation of telephone companies' Lifeline programs in 1998.

Lifeline and Lifeline 135 Service

The Commission's 2005 Final Lifeline Order (Final Order), at Docket No. M-00051871⁵ expanded the Lifeline program eligibility to be consistent with the Federal Communications Commission's (FCC) programs.⁵ It added the National School Free Lunch Program and an income-only based criterion (income at or below 135 percent of the federal poverty

³ With the exception of UTAP, these programs are supported fully or in part by federal universal service funds.

⁴ The Link-Up America Program was the first universal service program. The FCC eliminated this program in 2012.

⁵ FCC Report and Order and Further Notice of Proposed Rulemaking in the Matter of Lifeline and Link-Up, at CC Docket No. 04-87, WC Docket No. 03-109.

guidelines) as new criteria for Pennsylvania's Lifeline program eligibility. Second, the Final Order directed all jurisdictional ETCs⁶ to implement the Lifeline provisions contained in Chapter 30. Under these provisions⁷, ETCs are to inform new and existing customers about the availability of Lifeline services. They also must permit eligible Lifeline service customers to purchase any number of optional services (i.e. call waiting) at the tariffed rates for these services.

On Dec. 18, 2008, the Commission adopted the initial decision of a PUC administrative law judge ordering Verizon PA and Verizon North to revise their tariffs to permit their Lifeline 135 customers the opportunity to subscribe to three types of bundled service plans.⁸ Those customers may subscribe to a bundled service package plan that offers 1) local service with three optional services; 2) local service with three optional services plus regional toll service; or 3) local service with three optional services plus regional toll service and long-distance service at a single monthly rate.

In August 2010, the Commission adopted the final Policy Statement on the Commonwealth of Pennsylvania Guidelines for Designation and Annual Recertification as an Eligible Telecommunication Carrier (ETC) for purposes of Federal Universal Service Support (ETC Guidelines).⁹ Designation as an ETC for provision of Lifeline service would permit the wire-line and wireless providers to participate in the Universal Service Fund's (USF) Lifeline program in order to receive universal service support for these services. Currently, there are 12 wireless telephone companies providing Lifeline services in Pennsylvania. As of November 2013, there are 12 wireless telephone company ETC petitions pending.

On March 2, 2012, the FCC issued a Final Rule¹⁰ which reformed and begins to modernize the Universal Service Fund's Lifeline program. The reforms substantially strengthen protections against waste, fraud and abuse; improve program administration and accountability; improve enrollment and consumer disclosures; initiate modernization of the program for broadband; and constrain the growth of the program in order to reduce the burden of all who contribute to the Universal Service Fund. In addition, the FCC has identified numerous unserved census block groups in Pennsylvania where wireless eligible telecommunications carriers (ETCs) may bid to receive Mobility Fund Phase 1 support to build infrastructure over which to deliver 3G or better broadband and voice service.

The following table shows enrollment activity for the major telephone companies' Lifeline programs in 2011 and 2012.

⁶ To provide Lifeline services, telephone companies must be designated Eligible Telecommunications Carriers (ETC) by their state commission or the FCC. ETCs may receive universal service funding.

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

⁸ See Dockets C-20077916 and C-20077917.

⁹ Docket No. M-2010-2164741 which codifies the guidelines at 52 Pa. Code § 69.2501.

¹⁰ 47 CFR Part 54 – Universal Service

Lifeline Service Activity 2011-12

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2011	2012	2011	2012
CenturyLink	4,685	4,176	3,384	1,891
Frontier Commonwealth	5,865	5,441	4,861	4,618
Verizon North*	15,942	14,232	10,548	6,563
Verizon PA*	130,389	109,150	85,102	45,579
Windstream	6,046	5,783	5,011	3,718
Total	162,927	138,782	108,906	62,369

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

As of July 1, 2013, the monthly credit¹¹ is \$9.25 for the Lifeline 135 program, and \$11.75 for the Verizon companies' Lifeline program.

Universal Telephone Assistance Program

Verizon PA implemented a Universal Telephone Assistance Program (UTAP) along with its Lifeline service program as part of a settlement agreement that was approved by the Commission in 1995. Verizon PA is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a pre-existing basic service arrearage) to restore their basic telephone service. The Dollar Energy Fund manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2012 was \$78. Overall, UTAP distributed \$45,740 in financial assistance to 587 of Verizon PA's qualified customers in 2012.

Automatic Notification Program

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

¹¹ The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

continues to provide DPW with copies of informational brochures and a link to the Commission's website for information about companies that offer Lifeline programs.

Wireless ETC Designation

Virgin Mobile USA, LP is the first wireless carrier designated by the Commission to be an ETC. On Dec. 22, 2010, the Commission approved Virgin Mobile's petition (Docket No. P-2010-2155915) for limited designation as an ETC. In January 2011, Virgin Mobile filed a petition for reconsideration to lift the Public Safety Answering Point (PSAP) certification requirements since the FCC no longer required facilities-based carriers seeking ETC status to comply with the PSAP certification obligations. The Commission approved Virgin Mobile's petition for reconsideration on Feb. 10, 2011. Effective Feb. 14, 2011, Virgin Mobile could operate its Lifeline program, Assurance Wireless, in Pennsylvania.

On Oct. 14, 2011, the Commission approved YourTel America's petition to become an ETC in Pennsylvania. On May 24, 2012, the Commission approved the ETC petitions for Cricket Communications, Inc.; Keystone Wireless, LLC d/b/a Immix Wireless; T-Mobile Northeast, LLC; T-Mobile Central, LLC and Voicestream Pittsburgh, LP. Keystone and T-Mobile each petitioned for both low-income and high-cost support and are seeking Mobility Fund Phase 1 support. The Mobility Fund Phase 1 support will accelerate delivery of advanced mobile services to tens of thousands of road miles that currently lack 3G or 4G service. Winning bidders must deploy either 3G service within two years or 4G service within three years of the award. T-Mobile was approved for the Mobility Fund Phase 1 support in Pennsylvania. T-Mobile was awarded \$1,772,094, equaling 74.93 road miles.

The Commission approved the ETC petitions of Budget Prepay, Inc., Global Connections Inc. of America and TAG Mobile, LLC during the remainder of 2012 and the ETC petitions of Q Link Wireless, LLC; Blue Jay Wireless, LLC; Nexus Communications, Inc. and Telrite Corporation in 2013.

For more information about the telephone universal service programs, contact Sandra Johnson-Gumby in BCS at (717) 772-0806 or by email at sjohnson-g@pa.gov.

Glossary of Terms

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

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

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

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

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

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

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

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

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

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 PARs).

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

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

Justified Payment Agreement Request Rate - The number of justified PARs per 1,000 residential customers.

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

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

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

Payment Agreement Request Rate - The number of PARs per 1,000 residential customers.

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

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

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

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

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

Appendices

Appendix A

Consumer Ratings of BCS Service

How quickly did the PUC handle your request?		
	2011	2012
Very quickly	59%	57%
Fairly quickly	28%	26%
Not very quickly	5%	6%
Not at all quickly	3%	4%
Don't recall	1%	2%
Have not heard from PUC	3%	4%
How easy to understand was the information the PUC gave you about the outcome of the problem?		
	2011	2012
Very easy	50%	51%
Fairly easy	16%	19%
Not very easy	3%	4%
Not at all easy	2%	1%
Don't recall	3%	2%
Did not receive any information	26%	22%
How polite was the first person you talked with at the PUC?		
	2011	2012
Very polite	74%	79%
Fairly polite	19%	15%
Not very polite	3%	2%
Not at all polite	1%	<1%
Don't recall	1%	2%
Did not speak to anyone	2%	2%
How interested in helping you was the first person you talked with at the PUC?		
	2011	2012
Very interested	67%	70%
Fairly interested	23%	23%
Not very interested	6%	4%
Not at all interested	2%	1%
Don't recall	1%	1%
Did not speak to anyone	1%	1%
If you had another problem with a utility, would you contact the PUC again?		
	2011	2012
Yes	85%	85%
No	7%	5%
Not sure	8%	10%

Appendix B

Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2011 and 2012

Industry	Consumer Complaints						Payment Agreement Requests					
	Residential			Commercial			Residential			Commercial		
	2011	2012	Percent Change	2011	2012	Percent Change	2011	2012	Percent Change	2011	2012	Percent Change
Electric	6,615	7,742	17%	786	778	-1%	42,603	36,158	-15%	223	183	-18%
Gas	2,311	2,543	10%	239	190	-21%	11,162	11,585	4%	92	78	-15%
Water	787	724	-8%	73	91	25%	4,568	4,607	1%	11	21	91%
Telephone	3,412	2,443	-28%	489	314	-36%	460	394	-14%	9	10	11%
Other	5	5	0%	1	0	-100%	4	6	50%	0	0	0%
Total	13,130	13,457	2%	1,588	1,373	-14%	58,797	52,750	-10%	335	292	-13%

Appendix C

2012 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC		
Non-Major Electric Distribution Companies (EDCs)***	14	16
Ambit Energy (EGS)	10	10
AP Gas and Electric (EGS)	30	38
Champion Energy Services (EGS)	5	5
Clearview Electric (EGS)	25	25
Commerce Energy (EGS)	50	56
Con Edison Solutions (EGS)	7	16
Constellation Energy Power Choice (EGS)	12	12
Direct Energy (EGS)	41	46
Dominion Energy Solutions (EGS)	39	54
Energetix (EGS)	6	6
Energy Plus Holdings (EGS)	19	19
First Energy Solutions (EGS)	278	342
Gateway Energy (EGS)	11	11
Great American Power (EGS)	16	16
Hop Energy (EGS)	13	13
IDT Energy (EGS)	195	211

* Only those non-major companies having five or more residential consumer complaints in 2012 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2012 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2012 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC (continued)		
Interstate Gas Supply (EGS)	15	20
Just Energy (EGS)	8	8
Liberty Power (EGS)	102	110
New Energy Ventured - Mid Atlantic (EGS)	14	19
North American Power (EGS)	52	52
Oasis Energy (EGS)	35	40
Palmco Power PA (EGS)	75	82
Pennsylvania Gas and Electric (EGS)	43	52
Planet Energy PA (EGS)	9	9
Plymouth Rock Energy (EGS)	6	6
PPL Plus (EGS)	0	5
Public Power (EGS)	28	33
Reliant Energy (EGS)	11	18
Rescom Energy (EGS)	50	50
Respond Power (EGS)	34	34
Sperian Energy (EGS)	16	16

* Only those non-major companies having five or more residential consumer complaints in 2012 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2012 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2012 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC (continued)		
Starion Energy of PA (EGS)	0	6
Stream Energy (EGS)	20	27
Superior Plus Energy Services (EGS)	6	6
TriEagle Energy (EGS)	9	9
Verde Energy USA (EGS)	62	72
Washington Gas Energy Services (EGS)	26	31
Other Electric Generation Suppliers (EGSs)***	32	73
Total Non-Major Electric	1,424	1,674
GAS		
Peoples TWP (f.k.a TW Phillips (NGDC)	19	19
UGI Central Penn Gas (NGDC)	49	49
Other Non-Major Natural Gas Distribution Companies (NGDCs)***	8	8
Dominion Energy Solutions (NGS)	10	10
Major Energy (NGS)	9	9
Shipley Energy (NGS)	0	6

* Only those non-major companies having five or more residential consumer complaints in 2012 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2012 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2012 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
GAS (continued)		
Titan Gas and Power (NGS)	9	9
Volunteer Energy (NGS)	5	5
Other Natural Gas Suppliers (NGSs)***	24	32
Total Non-Major Gas	133	147
Company*	Number of Complaints	
WATER		
Other Private Water***	16	
Municipal Water***	13	
Total Non-Major Water	29	
TELEPHONE		
Denver & Ephrata Telephone (ILEC)	6	
Other Non-Major Incumbent Local Exchange Carriers (ILECs)***	20	
AT&T Local (CLEC)	12	
Cavalier Telephone Mid-Atlantic (CLEC)	33	
Comcast Digital Phone (CLEC)	15	
Cordia Communications Corp. (d/b/a CLEC)	10	
Full Service Network (CLEC)	36	

* Only those non-major companies having five or more residential consumer complaints in 2012 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2012 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2012 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
TELEPHONE (continued)	
RCN (CLEC)	10
Selectel Inc. (CLEC)	7
Service Electric Telephone, Inc. (CLEC)	6
Other Competitive Local Exchange Carriers (CLECs)***	28
AT&T (IXC)	7
Other Providers of Telecommunications Services***	16
Total Non-Major Telephone	206

* Only those non-major companies having five or more residential consumer complaints in 2012 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2012 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix D-1

Classification of Consumer Complaints Electric, Gas & Water

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

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

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

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

Discontinuance/Transfer - Complaints related to the responsibility for or the amount of bills after discontinuance or transfer of service: The customer requested discontinuance of service, and the company failed to finalize the account as requested or 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 or misreading).

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

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

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 or pressure); the company's equipment is unsatisfactory or unsafe; the company fails to act on a complaint about safety; the company plans to abandon service; the company does not offer needed service; the company wants to change location of equipment; or the company providing service is not certified by the Commission (defactos).

All Other Problems - All other complaints that do not fit into the above categories, including, but not limited to, complaints about termination procedures when there is a need for payment agreements.

Appendix D-2

Classification of Consumer Complaints Telephone

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

Audiotex - Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services. In 2012, BCS evaluated no residential consumer complaints about audiotex.

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

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

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

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

Extended Area of Service (EAS) - Complaints about a limited local calling area. In 2012, BCS evaluated no residential consumer complaints about EAS.

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

Rates - General or specific complaints about a utility's rates: general or specific rates are too high or the customer is being billed on the incorrect rate. In 2012, BCS evaluated two residential consumer complaints about rates.

Sales Nonbasic Services - Complaints related to the sale of nonbasic services, including the availability of certain services. In 2012, BCS evaluated no residential consumer complaints about sales of nonbasic services.

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

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

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

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

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

Appendix E - Table 1

Consumer Complaint Categories: 2012*

Major Electric Distribution Companies

Categories**	Duquesne	Met-Ed	PECO***+	Penelec	Penn Power	PPL***	UGI-Electric	West Penn	Electric Majors
Personnel Problems	173	124	59	80	19	45	11	100	611
Metering	11	231	10	105	12	22	1	115	507
Billing Disputes	51	78	59	65	18	44	3	42	360
Service Interruptions	9	126	11	36	5	19	1	85	292
Discontinuance/ Transfer	43	40	34	33	10	61	4	18	243
Credit and Deposits	36	32	40	25	6	7	12	35	193
Other Payment Issues	36	29	25	17	7	18	2	24	158
Damages	12	28	8	23	5	8	0	52	136
Service Extensions	5	25	7	13	1	7	1	56	115
Scheduling Delays	11	21	6	8	3	9	1	41	100
Service Quality	10	32	8	15	3	14	1	17	100
Rates	0	7	4	3	1	5	0	2	22
All Other Problems	181	74	85	88	19	111	20	53	631
Total*	578	847	356	511	109	370	57	640	3,468

* Categories are for residential complaints evaluated by BCS as of July 12, 2013, whether the case outcome was found to be "justified."

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

*** Statistics are based on a probability sample of cases.

+ PECO statistics include electric and gas.

Appendix E - Table 2

Consumer Complaint Categories: 2012*

Major Natural Gas Distribution Companies

Categories**	Columbia	Equitable	NFG	Peoples	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Personnel Problems	44	51	11	45	85	34	13	283
Billing Disputes	15	18	8	40	103	18	14	216
Metering	11	2	9	30	85	2	3	142
Discontinuance/ Transfer	5	8	11	12	75	15	9	135
Other Payment Issues	10	6	3	24	37	4	8	92
Credit and Deposits	10	8	2	2	5	19	15	61
Damages	10	5	3	25	7	5	1	56
Service Extensions	10	5	2	4	1	13	9	44
Service Quality	9	10	2	11	8	1	1	42
Scheduling Delays	6	6	5	10	11	2	0	40
Rates	10	0	0	2	0	0	1	13
Service Interruptions	1	0	0	3	0	0	0	4
All Other Problems	18	22	18	17	57	19	16	167
Total*	159	141	74	225	474	132	90	1,295

* Categories are for residential complaints evaluated by BCS as of July 12, 2013, whether the case outcome was found to be "justified."

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

Appendix E - Table 3

Consumer Complaint Categories: 2012*

Major Water Companies

Categories**	Aqua	PAWC	"Other Class A" Water	All "Class A" Water
Billing Disputes	67	136	2	205
Personnel Problems	18	52	7	77
Service Quality	13	26	6	45
Damages	8	21	3	32
Scheduling Delays	15	9	2	26
Metering	8	10	1	19
Discontinuance/Transfer	1	12	0	13
Credit and Deposits	8	2	0	10
Service Extensions	3	6	0	9
Service Interruptions	2	4	0	6
Other Payment Issues	2	0	0	2
Rates	0	1	1	2
All Other Problems	63	59	7	129
Total*	208	338	29	575

* Categories are for residential complaints evaluated by BCS as of July 5, 2013, whether the case outcome was found to be "justified."

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

Appendix E - Table 4

Consumer Complaint Categories: 2012*

Major Local Telephone Companies

Categories**	CenturyLink	Frontier Common- wealth	Verizon North	Verizon PA	Windstream	Telephone Majors
Unsatisfactory Service	7	19	24	292	17	359
Service Delivery	15	10	26	231	19	301
Billing Disputes	24	26	19	194	11	274
Service Terminations	13	9	4	48	2	76
Competition	0	0	0	26	4	30
Credit and Deposits	2	0	1	15	1	19
Toll Services	4	0	0	11	0	15
Discontinuance/ Transfer	0	1	0	8	0	9
Non-Recurring Charges	0	0	0	9	0	9
Annoyance Calls	1	0	1	5	0	7
All Other Problems	10	7	7	120	3	147
Total*	76	72	82	959	57	1,246

* Categories are for residential complaints evaluated by BCS as of April 19, 2013, whether the case outcome was found to be "justified."

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

Appendix F - Table 1

2011-12 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2012 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2011	2012	% Change in #	2011	2012	Numbers ² / Rates ³ 2011		Numbers ² / Rates ³ 2012	
Duquesne	525,683	777	815	5%	1.48	1.55	94	0.18	82	0.16
Met-Ed	487,312	970	1,173	21%	1.99	2.41	56	0.12	166	0.34
PECO ⁵	1,431,969	1,729	1,564	-10%	1.21	1.09	283*	0.20*	220*	0.15*
Penelec	505,013	559	702	26%	1.11	1.39	45	0.09	62	0.12
Penn Power	140,666	139	153	10%	0.99	1.09	6	0.04	20	0.14
PPL	1,215,950	1,235	936	-24%	1.02	0.77	100*	0.08*	126*	0.10*
UGI-Electric	55,953	76	81	7%	1.37	1.45	7	0.13	4	0.07
West Penn	618,033	465	894	92%	0.76	1.45	65	0.11	187	0.30
Major Electric	4,980,579	5,950	6,318	6%			656		867	
Average of Rates					1.22⁴	1.39⁴		0.12⁴		0.19⁴

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

² Estimated based on the number of cases on CSIS as of July 12, 2013.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

* Based on a probability sample of cases.

Appendix F - Table 2

2011-12 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	2012 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2011	2012	% Change in #	2011	2012	Numbers ² / Rates ³ 2011		Numbers ² / Rates ³ 2012	
Columbia	382,677	229	220	-4%	0.61	0.57	24	0.06	18	0.05
Equitable	241,778	168	175	4%	0.70	0.72	15	0.06	10	0.04
NFG	198,663	115	100	-13%	0.58	0.50	7	0.04	14	0.07
Peoples	329,809	214	304	42%	0.65	0.92	46	0.14	62	0.19
PGW	479,889	1,120	1,307	17%	2.34	2.72	139*	0.29*	328*	0.68*
UGI-Gas	317,170	175	187	7%	0.56	0.59	10	0.03	17	0.05
UGI Penn Natural	147,046	132	117	-11%	0.91	0.80	16	0.11	13	0.09
Major Gas	2,097,032	2,153	2,410	12%			257		462	
Average of Rates					0.91	0.98		0.10		0.17

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

² Estimated based on the number of cases on CSIS as of July 12, 2013.

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

* Based on a probability sample of cases.

Appendix F - Table 3

2011-12 Residential Consumer Complaint Statistics Major Water Companies

Company Name	2012 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2011	2012	% Change in #	2011	2012	Numbers ² / Rates ³ 2011		Numbers ² / Rates ³ 2012	
Aqua	384,716	294	258	-12%	0.77	0.67	74	0.19	79	0.21
PAWC	589,738	441	403	-9%	0.75	0.68	86	0.15	85	0.14
"Other Class A" Water	135,066	22	34	55%	0.16	0.25	6	0.04	2	0.01
Major Water	1,109,520	757	695	-8%			166		166	
Average of Rates					0.56	0.54		0.13		0.12

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

² Estimated based on the number of cases on CSIS as of July 5, 2013.

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

Appendix F - Table 4

2011-12 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2012 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2011	2012	% Change in #	2011	2012	Numbers ² / Rates ³ 2011		Numbers ² / Rates ³ 2012	
CenturyLink	159,132	93	87	-6%	0.55	0.55	43	0.25	22	0.14
Frontier Commonwealth	118,454	86	86	0%	0.63	0.73	55	0.41	32	0.27
Verizon North**	232,839	121	96	-21%	0.47	0.41	65	0.25	42	0.18
Verizon PA**	1,418,587	2,763	1,906	-31%	1.64	1.34	1,554*	0.92*	967*	0.68*
Windstream	112,497	66	62	-6%	0.56	0.55	32	0.27	11	0.10
Major Telephone	2,041,509	3,129	2,237	-29%			1,749		1,074	
Average of Rates					0.77	0.72		0.42		0.27

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

² Estimated based on the number of cases on CSIS as of May 31, 2013.

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

* Based on a probability sample of cases.

** BCS is currently offering all Verizon customers who call with a service issue the voluntary option of being transferred to a special Verizon team that immediately begins working to resolve the customer's complaint. If a customer chooses the voluntary transfer, BCS categorizes the contact as an "inquiry" rather than as a "consumer complaint." BCS categorized 435 of these contacts regarding Verizon service issues as inquiries during 2012.

Appendix G - Table 1

2011-12 Residential Payment Agreement Request (PAR) Statistics Major Electric Distribution Companies

Company Name	2012 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2011	2012	% Change In #	2011	2012	Numbers ² / Rates ³ 2011		Numbers ² / Rates ³ 2012	
Duquesne	525,683	5,616	6,025	7%	10.70	11.46	67	0.13	67	0.13
Met-Ed	487,312	2,120	2,380	12%	4.36	4.88	28	0.06	53	0.11
PECO ⁵	1,431,969	9,056	7,911	-13%	6.35	5.52	143	0.10	66	0.05
Penelec	505,013	1,860	2,110	13%	3.68	4.18	32	0.06	41	0.08
Penn Power	140,666	663	607	-8%	4.72	4.32	17	0.12	12	0.09
PPL	1,215,950	19,823	14,897	-25%	16.33	12.25	1,088	0.90	542	0.45
UGI-Electric	55,953	797	698	-12%	14.34	12.47	7	0.13	9	0.16
West Penn	618,033	2,616	1,437	-45%	4.25	2.33	145	0.24	48	0.08
Major Electric	4,980,579	42,551	36,065	-15%			1,527		838	
Average of Rates					7.20⁴	6.42⁴		0.23⁴		0.14⁴

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

² With the exception of Penn Power and UGI-Electric, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for all EDCs is based on the number of cases on CSIS as of July 12, 2013.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

Appendix G - Table 2

2011-12 Residential Payment Agreement Request (PAR) Statistics Major Natural Gas Distribution Companies

Company Name	2012 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2011	2012	% Change in #	2011	2012	Numbers ² / Rates ³ 2011		Numbers ² / Rates ³ 2012	
Columbia	382,677	841	849	1%	2.25	2.22	2	0.01	12	0.03
Equitable	241,778	1,222	1,062	-13%	5.09	4.39	13	0.05	15	0.06
NFG	198,663	559	676	21%	2.82	3.40	16	0.08	4	0.02
Peoples	329,809	374	520	39%	1.13	1.58	18	0.05	35	0.11
PGW	479,889	3,253	4,038	24%	6.79	8.41	87	0.18	73	0.15
UGI-Gas	317,170	2,717	2,366	-13%	8.75	7.46	58	0.19	139	0.44
UGI Penn Natural	147,046	1,814	1,528	-16%	12.48	10.39	28	0.19	95	0.65
Major Gas	2,097,032	10,780	11,039	2%			222		373	
Average of Rates					5.62	5.41		0.11		0.21

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

² With the exception of Columbia and Peoples, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for all NGDCs is based on the number of cases on CSIS as of July 12, 2013.

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

Appendix G - Table 3

2011-12 Residential Payment Agreement Request (PAR) Statistics Major Water Companies

Company Name	2012 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2011	2012	% Change in #	2011	2012	Numbers ² / Rates ³ 2011		Numbers ² / Rates ³ 2012	
Aqua	384,716	1,501	1,627	8%	3.92	4.23	60*	0.16*	73*	0.19*
PAWC	589,738	2,844	2,690	-5%	4.83	4.56	241*	0.41*	138*	0.23*
"Other Class A" Water	135,066	176	229	30%	1.31	1.70	0	0.00	0	0.00
Major Water	1,109,520	4,521	4,546	1%			301		211	
Average of Rates					3.35	3.50		0.19		0.14

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

² Estimated based on a probability sample of cases and the number of cases on CSIS as of July 5, 2013.

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

* Based on a probability sample of cases.

Appendix G - Table 4

2011-12 Residential Payment Agreement Request (PAR) Statistics Major Local Telephone Companies

Company Name	2012 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2011	2012	% Change in #	2011	2012	Numbers ² / Rates ³ 2011		Numbers ² / Rates ³ 2012	
CenturyLink	159,132	25	30	20%	0.15	0.19	3	0.02	8	0.05
Frontier Commonwealth	118,454	8	11	38%	0.06	0.09	1	0.01	3	0.03
Verizon North	232,839	17	8	-53%	0.07	0.03	2	0.01	0	0.00
Verizon PA	1,418,587	336	303	-10%	0.20	0.21	19*	0.01*	9*	0.01*
Windstream	112,497	8	6	-25%	0.07	0.05	2	0.02	0	0.00
Major Telephone	2,041,509	394	358	-9%			27		20	
Average of Rates					0.11	0.12		0.01		0.02

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

² Estimated based on the number of cases on CSIS as of May 31, 2013.

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

* Based on a probability sample of cases.

Appendix H – Table 1

Chapter 56, Chapter 14 and Other Infraction Categories: 2012*

Major Electric Distribution Companies

Description	Duquesne		Met-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric		West Penn	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22, 56.24 and 56.25)	5	9%	6	5%	10	20%	5	14%	0	0%	6	10%	1	50%	8	14%
Meter Reading (56.12)	0	0%	83	75%	0	0%	13	37%	1	11%	5	8%	0	0%	16	27%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	2	4%	1	1%	1	2%	1	3%	0	0%	2	3%	0	0%	7	12%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	1	2%	0	0%	1	2%	0	0%	0	0%	1	2%	0	0%	1	2%
Credit Standards and Deposits (56.31-37, 56.41, 56.42, 56.51 and 56.53)	16	30%	1	1%	6	12%	1	3%	1	11%	4	7%	0	0%	2	3%
Termination Grounds (56.2-Def. of Delinquent Acct. and 56.81-83)	2	4%	2	2%	2	4%	0	0%	1	11%	2	3%	0	0%	2	3%
Termination Procedures (56.91-97 and 56.114)	12	23%	0	0%	0	0%	1	3%	0	0%	1	2%	1	50%	2	3%
Reconnection of Service (56.191(a)-(c))	1	2%	2	2%	1	2%	0	0%	2	22%	0	0%	0	0%	1	2%
Liability - Responsibility for Bills (56.2-Def. of Applicant, 56.2-Def. of Customer and 56.191(d)-(e))	2	4%	0	0%	0	0%	0	0%	0	0%	1	2%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	2	6%	0	0%	0	0%	0	0%	1	2%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 56.181)	11	21%	16	14%	27	53%	12	34%	4	44%	33	56%	0	0%	19	32%
Other (56.1, 56.202 and 1501)	1	2%	0	0%	3	6%	0	0%	0	0%	4	7%	0	0%	0	0%
Total	53		111		51		35		9		59		2		59	

* # equals the number of verified infractions identified by BCS as of November 14, 2013.

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

+ PECO statistics include electric and gas.

Appendix H – Table 2

Chapter 56, Chapter 14 and Other Infraction Categories: 2012* Major Natural Gas Distribution Companies

Description	Columbia		Equitable		NFG		Peoples		PGW		UGI – Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22, 56.24 and 56.25)	0	0%	0	0%	0	0%	8	12%	6	4%	0	0%	0	0%
Meter Reading (56.12)	0	0%	0	0%	12	63%	14	21%	1	1%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	1	11%	0	0%	1	5%	1	1%	22	16%	0	0%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	1	11%	0	0%	0	0%	1	1%	1	1%	0	0%	0	0%
Credit Standards and Deposits (56.31-37, 56.41, 56.42, 56.51 and 56.53)	2	22%	3	60%	1	5%	3	4%	5	4%	2	20%	2	33%
Termination Grounds (56.2-Def. of Delinquent Acct. and 56.81-83)	2	22%	0	0%	0	0%	3	4%	3	2%	0	0%	0	0%
Termination Procedures (56.91-97 and 56.114)	0	0%	0	0%	0	0%	3	4%	1	1%	1	10%	1	17%
Reconnection of Service (56.191(a)-(c))	1	11%	0	0%	1	5%	1	1%	1	1%	2	20%	0	0%
Liability - Responsibility for Bills (56.2-Def. of Applicant, 56.2-Def. of Customer and 56.191(d)-(e))	0	0%	0	0%	0	0%	0	0%	6	4%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	1	5%	0	0%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 56.181)	2	22%	1	20%	3	16%	32	48%	65	47%	5	50%	3	50%
Other (56.285, 59.21 and 1501)	0	0%	1	20%	0	0%	1	1%	26	19%	0	0%	0	0%
Total	9		5		19		67		137		10		6	

* # equals the number of verified infractions identified by BCS as of November 14, 2013.

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

Appendix H - Table 3

Chapter 56, Chapter 14 and Other Infraction Categories: 2012*

Major Water Companies

Description	Aqua		PAWC		"Other Class A"	
	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22, 56.24 and 56.25)	29	34%	14	15%	0	0%
Meter Reading (56.12)	0	0%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	4	5%	2	2%	1	100%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	1	1%	2	2%	0	0%
Credit Standards and Deposits (56.31-37, 56.41, 56.42, 56.51 and 56.53)	7	8%	1	1%	0	0%
Termination Grounds (56.2-Def. of Delinquent Acct. and 56.81-83)	4	5%	2	2%	0	0%
Termination Procedures (56.91-97 and 56.114)	4	5%	8	9%	0	0%
Reconnection of Service (56.191(a)-(c))	0	0%	0	0%	0	0%
Liability - Responsibility for Bills (56.2-Def. of Applicant, 56.2-Def. of Customer and 56.191(d)-(e))	0	0%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	1	1%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 56.181)	35	41%	63	68%	0	0%
Other (56.71 and 56.285)	1	1%	1	1%	0	0%
Total	86		93		1	

* # equals the number of verified infractions identified by BCS as of November 14, 2013.

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

Appendix H – Table 4

Chapter 63 Infraction Categories: 2012*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common- wealth		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%
Complaint Procedures (63.15)	2	10%	2	6%	12	17%	131	8%	1	20%
Service Records (63.22)	3	14%	21	66%	1	1%	24	1%	0	0%
Customer Trouble Reports (63.57)	16	76%	9	28%	58	81%	1,502	90%	4	80%
Installation of Service (63.58)	0	0%	0	0%	0	0%	1	<1%	0	0%
Migration (63.201-221)	0	0%	0	0%	0	0%	18	1%	0	0%
Other (63.21, 63.53 and 63.63)	0	0%	0	0%	1	1%	2	<1%	0	0%
Total	21		32		72		1,678		5	

* # equals the number of verified infractions identified by BCS as of April 4, 2013.

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

Appendix H – Table 5

Chapter 64 Infraction Categories: 2012*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common- wealth		Verizon North		Verizon PA		Wind- stream	
	#	%	#	%	#	%	#	%	#	%
Billing and Payment (64.1, 64.12-14, 64.16 and 64.18-19)	5	23%	11	27%	3	8%	146	26%	0	0%
Slamming and Cramming (64.23)	0	0%	0	0%	6	16%	23	4%	5	36%
Credit and Deposits (64.32-34 and 64.36)	0	0%	0	0%	0	0%	7	1%	0	0%
Suspension and Termination (64.63, 64.71-74, 64.81, 64.121, 64.123, 64.133 and 64.181)	0	0%	2	5%	2	5%	34	6%	1	7%
Dispute Procedures (64.141 and 64.153)	14	64%	24	59%	24	65%	310	55%	8	57%
Other (64.2, 64.52-53 and 64.192)	3	14%	4	10%	2	5%	40	7%	0	0%
Total	22		41		37		560		14	

* # equals the number of verified infractions identified by BCS as of April 4, 2013.

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

Consumer Access to the Public Utility Commission

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

PUC Hotline: 1-800-692-7380 (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 PUC is available on the Internet:

www.puc.pa.gov



Pennsylvania Public Utility Commission



Utility Consumer Activities Report and Evaluation



Pennsylvania Public Utility Commission





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**Bureau of Consumer Services
Alexis Bechtel, Director**

Table of Contents

1. Consumer Contacts to the Bureau of Consumer Services (BCS)	
Consumer Rating of BCS Service	2
Total Volume of Consumer Complaints and Payment Agreement Requests to BCS in 2013.....	3
Consumer Complaints by Industry 2012-13	4
Payment Agreement Requests by Industry 2012-13	6
Categories of 2013 Inquiries.....	7
2. Performance Measures	
Consumer Complaint Rate	11
Justified Consumer Complaint Rate	11
Response Time to Consumer Complaints.....	12
Payment Agreement Request Rate	12
Justified Payment Agreement Request Rate	12
Response Time to Payment Agreement Requests	13
Infraction Rate	13
Termination Rate.....	14
BCS Performance Measures and Industry Chapters.....	14
Universal Service and Energy Conservation Programs.....	15
3. Electric Industry	
Consumer Complaints	16
Payment Agreement Requests	20
Termination and Reconnection of Service.....	23
Compliance	25
4. Natural Gas Industry	
Consumer Complaints	27
Payment Agreement Requests	31
Termination and Reconnection of Service.....	34
Compliance	36

5. Water Industry

Consumer Complaints	38
Payment Agreement Requests	42
Compliance	45
Programs That Assist Low-Income Customers	46

6. Telephone Industry

Consumer Complaints	48
Payment Agreement Requests	52
Termination of Service	55
Compliance	56
Universal Service Programs	58
Lifeline and Lifeline 135 Service	58
Universal Telephone Assistance Program	60
Automatic Notification Program	60
Wireless ETC Designation	61

Glossary of Terms.....	62

Appendices

A. Consumer Ratings of BCS Service	65
B. 2012-13 Total Volume of Consumer Complaints and Payment Agreement Requests to BCS	66
C. 2013 Residential Consumer Complaints for Companies Not Included in Industry Chapters	67
D. Classification of Consumer Complaints	
1. Electric, Gas & Water.....	72
2. Telephone.....	74
E. Consumer Complaint Categories: 2013	
Table 1 - Major Electric	76
Table 2 - Major Gas	77
Table 3 - Major Water.....	78
Table 4 - Major Telephone	79
F. 2012-13 Residential Consumer Complaint Statistics	
Table 1 - Major Electric	80
Table 2 - Major Gas	81
Table 3 - Major Water.....	82
Table 4 - Major Telephone	83
G. 2012-13 Residential Payment Agreement Request Statistics	
Table 1 - Major Electric	84
Table 2 - Major Gas	85
Table 3 - Major Water.....	86
Table 4 - Major Telephone	87
H. Infraction Categories: 2013	
Table 1 - Major Electric	88
Table 2 - Major Gas	89
Table 3 - Major Water.....	90
Table 4 - Major Telephone (Chapter 63)	91
Table 5 - Major Telephone (Chapter 64)	92
Consumer Access to the PUC	Inside Back Cover

1. Consumer Contacts to the Bureau of Consumer Services

The Pennsylvania Public Utility Commission's Bureau of Consumer Services (BCS) began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then, BCS has investigated 1,847,813 cases (consumer complaints and payment agreement requests (PARs)) and has received 1,540,892 opinions and requests for information (inquiries). The Public Utility Commission (PUC) received 70,334 utility customer contacts that required investigation in 2013. It is important to note that BCS determined 87 percent of the 2013 customer complaints had been appropriately handled by the subject utilities before the customers brought them to the PUC. In these instances, the PUC has upheld the utility's actions.

Case Handling

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

Once a customer contacts the PUC with an informal complaint or PAR, BCS notifies the utility that a complaint or PAR has been filed. There were 186,724 telephone contacts to BCS by consumers in 2013, representing about 94 percent of the informal complaints filed. The utility sends BCS all records concerning the complaint, including records of its contacts with the customer regarding the complaint. A BCS investigator reviews the records, interacts with both the complainant and utility, as necessary, renders a decision and closes the case.

Consumer Feedback Survey

In order to monitor its own service to consumers, BCS surveys customers who have contacted BCS with a utility-related problem or PAR. The purpose of the survey is to collect information from the consumer's perspective about the quality of the BCS complaint-handling service. BCS uses a third party to survey a sample of consumers who have been served by BCS staff. The table on the next page shows how consumers rate the service they received from BCS.

Consumer Rating of BCS Service

How would you rate the service you received from the PUC (BCS)?	2012	2013
Excellent	58%	56%
Good	25%	25%
Fair	9%	10%
Poor	7%	9%

According to the survey results, 81 percent of consumers who contacted BCS in 2013 rated the BCS's service as "excellent" or "good." Appendix A presents more information about how consumers rated the service they received from BCS in 2012 and 2013. BCS management frequently reviews the findings of the consumer feedback survey and promptly investigates any negative trends to improve staff performance.

Databases

To manage and use its complaint data, BCS maintains a computer-based Consumer Services Information System (CSIS) through a contract with the Pennsylvania State University. This system enables BCS to aggregate and analyze the thousands of informal complaints that are reported to the Commission each year. In this way, BCS can address generic, as well as individual, problems. BCS policy analysts categorize complaints into one of seven major problem areas, as well as one of 36 specific problem categories. This case information is entered into the CSIS database. The analysis from case information is used by BCS to generate reports to the Commission, utilities, legislators and the public. The reports may present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

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

Distinctions Among Cases

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

Commercial customer contacts also were excluded from the data used in the analysis. Although BCS's regulatory authority has largely been confined to residential accounts, the Bureau handled 1,410 cases from commercial customers in 2013. Of these cases, 262 were related to loss of utility service, while 1,148 were consumer complaints.

With respect to the 262 commercial cases, BCS cannot make payment agreements for those accounts. Due to its limited jurisdiction, BCS does not issue decisions regarding commercial disputes. Instead, Bureau investigators give commercial customers information regarding the company position or attempt to mediate a mutually acceptable agreement regarding the disputed matter. Many such cases are referred to the Office of Administrative Law Judge's Mediation Unit for Alternative Dispute Resolution where an attempt is made to mediate a resolution between the utility and its customer.

All cases in 2013 that involved commercial accounts were deleted from the analyses in subsequent chapters of this report. The table below shows that the vast majority of cases handled by BCS in 2013 involved residential utility service. Appendix B presents a comparison of the number of residential and commercial consumer complaints and PARs for 2012 and 2013.

Total Volume of Consumer Complaints and Payment Agreement Requests (PARs) to BCS in 2013

Industry	Consumer Complaints		Payment Agreement Requests	
	Residential	Commercial	Residential	Commercial
Electric	6,563	646	39,929	162
Gas	2,263	199	13,717	89
Water	545	44	3,896	9
Telephone	1,684	259	313	2
Other	8	0	6	0
Total	11,063	1,148	57,861	262

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

Consumer Complaints

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

Consumer Complaints by Industry* 2012-13

Industry	2012	2013	% Change
Electric	8,520	7,209	-15%
Gas	2,733	2,462	-10%
Water	815	589	-28%
Telephone	2,757	1,943	-30%
Other	5	8	60%
Total	14,830	12,211	-18%

* Table includes both residential and commercial consumer complaints.

During 2013, electric and gas utilities accounted for 59 percent and 20 percent, respectively, of all consumer complaints investigated by BCS. Water utilities accounted for 5 percent, while telephone utilities were the subject of 16 percent.

Justified Consumer Complaints

Once a BCS investigator issues a decision regarding a consumer complaint, BCS policy analysts review a sampling of cases and utility records to determine if the utility took appropriate action when handling customer contacts. BCS uses these records to determine the outcome of the case. This approach focuses strictly on the regulatory aspect of the complaint and evaluates utilities negatively only where, in the judgment of BCS, the utility did not follow appropriate complaint-handling procedures or properly apply regulations. Specifically, a case is considered “justified” in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with Commission Orders, regulations, reports, Secretarial Letters, tariffs, etc.

Classification of Consumer Complaints

BCS has categorized the 2013 residential complaints into 13 categories for each of the electric, gas and water utilities and into 11 categories for each of the telephone utilities. The tables that show the percent of complaints in each category in 2013 appear in each industry chapter. The percentages shown in the tables are for all of the cases that residential consumers filed with BCS, not just the cases that are determined to be justified in coming to BCS. BCS analyzes the categories that generate complaints or problems for customers, even if the utility records indicate that the utility followed Commission procedures and guidelines in handling the complaint. BCS often discusses its findings with individual utilities so they can use the information to review their complaint-handling procedures in categories that seem to produce large numbers of consumer complaints to the Commission. The four tables in Appendix E show the actual number of cases in each category in 2013.

Payment Agreement Requests

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

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

All of the measures pertaining to PARs are based on assessments of contacts to BCS from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to contacting BCS. During 2013, BCS handled 58,123 PARs from customers of the utilities under the Commission's jurisdiction.

Act 201 of 2004 amended Title 66 by adding Chapter 14, the Responsible Utility Customer Protection Act, which changed the rules for terminations, reconnections and PARs. On June 9, 2011, the Commission adopted a final rulemaking order incorporating Chapter 14 into Chapter 56. The Independent Regulatory Review Commission (IRRC) approved these regulations on July 21, 2011. The revised Chapter 56 regulations have been in effect since Oct. 8, 2011. The law sets forth limits within which the Commission can establish payment agreements between a public utility, customers and applicants. In addition to establishing the length of payment agreements, Chapter 14 prohibits the Commission from establishing a second or subsequent payment agreement, absent a change in income, if a customer has defaulted on a previous payment agreement. Chapter 14 also requires that the Commission neither negotiate nor approve payment agreements involving customer assistance program arrearages.

In 2013, the overall volume of PARs handled by the Commission increased by 10 percent from the previous year. PARs from electric and gas customers increased 10 and 18 percent, respectively, while PARs from water customers decreased 16 percent since 2012. PARs from telephone customers declined 22 percent from 2012 to 2013.

Payment Agreement Requests (PARs) by Industry*

2012-13

Industry	2012	2013	% Change
Electric	36,341	40,091	10%
Gas	11,663	13,806	18%
Water	4,628	3,905	-16%
Telephone	404	315	-22%
Other	6	6	0%
Total	53,042	58,123	10%

* Table includes both residential and commercial PARs. Please note: All consumer contacts requesting a payment agreement are taken in and classified as a PAR. However, not all customers requesting a PAR receive one. BCS does not have the authority to offer PARs for commercial accounts.

As in past years, the majority of requests for payment agreements in 2013 involved electric or gas companies. Sixty-nine percent of the PARs (40,091 cases) were from electric customers, and 24 percent (13,806 cases) were from gas customers. Also, 7 percent of PARs (3,905 cases) came from customers of various water utilities. Only 1 percent of PARs (315) came from telephone customers.

Inquiries and Opinions

During 2013, BCS received 56,749 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. BCS classifies these contacts as “inquiries.” The inquiries for 2013 include contacts to the BCS Utility Customer Hotline, as well as contacts to BCS using mail service and email communication.

In large part, the inquiries in 2013 involved competition issues and requests for information about competition. BCS also classifies certain PARs as inquiries. For example, BCS does not issue payment decisions on requests to restore or avoid suspension/termination of toll or non-basic telephone service. When consumers call with these problems, BCS classifies these requests as inquiries. Similarly, if a customer has recently been through the BCS payment agreement process and calls again with a new request regarding the same account, BCS does not open a new PAR case. In these instances, BCS classifies the customer’s contact as an inquiry.

As in past years, BCS also has shifted some contacts that originated as consumer complaints and PARs into the inquiry category because it was not appropriate to count these contacts as informal complaints. Examples include complaints that were found to be duplicates, informal complaints filed against the wrong company, informal complaints that BCS handled in spite of the fact that customers had not previously contacted their companies about their problems and cases that the investigators verbally dismissed. These 555 cases accounted for 1 percent of inquiries in 2013.

BCS is able to expand its list of 80 reasons for contact as consumer reasons grow and change. Possible actions by BCS intake staff include: recording the consumer's opinion; giving information to the consumer; referring the consumer to a utility company; and referring the consumer to an agency or organization outside of the Commission. If the contact requires further action, the intake staff refers the contact to a BCS investigator, and the contact becomes a consumer complaint or a PAR. The following table shows the various reasons for contact for the 2013 inquiries.

Categories of 2013 Inquiries

Reason for Contact	Number	Percent
Competition issues and requests for information	11,721	21%
CAP review – declined	11,475	20%
Termination or suspension of service	7,986	14%
Unable to open new PAR – service on	6,861	12%
PUC has no jurisdiction	3,977	7%
Request for general information	3,249	6%
Billing dispute	2,590	5%
Applicant/deposit issue	1,507	3%
People-delivered company service	1,154	2%
Service (company facilities)	321	1%
Rate protest	761	1%
Rate complaint	156	<1%
Unable to open new PAR – service off	70	<1%
Weather outage	61	<1%
Cramming*	6	<1%
Slamming*	4	<1%
Other miscellaneous reasons	3,375	6%
Reason for contact is not available	1,475	3%
Total	56,749	101%

* Please refer to the glossary on pages 62-63.

Residential Consumer Complaints Not Included in Industry Chapters

Traditionally, the primary focus of BCS's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. However, for the past several years, BCS has included a limited amount of complaint information for the non-major utilities and the other service providers in the UCARE. In 2013, BCS experienced an increase in the overall number of residential consumer complaints for the non-major utilities. Consumer complaints increased over the year in the electric, gas and water industries. In the telephone industry, consumer complaints decreased significantly for the non-major

companies, down 51 percent from 2012. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

In 2013, BCS staff investigated consumer complaints about a variety of problems that consumers were having with the non-major companies under the Commission's jurisdiction. The vast majority of complaints not included in the industry chapters involved billing disputes.

The next-highest volume of complaints coming from residential customers of the non-major electric, gas, water and telephone companies involved deceptive advertising or slamming. Those three types of complaints accounted for 80 percent of the residential consumer complaints about the non-major companies in the electric industry; 63 percent of residential consumer complaints about the non-major gas companies; 23 percent of the residential consumer complaints about the non-major water companies; and 40 percent of the complaints about the non-major telecommunications companies.

Appendix C presents a summary of the residential consumer complaints that are not included in the electric, gas, water and telephone chapters that follow. The table lists the non-major companies for these industries; the electric generation suppliers and natural gas suppliers; and other providers of telecommunications services having five or more residential consumer complaints in 2013.

Calls to the Commission about Electric and Gas Competition

In 2013, the Commission's call center employees used BCS's computerized information system to record information from the consumer contacts about electric and gas competition. Statistics show that 96 percent of contacts about electric and gas competition are related to the electric industry, while 4 percent concern the gas industry.

Call center employees recorded information from 13,503 consumer contacts about competition in the energy industries. Many calls came from consumers who called about various issues associated with customer choice in the electric and gas industries. Most frequently, consumers called to request competition documents and to seek information about competition in general (48 and 13 percent of calls, respectively).

In most instances, BCS classified these contacts as inquiries because they required no investigation or follow-up. The BCS or call center staff person took care of the consumer's request or question at the initial contact. However, some consumer contacts required further investigation and possibly action to resolve the consumer's concerns. In these cases, BCS classified the contact as a consumer complaint and investigated the consumer's issue. In 2013, billing disputes related to competition produced the largest volume of competition-related consumer complaints. Appendix D-1 explains the types of competition complaints BCS handles.

In prior years, BCS investigated a number of consumer complaints in which consumers alleged they were assigned to an electric or gas supplier without their consent or knowledge (slamming). In 2013, BCS received 398 allegations of electric slamming and 22 allegations of slamming in the gas industry. There were 16 allegations of slamming in the telephone industry. With respect to slamming, the Commission has stated clearly, it "...will have zero

tolerance for slamming by any means and in any form.”¹ The Commission views customer slamming as among the most serious violations of consumer regulations. Of the 436 slamming complaints received by BCS, 396 were filed by residential customers.

During the early phases of electric and gas competition, BCS expected it would receive consumer complaints associated with the transition to customer choice. As expected, many customers experienced a variety of problems as they began choosing electric and gas suppliers. BCS found that, after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, BCS decided that it would be unfair to include competition complaints with consumer complaints about other issues when it calculates the performance measures it uses to evaluate and compare companies within the electric and gas industries. BCS continued this practice in 2013. Therefore, BCS excluded 1,842 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 101 such complaints in the gas industry chapter.

Informal Compliance Process and Infractions

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

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

The significance of apparent infractions identified by the informal compliance process is frequently emphasized by the fact that some represent systemic errors that are widespread and affect many utility customers. Since BCS receives only a small portion of the

¹ L-00970121, Public Meeting of May 21, 1998.

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 systemic errors. One example of a systemic 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 that error. When such an error is discovered, BCS encourages utilities to investigate the scope of the problem and take corrective action. Some utilities have developed their own information systems to identify problems by reviewing complaints before they come to the Commission's attention. BCS encourages utilities to continue this activity and share their findings with Bureau staff.

2. Performance Measures

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

Consumer Complaint Rate

The calculation of consumer complaint rate (consumer complaints per 1,000 residential customers) permits the reader to make comparisons among utilities of various sizes. BCS has found 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, since many of the complaints in the consumer complaint rates are not "justified," BCS considers the "justified consumer complaint rate" (justified consumer complaints per 1,000 residential customers) to be a more clear indication of a utility's complaint handling performance.

Justified Consumer Complaint Rate

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

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

BCS monitors the complaint rates and justified rates of the major utilities, paying particular attention to the number of justified complaints that customers file with the Commission. Justified complaints may indicate areas where BCS should discuss complaint-

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

Response Time to Consumer Complaints

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

Payment Agreement Request Rate

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

Justified Payment Agreement Request Rate

Just as with consumer complaints, once a customer contacts BCS with a PAR, BCS notifies the utility. The company sends a report to BCS that details the customer’s payments, usage and payment negotiation history. Many of these cases are “straight” PARs, without any other issue or complaint against the company. Those cases are processed in an automated fashion and are not evaluated in the justified rate. In cases where the utility claims ineligibility for a PUC payment plan, or where there are complaints or claims in addition to the PAR, 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. BCS policy analysts review a sampling of these case records to determine if the utility negotiated properly with the customer and uses this record to

determine the outcome of the case. This approach evaluates companies negatively only when BCS finds appropriate payment negotiation procedures were not followed, or where the regulations have been misapplied. Specifically, a case is considered “justified” in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with Commission regulations, reports, Secretarial Letters, tariffs or guidelines.

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

Response Time to Payment Agreement Requests

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

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

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

Infraction Rate

During 2013, BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential accounts. In order to compare utilities of various sizes within an industry, BCS has calculated a measure called the infraction rate. The infraction rate is the number of informally verified infractions for each 1,000 residential customers.

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

The value of the infraction rate is to depict industry trends over time. The trend for 2013 is calculated using BCS's Compliance Tracking System (CTS) data as of Aug. 1, 2014. The 2013 trends may change if the total number of infractions increases or decreases upon review by BCS. This would occur if new infractions are discovered from customer complaints that originated in 2013, but were still under investigation by BCS when the data was retrieved from CTS. Often, the total number of infractions for the year will change from the number cited in this report. BCS will update the number of infractions found on 2013 cases in the report on 2014 complaint activity. Infraction rates for each major electric, gas, water and telephone utility company are shown for 2011, 2012 and 2013 in upcoming chapters. Appendix H shows detailed information about the infractions BCS gleaned from its review of the 2013 consumer complaints and PARs. The information presented in Appendix H shows the infractions of Chapter 56, Chapter 14 and other regulations for the major electric, gas and water companies, and the infractions of Chapters 63 and 64 for the major telephone companies.

Termination Rate

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

BCS Performance Measures and Industry Chapters

The tables in the following chapters present the data alphabetically by company name. Each chapter includes tables that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are tables that show the prior year's justified consumer complaint rates and justified PAR rates for each of the major utilities. The tables also reflect the average rates of the major utilities within the industry for each of these measures. In addition, each industry chapter presents tables that show infraction rates for the major utilities, response times to consumer

complaints and PARs, and the termination rates for the major electric, gas and telephone utilities.

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

BCS has found the inclusion of statistics for the smaller utilities can skew the average of industry statistics in ways that do not fairly represent industry performance. For this reason, BCS excluded the statistics involving UGI-Electric when it calculated the 2012 and 2013 averages for the electric industry. Similar to previous years, statistics for UGI-Electric are included in the appendices of this report.

Universal Service and Energy Conservation Programs

The Commission has a long history of involvement in universal service and energy conservation programs that help utility consumers obtain and keep service, and conserve energy. At the end of the water and telephone chapters that follow, readers will find highlights of the water and telephone programs that the Commission has supported and encouraged, not only in 2013, but in prior years as well.

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

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

In Nov. 2014, the Commission released the 14th annual report on Universal Service Programs and Collections Performance. BCS prepared the report, which presents 2013 universal service and collections data for the major electric and natural gas distribution companies. The report is available on the Commission’s website at:

http://www.puc.pa.gov/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2013.pdf

3. Electric Industry

In 2013, the Commission had jurisdiction over 15 electric distribution companies (EDCs). However, the majority of the consumer complaints and PARs involving the electric industry were from residential customers of the seven major EDCs: Duquesne Light Co. (Duquesne); PECO Energy Co. (PECO); PPL Electric Utilities Inc. (PPL) and four FirstEnergy companies – Metropolitan Edison Co. (Met-Ed); Pennsylvania Electric Co. (Penelec); Pennsylvania Power Co. (Penn Power) and West Penn Power Co. (West Penn). This chapter will focus exclusively on those seven companies. Most of the complaints and PARs dealt with matters covered under 52 Pa. Code, Chapter 56, Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14, Responsible Utility Customer Protection. Generally, consumer complaints and PARs represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major electric utilities in 2013. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. PECO's statistics include data for both electric and gas service. Because their gas and/or electric customers contact the same call center and receive only one bill per billing period, PECO is unable to separate and report data by gas and electric service. BCS investigated complaints in 2013, generated as a result of the electric choice program, which allows customers to choose an electric generation supply company. However, as mentioned in the first chapter, BCS removed these complaints from the data it used to prepare the tables on consumer complaints and PARs. Appendices F and G present statistics on the performance of the seven largest EDCs, as well as UGI-Electric, in 2012 and 2013.

Consumer Complaints

During 2013, BCS handled 4,956 consumer complaints from residential customers of the various EDCs and 1,607 consumer complaints from residential customers of electric generation supply companies. Of these residential complaints, 74 percent (4,889) were from customers of the seven largest EDCs. For the analyses in this chapter, BCS excluded a total of 175 consumer complaints about the major EDCs that involved competition issues.

Consumer Complaint Categories

The following table shows the percentage of 2013 complaints from residential customers of the seven largest EDCs, in each of the 13 categories used by BCS policy analysts. Appendix E, Table 1, provides the actual number of cases that fell into each category in 2013.

Consumer Complaint Categories: 2013 Major Electric Distribution Companies

Categories	Duquesne	Met-Ed	PECO+**	Penelec	Penn Power	PPL**	West Penn	Electric Majors
Billing Disputes	16%	17%	28%	17%	23%	31%	12%	19%
Metering	2%	23%	5%	20%	13%	10%	20%	14%
Personnel Problems	19%	14%	11%	13%	10%	9%	10%	12%
Discontinuance/ Transfer	8%	9%	11%	8%	10%	13%	5%	9%
Credit and Deposits	8%	7%	12%	7%	11%	6%	3%	7%
Service Interruptions	7%	5%	1%	4%	2%	2%	11%	5%
Damages	2%	4%	3%	4%	6%	2%	10%	5%
Service Extensions	2%	3%	1%	2%	1%	1%	10%	3%
Service Quality	3%	3%	4%	3%	2%	3%	5%	3%
Other Payment Issues	6%	1%	4%	2%	2%	2%	3%	3%
Scheduling Delays	1%	2%	1%	3%	1%	3%	4%	2%
Rates	<1%	1%	0%	<1%	0%	1%	<1%	<1%
All Other Problems	28%	10%	19%	17%	18%	17%	8%	16%
Total-Number*	395	606	483	457	97	447	661	3,146

* Based on residential complaints evaluated by BCS as of Aug. 1, 2014.

** Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 1, for the number of cases in each category.
- In 2013, billing disputes accounted for 19 percent of the consumer complaints for the major EDCs. Metering disputes accounted for 14 percent of the consumer complaints, and personnel problems accounted for 12 percent of the consumer complaints. These three categories accounted for 45 percent of consumer complaints about the major EDCs.

2013 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Duquesne	0.96	0.10
Met-Ed	1.68	0.35
PECO+	0.85	0.15*
Penelec	1.17	0.20
Penn Power	0.72	0.11
PPL	0.58	0.06*
West Penn	1.54	0.30
Average	1.07	0.18

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

+ PECO statistics include electric and gas.

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is nearly six times greater than the average of the justified consumer complaint rates.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2012 and 2013.

2012-13 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies

Company	2012	2013
Duquesne	0.16	0.10
Met-Ed	0.34	0.35
PECO*+	0.15	0.15
Penelec	0.12	0.20
Penn Power	0.14	0.11
PPL*	0.10	0.06
West Penn	0.30	0.30
Average	0.19	0.18

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the major electric distribution companies decreased slightly from 0.19 in 2012 to 0.18 in 2013.
- Of the seven major EDCs, three have justified consumer complaint rates that are higher than the industry average. Met-Ed's justified consumer complaint rate, at 0.35, is nearly double the industry average.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2012 and 2013.

2012-13 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies

Company	Number of Days 2012	Number of Days 2013	Change in Days 2012 to 2013
Duquesne	19.5	3.9	-15.6
Met-Ed	15.3	17.2	1.9
PECO+	7.6	8.8	1.2
Penelec	15.4	15.4	0.0
Penn Power	13.2	15.4	2.2
PPL	18.4	19.1	0.7
West Penn	17.4	16.3	-1.1
Average	15.3	13.7	-1.6

+ PECO statistics include electric and gas.

- The calculation for average response time includes all residential consumer complaints for the major electric companies.
- Overall, the average response time decreased from 15.3 days in 2012 to 13.7 days in 2013.
- Duquesne had the shortest consumer complaint response time in 2013 at 3.9 days, while PPL had the longest at 19.1 days. Duquesne's consumer complaint response time decreased by 15.6 days from 2012 to 2013.

Payment Agreement Requests

In 2013, BCS handled 39,871 PARs from residential customers of the EDCs. There were 58 PARs from residential customers of Pennsylvania's electric generation supply companies. Ninety-eight percent (39,164) of the residential PARs were from customers of the seven largest EDCs. In 2013, BCS reviewed a representative sample of the PARs for six of the seven largest EDCs: Duquesne, Met-Ed, PECO, Penelec, PPL and West Penn. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from the customers of these utilities. BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix G, Table 1, provides additional statistics regarding the PARs from residential customers of the major EDCs.

**2013 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates*
Major Electric Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Duquesne	9.49	0.31
Met-Ed	5.34	0.37
PECO+	5.17	0.10
Penelec	4.87	0.26
Penn Power	4.68	0.13
PPL	15.84	0.67
West Penn	2.76	0.15
Average	6.88	0.28

* All companies, with the exception of Penn Power, have justified PAR rates based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were nearly seven PARs to BCS for each 1,000 residential customers of the major EDCs in 2013. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2013 PAR rates and justified PAR rates.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2012 and 2013.

2012-13 Justified Residential Payment Agreement Request (PAR) Rates* Major Electric Distribution Companies

Company	2012	2013
Duquesne	0.13	0.31
Met-Ed	0.11	0.37
PECO+	0.05	0.10
Penelec	0.08	0.26
Penn Power	0.09	0.13
PPL	0.45	0.67
West Penn	0.08	0.15
Average	0.14	0.28

* All companies, with the exception of Penn Power, have justified PAR rates based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major EDCs doubled from 0.14 in 2012 to 0.28 in 2013.
- The justified PAR rates increased for each of the seven major EDCs from 2012 to 2013. Three of the major EDCs have justified PAR rates greater than the 2013 industry average while four of the major EDCs have justified PAR rates below the industry average.
- The implementation of Chapter 14 had an impact on the 2012 and 2013 justified PAR rates.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2012 and 2013.

2012-13 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Electric Distribution Companies

Company	Number of Days 2012	Number of Days 2013	Change in Days 2012 to 2013
Duquesne	12.6	1.3	-11.3
Met-Ed	9.5	8.3	-1.2
PECO+	3.2	3.3	0.1
Penelec	9.5	8.1	-1.4
Penn Power	9.0	7.5	-1.5
PPL	9.5	13.1	3.6
West Penn	8.4	7.1	-1.3
Average	8.8	7.0	-1.8

+ PECO statistics include electric and gas.

- The calculation for average response time includes all residential PARs for the major electric companies.
- The average response time for the seven major EDCs decreased nearly two days. The average response time went from 8.8 days in 2012 to 7.0 days in 2013.
- There is a wide range of PAR response times among the major EDCs for 2013, from a low of 1.3 days for Duquesne to a high of 13.1 days for PPL.

Termination and Reconnection of Service

Each month, the electric companies report to the Commission the number of residential accounts that they terminated for non-payment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Some EDCs maintain a fairly consistent pattern of termination behavior, while others fluctuate from year to year. The number of reconnections varies from year to year and from company to company, depending on a variety of factors. The EDC reconnects a customer's terminated service when a customer either pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The following tables indicate the annual number of residential accounts each of the seven largest EDCs terminated and reconnected in 2011, 2012 and 2013. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Electric Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2011	2012	2013	% Change 2012-13	2011	2012	2013
Duquesne	22,927	23,533	25,649	9%	4.37	4.48	4.87
Met-Ed	18,169	17,995	23,672	32%	3.73	3.69	4.85
PECO+	81,408	73,887	84,235	14%	5.71	5.16	5.87
Penelec	17,513	13,747	20,544	49%	3.46	2.72	4.07
Penn Power	3,622	3,514	4,999	42%	2.58	2.50	3.54
PPL	33,641	38,303	47,759	25%	2.77	3.15	3.92
West Penn	15,351	11,092	13,904	25%	2.49	1.79	2.24
Major Electric	192,631	182,071	220,762	21%			
Average of Rates					3.59	3.36	4.19

+ PECO statistics include electric and gas.

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major EDCs terminated 21 percent more residential accounts in 2013 than in 2012.

Residential Service Reconnections Major Electric Distribution Companies

Company	2011	2012	2013	% Change 2012-13
Duquesne	16,846	18,179	20,355	12%
Met-Ed	14,696	14,651	19,046	30%
PECO+	58,323	52,512	61,858	18%
Penelec	14,209	10,989	16,184	47%
Penn Power	3,316	3,208	4,740	48%
PPL	22,727	26,326	34,910	33%
West Penn	9,914	9,082	11,089	22%
Major Electric	140,031	134,947	168,182	25%

+ PECO statistics include electric and gas.

- Overall, the seven major EDCs reconnected 25 percent more residential accounts in 2013 than in 2012.

Compliance

BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of “infraction rate” is intended to help the Commission monitor the duty of electric companies at 66 Pa. C.S. §2807(d) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Electricity Generation Customer Choice and Competition Act of 1996.

The infraction rates in the table that follows are based on all informal complaints that residential consumers filed with BCS from 2011 through 2013. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 1, presents detailed information about the infractions identified in 2013 cases to the BCS.

Commission Infraction Rates Major Electric Distribution Companies

Company	2011	2012	2013
Duquesne	0.11	0.10	0.04
Met-Ed	0.08	0.23	0.27
PECO+	0.04	0.03	0.05
Penelec	0.07	0.07	0.12
Penn Power	0.06	0.06	0.06
PPL	0.02	0.05	0.03
West Penn	0.07	0.10	0.22

+ PECO statistics include electric and gas.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rates from 2012 to 2013 for Met-Ed, PECO, Penelec and West Penn increased, while the rates for Duquesne and PPL decreased. The rate remained stable for Penn Power.
- Appendix H, Table 1, presents the actual number of infractions for 2013 categorized by infraction category.
- As shown in Appendix H, Table 1, the meter reading and dispute handling categories are noteworthy due to both high volume and high percentage of the total number of infractions.

4. Natural Gas Industry

In 2013, the Commission had jurisdiction over 30 natural gas distribution companies (NGDCs). However, the majority of the consumer complaints and PARs involving the gas industry came from residential customers of the seven major NGDCs: Columbia Gas of Pennsylvania Inc. (Columbia); Equitable Gas Co. (Equitable); National Fuel Gas Distribution Corp. (NFG); Peoples Natural Gas Co. (Peoples); Philadelphia Gas Works (PGW); UGI Utilities Inc.-Gas; and UGI Penn Natural Gas. This chapter will focus exclusively on those seven utilities. As with the electric industry, most of the complaints and PARs dealt with matters covered under 52 Pa. Code, Chapter 56, Standards and Billing Practices for Residential Utility Service or 66 Pa. C.S.A. Chapter 14, Responsible Utility Customer Protection. Generally, those consumer complaints and PARs represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major gas utilities in 2013. Appendices F and G provide statistics for these utilities from 2012 and 2013.

Consumer Complaints

During 2013, BCS handled 2,165 consumer complaints from residential customers of the various NGDCs and 98 consumer complaints from residential customers of natural gas suppliers (NGSs). Of these residential complaints, 92 percent (2,087) were from customers of the seven largest NGDCs. For the analyses of the seven major gas companies that appear in this chapter, BCS excluded 10 consumer complaints that involved competition issues.

Consumer Complaint Categories

The following table shows the percentage of 2013 complaints from residential customers of the seven major gas utilities in each of the 13 categories, used by BCS policy analysts to categorize consumer complaints about electric, gas and water utilities. Appendix E, Table 2, provides the actual number of cases that fell into each category in 2013.

Consumer Complaint Categories: 2013 Major Natural Gas Distribution Companies

Categories	Columbia	Equitable	NFG	Peoples	PGW**	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	10%	17%	14%	24%	15%	22%	18%	17%
Personnel Problems	29%	31%	16%	14%	9%	17%	7%	16%
Discontinuance/Transfer	3%	12%	14%	6%	21%	9%	12%	13%
Metering	5%	1%	11%	13%	14%	0%	1%	9%
Damages	12%	5%	2%	12%	2%	10%	1%	6%
Other Payment Issues	1%	1%	3%	4%	11%	1%	2%	6%
Scheduling Delays	8%	3%	5%	4%	5%	5%	4%	5%
Credit and Deposits	1%	4%	0%	3%	1%	15%	22%	5%
Service Quality	8%	4%	5%	6%	1%	5%	5%	4%
Service Extensions	6%	1%	7%	4%	1%	9%	8%	4%
Service Interruptions	1%	1%	1%	1%	1%	0%	0%	1%
Rates	2%	1%	0%	1%	0%	0%	0%	<1%
All Other Problems	13%	22%	20%	6%	18%	9%	19%	15%
Total-Number*	154	111	91	202	486	129	83	1,256

* Based on residential complaints evaluated by BCS as of Aug. 1, 2014.

** Based on a probability sample of cases.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 2, for the number of cases in each category.
- In 2013, billing disputes generated 17 percent of the complaints about the major gas companies followed by personnel problems (16 percent). Complaints about discontinuing/transferring service accounted for 13 percent of residential consumer complaints about the major gas companies.

**2013 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Natural Gas Distribution Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Columbia	0.47	0.03
Equitable	0.58	0.03
NFG	0.46	0.08
Peoples	0.74	0.15
PGW	2.51	0.71*
UGI-Gas	0.51	0.03
UGI Penn Natural	0.58	0.05
Average	0.84	0.16

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2013, the average of the consumer complaint rates is more than five times the average of the justified consumer complaint rates for the seven major gas companies.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2012 and 2013.

2012-13 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	2012	2013
Columbia	0.05	0.03
Equitable	0.04	0.03
NFG	0.07	0.08
Peoples	0.19	0.15
PGW*	0.68	0.71
UGI-Gas	0.05	0.03
UGI Penn Natural	0.09	0.05
Average	0.17	0.16

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

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2013, five of the major gas companies had justified consumer complaint rates lower than their justified consumer complaint rates in 2012. Only NFG and PGW had justified consumer complaint rates that increased since 2012.
- The average of the justified consumer complaint rates for the major gas companies decreased slightly from 0.17 in 2012 to 0.16 in 2013. Only PGW had a justified consumer complaint rate that is higher than the 2012 industry average.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2012 and 2013.

2012-13 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies

Company	Number of Days 2012	Number of Days 2013	Change in Days 2012 to 2013
Columbia	5.5	5.3	-0.2
Equitable	3.0	2.4	-0.6
NFG	5.2	11.0	5.8
Peoples	8.4	1.9	-6.5
PGW	20.4	18.5	-1.9
UGI-Gas	5.5	13.6	8.1
UGI Penn Natural	6.2	12.7	6.5
Average	7.7	9.3	1.6

- The calculation for average response time includes all residential consumer complaints for the major gas companies.
- The average response time for the major gas companies increased from 7.7 days in 2012 to 9.3 days in 2013.
- Consumer complaint response time performance varied among the major gas companies in 2013, from a low of 1.9 days for Peoples to a high of 18.5 days for PGW.

Payment Agreement Requests

In 2013, BCS handled 13,712 PARs from residential customers of the natural gas distribution companies (NGDCs). There were five PARs from residential customers of Pennsylvania's natural gas supply companies. Ninety-seven percent (13,281) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2013, BCS reviewed a representative sample of the PARs for case outcome for all the major gas companies except Columbia and Peoples. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these utilities. BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix G, Table 2, provides additional statistics regarding the PARs from residential customers of the major NGDCs.

**2013 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates*
Major Natural Gas Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Columbia	2.68	0.02
Equitable	5.97	0.10
NFG	4.06	0.13
Peoples	1.85	0.08
PGW	11.17	0.37
UGI-Gas	7.87	0.48
UGI Penn Natural	10.69	0.74
Average	6.33	0.28

* All companies, with the exception of Columbia and Peoples, have justified PAR rates based on a probability sample of cases.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than six PARs to BCS for each 1,000 residential customers of the major NGDCs in 2013. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2013 PAR rates and justified PAR rates.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2012 and 2013.

2012-13 Justified Residential Payment Agreement Request (PAR) Rates* Major Natural Gas Distribution Companies

Company	2012	2013
Columbia	0.03	0.02
Equitable	0.06	0.10
NFG	0.02	0.13
Peoples	0.11	0.08
PGW	0.15	0.37
UGI-Gas	0.44	0.48
UGI Penn Natural	0.65	0.74
Average	0.21	0.28

* All companies, with the exception of Columbia and Peoples, have justified PAR rates based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major gas utilities increased slightly from 0.21 in 2012 to 0.28 in 2013. Five of the seven major gas companies had increases in their justified PAR rates.
- The 2013 justified PAR rates among the major NGDCs ranged from a low of 0.02 for Columbia to a high of 0.74 for UGI Penn Natural.
- The implementation of Chapter 14 had an impact on the 2012 and 2013 justified PAR rates.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2012 and 2013.

**2012-13 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Natural Gas Distribution Companies**

Company	Number of Days 2012	Number of Days 2013	Change in Days 2012 to 2013
Columbia	2.7	2.5	-0.2
Equitable	1.0	0.9	-0.1
NFG	2.6	5.4	2.8
Peoples	4.9	1.4	-3.5
PGW	12.1	11.5	-0.6
UGI-Gas	2.2	5.2	3.0
UGI Penn Natural	1.9	5.7	3.8
Average	3.9	4.7	0.8

- The calculation for average response time includes all residential PARs for the major gas companies.
- From 2012 to 2013, the average response time for the major gas companies increased by 0.8 day.
- The 2013 PAR response times for the major NGDCs varied from a low of 0.9 day for Equitable to a high of 11.5 days for PGW.

Termination and Reconnection of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company, depending on a variety of factors. The NGDC reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The tables that follow indicate the annual number of residential accounts each of the seven largest gas utilities terminated and reconnected in 2011, 2012 and 2013. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Natural Gas Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2011	2012	2013	% Change 2012-13	2011	2012	2013
Columbia	9,650	11,321	12,030	6%	2.58	2.96	3.13
Equitable	10,471	8,394	8,507	1%	4.36	3.47	3.51
NFG	9,472	8,347	9,576	15%	4.77	4.20	4.82
Peoples	3,696	6,601	7,229	10%	1.12	2.00	2.19
PGW	28,868	25,507	28,497	12%	6.02	5.32	6.08
UGI-Gas	11,206	8,434	9,055	7%	3.61	2.66	2.79
UGI Penn Natural	6,967	5,403	6,214	15%	4.79	3.67	4.17
Major Gas	80,330	74,007	81,108	10%			
Average of Rates					3.89	3.47	3.81

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major gas companies terminated 10 percent more residential accounts in 2013 than in 2012.

Residential Service Reconnections Major Natural Gas Distribution Companies

Company	2011	2012	2013	% Change 2012-13
Columbia	4,958	6,310	6,490	3%
Equitable	7,587	6,221	6,453	4%
NFG	6,449	5,458	6,453	18%
Peoples	2,660	4,654	5,426	17%
PGW*	26,011	18,114	19,907	10%
UGI-Gas	5,426	3,990	4,332	9%
UGI Penn Natural	4,276	3,453	3,483	1%
Major Gas	57,367	48,200	52,544	9%

* Prior to 2012, PGW's reconnections were overstated as a result of the company's reporting methodology not validating whether each completed turn-on was associated with the previously terminated customer.

- Overall, the seven major NGDCs reconnected 9 percent more residential accounts in 2013 than in 2012.

Compliance

BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of “infraction rate” is intended to help the Commission monitor the duty of natural gas companies at 66 Pa. C.S. §2206(a) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Natural Gas Choice and Competition Act of 1999.

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2011 through 2013. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 2, presents detailed information about the infractions identified on 2013 cases to the BCS.

Commission Infraction Rates Major Natural Gas Distribution Companies

Company	2011	2012	2013
Columbia	0.04	0.02	0.01
Equitable	0.03	0.02	0.02
NFG	0.02	0.03	0.03
Peoples	0.18	0.20	0.15
PGW	0.16	0.28	0.43
UGI-Gas	0.03	0.03	0.01
UGI Penn Natural	0.08	0.04	0.03

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- From 2012 to 2013, infraction rates decreased for Columbia, Peoples, UGI-Gas and UGI Penn Natural, while the infraction rate increased for PGW. The rates for Equitable and NFG remained stable.
- Appendix H, Table 2, presents the actual number of infractions for 2013 categorized by infraction category.
- As shown in Appendix H, Table 2, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

5. Water Industry

In 2013, the Commission had jurisdiction over 88 water companies, including 22 municipal water companies. The Commission categorizes the non-municipal water companies into one of three classifications: A, B and C. Those three classifications are based on the amount of the company's annual revenues.

The non-municipal water companies with the largest annual revenues are classified as "Class A" water companies. "Class A" water companies must have annual revenues of \$1 million or more for three years in a row. In 2013, nine "Class A" water companies served residential customers. The number of residential customers for these major companies ranged from 2,367 for United Water Bethel to 591,405 residential customers for Pennsylvania American Water Co. (PAWC). In 2013, the "Class A" water companies were Aqua Pennsylvania Inc. (Aqua), Audubon Water Co., Columbia Water Co., Newtown Artesian Water Co., Pennsylvania American Water Co., Superior Water Co., United Water Bethel, United Water of Pennsylvania Inc. and York Water Co. The tables in this chapter present individual statistics for the two largest water companies, PAWC and Aqua, and for the "Other Class A" companies as a whole.

The other classes of water companies have lower annual revenues and, typically, fewer residential customers. In 2013, nine "Class B" companies were operating. "Class B" water companies have annual revenues between \$200,000 and \$999,999. In 2013, the number of residential customers for the "Class B" companies ranged from 287 to 1,616. There were 47 "Class C" companies in 2013. "Class C" water companies have annual revenues of less than \$200,000. The number of residential customers for the "Class C" companies ranged from two to 1,150 in 2013.

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

The tables on the pages that follow depict the performance of the "Class A" water companies in 2013. Appendices F and G also present statistics about the performance of the "Class A" water companies.

Consumer Complaints

During 2013, BCS handled a total of 545 consumer complaints from residential customers of the various water companies. Of those complaints, 94 percent (515) were from customers of the “Class A” companies. The remaining 6 percent were from customers of smaller water companies. While a majority of consumer complaints involved the “Class A” water companies in 2013, the Commission devoted a significant amount of attention to the smaller water companies. Sometimes the amount of time BCS spends on a few complaints from customers of a smaller company exceeds the amount of time it spends dealing with complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and PARs as compared to smaller water companies with limited resources.

In 2013, customers of the small water companies filed complaints with BCS for a variety of reasons. Of the 30 consumer complaints filed about the “Non-Class A” water companies, slightly more than a third (11 cases) involved disputes about service termination/payment agreements to avoid termination.

Consumer Complaint Categories

The following table shows the percentage of 2013 complaints from residential customers of the “Class A” water companies in each of the categories used by BCS policy analysts to categorize consumer complaints about electric, gas and water companies. Appendix E, Table 3, provides the actual number of cases that fell into each category in 2013.

Consumer Complaint Categories: 2013 Major Water Companies

Categories	Aqua	PAWC	"Other Class A"	All "Class A" Water
Billing Disputes	46%	46%	33%	45%
Service Quality	6%	10%	23%	10%
Personnel Problems	9%	7%	3%	8%
Damages	3%	5%	10%	5%
Scheduling Delays	3%	4%	3%	4%
Metering	4%	3%	10%	4%
Service Extensions	2%	3%	3%	3%
Discontinuance/Transfer	2%	3%	0%	2%
Other Payment Issues	2%	1%	3%	2%
Service Interruptions	2%	1%	0%	1%
Credit and Deposits	2%	<1%	0%	1%
Rates	1%	0%	0%	<1%
All Other Problems	18%	16%	10%	16%
Total-Number*	170	302	30	502

* Based on residential complaints evaluated by BCS as of Aug. 1, 2014.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 3, for the number of cases in each category.
- Forty-five percent of residential complaints filed against the "Class A" water companies involved billing disputes.

**2013 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Water Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Aqua	0.45	0.20
PAWC	0.52	0.18
“Other Class A”	0.23	0.04
Average	0.40	0.14

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The consumer complaint rate for PAWC is nearly three times greater than its justified consumer complaint rate.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua, PAWC and the “Other Class A” water companies in 2012 and 2013.

2012-13 Justified Residential Consumer Complaint Rates Major Water Companies

Company	2012	2013
Aqua	0.21	0.20
PAWC	0.14	0.18
"Other Class A"	0.01	0.04
Average	0.12	0.14

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The justified consumer complaint rate decreased for Aqua, but increased for PAWC between 2012 and 2013.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua, PAWC and the "Other Class A" water companies in 2012 and 2013.

2012-13 Response Time to BCS Residential Consumer Complaints Major Water Companies

Company	Number of Days 2012	Number of Days 2013	Change in Days 2012 to 2013
Aqua	7.1	8.7	1.6
PAWC	6.7	4.5	-2.2
"Other Class A"	6.2	11.5	5.3
Average	6.7	8.2	1.5

- The calculation for average response time includes all residential consumer complaints for the major water companies.
- The average response time for Aqua increased by 1.6 days from 2012 to 2013. The average response time for PAWC decreased 2.2 days, from 6.7 days in 2012 to 4.5 days in 2013.

Payment Agreement Requests

In 2013, BCS handled 3,896 PARs from residential customers of the water industry. Ninety-nine percent (3,856) of the residential PARs were from customers of the "Class A" water companies. As in past years, for the companies with the largest volume of requests, BCS policy analysts reviewed a representative sample of PARs for case outcome. In 2013, BCS reviewed a sample of the PARs for Aqua and PAWC. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these two companies. BCS believes the size of the sample gives a reasonable indication of the performance of these companies. Appendix G, Table 3, provides additional statistics regarding the PARs from residential customers of the "Class A" water companies.

2013 Residential Payment Agreement Request (PAR) Rates/ Justified PAR Rates Major Water Companies

Company	PAR Rate	Justified PAR Rate
Aqua	3.20	0.12*
PAWC	4.04	0.51*
"Other Class A"	1.69	0.04
Average	2.97	0.22

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were nearly three PARs to BCS for each 1,000 residential customers of the major water companies in 2013. There was less than one justified PAR for each 1,000 residential customers.
- The implementation of Chapter 14 had an impact on the 2013 PAR rates and justified PAR rates.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua, PAWC and the "Other Class A" water companies in 2012 and 2013.

**2012-13 Justified Residential
Payment Agreement Request (PAR) Rates
Major Water Companies**

Company	2012	2013
Aqua	0.19*	0.12*
PAWC	0.23*	0.51*
"Other Class A"	0.00	0.04
Average	0.14	0.22

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The justified PAR rate decreased for Aqua, but increased for PAWC between 2012 and 2013.
- The implementation of Chapter 14 had an impact on the 2012 and 2013 justified PAR rates.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua, PAWC and the "Other Class A" water companies in 2012 and 2013.

**2012-13 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Water Companies**

Company	Number of Days 2012	Number of Days 2013	Change in Days 2012 to 2013
Aqua	3.1	5.7	2.6
PAWC	4.7	3.2	-1.5
"Other Class A"	5.9	5.7	-0.2
Average	4.6	4.9	0.3

- The calculation for average response time includes all residential PARs for the major water companies.
- Aqua's response time increased 2.6 days to reach 5.7 days in 2013. PAWC's response time decreased 1.5 days, from 4.7 days in 2012 to 3.2 days in 2013.

Compliance

BCS provides water utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

The infraction rates in the table that follows are based on the review of all informal complaints that residential consumers filed with BCS from 2011 through 2013. Appendix H, Table 3, presents detailed information about the infractions identified on 2013 cases to the BCS.

Commission Infraction Rates Major Water Companies

Company	2011	2012	2013
Aqua	0.22	0.22	0.32
PAWC	0.13	0.16	0.23
"Other Class A"	0.02	0.01	0.01

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rates for Aqua and PAWC increased from 2012 to 2013. The infraction rate for the "Other Class A" water companies remained stable.
- Appendix H, Table 3, presents the actual number of infractions for 2013 categorized by infraction category.
- As shown in Appendix H, Table 3, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

Programs That Assist Low-Income Customers

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

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

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

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

At the end of 2013, 512 active participants were enrolled in the Helping Hand program. During the year, Aqua spent \$133,003 to complete eligibility interviews and household audits. In addition, the company provided \$21,590 in arrearage forgiveness credits to 601 program participants.

Pennsylvania American Water Co. (PAWC) – In 1991, PAWC established the “Help to Others” (H2O) program. The H2O program provides customers with an 85 percent discount on their monthly service fees – a savings of about \$12.00 per month. The program also provides water-saving devices and conservation education. As of January 2014, there were 17,450 customers billed the discounted rate.

In addition to a discount for water, the company also offers a discount for wastewater customers in Coatesville, Bushkill, Lehman Pike, Claysville, Clarion, East Stroudsburg, Blue Mountain and Winona Lakes. This discount offers a 15 percent discount off the total wastewater billing for those who qualify. As of January 2014, there were 493 customers receiving the discount for wastewater.

As part of the H2O program, PAWC also participates with the Dollar Energy Fund to provide cash grants of up to \$500 per year for those water and wastewater customers listed above. Dollar Energy Fund is a hardship fund administrator that provides cash assistance to utility customers who need help in paying their utility bills. During the 2012-13 program year, PAWC’s shareholders and customers provided \$314,500 in hardship fund benefits to 1,159 customers for an average benefit of \$271. In addition, PAWC’s shareholders provided \$10,000 for the 2012-13 program year for their wastewater customers. The program year has wastewater funds available totaling \$18,617.

United Water of Pennsylvania Inc. (United Water) - United Water implemented the “UW Cares” program in 2005. UW Cares is a nonprofit 501(c)(3) organization that provides financial assistance to customers who experience a temporary financial crisis caused by such occurrences as a job loss, severe illness, casualty or extensive military service. Cash grants up to \$100 are provided to qualifying customers who are first screened by the Salvation Army for eligibility. To be eligible for a grant, customers must have made a nominal payment within the last 90 days. During 2012, the company provided grants totaling \$6,541 to qualifying customers.

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

During 2013, the company expended \$176 for customer plumbing repairs and enrolled a total of five new customers in the York Water Cares program. As of program end 2013, seven customers received arrearage forgiveness benefits totaling \$775 for an average benefit of approximately \$111 per customer. The company anticipates an annual savings of \$714 in costs for termination proceedings that may be avoided as a result of customer participation in the York Water Cares program.

6. Telephone Industry

During 2013, BCS handled consumer complaints, PARs and inquiries from the customers of a variety of telecommunications service providers, including incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), long-distance companies and resellers. Just over 670 providers of telecommunications services were certificated and able to conduct business in Pennsylvania in 2013. Of this group of telecommunications providers, 37 were ILECs. Thirty-two of these ILECs were non-major utilities each serving fewer than 50,000 residential customers. The remaining five ILECs were major companies, each with more than 50,000 residential customers. Collectively, these five major telephone companies served just over 1.7 million residential customers in 2013.

This chapter will focus exclusively on the five major ILECs in 2013 – CenturyLink (CenturyLink); Frontier Communications Commonwealth Telephone Co. (Frontier Commonwealth); Verizon North Inc. (Verizon North); Verizon Pennsylvania (Verizon PA); and Windstream Communications (Windstream).

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

Consumer Complaints

Although BCS handled consumer complaints about different types of telecommunications service providers in 2013, the complaints predominantly came from the residential customers of the five major ILECs. Overall, BCS handled 1,684 consumer complaints from residential customers of telecommunications service providers in 2013. Of those complaints, 1,597 were from residential customers of all of Pennsylvania's ILECs while 1,584 were from customers of the five major ILECs. Meanwhile, 69 consumer complaints were from residential customers of the CLECs operating in Pennsylvania. The remaining 18 consumer complaints were from residential customers of other providers of telecommunications services such as long-distance carriers, resellers, wireless carriers and Voice over Internet Protocol (VoIP) providers.

In September 2009, BCS began offering all Verizon PA and Verizon North customers who call with a service issue the voluntary option of being transferred to a special Verizon team that immediately begins working to resolve the customer's complaint. Prior to 2013, if a customer chose the voluntary transfer, BCS categorized the contact as an "inquiry" rather than as a "consumer complaint." Beginning Jan. 1, 2013, if a customer chooses the voluntary transfer, the contact is now classified as a "consumer complaint²."

² BCS categorized 109 of these contacts regarding Verizon service issues as consumer complaints during 2013.

Consumer Complaint Categories

The following table shows the percentage of 2013 consumer complaints from residential customers of the major telephone companies in each of the 11 categories used by BCS policy analysts to categorize consumer complaints about telephone companies.

Consumer Complaint Categories: 2013 Major Local Telephone Companies

Categories	Century-Link	Frontier Common-wealth	Verizon North	Verizon PA**	Wind-stream	Telephone Majors
Unsatisfactory Service	14%	22%	41%	33%	39%	33%
Billing Disputes	32%	22%	20%	25%	11%	24%
Service Delivery	10%	27%	20%	20%	34%	21%
Service Terminations	32%	8%	5%	5%	3%	6%
Competition	4%	8%	3%	3%	4%	3%
Non-Recurring Charges	0%	4%	2%	1%	0%	1%
Credit and Deposits	0%	0%	0%	1%	3%	1%
Discontinuance/Transfer	0%	0%	2%	<1%	0%	<1%
Toll Services	0%	0%	0%	<1%	0%	<1%
Annoyance Calls	0%	2%	0%	0%	0%	<1%
All Other Problems	8%	8%	8%	12%	7%	11%
Total-Number*	50	51	102	672	74	949

* Based on residential complaints evaluated by BCS as of Aug. 1, 2014.

** Based on a probability sample of cases.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-2 for an explanation of complaint categories and Appendix E, Table 4, for the number of cases in each category.
- Seventy-eight percent of all complaints for the major telephone companies fall into one of three complaint categories: unsatisfactory service, billing disputes or service delivery.

- Unsatisfactory service complaints account for 33 percent of the total number of consumer complaints filed against the five major telephone companies in 2013. Last year, unsatisfactory service accounted for 29 percent of all consumer complaints filed against the major telephone companies.
- Billing disputes account for 24 percent of all consumer complaints filed against the five major telephone companies. In 2013, service delivery complaints made up another 21 percent of the complaints filed against the major telephone companies.

The 2012 and 2013 consumer complaint figures for justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages. Appendix F, Table 4, provides additional statistics about the consumer complaints from residential customers of the five major local telephone companies.

2013 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
CenturyLink	0.35	0.13
Frontier Commonwealth	0.44	0.24
Verizon North	0.49	0.22
Verizon PA	1.10	0.42*
Windstream	0.70	0.43
Average	0.61	0.29

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the five major telephone companies, the average of their consumer complaint rates is more than two times greater than the average of their justified consumer complaint rates.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2012 and 2013.

2012-13 Justified Residential Consumer Complaint Rates Major Local Telephone Companies

Company	2012	2013
CenturyLink	0.14	0.13
Frontier Commonwealth	0.27	0.24
Verizon North	0.18	0.22
Verizon PA*	0.68	0.42
Windstream	0.10	0.43
Average	0.27	0.29

* 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.
- Three of the major telephone companies had justified consumer complaint rates that decreased while two had justified consumer complaint rates that increased. Windstream's justified consumer complaint rate increased 330 percent since 2012.
- Verizon PA and Windstream had justified consumer complaint rates that were higher than the industry average.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2012 and 2013.

2012-13 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies

Company	Number of Days 2012	Number of Days 2013	Change in Days 2012 to 2013
CenturyLink	13.3	18.3	5.0
Frontier Commonwealth	9.3	11.8	2.5
Verizon North	14.9	10.4	-4.5
Verizon PA	15.8	9.8	-6.0
Windstream	24.7	27.7	3.0
Average	15.6	15.6	0.0

- For the five major telephone companies, the average response time to consumer complaints remained stable at 15.6 from 2012 to 2013.
- The response time for Verizon PA decreased by six days. In contrast, CenturyLink increased their average response time by five days since 2012.

Payment Agreement Requests

Telephone service consists of three components: basic service, nonbasic service and toll service. BCS does not handle customer requests for payment agreements that involve toll or nonbasic services. For the telephone industry, PARs are principally contacts to BCS or to companies involving a request for payment terms for arrearages associated with basic service. Most PARs are cases relating to the suspension of basic telephone service for nonpayment. Suspension of basic telephone service involves the temporary cessation of service without the consent of the customer and occurs when the customer owes the local telephone company money. If the customer does not pay or make an agreement to pay the amount owed, the company proceeds to terminate the customer's service, which is the permanent cessation of service. The majority of PARs are from customers who contact BCS to request payment agreements after they have received a suspension notice.

Under Chapter 64, a customer contact in response to a suspension notice is a dispute (as the term is defined in §64.2) only if the contact includes a disagreement with respect to the application of a provision of Chapter 64. Where telephone cases involving telephone service suspension are concerned, failure to negotiate a payment agreement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve PARs have been separated from telephone PARs that also involve a dispute. For the telephone industry, PARs that involve a dispute are classified as consumer complaints. During 2013, BCS handled 313 PARs from residential customers of telecommunications service providers. Of these PARs, 293 were from residential customers of the five major telephone

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

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

The 2012 and 2013 justified PAR rates and response times for the major telephone companies are presented in the tables that follow.

2013 Residential Payment Agreement Request (PAR) Rates/ Justified PAR Rates Major Local Telephone Companies

Company	PAR Rate	Justified PAR Rate
CenturyLink	0.21	0.09
Frontier Commonwealth	0.08	0.02
Verizon North	0.04	0.01
Verizon PA	0.20	0.01*
Windstream	0.06	0.06
Average	0.12	0.04

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The overall 2013 PAR rate is three times the overall justified PAR rate for the five major telephone companies.
- For the individual companies, the ratio between the PAR rate and the justified PAR rate varies. For Verizon PA, the company's 2013 PAR rate is 20 times the company's justified PAR rate.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2012 and 2013.

2012-13 Justified Residential Payment Agreement Request (PAR) Rates Major Local Telephone Companies

Company	2012	2013
CenturyLink	0.05	0.09
Frontier Commonwealth	0.03	0.02
Verizon North	0.00	0.01
Verizon PA*	0.01	0.01
Windstream	0.00	0.06
Average	0.02	0.04

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average justified PAR rate for the five major telephone companies increased from 0.02 in 2012 to 0.04 in 2013. CenturyLink and Windstream had justified PAR rates greater than the 2013 industry average.
- Only Frontier Commonwealth had a justified PAR rate that decreased from 2012 to 2013.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2012 and 2013.

**2012-13 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Local Telephone Companies**

Company	Number of Days 2012	Number of Days 2013	Change in Days 2012 to 2013
CenturyLink	8.3	14.8	6.5
Frontier Commonwealth	7.3	9.5	2.2
Verizon North	11.5	8.1	-3.4
Verizon PA	7.5	2.6	-4.9
Windstream	21.2	23.0	1.8
Average	11.1	11.6	0.5

- The average response time to PARs for the five major telephone companies increased slightly from 11.1 days in 2012 to 11.6 days in 2013.
- Of the five major telephone companies, only Verizon North and Verizon PA reduced their response time to PARs from 2012 to 2013.

Termination of Service

Chapter 64 defines suspension as a temporary cessation of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent end of service after a suspension without the consent of the customer. Most PARs are cases relating to the termination of telephone service and are registered during the suspension phase. Many customers who have their basic service suspended are able to make payment agreements and avoid termination. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. Shifts in terminations can signal potential problems with customers maintaining basic telephone service and reflect the impact of universal service programs.

Residential Service Terminations/Termination Rates Major Local Telephone Companies

Company	Residential Service Terminations				Termination Rates		
	2011	2012	2013	% Change 2012-13	2011	2012	2013
CenturyLink	5,136	8,412	9,840	17%	30.13	52.86	65.58
Frontier Commonwealth	552	2,472*	3,048	23%	4.08	20.00*	26.14
Verizon North	7,056	7,140	6,972	-2%	27.14	30.66	33.22
Verizon PA	136,572	57,432	55,956	-3%	80.82	40.49	47.10
Windstream	3,648	3,516	4,140	18%	30.88	31.25	38.78
Major Telephone	152,964	78,972	79,956	1%			
Average of Rates					34.61	35.05	42.16

* BCS revised the 2012 number of residential service terminations and termination rate for Frontier Commonwealth. It was discovered Frontier Commonwealth submitted incorrect information when filing their 2012 reporting requirements.

- The termination rate equals the number of basic service terminations for each 1,000 residential customers.
- Overall, the average residential service termination rate for the major telephone companies increased from 35.05 in 2012 to 42.16 in 2013.
- From 2012 to 2013, the termination rate increased in each of the five major telephone companies. Frontier Commonwealth had the greatest increase, up 30 percent since 2012.

Compliance

The informal compliance notification process enables BCS to provide companies with written clarifications and explanations of Chapter 63 and Chapter 64 provisions and BCS policies. The informal compliance process is specifically designed to identify systemic errors. Companies can then investigate the scope of the problem and take corrective action. Appropriate corrective action usually involves modifying a computer program; revising the text of a notice, a billing or a letter; changing a company procedure; or providing additional staff training to ensure the proper implementation of a sound procedure.

Each year, BCS retrieves infraction data from the BCS Compliance Tracking System and produces tables that present Chapter 63 and Chapter 64 infraction statistics for the major telephone companies reviewed in this chapter. The infraction statistics are typically drawn from all cases that residential consumers filed with BCS in 2011, 2012 and 2013.

Appendix H, Tables 4 and 5, present detailed information about the infractions identified on 2013 cases to the BCS.

Commission Infraction Rates – Chapter 63 Major Local Telephone Companies

Company	2011	2012	2013
CenturyLink	0.22	0.13	0.05
Frontier Commonwealth	0.60	0.26	0.37
Verizon North	0.52	0.35	0.41
Verizon PA	1.87	1.18	0.57
Windstream	0.18	0.05	1.47

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates increased for three of the five major telephone companies in 2013. Windstream's infraction rate had the largest percentage increase since 2012.
- Appendix H, Table 4, presents the actual number of infractions of Chapter 63 found on 2013 informal complaints for the major local telephone companies by infraction category.

Commission Infraction Rates – Chapter 64 Major Local Telephone Companies

Company	2011	2012	2013
CenturyLink	0.56	0.14	0.26
Frontier Commonwealth	0.61	0.34	0.31
Verizon North	0.22	0.16	0.11
Verizon PA	0.70	0.40	0.20
Windstream	0.36	0.15	0.27

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates decreased for three of the five major telephone companies in 2013. In contrast, CenturyLink and Windstream had large increases, up 86 and 80 percent, respectively, since 2012.
- Appendix H, Table 5, presents the actual number of infractions of Chapter 64 found on 2013 informal complaints for the major local telephone companies by infraction category.

Universal Service Programs

As part of its ongoing responsibilities, BCS monitors the universal service programs of local telephone companies and wireless companies. For the telephone industry, universal service programs³ include Lifeline 135 Service (Lifeline 135), Lifeline Service (Lifeline) and the Universal Telephone Assistance Program (UTAP). These programs ensure that low-income consumers have access to telephone service by providing discounts or credits for telephone service. The Commission approved the implementation of Pennsylvania's first universal service program for local telephone companies in 1989.⁴ In December 1997, the Commission approved Lifeline service plans for 44 telephone companies which led to the statewide implementation of telephone companies' Lifeline programs in 1998.

Lifeline and Lifeline 135 Service

The Commission's 2005 Final Lifeline Order (Final Order), at Docket No. M-00051871 expanded the Lifeline program eligibility to be consistent with the Federal Communications Commission's (FCC) programs.⁵ It added the National School Free Lunch Program and an income-only based criterion (income at or below 135 percent of the federal poverty

³ With the exception of UTAP, these programs are supported fully or in part by federal universal service funds.

⁴ The Link-Up America Program was the first universal service program. The FCC eliminated this program in 2012.

⁵ FCC Report and Order and Further Notice of Proposed Rulemaking in the Matter of Lifeline and Link-Up, at CC Docket No. 04-87, WC Docket No. 03-109.

guidelines) as new criteria for Pennsylvania's Lifeline program eligibility. Second, the Final Order directed all jurisdictional ETCs⁶ to implement the Lifeline provisions contained in Chapter 30. Under these provisions⁷, ETCs are to inform new and existing customers about the availability of Lifeline services. They also must permit eligible Lifeline service customers to purchase any number of optional services (i.e. call waiting) at the tariffed rates for these services.

On Dec. 18, 2008, the Commission adopted the initial decision of a PUC administrative law judge ordering Verizon PA and Verizon North to revise their tariffs to permit their Lifeline 135 customers the opportunity to subscribe to three types of bundled service plans.⁸ Those customers may subscribe to a bundled service package plan that offers 1) local service with three optional services; 2) local service with three optional services plus regional toll service; or 3) local service with three optional services plus regional toll service and long-distance service at a single monthly rate.

In August 2010, the Commission adopted the final Policy Statement on the Commonwealth of Pennsylvania Guidelines for Designation and Annual Recertification as an Eligible Telecommunication Carrier (ETC) for purposes of Federal Universal Service Support (ETC Guidelines).⁹ Designation as an ETC for provision of Lifeline service would permit the wire-line and wireless providers to participate in the Universal Service Fund's (USF) Lifeline program in order to receive universal service support for these services. Currently, there are 14 wireless telephone companies providing Lifeline services in Pennsylvania. As of September 2014, there are 14 wireless telephone company ETC petitions pending.

On March 2, 2012, the FCC issued a Final Rule¹⁰ which reformed and begins to modernize the Universal Service Fund's Lifeline program. The reforms substantially strengthen protections against waste, fraud and abuse; improve program administration and accountability; improve enrollment and consumer disclosures; initiate modernization of the program for broadband; and constrain the growth of the program in order to reduce the burden of all who contribute to the Universal Service Fund. In addition, the FCC has identified numerous unserved census block groups in Pennsylvania where wireless eligible telecommunications carriers (ETCs) may bid to receive Mobility Fund Phase 1 support to build infrastructure over which to deliver 3G or better broadband and voice service.

The following table shows enrollment activity for the major telephone companies' Lifeline programs in 2012 and 2013.

⁶ To provide Lifeline services, telephone companies must be designated Eligible Telecommunications Carriers (ETC) by their state commission or the FCC. ETCs may receive universal service funding.

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

⁸ See Dockets C-20077916 and C-20077917.

⁹ Docket No. M-2010-2164741 which codifies the guidelines at 52 Pa. Code § 69.2501.

¹⁰ 47 CFR Part 54 – Universal Service

Lifeline Service Activity 2012-13

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2012	2013	2012	2013
CenturyLink	4,176	2,977	1,891	2,018
Frontier Commonwealth	5,441	4,908	4,618	2,086
Verizon North*	14,232	8,534	6,563	4,666
Verizon PA*	109,150	58,590	45,579	30,450
Windstream	5,783	4,905	3,718	3,385
Total	138,782	79,914	62,369	42,605

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

As of July 1, 2013, the monthly credit¹¹ is \$9.25 for the Lifeline 135 program, and \$11.75 for the Verizon companies' Lifeline program.

Universal Telephone Assistance Program

Verizon PA implemented a Universal Telephone Assistance Program (UTAP) along with its Lifeline service program as part of a settlement agreement that was approved by the Commission in 1995. Verizon PA is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a pre-existing basic service arrearage) to restore their basic telephone service. The Dollar Energy Fund manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2013 was \$76. Overall, UTAP distributed \$20,259 in financial assistance to 265 of Verizon PA's qualified customers in 2013.

Automatic Notification Program

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

¹¹ The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

continues to provide DPW with copies of informational brochures and a link to the Commission's website for information about companies that offer Lifeline programs.

Wireless ETC Designation

Virgin Mobile USA, LP is the first wireless carrier designated by the Commission to be an ETC. On Dec. 22, 2010, the Commission approved Virgin Mobile's petition (Docket No. P-2010-2155915) for limited designation as an ETC. In January 2011, Virgin Mobile filed a petition for reconsideration to lift the Public Safety Answering Point (PSAP) certification requirements since the FCC no longer required facilities-based carriers seeking ETC status to comply with the PSAP certification obligations. The Commission approved Virgin Mobile's petition for reconsideration on Feb. 10, 2011. Effective Feb. 14, 2011, Virgin Mobile could operate its Lifeline program, Assurance Wireless, in Pennsylvania.

On Oct. 14, 2011, the Commission approved YourTel America's petition to become an ETC in Pennsylvania. On May 24, 2012, the Commission approved the ETC petitions for Cricket Communications, Inc.; Keystone Wireless, LLC d/b/a Immix Wireless; T-Mobile Northeast, LLC; T-Mobile Central, LLC and Voicestream Pittsburgh, LP. Keystone and T-Mobile each petitioned for both low-income and high-cost support and are seeking Mobility Fund Phase 1 support. The Mobility Fund Phase 1 support will accelerate delivery of advanced mobile services to tens of thousands of road miles that currently lack 3G or 4G service. Winning bidders must deploy either 3G service within two years or 4G service within three years of the award. T-Mobile was approved for the Mobility Fund Phase 1 support in Pennsylvania. T-Mobile was awarded \$1,772,094, equaling 74.93 road miles.

The Commission approved the ETC petitions of Budget Prepay, Inc., Global Connections Inc. of America and TAG Mobile, LLC during the remainder of 2012 and the ETC petitions of Q Link Wireless, LLC; Blue Jay Wireless, LLC; Nexus Communications, Inc., Telrite Corporation and Stahlstown Telco, Inc. in 2013.

For more information about the telephone universal service programs, contact Sandra Johnson-Gumby in BCS at (717) 772-0806 or by email at sjohnson-g@pa.gov.

Glossary of Terms

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

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

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

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

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

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

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

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

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

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 PARs).

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

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

Justified Payment Agreement Request Rate - The number of justified PARs per 1,000 residential customers.

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

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

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

Payment Agreement Request Rate - The number of PARs per 1,000 residential customers.

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

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

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

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

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

Appendices

Appendix A

Consumer Ratings of BCS Service

How quickly did the PUC handle your request?		
	2012	2013
Very quickly	57%	51%
Fairly quickly	26%	32%
Not very quickly	6%	8%
Not at all quickly	4%	5%
Don't recall	2%	2%
Have not heard from PUC	4%	3%
How easy to understand was the information the PUC gave you about the outcome of the problem?		
	2012	2013
Very easy	51%	51%
Fairly easy	19%	23%
Not very easy	4%	4%
Not at all easy	1%	2%
Don't recall	2%	3%
Did not receive any information	22%	18%
How polite was the first person you talked with at the PUC?		
	2012	2013
Very polite	79%	71%
Fairly polite	15%	19%
Not very polite	2%	4%
Not at all polite	<1%	1%
Don't recall	2%	1%
Did not speak to anyone	2%	3%
How interested in helping you was the first person you talked with at the PUC?		
	2012	2013
Very interested	70%	63%
Fairly interested	23%	25%
Not very interested	4%	7%
Not at all interested	1%	2%
Don't recall	1%	1%
Did not speak to anyone	1%	2%
If you had another problem with a utility, would you contact the PUC again?		
	2012	2013
Yes	85%	83%
No	5%	7%
Not sure	10%	10%

Appendix B

Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2012 and 2013

Industry	Consumer Complaints						Payment Agreement Requests					
	Residential			Commercial			Residential			Commercial		
	2012	2013	Percent Change	2012	2013	Percent Change	2012	2013	Percent Change	2012	2013	Percent Change
Electric	7,742	6,563	-15%	778	646	-17%	36,158	39,929	10%	183	162	-11%
Gas	2,543	2,263	-11%	190	199	5%	11,585	13,717	18%	78	89	14%
Water	724	545	-25%	91	44	-52%	4,607	3,896	-15%	21	9	-57%
Telephone	2,443	1,684	-31%	314	259	-18%	394	313	-21%	10	2	-80%
Other	5	8	60%	0	0	0%	6	6	0%	0	0	0%
Total	13,457	11,063	-18%	1,373	1,148	-16%	52,750	57,861	10%	292	262	-10%

Appendix C

2013 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC		
Non-Major Electric Distribution Companies (EDCs)***	10	11
AEP Energy (EGS)	9	11
Ambit Energy (EGS)	10	12
AP Gas and Electric (EGS)	10	13
Blue Point Energy (EGS)	8	9
Bounce Energy (EGS)	9	13
Champion Energy Services (EGS)	14	15
Clearview Electric (EGS)	21	22
Commerce Energy (EGS)	10	10
Con Edison Solutions (EGS)	10	13
Constellation Energy Power Choice (EGS)	11	14
Direct Energy (EGS)	187	212
Discount Energy (EGS)	15	16
Dominion Energy Solutions (EGS)	26	39
Energetix (EGS)	10	11
Energy Plus Holdings (EGS)	41	46
Ethical Electric (EGS)	32	33

* Only those non-major companies having five or more residential consumer complaints in 2013 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2013 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2013 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC (continued)		
First Energy Solutions (EGS)	311	358
Gateway Energy (EGS)	33	38
Great American Power (EGS)	6	7
Green Mountain Energy (EGS)	12	13
Hiko Energy (EGS)	11	11
Hop Energy (EGS)	13	13
IDT Energy (EGS)	103	119
Interstate Gas Supply (EGS)	13	16
Liberty Power (EGS)	30	31
New Energy Ventured - Mid Atlantic (EGS)	10	12
Nextera Energy (EGS)	8	11
North American Power (EGS)	62	74
NRG Solutions (EGS)	7	8
Oasis Energy (EGS)	27	28
Palmco Power PA (EGS)	36	44
Pennsylvania Gas and Electric (EGS)	85	97
PPL Energy Plus (EGS)	19	26

* Only those non-major companies having five or more residential consumer complaints in 2013 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2013 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2013 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC (continued)		
Public Power (EGS)	24	26
Rescom Energy (EGS)	45	50
Respond Power (EGS)	57	62
Spark Energy (EGS)	10	12
Sperian Energy (EGS)	18	19
Starion Energy of PA (EGS)	92	98
Stream Energy (EGS)	8	12
Superior Plus Energy Services (EGS)	3	5
TriEagle Energy (EGS)	4	6
Verde Energy USA (EGS)	47	54
Viridian Energy (EGS)	6	7
Washington Gas Energy Services (EGS)	40	48
Xoom Energy (EGS)	12	12
Other Electric Generation Suppliers (EGSs)***	32	38
Total Non-Major Electric	1,617	1,855

* Only those non-major companies having five or more residential consumer complaints in 2013 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2013 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2013 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
GAS		
Herman Riemer Gas (NGDC)	8	8
Mountain Energy (NGDC)	16	16
Peoples TWP (f.k.a TW Phillips) (NGDC)	20	20
UGI Central Penn Gas (NGDC)	27	27
Other Non-Major Natural Gas Distribution Companies (NGDCs)***	7	8
Agway Energy Services (NGS)	4	5
Ambit Northeast (NGS)	5	5
Direct Energy (NGS)	8	9
Dominion Energy Solutions (NGS)	13	16
Major Energy (NGS)	16	17
Palmco Energy (NGS)	6	6
Pennsylvania Gas and Electric (NGS)	11	11
Washington Gas Energy (NGS)	5	5
Other Natural Gas Suppliers (NGSs)***	30	32
Total Non-Major Gas	176	185

* Only those non-major companies having five or more residential consumer complaints in 2013 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2013 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2013 Residential Consumer Complaints for Companies Not Included in Industry Chapters

Company*	Number of Complaints
WATER	
Penn Estate Utilities (Private)	5
Other Private Water***	21
Municipal Water***	4
Total Non-Major Water	30
TELEPHONE	
Other Non-Major Incumbent Local Exchange Carriers (ILECs)***	13
AT&T Local (CLEC)	9
Cavalier Telephone Mid-Atlantic (CLEC)	8
Comcast Digital Phone (CLEC)	8
Full Service Network (CLEC)	21
RCN (CLEC)	6
Other Competitive Local Exchange Carriers (CLECs)***	17
Other Providers of Telecommunications Services***	18
Total Non-Major Telephone	100

* Only those non-major companies having five or more residential consumer complaints in 2013 are listed individually. Non-major companies having fewer than five residential consumer complaints in 2013 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix D-1

Classification of Consumer Complaints

Electric, Gas & Water

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

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

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

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

Discontinuance/Transfer - Complaints related to the responsibility for or the amount of bills after discontinuance or transfer of service: The customer requested discontinuance of service, and the company failed to finalize the account as requested or 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 or misreading).

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

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

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 or pressure); the company's equipment is unsatisfactory or unsafe; the company fails to act on a complaint about safety; the company plans to abandon service; the company does not offer needed service; the company wants to change location of equipment; or the company providing service is not certified by the Commission (defactos).

All Other Problems - All other complaints that do not fit into the above categories, including, but not limited to, complaints about termination procedures when there is a need for payment agreements.

Appendix D-2

Classification of Consumer Complaints Telephone

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

Audiotex - Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services. In 2013, BCS evaluated no residential consumer complaints about audiotex.

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

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

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

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

Extended Area of Service (EAS) - Complaints about a limited local calling area. In 2013, BCS evaluated no residential consumer complaints about EAS.

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

Rates - General or specific complaints about a utility's rates: general or specific rates are too high or the customer is being billed on the incorrect rate. In 2013, BCS evaluated one residential consumer complaint about rates.

Sales Nonbasic Services - Complaints related to the sale of nonbasic services, including the availability of certain services. In 2013, BCS evaluated one residential consumer complaint about sales of nonbasic services.

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

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

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

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

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

Appendix E - Table 1

Consumer Complaint Categories: 2013*

Major Electric Distribution Companies

Categories**	Duquesne	Met-Ed	PECO***+	Penelec	Penn Power	PPL***	UGI-Electric	West Penn	Electric Majors
Billing Disputes	63	100	134	77	22	140	6	76	618
Metering	7	142	25	93	13	45	2	129	456
Personnel Problems	74	87	55	58	10	41	4	65	394
Discontinuance/ Transfer	31	57	51	35	10	56	3	33	276
Credit and Deposits	30	44	57	34	11	27	18	23	244
Service Interruptions	27	30	7	19	2	9	1	73	168
Damages	8	22	16	19	6	8	1	65	145
Service Extensions	6	17	6	8	1	3	2	64	107
Service Quality	10	18	17	12	2	13	0	33	105
Other Payment Issues	23	9	19	11	2	11	2	19	96
Scheduling Delays	3	13	5	13	1	12	1	25	73
Rates	1	5	0	2	0	4	0	3	15
All Other Problems	112	62	91	76	17	78	16	53	505
Total*	395	606	483	457	97	447	56	661	3,202

* Categories are for residential complaints evaluated by BCS as of Aug. 1, 2014, whether the case outcome was found to be "justified."

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

*** Statistics are based on a probability sample of cases.

+ PECO statistics include electric and gas.

Appendix E - Table 2

Consumer Complaint Categories: 2013* Major Natural Gas Distribution Companies

Categories**	Columbia	Equitable	NFG	Peoples	PGW	UGI-Gas	UGI Penn Natural	Gas Majors
Billing Disputes	16	19	13	48	74	29	15	214
Personnel Problems	45	34	15	29	46	22	6	197
Discontinuance/ Transfer	5	13	13	13	102	11	10	167
Metering	7	1	10	26	70	0	1	115
Damages	19	5	2	25	8	13	1	73
Other Payment Issues	2	1	3	8	54	1	2	71
Scheduling Delays	13	3	5	8	24	6	3	62
Credit and Deposits	2	4	0	7	7	19	18	57
Service Quality	12	4	5	13	6	6	4	50
Service Extensions	9	1	6	8	6	11	7	48
Service Interruptions	1	1	1	3	3	0	0	9
Rates	3	1	0	2	0	0	0	6
All Other Problems	20	24	18	12	86	11	16	187
Total*	154	111	91	202	486	129	83	1,256

* Categories are for residential complaints evaluated by BCS as of Aug. 1, 2014, whether the case outcome was found to be "justified."

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

Appendix E - Table 3

Consumer Complaint Categories: 2013*

Major Water Companies

Categories**	Aqua	PAWC	"Other Class A" Water	All "Class A" Water
Billing Disputes	78	140	10	228
Service Quality	11	30	7	48
Personnel Problems	15	22	1	38
Damages	5	16	3	24
Scheduling Delays	5	13	1	19
Metering	7	8	3	18
Service Extensions	4	9	1	14
Discontinuance/Transfer	3	8	0	11
Other Payment Issues	4	3	1	8
Service Interruptions	3	4	0	7
Credit and Deposits	3	1	0	4
Rates	1	0	0	1
All Other Problems	31	48	3	82
Total*	170	302	30	502

* Categories are for residential complaints evaluated by BCS as of Aug. 1, 2014, whether the case outcome was found to be "justified."

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

Appendix E - Table 4

Consumer Complaint Categories: 2013*

Major Local Telephone Companies

Categories**	CenturyLink	Frontier Common- wealth	Verizon North	Verizon PA	Windstream	Telephone Majors
Unsatisfactory Service	7	11	42	221	29	310
Billing Disputes	16	11	20	170	8	225
Service Delivery	5	14	20	135	25	199
Service Terminations	16	4	5	32	2	59
Competition	2	4	3	21	3	33
Non-Recurring Charges	0	2	2	4	0	8
Credit and Deposits	0	0	0	5	2	7
Discontinuance/ Transfer	0	0	2	1	0	3
Toll Services	0	0	0	2	0	2
Annoyance Calls	0	1	0	0	0	1
All Other Problems	4	4	8	81	5	102
Total*	50	51	102	672	74	949

* Categories are for residential complaints evaluated by BCS as of Aug. 1, 2014, whether the case outcome was found to be "justified."

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

Appendix F - Table 1

2012-13 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2013 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints		
		2012	2013	% Change in #	2012	2013	Numbers ² / Rates ³ 2012	Numbers ² / Rates ³ 2013	
Duquesne	526,814	815	505	-38%	1.55	0.96	82	0.16	52
Met-Ed	488,375	1,173	819	-30%	2.41	1.68	166	0.34	169
PECO ⁵	1,435,241	1,564	1,218	-22%	1.09	0.85	220*	0.15*	222*
Penelec	504,543	702	589	-16%	1.39	1.17	62	0.12	103
Penn Power	141,147	153	101	-34%	1.09	0.72	20	0.14	16
PPL	1,218,734	936	706	-25%	0.77	0.58	126*	0.10*	74*
UGI-Electric	55,947	81	57	-30%	1.45	1.02	4	0.07	5
West Penn	619,531	894	951	6%	1.45	1.54	187	0.30	183
Major Electric	4,990,332	6,318	4,946	-22%			867		824
Average of Rates					1.39⁴	1.07⁴		0.19⁴	0.18⁴

- ¹ Consumer complaint rate = consumer complaints per 1,000 residential customers.
- ² Estimated based on the number of cases on CSIS as of Aug. 1, 2014.
- ³ Justified consumer complaint rate = justified consumer complaints per 1,000 residential customers.
- ⁴ Does not include UGI-Electric.
- ⁵ PECO statistics include electric and gas.
- * Based on a probability sample of cases.

Appendix F - Table 2

2012-13 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	2013 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints		
		2012	2013	% Change in #	2012	2013	Numbers ² / Rates ³ 2012	Numbers ² / Rates ³ 2013	
Columbia	384,213	220	180	-18%	0.57	0.47	18	0.05	12
Equitable	242,632	175	140	-20%	0.72	0.58	10	0.04	8
NFG	198,763	100	92	-8%	0.50	0.46	14	0.07	16
Peoples	330,123	304	245	-19%	0.92	0.74	62	0.19	49
PGW	468,943	1,307	1,178	-10%	2.72	2.51	328*	0.68*	334*
UGI-Gas	324,576	187	166	-11%	0.59	0.51	17	0.05	9
UGI Penn Natural	149,097	117	86	-26%	0.80	0.58	13	0.09	8
Major Gas	2,098,347	2,410	2,087	-13%			462		436
Average of Rates					0.98	0.84		0.17	0.16

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

² Estimated based on the number of cases on CSIS as of Aug. 1, 2014.

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

* Based on a probability sample of cases.

Appendix F - Table 3

2012-13 Residential Consumer Complaint Statistics Major Water Companies

Company Name	2013 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2012	2013	% Change in #	2012	2013	Numbers ² / Rates ³ 2012		Numbers ² / Rates ³ 2013	
Aqua	387,504	258	175	-32%	0.67	0.45	79	0.21	76	0.20
PAWC	591,405	403	309	-23%	0.68	0.52	85	0.14	108	0.18
"Other Class A" Water	136,223	34	31	-9%	0.25	0.23	2	0.01	5	0.04
Major Water	1,115,132	695	515	-26%			166		189	
Average of Rates					0.54	0.40		0.12		0.14

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

² Estimated based on the number of cases on CSIS as of Aug. 1, 2014.

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

Appendix F - Table 4

2012-13 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2013 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints		
		2012	2013	% Change in #	2012	2013	Numbers ² / Rates ³ 2012	Numbers ² / Rates ³ 2013	
CenturyLink	150,048	87	52	-40%	0.55	0.35	22	0.14	19
Frontier Commonwealth	116,588	86	51	-41%	0.73	0.44	32	0.27	28
Verizon North**	209,853	96	102	6%	0.41	0.49	42	0.18	47
Verizon PA**	1,188,096	1,906	1,304	-32%	1.34	1.10	967*	0.68*	499*
Windstream	106,769	62	75	21%	0.55	0.70	11	0.10	46
Major Telephone	1,771,354	2,237	1,584	-29%			1,074		639
Average of Rates					0.72	0.61		0.27	0.29

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

² Estimated based on the number of cases on CSIS as of Aug. 1, 2014.

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

* Based on a probability sample of cases.

** BCS is currently offering all Verizon customers who call with a service issue the voluntary option of being transferred to a special Verizon team that immediately begins working to resolve the customer's complaint. Prior to 2013, if a customer chose the voluntary transfer, BCS categorized the contact as an "inquiry" rather than as a "consumer complaint". Beginning Jan. 1, 2013, if a customer chooses the voluntary transfer, the contact is now classified as a "consumer complaint".

Appendix G - Table 1

2012-13 Residential Payment Agreement Request (PAR) Statistics Major Electric Distribution Companies

Company Name	2013 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs		
		2012	2013	% Change In #	2012	2013	Numbers ² / Rates ³ 2012	Numbers ² / Rates ³ 2013	
Duquesne	526,814	6,025	4,998	-17%	11.46	9.49	67	0.13	162
Met-Ed	488,375	2,380	2,610	10%	4.88	5.34	53	0.11	183
PECO ⁵	1,435,241	7,911	7,419	-6%	5.52	5.17	66	0.05	139
Penelec	504,543	2,110	2,457	16%	4.18	4.87	41	0.08	129
Penn Power	141,147	607	661	9%	4.32	4.68	12	0.09	19
PPL	1,218,734	14,897	19,307	30%	12.25	15.84	542	0.45	816
UGI-Electric	55,947	698	673	-4%	12.47	12.03	9	0.16	23
West Penn	619,531	1,437	1,712	19%	2.33	2.76	48	0.08	93
Major Electric	4,990,332	36,065	39,837	10%			838		1,564
Average of Rates					6.42⁴	6.88⁴		0.14⁴	0.28⁴

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

² With the exception of Penn Power and UGI-Electric, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for all EDCs is based on the number of cases on CSIS as of Aug. 1, 2014.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

Appendix G - Table 2

2012-13 Residential Payment Agreement Request (PAR) Statistics Major Natural Gas Distribution Companies

Company Name	2013 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs		
		2012	2013	% Change in #	2012	2013	Numbers ² / Rates ³ 2012	Numbers ² / Rates ³ 2013	
Columbia	384,213	849	1,029	21%	2.22	2.68	12	0.03	8
Equitable	242,632	1,062	1,449	36%	4.39	5.97	15	0.06	25
NFG	198,763	676	806	19%	3.40	4.06	4	0.02	26
Peoples	330,123	520	610	17%	1.58	1.85	35	0.11	27
PGW	468,943	4,038	5,240	30%	8.41	11.17	73	0.15	173
UGI-Gas	324,576	2,366	2,553	8%	7.46	7.87	139	0.44	157
UGI Penn Natural	149,097	1,528	1,594	4%	10.39	10.69	95	0.65	111
Major Gas	2,098,347	11,039	13,281	20%			373		527
Average of Rates					5.41	6.33		0.21	0.28

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

² With the exception of Columbia and Peoples, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for all NGDCs is based on the number of cases on CSIS as of Aug. 1, 2014.

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

Appendix G - Table 3

2012-13 Residential Payment Agreement Request (PAR) Statistics Major Water Companies

Company Name	2013 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs		
		2012	2013	% Change in #	2012	2013	Numbers ² / Rates ³ 2012	Numbers ² / Rates ³ 2013	
Aqua	387,504	1,627	1,239	-24%	4.23	3.20	73*	0.19*	48*
PAWC	591,405	2,690	2,387	-11%	4.56	4.04	138*	0.23*	304*
"Other Class A" Water	136,223	229	230	<1%	1.70	1.69	0	0.00	5
Major Water	1,115,132	4,546	3,856	-15%			211		357
Average of Rates					3.50	2.97		0.14	0.22

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

² Estimated based on a probability sample of cases and the number of cases on CSIS as of Aug. 1, 2014.

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

* Based on a probability sample of cases.

Appendix G - Table 4

2012-13 Residential Payment Agreement Request (PAR) Statistics Major Local Telephone Companies

Company Name	2013 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs		
		2012	2013	% Change in #	2012	2013	Numbers ² / Rates ³ 2012	Numbers ² / Rates ³ 2013	
CenturyLink	150,048	30	31	3%	0.19	0.21	8	0.05	14
Frontier Commonwealth	116,588	11	9	-18%	0.09	0.08	3	0.03	2
Verizon North	209,853	8	9	13%	0.03	0.04	0	0.00	2
Verizon PA	1,188,096	303	238	-21%	0.21	0.20	9*	0.01*	8*
Windstream	106,769	6	6	0%	0.05	0.06	0	0.00	6
Major Telephone	1,771,354	358	293	-18%			20		32
Average of Rates					0.12	0.12		0.02	0.04

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

² Estimated based on the number of cases on CSIS as of Aug. 1, 2014.

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

* Based on a probability sample of cases.

Appendix H – Table 1

Chapter 56, Chapter 14 and Other Infraction Categories: 2013*

Major Electric Distribution Companies

Description	Duquesne		Met-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric		West Penn	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22, 56.24 and 56.25)	1	5%	10	8%	1	1%	3	5%	2	22%	5	15%	0	0%	7	5%
Meter Reading (56.12)	0	0%	44	33%	3	4%	23	38%	1	11%	0	0%	0	0%	85	63%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	0	0%	10	8%	1	1%	5	8%	0	0%	4	12%	1	33%	3	2%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	0	0%	9	7%	2	3%	7	11%	0	0%	0	0%	0	0%	5	4%
Credit Standards and Deposits (56.31-37, 56.41, 56.42, 56.51 and 56.53)	4	20%	9	7%	4	5%	2	3%	1	11%	2	6%	1	33%	2	1%
Termination Grounds (56.2-Def. of Delinquent Acct., 56.81-83 and 56.100)	2	10%	3	2%	2	3%	2	3%	1	11%	0	0%	0	0%	2	1%
Termination Procedures (56.91-97 and 56.114)	3	15%	3	2%	5	7%	1	2%	0	0%	2	6%	0	0%	1	1%
Reconnection of Service (56.115 and 56.191(a)-(c))	1	5%	1	1%	1	1%	0	0%	0	0%	1	3%	0	0%	1	1%
Liability - Responsibility for Bills (56.2-Def. of Applicant, 56.2-Def. of Customer and 56.191(d)-(e))	1	5%	1	1%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	1	1%	2	3%	1	2%	0	0%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 56.181)	6	30%	34	26%	48	64%	14	23%	4	44%	19	58%	1	33%	22	16%
Other (56.1, 56.71, 56.202, 57.20 and 1501)	2	10%	8	6%	6	8%	3	5%	0	0%	0	0%	0	0%	6	4%
Total	20		133		75		61		9		33		3		134	

* # equals the number of verified infractions identified by BCS as of Oct. 28, 2014.

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

+ PECO statistics include electric and gas.

Appendix H – Table 2

Chapter 56, Chapter 14 and Other Infraction Categories: 2013*

Major Natural Gas Distribution Companies

Description	Columbia		Equitable		NFG		Peoples		PGW		UGI – Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22, 56.24 and 56.25)	0	0%	3	50%	1	17%	7	14%	6	3%	0	0%	0	0%
Meter Reading (56.12)	0	0%	0	0%	1	17%	13	27%	15	7%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	0	0%	1	17%	0	0%	9	18%	16	8%	0	0%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	0	0%	0	0%	0	0%	2	4%	4	2%	0	0%	0	0%
Credit Standards and Deposits (56.31-37, 56.41, 56.42, 56.51 and 56.53)	1	25%	0	0%	1	17%	1	2%	10	5%	0	0%	1	20%
Termination Grounds (56.2-Def. of Delinquent Acct., 56.81-83 and 56.100)	0	0%	1	17%	0	0%	0	0%	19	9%	1	25%	0	0%
Termination Procedures (56.91-97 and 56.114)	0	0%	0	0%	0	0%	0	0%	3	1%	0	0%	0	0%
Reconnection of Service (56.115 and 56.191(a)-(c))	0	0%	0	0%	0	0%	0	0%	5	2%	1	25%	1	20%
Liability - Responsibility for Bills (56.2-Def. of Applicant, 56.2-Def. of Customer and 56.191(d)-(e))	0	0%	0	0%	0	0%	0	0%	2	1%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	1	20%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 56.181)	2	50%	1	17%	2	33%	14	29%	80	40%	1	25%	1	20%
Other (56.1, 56.202 and 1501)	1	25%	0	0%	1	17%	3	6%	41	20%	1	25%	1	20%
Total	4		6		6		49		201		4		5	

* # equals the number of verified infractions identified by BCS as of Oct. 28, 2014.

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

Appendix H - Table 3

Chapter 56, Chapter 14 and Other Infraction Categories: 2013*

Major Water Companies

Description	Aqua		PAWC		"Other Class A"	
	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22, 56.24 and 56.25)	19	15%	16	12%	0	0%
Meter Reading (56.12)	0	0%	0	0%	0	0%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	2	2%	2	1%	0	0%
Transfer of Accounts (56.16 and Secretarial Letter re: third-party request for service)	0	0%	4	3%	0	0%
Credit Standards and Deposits (56.31-37, 56.41, 56.42, 56.51 and 56.53)	3	2%	1	1%	0	0%
Termination Grounds (56.2-Def. of Delinquent Acct., 56.81-83 and 56.100)	2	2%	7	5%	0	0%
Termination Procedures (56.91-97 and 56.114)	9	7%	13	10%	1	100%
Reconnection of Service (56.115 and 56.191(a)-(c))	0	0%	5	4%	0	0%
Liability - Responsibility for Bills (56.2-Def. of Applicant, 56.2-Def. of Customer and 56.191(d)-(e))	0	0%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	2	2%	1	1%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 56.181)	81	65%	83	61%	0	0%
Other (56.1, 56.71, 56.202 and Tariff)	6	5%	4	3%	0	0%
Total	124		136		1	

* # equals the number of verified infractions identified by BCS as of Oct. 28, 2014.

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

Appendix H – Table 4

Chapter 63 Infraction Categories: 2013*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common-wealth		Verizon North		Verizon PA		Wind-stream	
	#	%	#	%	#	%	#	%	#	%
Complaint Procedures (63.15)	2	29%	5	12%	10	12%	70	10%	12	8%
Service Records (63.22)	0	0%	11	26%	1	1%	24	4%	82	52%
Customer Trouble Reports (63.57)	5	71%	26	60%	69	80%	539	80%	57	36%
Installation of Service (63.58)	0	0%	0	0%	0	0%	0	0%	0	0%
Migration (63.201-221)	0	0%	0	0%	1	1%	20	3%	1	1%
Other (63.21, 63.53 and 63.63)	0	0%	1	2%	5	6%	19	3%	5	3%
Total	7		43		86		672		157	

* # equals the number of verified infractions identified by BCS as of Sept. 30, 2014.

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

Appendix H – Table 5

Chapter 64 Infraction Categories: 2013*

Major Local Telephone Companies

Description	CenturyLink		Frontier Common-wealth		Verizon North		Verizon PA		Wind-stream	
	#	%	#	%	#	%	#	%	#	%
Billing and Payment (64.1, 64.12-14, 64.16 and 64.18-19)	11	28%	7	19%	8	35%	68	28%	2	7%
Slamming and Cramming (64.23)	0	0%	5	14%	0	0%	16	7%	0	0%
Credit and Deposits (64.32-34 and 64.36)	0	0%	0	0%	0	0%	5	2%	1	3%
Suspension and Termination (64.63, 64.71-74, 64.81, 64.121, 64.123, 64.133 and 64.181)	15	38%	7	19%	0	0%	9	4%	10	34%
Dispute Procedures (64.141 and 64.153)	12	31%	16	44%	13	57%	129	54%	12	41%
Other (64.2, 64.52-53 and 64.192)	1	3%	1	3%	2	9%	14	6%	4	14%
Total	39		36		23		241		29	

* # equals the number of verified infractions identified by BCS as of Sept. 30, 2014.
 % equals the percent of the total number of infractions for a particular company.

Consumer Access to the Public Utility Commission

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

PUC Hotline: 1-800-692-7380 (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 PUC is available on the Internet:

www.puc.pa.gov



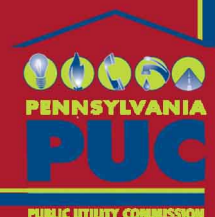
Pennsylvania Public Utility Commission



Utility Consumer Activities Report and Evaluation



Pennsylvania Public Utility Commission





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**Bureau of Consumer Services
Alexis Bechtel, Director**

Table of Contents

1. Consumer Contacts to the Bureau of Consumer Services (BCS)

Consumer Rating of BCS Service	2
Total Volume of Consumer Complaints and Payment Agreement Requests to BCS in 2014.....	3
Consumer Complaints by Industry 2013-14	4
Payment Agreement Requests by Industry 2013-14	7
Categories of 2014 Inquiries	8

2. Performance Measures

Consumer Complaint Rate	12
Justified Consumer Complaint Rate	12
Response Time to Consumer Complaints	13
Payment Agreement Request Rate	13
Justified Payment Agreement Request Rate	13
Response Time to Payment Agreement Requests	14
Infraction Rate	14
Termination Rate.....	15
BCS Performance Measures and Industry Chapters.....	15
Universal Service and Energy Conservation Programs.....	16

3. Electric Industry

Consumer Complaints	17
Payment Agreement Requests	21
Termination and Reconnection of Service.....	24
Compliance	26

4. Natural Gas Industry

Consumer Complaints	28
Payment Agreement Requests	32
Termination and Reconnection of Service.....	35
Compliance	37

5. Water Industry

Consumer Complaints	39
Payment Agreement Requests	43
Termination and Reconnection of Service	46
Compliance	48
Programs That Assist Low-Income Customers	48

6. Telephone Industry

Consumer Complaints	51
Payment Agreement Requests	55
Termination of Service	58
Compliance	59
Universal Service Programs	61
Lifeline and Lifeline 135 Service	61
Universal Telephone Assistance Program	63
Automatic Notification Program.....	63
Wireless ETC Designation	64

Glossary of Terms.....	65

Appendices

A. Consumer Ratings of BCS Service	68
B. 2013-14 Total Volume of Consumer Complaints and Payment Agreement Requests to BCS	69
C. 2014 Residential Informal Complaints (Consumer Complaints and Payment Agreement Requests) for Companies Not Included in Industry Chapters	70
D. Classification of Consumer Complaints	
1. Electric, Gas & Water	76
2. Telephone	78
E. Consumer Complaint Categories: 2014	
Table 1 - Major Electric	80
Table 2 - Major Gas	81
Table 3 - Major Water	82
Table 4 - Major Telephone	83
F. 2013-14 Residential Consumer Complaint Statistics	
Table 1 - Major Electric	84
Table 2 - Major Gas	85
Table 3 - Major Water	86
Table 4 - Major Telephone	87
G. 2013-14 Residential Payment Agreement Request Statistics	
Table 1 - Major Electric	88
Table 2 - Major Gas	89
Table 3 - Major Water	90
Table 4 - Major Telephone	91
H. Infraction Categories: 2014	
Table 1 - Major Electric	92
Table 2 - Major Gas	93
Table 3 - Major Water	94
Table 4 - Major Telephone (Chapter 63)	95
Table 5 - Major Telephone (Chapter 64)	96
Consumer Access to the PUC	Inside Back Cover

1. Consumer Contacts to the Bureau of Consumer Services

The Pennsylvania Public Utility Commission's Bureau of Consumer Services (BCS) began investigating and writing decisions on utility consumer complaints and service termination cases in April 1977. Since then, BCS has investigated 1,929,627 cases, which include consumer complaints and payment agreement requests (PARs), and has received 1,592,038 opinions and requests for information (inquiries). In 2014, BCS received 235,692 contacts by consumers including 81,814 utility customer contacts that required investigation. It is important to note that BCS determined 88 percent of the 2014 customer complaints investigated and reviewed had been appropriately handled by the subject utilities before the customers brought them to the PUC.

Case Handling

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

Once a customer contacts the PUC with an informal complaint or PAR, BCS notifies the utility that a complaint or PAR has been filed. The utility sends BCS all records concerning the complaint, including records of its contacts with the customer regarding the complaint. A BCS investigator reviews the records, interacts with both the complainant and utility, as necessary, renders a decision and closes the case.

Consumer Feedback Survey

In order to monitor its own service to consumers, BCS uses a third party to survey a sampling of customers who have contacted BCS with a utility-related problem or PAR. The purpose of the survey is to collect information from the consumer's perspective about the quality of the BCS complaint-handling service. The table on the next page shows how consumers rate the service they received from BCS.

Consumer Rating of BCS Service

How would you rate the service you received from the PUC (BCS)?	2013	2014
Excellent	56%	57%
Good	25%	23%
Fair	10%	11%
Poor	9%	9%

According to the survey results, 80 percent of consumers who contacted BCS in 2014 rated the BCS's service as "excellent" or "good." Appendix A presents more information about how consumers rated the service they received from BCS in 2013 and 2014. BCS management frequently reviews the findings of the consumer feedback survey and promptly investigates any negative trends to improve staff performance.

Databases

To manage and use its complaint data effectively, BCS maintains a computer-based Consumer Services Information System (CSIS) through a contract with the Pennsylvania State University. This system enables BCS to aggregate and analyze the thousands of informal complaints that are reported to the Commission each year. In this way, BCS can address generic, as well as individual, problems. BCS policy analysts categorize complaints into one of seven major problem areas, as well as one of 36 specific problem categories. This case information is entered into the CSIS database. The analysis from case information is used by BCS to generate reports to the Commission, utilities, legislators and the public. The reports present information regarding utility performance, industry trends, investigations, new policy issues and the impact of utility or Commission policy.

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

Distinctions Among Cases

A number of cases were segregated from the analyses that appear later in this report because the cases 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 contacting the Commission.

Commercial customer contacts also were excluded from the data used in the analysis. Although BCS's regulatory authority has largely been confined to residential accounts, the Bureau handled 1,927 cases from commercial customers in 2014. Of these cases, 570 were related to loss of utility service, while the remaining 1,357 were consumer complaints.

With respect to the 570 commercial cases, BCS cannot make payment agreements for those accounts. Due to its limited jurisdiction, BCS does not issue decisions regarding commercial disputes. Instead, Bureau investigators give commercial customers information regarding the company position or attempt to mediate a mutually acceptable agreement regarding the disputed matter. Many such cases are referred to the Office of Administrative Law Judge's Mediation Unit for Alternative Dispute Resolution where an attempt is made to mediate a resolution between the utility and its customer.

The table below shows that the vast majority of cases handled by BCS in 2014 involved residential utility service. Appendix B presents a comparison of the number of residential and commercial consumer complaints and PARs for 2013 and 2014.

Total Volume of Consumer Complaints and Payment Agreement Requests (PARs) to BCS in 2014

Industry	Consumer Complaints		Payment Agreement Requests	
	Residential	Commercial*	Residential	Commercial*
Electric	13,971	1,024	41,665	408
Gas	2,783	180	15,480	140
Water	627	39	4,236	19
Telephone	992	112	120	2
Other**	5	2	8	1
Total	18,378	1,357	61,509	570

* All cases in 2014 that involved commercial accounts were deleted from the analyses in subsequent chapters of this report.

** Sewer and steam heat complaints are designated as "other" in this table and the tables that follow.

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

Consumer Complaints

Most consumer complaints regarding the electric, gas, water, sewer and steam heat industries deal with matters covered under 52 Pa. Code, Chapter 56, Standards and Billing Practices for Residential Utility Service and/or Chapter 14 of the Public Utility Code, the Responsible Utility Customer Protection Act. For the telephone industry, most of the cases found in the consumer complaint category deal with matters covered by 52 Pa. Code, Chapter 64 Standards and Billing Practices for Residential Telephone Service and Chapter 63 regulations for telephone service. For the most part, consumer complaints represent those customers who contacted the Commission due to the inability of the utility and the customer to reach a mutually satisfactory resolution to a dispute.

Consumer Complaints by Industry* 2013-14

Industry	2013	2014	% Change
Electric	7,209	14,995	108%
Gas	2,462	2,963	20%
Water	589	666	13%
Telephone	1,943	1,104	-43%
Other	8	7	-13%
Total	12,211	19,735	62%

* Table includes both residential and commercial consumer complaints.

Electric and gas utilities accounted for 76 percent and 15 percent, respectively, of all consumer complaints investigated by BCS in 2014. Water utilities accounted for 3 percent, while telephone utilities were the subject of 6 percent. During the winter of 2014, Pennsylvania experienced unusually bitter cold weather in what became known as the Polar Vortex, resulting in a significant increase in the number of electric-related consumer complaints.

Justified Consumer Complaints

BCS investigators issue decisions regarding consumer complaint cases. BCS policy analysts review a sampling of the cases and utility records to determine if the utility took appropriate action when handling its customer contacts. This approach focuses strictly on the regulatory aspect of the complaint and evaluates utilities negatively only where, in the judgment of BCS, the utility did not follow appropriate complaint-handling procedures or properly apply regulations. Specifically, a case is considered “justified” in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with Commission Orders, regulations, reports, Secretarial Letters, tariffs, etc.

Classification of Consumer Complaints

BCS has categorized the 2014 residential complaints into 14 categories for each of the electric, gas and water utilities and into 11 categories for each of the telephone utilities. The tables that show the percent of complaints in each category in 2014 appear in each industry chapter. The percentages shown in the tables are for all of the cases that residential consumers filed with BCS that were evaluated, not just the cases that are determined to be justified in coming to BCS. BCS analyzes the categories that generate complaints or problems for customers, even if the utility records indicate that the utility followed Commission procedures and guidelines in handling the complaint. BCS often discusses its findings with individual utilities so they can use the information to review their complaint-handling procedures in categories that seem to produce large numbers of consumer complaints to the Commission. The four tables in Appendix E show the actual number of cases in each category in 2014.

Payment Agreement Requests

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

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

All of the measures pertaining to PARs are based on assessments of contacts to BCS from individual customers. As with consumer complaints, almost all customers had already contacted the utility prior to contacting BCS. During 2014, BCS handled 62,079 PARs from customers of the utilities under the Commission's jurisdiction.

Act 201 of 2004 amended Title 66 of the Public Utility Code by adding Chapter 14, the Responsible Utility Customer Protection Act, which changed the rules for terminations, reconnections and PARs. On June 9, 2011, the Commission adopted a final rulemaking order incorporating Chapter 14 into Chapter 56 of its regulations. The Independent Regulatory Review Commission (IRRC) approved these regulations on July 21, 2011. The revised Chapter 56 regulations have been in effect since Oct. 8, 2011. The law sets forth limits within which the Commission can establish payment agreements between a public utility, customers and applicants. In addition to establishing the length of payment agreements, Chapter 14 prohibits the Commission from establishing a second or subsequent payment agreement, absent a decrease in income, if a customer has defaulted on a previous payment agreement. Chapter 14 also prohibits the Commission from issuing payment agreements involving customer assistance program arrearages.

On Oct. 22, 2014, Governor Corbett signed House Bill 939, also known as Act 155 of 2014, which among other things, reauthorized Chapter 14 for another ten years. In addition

to reauthorizing Chapter 14, the General Assembly revised the law in a number of areas, including:

- Expanding the scope of the law to cover small gas companies, steam heating and wastewater utilities.
- Prohibiting termination of utility service on Fridays.
- Allowing physician assistants, along with physicians and nurse practitioners, to file medical certificates.
- Allowing all customers and applicants to pay security deposits in installments over 90 days. CAP-eligible customers are exempt from security deposit requirements.
- New utility reporting requirements concerning the use of medical certificates and high-arrearage accounts.
- A five-year PUC reporting requirement (due in years 2019 and 2024) on the implementation and impact of Chapter 14.

The newly re-authorized law went into effect in December 2014. The Commission will strive to balance the needs of both consumers and utilities when implementing the new law and will provide all interested parties with opportunities to participate in the process. These efforts will likely include a future rulemaking to revise the sections of 52 Pa. Code Chapter 56 that have been superseded by the reauthorized Chapter 14. The Commission appreciates the opportunity to continually evaluate its regulations regarding Chapter 14 so that the goals of increasing utility account collections and eliminating the subsidization of bad debt costs by paying customers do not erode consumer protections.

In 2014, the overall volume of PARs handled by the Commission increased by seven percent from the previous year. PARs from electric and gas customers increased five and 13 percent, respectively, while PARs from water customers increased nine percent since 2013. PARs from telephone customers declined 61 percent from 2013 to 2014.

Payment Agreement Requests (PARs) by Industry*

2013-14

Industry	2013	2014	% Change
Electric	40,091	42,073	5%
Gas	13,806	15,620	13%
Water	3,905	4,255	9%
Telephone	315	122	-61%
Other	6	9	50%
Total	58,123	62,079	7%

* Table includes both residential and commercial PARs. Please note: All consumer contacts requesting a payment agreement are taken in and classified as a PAR. However, not all customers are eligible to receive a PAR.

As in past years, the majority of requests for payment agreements in 2014 involved electric or gas companies. Sixty-eight percent of the PARs (42,073 cases) were from electric customers, and 25 percent (15,620 cases) were from gas customers. Also, 7 percent of PARs (4,255 cases) came from customers of various water utilities. Less than one percent of PARs (122) came from telephone customers.

Inquiries and Opinions

During 2014, BCS received 51,146 customer contacts that, for the most part, required no follow-up investigation beyond the initial contact. BCS classifies these contacts as “inquiries.” The inquiries for 2014 include contacts to the BCS Utility Customer Hotline, as well as contacts to BCS using mail service and email communication.

In large part, the inquiries in 2014 involved energy competition issues and requests for information about competition. BCS also classifies certain PARs as inquiries. For example, BCS does not issue payment decisions on requests to restore or avoid suspension/termination of toll or non-basic telephone service. When consumers call with these problems, BCS classifies these requests as inquiries. Similarly, if a customer has recently been through the BCS payment agreement process and calls again with a new request regarding the same account, BCS does not open a new PAR case. In these instances, BCS classifies the customer's contact as an inquiry.

As in past years, BCS also has shifted some contacts that originated as consumer complaints and PARs into the inquiry category because it was not appropriate to count these contacts as informal complaints. Examples include complaints that were found to be duplicates, informal complaints filed against the wrong company, informal complaints that BCS handled in spite of the fact that customers had not previously contacted their companies about their problems and cases that the investigators verbally dismissed. These 1,567 cases accounted for less than three percent of inquiries in 2014.

BCS is able to expand its list of 80 reasons for contact as consumer reasons grow and change. Possible actions by BCS intake staff include: recording the consumer's opinion; giving information to the consumer; referring the consumer to a utility company; and referring the consumer to an agency or organization outside of the Commission. If the contact requires further action, the intake staff refers the contact to a BCS investigator, and the contact becomes a consumer complaint or a PAR. The following table shows the various reasons for contact for the 2014 inquiries.

Categories of 2014 Inquiries

Reason for Contact	Number	Percent
Competition issues and requests for information	16,514	32%
CAP review – declined	8,076	16%
Termination or suspension of service	7,638	15%
Unable to open new PAR – service on	4,306	8%
PUC has no jurisdiction	2,300	5%
Billing dispute	2,236	4%
Applicant/deposit issue	1,272	2%
Request for general information	1,047	2%
Rate protest	951	2%
People-delivered company service	752	1%
Service (company facilities)	258	1%
Unable to open new PAR – service off	168	<1%
Weather outage	119	<1%
Rate complaint	84	<1%
Cramming*	1	<1%
Slamming*	0	0%
Other miscellaneous reasons	3,320	6%
Reason for contact is not available	2,104	4%
Total	51,146	98%

* Please refer to the glossary on pages 66-67.

Residential Consumer Complaints Not Included in Industry Chapters

Traditionally, the primary focus of BCS's review of utilities' complaint handling has been on the performance of the major electric, gas, water and telephone utilities. However, for the past several years, BCS has included a limited amount of complaint information for the non-major utilities and the other service providers in the UCARE report. In 2014, BCS experienced a significant increase in the overall number of residential consumer complaints for the non-major utilities. Consumer complaints increased over the year in the electric and gas industries. There was a decrease in the number of residential consumer complaints for

the non-major water utilities. In the telephone industry, consumer complaints remained stable for the non-major companies. This section presents information about the residential consumer complaints that are not included in the industry chapters that follow.

In 2014, BCS staff investigated consumer complaints about a variety of problems that consumers were having with the non-major companies under the Commission's jurisdiction. The vast majority of complaints not included in the industry chapters involved billing disputes.

The next-highest volume of complaints coming from residential customers of the non-major electric, gas, water and telephone companies involved slamming or contacting the company. Those three types of complaints accounted for 85 percent of the residential consumer complaints about the non-major companies in the electric industry; 74 percent of residential consumer complaints about the non-major gas companies; 25 percent of the residential consumer complaints about the non-major water companies; and 36 percent of the complaints about the non-major telecommunications companies.

Appendix C presents a summary of the residential informal complaints (consumer complaints and PARs) that are not included in the electric, gas, water and telephone chapters that follow. The table lists the non-major companies for these industries; the electric generation suppliers and natural gas suppliers; and other providers of telecommunications services having five or more residential consumer complaints in 2014.

Calls to the Commission about Electric and Gas Competition

In 2014, the Commission's call center employees used BCS's information system to record information from the consumer contacts about electric and gas competition. Statistics show that 97 percent of contacts about electric and gas competition are related to the electric industry, while three percent concern the gas industry. Call center employees recorded information from 25,012 consumer contacts about competition in the energy industries. Many calls came from consumers who called about various issues associated with customer choice in the electric and gas industries. Most frequently, consumers called about competition bill disputes and slamming (59 and 11 percent of calls, respectively).

In most instances, BCS classified these contacts as inquiries because they required no investigation or follow-up. However, some consumer contacts required further investigation and possibly action to resolve the consumer's concerns. In these cases, BCS classified the contact as a consumer complaint and investigated the consumer's issue. In 2014, billing disputes related to competition produced the largest volume of competition-related consumer complaints. Appendix D-1 explains the types of competition complaints BCS handles.

In prior years, BCS investigated a number of consumer complaints in which consumers alleged they were assigned to an electric or gas supplier without their consent or knowledge (slamming). In 2014, BCS received 2,173 allegations of electric slamming and 55 allegations of slamming in the gas industry. There were 18 allegations of slamming in the telephone industry. With respect to slamming, the Commission has stated clearly, it "...will have zero

tolerance for slamming by any means and in any form."¹ The Commission views customer slamming as among the most serious violations of consumer regulations. Of the 2,246 slamming complaints received by BCS, 2,062 were filed by residential customers.

During the early phases of electric and gas competition, BCS expected it would receive consumer complaints associated with the transition to customer choice. As expected, many customers experienced a variety of problems as they began choosing electric and gas suppliers. BCS found that, after investigating these complaints, it was often difficult to determine who was at fault in causing the complaint. Thus, BCS decided that it would be unfair to include competition complaints with consumer complaints about other issues when it calculates the performance measures it uses to evaluate and compare companies within the electric and gas industries. BCS continued this practice in 2014. Therefore, BCS excluded 8,534 competition-related complaints from the data set used to prepare the tables in the electric industry chapter and 250 such complaints in the gas industry chapter.

Informal Compliance Process and Infractions

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

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

The significance of apparent infractions identified by the informal compliance process is frequently emphasized by the fact that some represent systemic errors that are widespread and affect many utility customers. Since BCS receives only a small portion of the

¹ L-00970121, Public Meeting of May 21, 1998.

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 systemic errors. One example of a systemic 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 that error. When such an error is discovered, BCS encourages utilities to investigate the scope of the problem and take corrective action. Some utilities have developed their own information systems to identify problems by reviewing complaints before they come to the Commission's attention. BCS encourages utilities to continue this activity and share their findings with Bureau staff.

2. Performance Measures

For the most part, BCS uses complaints it receives from customers of the major electric, gas, water and telephone utilities to assess utilities' complaint-handling performance. In nearly every case, the customer had already contacted the company about the problem prior to contacting BCS. BCS reviews the utility's record as to how the utility handled the complaint when the customer contacted the company. The review includes several classifications and assessments that form the basis of all the performance measures presented in this and the next four chapters, with the exception of the number of terminations and termination rate. The termination statistics for the electric, gas and water companies are drawn from reports required by Chapter 56 at §56.231(a)(14), while telephone termination statistics are drawn from reports required by Chapter 64 at §64.201(7). Water companies began reporting termination and reconnection data in 2012, which was a new requirement of the revised Chapter 56 regulations; therefore, this is the first time this data has been added to this report. The sections that follow explain the various measures BCS employs to assess utility performance.

Consumer Complaint Rate

The calculation of the consumer complaint rate (consumer complaints per 1,000 residential customers) permits the reader to make comparisons among utilities of various sizes. 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, since many of the complaints in the consumer complaint rates are not "justified," BCS considers the "justified consumer complaint rate" (justified consumer complaints per 1,000 residential customers) to be a clearer indication of a utility's complaint handling performance.

Justified Consumer Complaint Rate

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

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

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

Response Time to Consumer Complaints

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

Payment Agreement Request Rate

BCS normally intervenes at the customer's request only after direct payment negotiations between the customer and the company have failed. The volume of 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 PAR rate (PARs per 1,000 residential customers) permits the reader to make comparisons among utilities with differing numbers of residential customers. Nevertheless, unusually high or low rates and sizable changes in rates from one year to the next may reflect changes in company policies or bill collection philosophies, or they may be indicative of problems. BCS views such variations as potential areas for investigation.

Justified Payment Agreement Request Rate

Just as with consumer complaints, once a customer contacts BCS with a PAR, BCS notifies the utility. The company sends a report to BCS that details the customer's payments, usage and payment negotiation history. Many of these cases are "straight" PARs, without any other issue or complaint against the company. Those cases are processed in an automated fashion and are not evaluated in the justified rate. In cases where the utility claims ineligibility for a PUC payment plan, or where there are complaints or claims in addition to the PAR, 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. BCS policy analysts review a sampling of these case records to

determine if the utility negotiated properly with the customer and uses this record to determine the outcome of the case. This approach evaluates companies negatively only when BCS finds appropriate payment negotiation procedures were not followed, or where the regulations have been misapplied. Specifically, a case is considered “justified” in the appeal to BCS if it is found that, prior to BCS intervention, the company did not comply with Commission regulations, reports, Secretarial Letters, tariffs or guidelines.

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

Response Time to Payment Agreement Requests

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

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

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

Infraction Rate

During 2014, BCS continued its informal compliance notification process to improve utility compliance with applicable statutes and regulations relating to the treatment of residential accounts. In order to compare utilities of various sizes within an industry, BCS has

calculated a measure called the infraction rate. The infraction rate is the number of informally verified infractions for each 1,000 residential customers.

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

The value of the infraction rate is to depict industry trends over time. The trend for 2014 is calculated using BCS's Compliance Tracking System (CTS) data as of Sept. 25, 2015. The 2014 trends may change if the total number of infractions increases or decreases upon review by BCS. This would occur if new infractions are discovered from customer complaints that originated in 2014, but were still under investigation by BCS when the data was retrieved from CTS. Often, the total number of infractions for the year will change from the number cited in this report. BCS will update the 2014 infraction rate in the report on 2015 complaint activity. Infraction rates for each major electric, gas, water and telephone utility company are shown for 2012, 2013 and 2014 in upcoming chapters. Appendix H shows detailed information about the infractions BCS gleaned from its review of the 2014 consumer complaints and PARs. The information presented in Appendix H shows the infractions of Chapter 56, Chapter 14 and other regulations for the major electric, gas and water companies, and the infractions of Chapters 63 and 64 for the major telephone companies.

Termination Rate

Payment over time through a mutually acceptable payment agreement is one possible outcome when a customer owes an outstanding balance to a utility company. Termination of the utility service is another. BCS views termination of utility service as a utility's last resort when customers fail to meet their payment obligations. The calculation of the termination rate allows the reader to compare the termination activity of utilities with differing numbers of residential customers. For the electric, gas and water industries, the termination rate is the number of service terminations divided by the number of residential customers. For the telephone industry, the termination rate is the number of terminations for each 1,000 residential customers. Any significant increase in the termination rate would indicate a trend or pattern the Commission may need to investigate.

BCS Performance Measures and Industry Chapters

The tables in the following chapters present the data alphabetically by company name. Each chapter includes tables that show the consumer complaint rate and the justified consumer complaint rate of each major utility. Also included in the industry chapters are tables that show the prior year's justified consumer complaint rates and justified PAR rates for each of the major utilities. The tables also reflect the average rates of the major utilities within the industry for each of these measures. In addition, each industry chapter presents tables that show infraction rates, response times to consumer complaints and PARs, and the termination rates for the major utilities.

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

BCS has found the inclusion of statistics for the smaller utilities can skew the average of industry statistics in ways that do not fairly represent industry performance. For this reason, BCS excluded the statistics involving UGI-Electric when it calculated the 2013 and 2014 averages for the electric industry. Similar to previous years, statistics for UGI-Electric are included in the appendices of this report.

Universal Service and Energy Conservation Programs

The Commission has a long history of involvement in universal service and energy conservation programs that help utility consumers obtain and keep service, and conserve energy. At the end of the water and telephone chapters that follow, readers will find highlights of the water and telephone programs that the Commission has supported and encouraged, not only in 2014, but in prior years as well.

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

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

In Oct. 2015, the Commission released the 15th annual report on Universal Service Programs and Collections Performance. BCS prepared the report, which presents 2014 universal service and collections data for the major electric and natural gas distribution companies. The report is available on the Commission's website at:

http://www.puc.pa.gov/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2014.pdf

3. Electric Industry

In 2014, the Commission had jurisdiction over 15 electric distribution companies (EDCs). However, the majority of the consumer complaints and PARs involving the electric industry were from residential customers of the seven major EDCs: Duquesne Light Co. (Duquesne); PECO Energy Co. (PECO); PPL Electric Utilities Inc. (PPL) and four FirstEnergy companies – Metropolitan Edison Co. (Met-Ed); Pennsylvania Electric Co. (Penelec); Pennsylvania Power Co. (Penn Power) and West Penn Power Co. (West Penn). This chapter will focus exclusively on those seven companies. Most of the complaints and PARs dealt with matters covered under Chapter 56 of our regulations or Chapter 14 of the Public Utility Code. Generally, consumer complaints and PARs represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major electric utilities in 2014. The tables in the appendices also include UGI-Electric, a major EDC with fewer than 100,000 residential customers. PECO's statistics include data for both electric and gas service. Because their gas and/or electric customers contact the same call center and receive only one bill per billing period, PECO is unable to separate and report data by gas and electric service. BCS investigated complaints in 2014, generated as a result of the electric choice program, which allows customers to choose an electric generation supply company. However, as mentioned in the first chapter, BCS removed these complaints from the data it used to prepare the tables on consumer complaints and PARs. Appendices F and G present 2013 and 2014 statistics on the performance of the seven largest EDCs, as well as UGI-Electric.

Consumer Complaints

During 2014, BCS handled 7,108 consumer complaints from residential customers of the various EDCs and 6,863 consumer complaints from residential customers of electric generation supply companies. Of these residential complaints, 50 percent (7,029) were from customers of the seven largest EDCs. For the analyses in this chapter, BCS excluded a total of 71 consumer complaints about the major EDCs that involved competition issues. During the winter of 2014, Pennsylvania experienced unusually bitter cold weather in what became known as the Polar Vortex, resulting in a significant increase in the number of electric consumer complaints.

Consumer Complaint Categories

The following table shows the percentage of 2014 complaints from residential customers of the seven largest EDCs, in each of the 14 categories used by BCS policy analysts. Appendix E, Table 1, provides the actual number of cases that fell into each category in 2014.

Consumer Complaint Categories: 2014 Major Electric Distribution Companies

Categories	Duquesne **	Met-Ed**	PECO+**	Penelec	Penn Power	PPL**	West Penn**	Electric Average
Termination or PAR Procedures	51%	13%	33%	20%	28%	48%	13%	29%
Billing Disputes	9%	15%	17%	14%	9%	16%	11%	14%
Metering	1%	30%	3%	23%	9%	2%	19%	13%
Credit and Deposits	8%	12%	11%	23%	23%	7%	13%	13%
Personnel Problems	10%	10%	11%	7%	7%	7%	13%	10%
Discontinuance/ Transfer	7%	4%	7%	4%	4%	7%	4%	6%
Service Interruptions	<1%	6%	5%	2%	0%	1%	5%	3%
Damages	3%	2%	2%	1%	3%	1%	8%	3%
Service Quality	2%	3%	4%	1%	5%	1%	3%	2%
Other Payment Issues	4%	1%	3%	1%	3%	3%	1%	2%
Scheduling Delays	1%	2%	2%	1%	2%	2%	4%	2%
Service Extensions	0%	1%	1%	<1%	1%	1%	4%	1%
Rates	0%	<1%	0%	0%	1%	<1%	<1%	<1%
All Other Problems	3%	1%	1%	1%	4%	3%	2%	2%
Total-Number*	459	500	466	474	139	452	496	2,986

* Based on residential complaints evaluated by BCS as of July 24, 2015.

** Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- Categories are for all residential complaints filed with BCS that were evaluated, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 1, for the number of cases in each category.
- In 2014, termination or PAR procedures accounted for 29 percent of the consumer complaints for the major EDCs. Billing disputes accounted for 14 percent of the consumer complaints. Metering disputes accounted for 13 percent of the consumer complaints. These three categories accounted for 56 percent of consumer complaints about the major EDCs.

2014 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Electric Distribution Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Duquesne	1.15	0.12*
Met-Ed	2.48	0.67*
PECO+	1.13	0.12*
Penelec	1.55	0.33
Penn Power	1.14	0.19
PPL	1.47	0.21*
West Penn	1.33	0.25*
Average	1.47	0.27

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

+ PECO statistics include electric and gas.

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the major EDCs, the average of the consumer complaint rates is over five times greater than the average of the justified consumer complaint rates.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2013 and 2014.

2013-14 Justified Residential Consumer Complaint Rates Major Electric Distribution Companies

Company	2013	2014
Duquesne*	0.10	0.12
Met-Ed*	0.35	0.67
PECO*+	0.15	0.12
Penelec	0.20	0.33
Penn Power	0.11	0.19
PPL*	0.06	0.21
West Penn*	0.30	0.25
Average	0.18	0.27

* Based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The average of the justified consumer complaint rates for the major electric distribution companies increased from 0.18 in 2013 to 0.27 in 2014.
- Of the seven major EDCs, two have justified consumer complaint rates that are higher than the industry average. Met-Ed's justified consumer complaint rate, at 0.67, is more than double the industry average.
- Appendix F, Table 1, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major EDC in 2013 and 2014.

2013-14 Response Time to BCS Residential Consumer Complaints Major Electric Distribution Companies

Company	Number of Days 2013	Number of Days 2014	Change in Days 2013 to 2014
Duquesne	3.9	4.7	0.8
Met-Ed	17.2	18.7	1.5
PECO+	8.8	9.9	1.1
Penelec	15.4	17.9	2.5
Penn Power	15.4	16.6	1.2
PPL	19.1	19.7	0.6
West Penn	16.3	19.6	3.3
Average	13.7	15.3	1.6

+ PECO statistics include electric and gas.

- The calculation for average response time includes all residential consumer complaints for the major electric companies.
- Overall, the average response time increased from 13.7 days in 2013 to 15.3 days in 2014.
- Duquesne had the shortest consumer complaint response time in 2014 at 4.7 days, while PPL had the longest at 19.7 days. West Penn's consumer complaint response time increased by 3.3 days from 2013 to 2014.

Payment Agreement Requests

In 2014, BCS handled 39,787 PARs from residential customers of the EDCs. There were 1,878 PARs from residential customers of Pennsylvania's electric generation supply companies. Ninety-four percent (39,099) of the residential PARs were from customers of the seven largest EDCs. In 2014, BCS reviewed a representative sample of the PARs for six of the seven largest EDCs: Duquesne, Met-Ed, PECO, Penelec, PPL and West Penn. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from the customers of these utilities. BCS believes that the size of the samples gives a reasonable indication of the performance of these companies. Appendix G, Table 1, provides additional statistics regarding the PARs from residential customers of the major EDCs.

**2014 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates*
Major Electric Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Duquesne	7.01	0.14
Met-Ed	7.30	0.47
PECO+	5.78	0.33
Penelec	6.56	0.33
Penn Power	5.59	0.32
PPL	13.96	0.38
West Penn	3.71	0.17
Average	7.13	0.31

* All companies, with the exception of Penn Power, have justified PAR rates based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than seven PARs to BCS for each 1,000 residential customers of the major EDCs in 2014. There was less than one justified PAR for each 1,000 residential customers.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2013 and 2014.

**2013-14 Justified Residential
Payment Agreement Request (PAR) Rates*
Major Electric Distribution Companies**

Company	2013	2014
Duquesne	0.31	0.14
Met-Ed	0.37	0.47
PECO+	0.10	0.33
Penelec	0.26	0.33
Penn Power	0.13	0.32
PPL	0.67	0.38
West Penn	0.15	0.17
Average	0.28	0.31

* All companies, with the exception of Penn Power, have justified PAR rates based on a probability sample of cases.

+ PECO statistics include electric and gas.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major EDCs increased from 0.28 in 2013 to 0.31 in 2014.
- The justified PAR rates increased for five of the seven major EDCs from 2013 to 2014. Five of the major EDCs have justified PAR rates greater than the 2014 industry average while two of the major EDCs have justified PAR rates below the industry average.
- Appendix G, Table 1, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major EDC in 2013 and 2014.

2013-14 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Electric Distribution Companies

Company	Number of Days 2013	Number of Days 2014	Change in Days 2013 to 2014
Duquesne	1.3	2.4	1.1
Met-Ed	8.3	14.5	6.2
PECO+	3.3	5.0	1.7
Penelec	8.1	15.3	7.2
Penn Power	7.5	13.1	5.6
PPL	13.1	16.7	3.6
West Penn	7.1	15.4	8.3
Average	7.0	11.8	4.8

+ PECO statistics include electric and gas.

- The calculation for average response time includes all residential PARs for the major electric companies.
- The average response time for the seven major EDCs increased nearly five days. The average response time went from 7.0 days in 2013 to 11.8 days in 2014.
- There is a wide range of PAR response times among the major EDCs for 2014, from a low of 2.4 days for Duquesne to a high of 16.7 days for PPL.

Termination and Reconnection of Service

Each month, the electric companies report to the Commission the number of residential accounts that they terminated for non-payment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Some EDCs maintain a fairly consistent pattern of termination behavior, while others fluctuate from year to year. The number of reconnections varies from year to year and from company to company, depending on a variety of factors. The EDC reconnects a customer's terminated service when a customer either pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The following tables indicate the annual number of residential accounts each of the seven largest EDCs terminated and reconnected in 2012, 2013 and 2014. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates

Major Electric Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2012	2013	2014	% Change 2013-14	2012	2013	2014
Duquesne	23,533	25,649	23,853	-7%	4.48	4.87	4.52
Met-Ed	17,995	23,672	25,071	6%	3.69	4.85	5.12
PECO+	73,887	84,235	89,655	6%	5.16	5.87	6.20
Penelec	13,747	20,544	20,657	1%	2.72	4.07	4.10
Penn Power	3,514	4,999	4,482	-10%	2.50	3.54	3.16
PPL	38,303	47,759	56,777	19%	3.15	3.92	4.65
West Penn	11,092	13,904	12,133	-13%	1.79	2.24	1.95
Major Electric	182,071	220,762	232,628	5%			
Average of Rates					3.36	4.19	4.24

+ PECO statistics include electric and gas.

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major EDCs terminated five percent more residential accounts in 2014 than in 2013.

Residential Service Reconnections Major Electric Distribution Companies

Company	2012	2013	2014	% Change 2013-14
Duquesne	18,179	20,355	18,523	-9%
Met-Ed	14,651	19,046	20,185	6%
PECO+	52,512	61,858	67,343	9%
Penelec	10,989	16,184	15,959	-1%
Penn Power	3,208	4,740	3,925	-17%
PPL	26,326	34,910	42,767	23%
West Penn	9,082	11,089	9,472	-15%
Major Electric	134,947	168,182	178,174	6%

+ PECO statistics include electric and gas.

- Overall, the seven major EDCs reconnected six percent more residential accounts in 2014 than in 2013.

Compliance

BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of "infraction rate" is intended to help the Commission monitor the duty of electric companies at 66 Pa. C.S. §2807(d) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Electricity Generation Customer Choice and Competition Act of 1996.

The infraction rates in the table that follows are based on informal complaints that residential consumers filed with BCS from 2012 through 2014. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 1, presents detailed information about the infractions identified in 2014 cases to the BCS.

Commission Infraction Rates Major Electric Distribution Companies

Company	2012	2013	2014
Duquesne	0.10	0.04	0.10
Met-Ed	0.23	0.24	0.25
PECO+	0.03	0.06	0.03
Penelec	0.07	0.13	0.14
Penn Power	0.06	0.06	0.11
PPL	0.05	0.03	0.06
West Penn	0.10	0.22	0.15

+ PECO statistics include electric and gas.

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rates from 2013 to 2014 for Duquesne, Met Ed, Penelec, Penn Power and PPL increased, while the rates for PECO and West Penn decreased.
- Appendix H, Table 1, presents the actual number of infractions for 2014 categorized by infraction category.
- As shown in Appendix H, Table 1, the meter reading and dispute handling categories are noteworthy due to both high volume and high percentage of the total number of infractions.

4. Natural Gas Industry

In 2014, the Commission had jurisdiction over 27 natural gas distribution companies (NGDCs). However, the majority of the consumer complaints and PARs involving the gas industry came from residential customers of the seven major NGDCs: Columbia Gas of Pennsylvania Inc. (Columbia); National Fuel Gas Distribution Corp. (NFG); Peoples Natural Gas Co. (Peoples); Peoples-Equitable Division f/k/a Equitable Gas Co. (Peoples-Equitable); Philadelphia Gas Works (PGW); UGI Utilities Inc.-Gas; and UGI Penn Natural Gas. This chapter will focus exclusively on those seven utilities. As with the electric industry, most of the complaints and PARs dealt with matters covered under Chapter 56 of our regulations or Chapter 14 of the Public Utility Code. Generally, those consumer complaints and PARs represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The statistics in the tables on the pages that follow depict the performance of each of the seven major gas utilities in 2014. Appendices F and G provide statistics for these utilities from 2013 and 2014.

Consumer Complaints

During 2014, BCS handled 2,589 consumer complaints from residential customers of the various NGDCs and 194 consumer complaints from residential customers of natural gas suppliers (NGSs). Of these residential complaints, 90 percent (2,496) were from customers of the seven largest NGDCs. For the analyses of the seven major gas companies that appear in this chapter, BCS excluded 14 consumer complaints that involved competition issues.

Consumer Complaint Categories

The following table shows the percentage of 2014 complaints from residential customers of the seven major gas utilities in each of the 14 categories used by BCS policy analysts to categorize consumer complaints about electric, gas and water utilities. Appendix E, Table 2, provides the actual number of cases that fell into each category in 2014.

Consumer Complaint Categories: 2014 Major Natural Gas Distribution Companies

Categories	Columbia	NFG	Peoples	Peoples-Equitable	PGW**	UGI-Gas	UGI Penn Natural	Gas Average
Termination or PAR Procedures	21%	28%	26%	29%	28%	37%	38%	29%
Billing Disputes	15%	24%	19%	17%	11%	9%	17%	14%
Personnel Problems	19%	3%	8%	16%	15%	7%	5%	12%
Discontinuance/Transfer	5%	11%	7%	3%	14%	7%	5%	9%
Metering	3%	10%	11%	4%	7%	3%	2%	6%
Credit and Deposits	4%	3%	4%	7%	1%	16%	11%	6%
Other Payment Issues	3%	3%	2%	4%	12%	2%	2%	6%
Service Quality	8%	0%	11%	9%	1%	2%	3%	4%
Scheduling Delays	7%	4%	1%	2%	5%	3%	2%	4%
Damages	7%	2%	5%	1%	3%	4%	2%	4%
Service Extensions	4%	6%	1%	1%	1%	5%	7%	3%
Service Interruptions	3%	0%	2%	1%	1%	1%	0%	1%
Rates	1%	0%	0%	4%	0%	0%	1%	1%
All Other Problems	1%	4%	3%	4%	<1%	6%	5%	3%
Total-Number*	149	90	143	161	459	196	128	1,326

* Based on residential complaints evaluated by BCS as of July 24, 2015.

** Based on a probability sample of cases.

- Categories are for all residential complaints filed with BCS that were evaluated, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 2, for the number of cases in each category.
- In 2014, termination or PAR procedures generated 29 percent of the complaints about the major gas companies followed by billing disputes (14 percent). Complaints about personnel problems accounted for 12 percent of residential consumer complaints about the major gas companies.

**2014 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Natural Gas Distribution Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Columbia	0.48	0.04
NFG	0.51	0.10
Peoples	0.52	0.12
Peoples-Equitable	0.77	0.05
PGW	3.02	0.38*
UGI-Gas	0.80	0.09
UGI Penn Natural	1.13	0.11
Average	1.03	0.13

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2014, the average of the consumer complaint rates is nearly eight times the average of the justified consumer complaint rates for the seven major gas companies.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2013 and 2014.

2013-14 Justified Residential Consumer Complaint Rates Major Natural Gas Distribution Companies

Company	2013	2014
Columbia	0.03	0.04
NFG	0.08	0.10
Peoples	0.15	0.12
Peoples-Equitable	0.03	0.05
PGW*	0.71	0.38
UGI-Gas	0.03	0.09
UGI Penn Natural	0.05	0.11
Average	0.16	0.13

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

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- In 2014, five of the major gas companies had justified consumer complaint rates higher than their justified consumer complaint rates in 2013. Only Peoples and PGW had justified consumer complaint rates that decreased since 2013.
- The average of the justified consumer complaint rates for the major gas companies decreased from 0.16 in 2013 to 0.13 in 2014. Only PGW had a justified consumer complaint rate that is higher than the 2013 industry average.
- Appendix F, Table 2, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major gas company in 2013 and 2014.

2013-14 Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies

Company	Number of Days 2013	Number of Days 2014	Change in Days 2013 to 2014
Columbia	5.3	5.3	0.0
NFG	11.0	13.9	2.9
Peoples	1.9	3.1	1.2
Peoples-Equitable	2.4	2.3	-0.1
PGW	18.5	18.7	0.2
UGI-Gas	13.6	10.0	-3.6
UGI Penn Natural	12.7	10.9	-1.8
Average	9.3	9.2	-0.1

- The calculation for average response time includes all residential consumer complaints for the major gas companies.
- The average response time for the major gas companies decreased slightly from 9.3 days in 2013 to 9.2 days in 2014.
- Consumer complaint response time performance varied among the major gas companies in 2014, from a low of 2.3 days for Peoples-Equitable to a high of 18.7 days for PGW.

Payment Agreement Requests

In 2014, BCS handled 15,420 PARs from residential customers of the natural gas distribution companies (NGDCs). There were 60 PARs from residential customers of Pennsylvania's natural gas supply companies. Ninety-six percent (14,817) of the residential PARs were from customers of the seven major natural gas distribution companies. In 2014, BCS reviewed a representative sample of the PARs for case outcome for all the major gas companies except Columbia and NFG. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these utilities. BCS believes that the size of the samples gives an adequate indication of the performance of these companies. Appendix G, Table 2, provides additional statistics regarding the PARs from residential customers of the major NGDCs.

**2014 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates*
Major Natural Gas Distribution Companies**

Company	PAR Rate	Justified PAR Rate
Columbia	2.06	0.04
NFG	3.09	0.20
Peoples	2.50	0.15
Peoples-Equitable	4.52	0.05
PGW	15.66	0.49
UGI-Gas	7.56	0.53
UGI Penn Natural	10.81	1.04
Average	6.60	0.36

* All companies, with the exception of Columbia and NFG, have justified PAR rates based on a probability sample of cases.

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than six PARs to BCS for each 1,000 residential customers of the major NGDCs in 2014. There was less than one justified PAR for each 1,000 residential customers.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2013 and 2014.

**2013-14 Justified Residential
Payment Agreement Request (PAR) Rates*
Major Natural Gas Distribution Companies**

Company	2013	2014
Columbia	0.02	0.04
NFG	0.13	0.20
Peoples	0.08	0.15
Peoples-Equitable	0.10	0.05
PGW	0.37	0.49
UGI-Gas	0.48	0.53
UGI Penn Natural	0.74	1.04
Average	0.28	0.36

* All companies, with the exception of Columbia and NFG, have justified PAR rates based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average of the justified PAR rates for the seven major gas utilities increased from 0.28 in 2013 to 0.36 in 2014. Six of the seven major gas companies had increases in their justified PAR rates.
- The 2014 justified PAR rates among the major NGDCs ranged from a low of 0.04 for Columbia to a high of 1.04 for UGI Penn Natural.
- Appendix G, Table 2, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major gas company in 2013 and 2014.

**2013-14 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Natural Gas Distribution Companies**

Company	Number of Days 2013	Number of Days 2014	Change in Days 2013 to 2014
Columbia	2.5	2.4	-0.1
NFG	5.4	8.6	3.2
Peoples	1.4	2.8	1.4
Peoples-Equitable	0.9	1.4	0.5
PGW	11.5	12.9	1.4
UGI-Gas	5.2	5.6	0.4
UGI Penn Natural	5.7	5.9	0.2
Average	4.7	5.6	0.9

- The calculation for average response time includes all residential PARs for the major gas companies.
- From 2013 to 2014, the average response time for the major gas companies increased by 0.9 days.
- The 2014 PAR response times for the major NGDCs varied from a low of 1.4 days for Peoples-Equitable to a high of 12.9 days for PGW.

Termination and Reconnection of Service

Each month, the gas utilities report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company, depending on a variety of factors. The NGDC reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The tables that follow indicate the annual number of residential accounts each of the seven largest gas utilities terminated and reconnected in 2012, 2013 and 2014. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Natural Gas Distribution Companies

Company	Residential Service Terminations				Termination Rates		
	2012	2013	2014	% Change 2013-14	2012	2013	2014
Columbia	11,321	12,030	11,252	-6%	2.96	3.13	2.91
NFG	8,347	9,576	9,942	4%	4.20	4.82	5.00
Peoples	6,601	7,229	9,436	31%	2.00	2.19	2.86
Peoples-Equitable	8,394	8,507	7,607	-11%	3.47	3.51	3.12
PGW	25,507	28,497	29,769	4%	5.32	6.08	6.34
UGI-Gas	8,434	9,055	11,149	23%	2.66	2.79	3.36
UGI Penn Natural	5,403	6,214	7,242	17%	3.67	4.17	4.81
Major Gas	74,007	81,108	86,397	7%			
Average of Rates					3.47	3.81	4.06

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the seven major gas companies terminated seven percent more residential accounts in 2014 than in 2013.

Residential Service Reconnections Major Natural Gas Distribution Companies

Company	2012	2013	2014	% Change 2013-14
Columbia	6,310	6,490	6,212	-4%
NFG	5,458	6,453	6,753	5%
Peoples	4,654	5,426	5,210	-4%
Peoples-Equitable	6,221	6,453	5,620	-13%
PGW	18,114	19,907	19,836	<1%
UGI-Gas	3,990	4,332	5,240	21%
UGI Penn Natural	3,453	3,483	4,008	15%
Major Gas	48,200	52,544	52,879	1%

- Overall, the seven major NGDCs reconnected one percent more residential accounts in 2014 than in 2013.

Compliance

BCS provides utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies. The use of “infraction rate” is intended to help the Commission monitor the duty of natural gas companies at 66 Pa. C.S. §2206(a) to, at a minimum, maintain customer services under retail competition at the same level of quality as existed prior to the beginning of the Natural Gas Choice and Competition Act of 1999.

The infraction rates in the table that follows are based on the review of informal complaints that residential consumers filed with BCS from 2012 through 2014. Infractions identified on complaints involving competition issues are included in the infraction statistics. Appendix H, Table 2, presents detailed information about the infractions identified on 2014 cases to the BCS.

Commission Infraction Rates Major Natural Gas Distribution Companies

Company	2012	2013	2014
Columbia	0.02	0.01	0.01
NFG	0.03	0.04	0.03
Peoples	0.20	0.16	0.08
Peoples-Equitable	0.02	0.02	0.01
PGW	0.28	0.43	0.20
UGI-Gas	0.03	0.01	0.08
UGI Penn Natural	0.04	0.03	0.03

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- From 2013 to 2014, infraction rates decreased for NFG, Peoples, Peoples-Equitable and PGW, while the infraction rate increased for UGI-Gas. The rates for Columbia and UGI Penn Natural remained stable.
- Appendix H, Table 2, presents the actual number of infractions for 2014 categorized by infraction category.
- As shown in Appendix H, Table 2, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

5. Water Industry

In 2014, the Commission had jurisdiction over 87 water companies, including 22 municipal water companies. The Commission categorizes the non-municipal water companies into one of three classifications: A, B and C. Those three classifications are based on the amount of the company's annual revenues.

The non-municipal water companies with the largest annual revenues are classified as "Class A" water companies. "Class A" water companies must have annual revenues of \$1 million or more for three years in a row. In 2014, nine "Class A" water companies served residential customers. The number of residential customers for these major companies ranged from 2,389 for United Water Bethel to 596,302 residential customers for Pennsylvania American Water Co. (PAWC). In 2014, the "Class A" water companies were Aqua Pennsylvania Inc. (Aqua), Audubon Water Co., Columbia Water Co., Newtown Artesian Water Co., PAWC, Superior Water Co., United Water Bethel, United Water of Pennsylvania Inc. and York Water Co. The tables in this chapter present individual statistics for the two largest water companies, PAWC and Aqua, and for the "Other Class A" companies as a whole.

The other classes of water companies have lower annual revenues and, typically, fewer residential customers. In 2014, nine "Class B" companies were operating. "Class B" water companies have annual revenues between \$200,000 and \$999,999. In 2014, the number of residential customers for the "Class B" companies ranged from 302 to 1,614. There were 46 "Class C" companies in 2014. "Class C" water companies have annual revenues of less than \$200,000. The number of residential customers for the "Class C" companies ranged from two to 1,150 in 2014.

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 majority of the residential consumer complaints and PARs to BCS came from customers of the "Class A" water companies. Most of the complaints and PARs from water customers dealt with matters covered by Chapter 56 of our regulations or Chapter 14 of the Public Utility Code. These consumer complaints and PARs represent customer appeals to the Commission resulting from the inability of the company and the customer to reach a mutually satisfactory resolution to a dispute or payment negotiation.

The tables on the pages that follow depict the performance of the "Class A" water companies in 2014. Appendices F and G also present statistics about the performance of the "Class A" water companies.

Consumer Complaints

During 2014, BCS handled a total of 627 consumer complaints from residential customers of the various water companies. Of those complaints, 96 percent (605) were from customers of the “Class A” companies. The remaining four percent were from customers of smaller water companies. While a majority of consumer complaints involved the “Class A” water companies in 2014, the Commission devoted a significant amount of attention to the smaller water companies. Sometimes the amount of time BCS spends on a few complaints from customers of a smaller company exceeds the amount of time it spends addressing complaints filed against one of the larger companies. This is because larger companies typically have the resources to respond appropriately to complaints and PARs as compared to smaller water companies with limited resources.

In 2014, customers of the small water companies filed complaints with BCS for a variety of reasons. Of the 22 consumer complaints filed about the “Non-Class A” water companies, 23 percent (5 cases) involved billing disputes.

Consumer Complaint Categories

The following table shows the percentage of 2014 complaints from residential customers of the “Class A” water companies in each of the categories used by BCS policy analysts to categorize consumer complaints about electric, gas and water companies. Appendix E, Table 3, provides the actual number of cases that fell into each category in 2014.

Consumer Complaint Categories: 2014 Major Water Companies

Categories	Aqua	PAWC	"Other Class A"	All "Class A" Water Average
Billing Disputes	46%	41%	22%	42%
Termination or PAR Procedures	13%	9%	11%	10%
Service Quality	6%	12%	6%	10%
Metering	7%	8%	0%	8%
Damages	3%	8%	17%	7%
Personnel Problems	6%	5%	28%	6%
Scheduling Delays	1%	5%	6%	4%
Discontinuance/Transfer	5%	3%	0%	4%
Other Payment Issues	4%	2%	0%	2%
Credit and Deposits	5%	1%	0%	2%
Service Interruptions	1%	2%	6%	1%
Rates	0%	1%	0%	1%
Service Extensions	1%	<1%	6%	1%
All Other Problems	1%	2%	0%	2%
Total-Number*	149	319	18	486

* Based on residential complaints evaluated by BCS as of July 24, 2015.

- Categories are for all residential complaints filed with BCS that were evaluated, whether or not they were found to be justified. See Appendix D-1 for an explanation of complaint categories and Appendix E, Table 3, for the number of cases in each category.
- Forty-two percent of residential complaints filed against the "Class A" water companies involved billing disputes.

**2014 Residential Consumer Complaint Rates/
Justified Consumer Complaint Rates
Major Water Companies**

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
Aqua	0.42	0.16
PAWC	0.71	0.29
"Other Class A"	0.14	0.03
Average	0.42	0.16

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The consumer complaint rates for Aqua and PAWC are more than two times greater than their justified consumer complaint rates, while the consumer complaint rate for the "Other Class A" companies is over four times greater than the justified rate.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua, PAWC and the "Other Class A" water companies in 2013 and 2014.

2013-14 Justified Residential Consumer Complaint Rates Major Water Companies

Company	2013	2014
Aqua	0.20	0.16
PAWC	0.18	0.29
"Other Class A"	0.04	0.03
Average	0.14	0.16

- The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- The justified consumer complaint rate decreased for Aqua, but increased for PAWC between 2013 and 2014.
- Appendix F, Table 3, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for Aqua, PAWC and the "Other Class A" water companies in 2013 and 2014.

2013-14 Response Time to BCS Residential Consumer Complaints Major Water Companies

Company	Number of Days 2013	Number of Days 2014	Change in Days 2013 to 2014
Aqua	8.7	19.4	10.7
PAWC	4.5	16.6	12.1
"Other Class A"	11.5	15.9	4.4
Average	8.2	17.3	9.1

- The calculation for average response time includes all residential consumer complaints for the major water companies.
- The average response time for Aqua increased by 10.7 days from 2013 to 2014. The average response time for PAWC increased 12.1 days, from 4.5 days in 2013 to 16.6 days in 2014.

Payment Agreement Requests

In 2014, BCS handled 4,236 PARs from residential customers of the water industry. Ninety-nine percent (4,201) of the residential PARs were from customers of the "Class A" water companies. As in past years, for the companies with the largest volume of requests, BCS policy analysts reviewed a representative sample of PARs for case outcome. In 2014, BCS reviewed a sample of the PARs for Aqua and PAWC. Thus, the calculation for justified PAR rate that appears in the pages that follow is based on a subset of cases that BCS received from customers of these companies. BCS believes the size of the sample gives a reasonable indication of the performance. Appendix G, Table 3, provides additional statistics regarding the PARs from residential customers of the "Class A" water companies.

**2014 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates
Major Water Companies**

Company	PAR Rate	Justified PAR Rate
Aqua	2.80	0.07*
PAWC	4.82	0.57*
"Other Class A"	1.65	0.00
Average	3.09	0.21

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

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there were more than three PARs to BCS for each 1,000 residential customers of the major water companies in 2014. There was less than one justified PAR for each 1,000 residential customers.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua, PAWC and the "Other Class A" water companies in 2013 and 2014.

**2013-14 Justified Residential
Payment Agreement Request (PAR) Rates
Major Water Companies**

Company	2013	2014
Aqua*	0.12	0.07
PAWC*	0.51	0.57
"Other Class A"	0.04	0.00
Average	0.22	0.21

* Based on a probability sample of cases.

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The justified PAR rate decreased for Aqua, but increased for PAWC between 2013 and 2014.
- Appendix G, Table 3, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for Aqua, PAWC and the "Other Class A" water companies in 2013 and 2014.

2013-14 Response Time to BCS Residential Payment Agreement Requests (PARs) Major Water Companies

Company	Number of Days 2013	Number of Days 2014	Change in Days 2013 to 2014
Aqua	5.7	15.8	10.1
PAWC	3.2	22.5	19.3
"Other Class A"	5.7	4.5	-1.2
Average	4.9	14.3	9.4

- The calculation for average response time includes all residential PARs for the major water companies.
- Aqua's response time increased 10.1 days to reach 15.8 days in 2014. PAWC's response time increased 19.3 days, from 3.2 days in 2013 to 22.5 days in 2014.

Termination and Reconnection of Service

Each month, the water utilities report to the Commission the number of residential accounts that they terminated for nonpayment during the previous month. They also report the number of previously terminated residential accounts that they reconnected during the month. Historically, utilities have shown a varied pattern of termination behavior, from a consistent pattern to one that fluctuates from year to year. The number of reconnections varies from year to year and from company to company, depending on a variety of factors. The water company reconnects a customer's terminated service either when a customer pays his/her debt in full or makes a significant payment on the debt and agrees to a payment agreement for the balance owed to the company. The tables that follow indicate the annual number of residential accounts each of the water utilities terminated and reconnected in 2012, 2013 and 2014. The first table also presents the termination rates for each of these companies.

Residential Service Terminations/Termination Rates Major Water Companies

Company	Residential Service Terminations				Termination Rates		
	2012	2013	2014	% Change 2013-14	2012	2013	2014
Aqua	6,668	7,453	6,111	-18%	1.73	1.92	1.56
PAWC	17,934	15,054	8,161	-46%	3.04	2.54	1.37
"Other Class A"	2,372	2,836	1,806	-36%	1.76	2.08	1.31
Major Water	26,974	25,343	16,078	-37%			
Average of Rates					2.18	2.18	1.41

- The termination rate is the number of service terminations divided by the number of residential customers, expressed as a percent.
- Overall, the water companies terminated 37 percent less residential accounts in 2014 than in 2013.

Residential Service Reconnections Major Water Companies

Company	2012	2013	2014	% Change 2013-14
Aqua	4,043	4,339	3,952	-9%
PAWC*	14,083	11,934	4,899	-59%
"Other Class A"	1,397	1,957	1,015	-48%
Major Water	19,523	18,230	9,866	-46%

* Reconnection data excludes November 2013 to March 2014.

- Overall, the water companies reconnected 46 percent less residential accounts in 2014 than in 2013.

Compliance

BCS provides water utilities with written clarifications or explanations of Chapter 56 provisions and other Commission regulations and policies.

The infraction rates in the table that follows are based on the review of informal complaints that residential consumers filed with BCS from 2012 through 2014. Appendix H, Table 3, presents detailed information about the infractions identified on 2014 cases to the BCS.

Commission Infraction Rates Major Water Companies

Company	2012	2013	2014
Aqua	0.22	0.32	0.27
PAWC	0.16	0.23	0.39
"Other Class A"	0.01	0.01	0.04

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- The infraction rates for PAWC and the "Other Class A" water companies increased from 2013 to 2014. The infraction rate for Aqua decreased.
- Appendix H, Table 3, presents the actual number of infractions for 2014 categorized by infraction category.
- As shown in Appendix H, Table 3, the dispute handling category is noteworthy due to both high volume and high percentage of the total number of infractions.

Programs That Assist Low-Income Customers

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

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

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

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

At the end of 2014, 640 active participants were enrolled in the Helping Hand program. During the year, Aqua spent \$104,889 to complete eligibility interviews and household audits. In addition, the company provided \$20,610 in arrearage forgiveness credits to 485 program participants.

Pennsylvania American Water Co. (PAWC) – In 1991, PAWC established the “Help to Others” (H2O) program. The H2O program provides customers with an 80 percent discount on their monthly service fees – a savings of about \$12.00 per month. The program also provides water-saving devices and conservation education. As of March 2015, there were 16,273 customers billed the discounted rate.

In addition to a discount for water, the company also offers a discount for wastewater customers in Coatesville, Bushkill, Lehman Pike, Claysville, Clarion, East Stroudsburg, Blue Mountain and Winona Lakes. This discount offers a 15 percent discount off the total wastewater billing for those who qualify. As of March 2015, there were 733 customers billed the discount for wastewater.

As part of the H2O program, PAWC also participates with the Dollar Energy Fund to provide cash grants of up to \$500 per year for those water and wastewater customers listed above. Dollar Energy Fund is a hardship fund administrator that provides cash assistance to utility customers who need help in paying their utility bills. During the 2013-14 program year, PAWC’s shareholders and customers provided \$343,441 in hardship fund benefits to 1,062 customers for an average benefit of \$323. In addition, PAWC’s shareholders provided \$10,000 for the 2013-14 program year for their wastewater customers. The program year has wastewater funds available totaling \$17,752.

United Water of Pennsylvania Inc. (United Water) – United Water implemented the “UW Cares” program in 2005. UW Cares is a nonprofit 501(c)(3) organization that provides financial assistance to customers who experience a temporary financial crisis caused by such occurrences as a job loss, severe illness, casualty or extensive military service. Cash grants up to \$100 are provided to qualifying customers who are first screened by the Salvation Army for eligibility. To be eligible for a grant, customers must have made a nominal payment within the last 90 days. During the 2014 program year, the company provided grants totaling \$4,570 to qualifying customers.

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

During 2014, the company expended \$834 for customer plumbing repairs and enrolled a total of five new customers in the York Water Cares program. As of program end 2014, six

customers received arrearage forgiveness benefits totaling \$460 for an average benefit of approximately \$77 per customer. The company anticipates an annual savings of \$612 in costs for termination proceedings that may be avoided as a result of customer participation in the York Water Cares program.

6. Telephone Industry

During 2014, BCS handled consumer complaints, PARs and inquiries from the customers of a variety of telecommunications service providers, including incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), long-distance companies and resellers. Just over 649 providers of telecommunications services were certificated and able to conduct business in Pennsylvania in 2014. Of this group of telecommunications providers, 37 were ILECs. Thirty-two of these ILECs were non-major utilities each serving fewer than 50,000 residential customers. The remaining five ILECs were major companies, each with more than 50,000 residential customers. Collectively, these five major telephone companies served just over 1.5 million residential customers in 2014.

This chapter will focus exclusively on the five major ILECs in 2014 – CenturyLink (CenturyLink); Frontier Communications Commonwealth Telephone Co. (Frontier Commonwealth); Verizon North Inc. (Verizon North); Verizon Pennsylvania (Verizon PA); and Windstream Communications (Windstream).

Unlike the electric, gas and water chapters, the analyses of the five companies that appear in this chapter include complaints about competition-related issues such as slamming, competition-related service complaints and billing problems. This is the 12th year that BCS included competition-related complaints in its analyses of the largest telephone companies.

Consumer Complaints

Although BCS handled consumer complaints about different types of telecommunications service providers in 2014, the complaints predominantly came from the residential customers of the five major ILECs. Overall, BCS handled 992 consumer complaints from residential customers of telecommunications service providers in 2014. Of those complaints, 905 were from residential customers of all of Pennsylvania's ILECs while 892 were from customers of the five major ILECs. Meanwhile, 59 consumer complaints were from residential customers of the CLECs operating in Pennsylvania. The remaining 28 consumer complaints were from residential customers of other providers of telecommunications services such as long-distance carriers, resellers, wireless carriers and Voice over Internet Protocol (VoIP) providers.

Consumer Complaint Categories

The following table shows the percentage of 2014 consumer complaints from residential customers of the major telephone companies in each of the 11 categories used by BCS policy analysts to categorize consumer complaints about telephone companies.

Consumer Complaint Categories: 2014 Major Local Telephone Companies

Categories	Century-Link	Frontier Common-wealth	Verizon North	Verizon PA**	Wind-stream	Telephone Average
Unsatisfactory Service	27%	24%	47%	30%	25%	30%
Billing Disputes	30%	34%	22%	22%	25%	23%
Service Delivery	7%	16%	14%	23%	34%	21%
Service Terminations	20%	5%	11%	5%	3%	6%
Competition	7%	3%	0%	2%	3%	2%
Discontinuance/Transfer	0%	3%	0%	1%	3%	1%
Annoyance Calls	0%	0%	0%	1%	6%	1%
Credit and Deposits	0%	0%	0%	1%	0%	1%
Non-Recurring Charges	0%	3%	0%	<1%	0%	<1%
Toll Services	0%	0%	0%	<1%	0%	<1%
All Other Problems	10%	13%	6%	15%	0%	13%
Total-Number*	30	38	36	483	32	619

* Based on residential complaints evaluated by BCS as of June 27, 2015.

** Based on a probability sample of cases.

- Categories are for all residential complaints filed with BCS, whether or not they were found to be justified. See Appendix D-2 for an explanation of complaint categories and Appendix E, Table 4, for the number of cases in each category.
- Seventy-four percent of all complaints for the major telephone companies fall into one of three complaint categories: unsatisfactory service, billing disputes or service delivery.

- Unsatisfactory service complaints account for 30 percent of the total number of consumer complaints filed against the five major telephone companies in 2014. Last year, unsatisfactory service accounted for 33 percent of all consumer complaints filed against the major telephone companies.
- Billing disputes account for 23 percent of all consumer complaints filed against the five major telephone companies. In 2014, service delivery complaints made up another 21 percent of the complaints filed against the major telephone companies.

The 2013 and 2014 consumer complaint figures for justified consumer complaint rates and response times for each of the major telephone companies are presented on the following pages. Appendix F, Table 4, provides additional statistics about the consumer complaints from residential customers of the five major local telephone companies.

2014 Residential Consumer Complaint Rates/ Justified Consumer Complaint Rates Major Local Telephone Companies

Company	Consumer Complaint Rate	Justified Consumer Complaint Rate
CenturyLink	0.25	0.13
Frontier Commonwealth	0.38	0.20
Verizon North	0.20	0.08
Verizon PA	0.74	0.31*
Windstream	0.34	0.19
Average	0.38	0.18

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

- The consumer complaint rate equals the number of consumer complaints for each 1,000 residential customers. The justified consumer complaint rate equals the number of justified consumer complaints for each 1,000 residential customers.
- For the five major telephone companies, the average of their consumer complaint rates is more than two times greater than the average of their justified consumer complaint rates.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2013 and 2014.

2013-14 Justified Residential Consumer Complaint Rates Major Local Telephone Companies

Company	2013	2014
CenturyLink	0.13	0.13
Frontier Commonwealth	0.24	0.20
Verizon North	0.22	0.08
Verizon PA*	0.42	0.31
Windstream	0.43	0.19
Average	0.29	0.18

* 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.
- Four of the major telephone companies had justified consumer complaint rates that decreased while one, CenturyLink, had a justified consumer complaint rate that was unchanged.
- Frontier Commonwealth, Verizon PA and Windstream had justified consumer complaint rates that were higher than the industry average.
- Appendix F, Table 4, presents the number of consumer complaints, the consumer complaint rate, the number of justified consumer complaints and the justified consumer complaint rate for each major telephone company in 2013 and 2014.

2013-14 Response Time to BCS Residential Consumer Complaints Major Local Telephone Companies

Company	Number of Days 2013	Number of Days 2014	Change in Days 2013 to 2014
CenturyLink	18.3	16.0	-2.3
Frontier Commonwealth	11.8	21.5	9.7
Verizon North	10.4	5.9	-4.5
Verizon PA	9.8	8.6	-1.2
Windstream	27.7	16.4	-11.3
Average	15.6	13.7	-1.9

- For the five major telephone companies, the average response time to consumer complaints decreased from 15.6 in 2013 to 13.7 in 2014.
- The response time for Windstream decreased by more than 11 days. In contrast, Frontier Commonwealth increased their average response time by 9.7 days since 2013.

Payment Agreement Requests

Telephone service consists of three components: basic service, nonbasic service and toll service. BCS does not handle customer requests for payment agreements that involve toll or nonbasic services. For the telephone industry, PARs are principally contacts to BCS or to companies involving a request for payment terms for arrearages associated with basic service. Most PARs are cases relating to the suspension of basic telephone service for nonpayment. Suspension of basic telephone service involves the temporary cessation of service without the consent of the customer and occurs when the customer owes the local telephone company money. If the customer does not pay or make an agreement to pay the amount owed, the company proceeds to terminate the customer's service, which is the permanent cessation of service. The majority of PARs are from customers who contact BCS to request payment agreements after they have received a suspension notice.

Under Chapter 64, a customer contact in response to a suspension notice is a dispute (as the term is defined in §64.2) only if the contact includes a disagreement with respect to the application of a provision of Chapter 64. Where telephone cases involving telephone service suspension are concerned, failure to negotiate a payment agreement does not in itself mean that a dispute exists. Consequently, in this report, telephone cases that involve PARs have been separated from telephone PARs that also involve a dispute. For the telephone industry, PARs that involve a dispute are classified as consumer complaints. During 2014, BCS handled 120 PARs from residential customers of telecommunications service providers. Of these PARs, 113 were from residential customers of the five major telephone

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

The 2013 and 2014 justified PAR rates and response times for the major telephone companies are presented in the tables that follow.

**2014 Residential Payment Agreement Request (PAR) Rates/
Justified PAR Rates
Major Local Telephone Companies**

Company	PAR Rate	Justified PAR Rate
CenturyLink	0.08	0.02
Frontier Commonwealth	0.01	0.00
Verizon North	0.03	0.01
Verizon PA	0.09	0.00
Windstream	0.04	0.01
Average	0.05	0.01

- The PAR rate equals the number of PARs for each 1,000 residential customers. The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- On average, there was less than one PAR to BCS for each 1,000 residential customers of the major water companies in 2014. There was less than one justified PAR for each 1,000 residential customers.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2013 and 2014.

2013-14 Justified Residential Payment Agreement Request (PAR) Rates Major Local Telephone Companies

Company	2013	2014
CenturyLink	0.09	0.02
Frontier Commonwealth	0.02	0.00
Verizon North	0.01	0.01
Verizon PA	0.01	0.00
Windstream	0.06	0.01
Average	0.04	0.01

- The justified PAR rate equals the number of justified PARs for each 1,000 residential customers.
- The average justified PAR rate for the five major telephone companies decreased from 0.04 in 2013 to 0.01 in 2014. CenturyLink had a justified PAR rate greater than the 2014 industry average.
- Four of the five major telephone companies had justified PAR rates that decreased from 2013 to 2014. Verizon North's justified PAR rate remained stable.
- Appendix G, Table 4, presents the number of PARs, the PAR rate, the number of justified PARs and the justified PAR rate for each major telephone company in 2013 and 2014.

**2013-14 Response Time to BCS
Residential Payment Agreement Requests (PARs)
Major Local Telephone Companies**

Company	Number of Days 2013	Number of Days 2014	Change in Days 2013 to 2014
CenturyLink	14.8	12.3	-2.5
Frontier Commonwealth	9.5	6.0	-3.5
Verizon North	8.1	2.5	-5.6
Verizon PA	2.6	3.1	0.5
Windstream	23.0	11.5	-11.5
Average	11.6	7.1	-4.5

- The average response time to PARs for the five major telephone companies decreased from 11.6 days in 2013 to 7.1 days in 2014.
- Of the five major telephone companies, only Verizon PA's response time to PARs increased from 2013 to 2014.

Termination of Service

Chapter 64 defines suspension as a temporary cessation of service without the consent of the customer. Termination of service, according to Chapter 64, is the permanent end of service after a suspension without the consent of the customer. Most PARs are cases relating to the termination of telephone service and are registered during the suspension phase. Many customers who have their basic service suspended are able to make payment agreements and avoid termination. Those who are not able to avoid termination cease to be customers once the termination of basic service takes place. Shifts in terminations can signal potential problems with customers maintaining basic telephone service and reflect the impact of universal service programs.

Residential Service Terminations/Termination Rates

Major Local Telephone Companies

Company	Residential Service Terminations				Termination Rates		
	2012	2013	2014	% Change 2013-14	2012	2013	2014
CenturyLink	8,412	9,840	8,100	-18%	52.86	65.58	57.22
Frontier Commonwealth	2,472*	3,048	2,988	-2%	20.00*	26.14	27.02
Verizon North	7,140	6,972	5,928	-15%	30.66	33.22	31.67
Verizon PA	57,432	55,956	44,472	-21%	40.49	47.10	44.14
Windstream	3,516	4,140	3,720	-10%	31.25	38.78	36.64
Major Telephone	78,972	79,956	65,208	-18%			
Average of Rates					35.05	42.16	39.34

* BCS revised the 2012 number of residential service terminations and termination rate for Frontier Commonwealth. It was discovered Frontier Commonwealth submitted incorrect information when filing their 2012 reporting requirements.

- The termination rate equals the number of basic service terminations for each 1,000 residential customers.
- Overall, the average residential service termination rate for the major telephone companies decreased from 42.16 in 2013 to 39.34 in 2014.
- From 2013 to 2014, the termination rate decreased for all five of the major telephone companies. Verizon PA had the greatest decrease, down 21 percent since 2013.

Compliance

The informal compliance notification process enables BCS to provide companies with written clarifications and explanations of Chapter 63 and Chapter 64 provisions and BCS policies. The informal compliance process is specifically designed to identify systemic errors. Companies can then investigate the scope of the problem and take corrective action. Appropriate corrective action usually involves modifying a computer program; revising the text of a notice, a billing or a letter; changing a company procedure; or providing additional staff training to ensure the proper implementation of a sound procedure.

Each year, BCS retrieves infraction data from the BCS Compliance Tracking System and produces tables that present Chapter 63 and Chapter 64 infraction statistics for the major telephone companies reviewed in this chapter. The infraction statistics are drawn from cases that residential consumers filed with BCS in 2012, 2013 and 2014. Appendix H, Tables 4 and 5, present detailed information about the infractions identified on 2014 cases to the BCS.

Commission Infraction Rates – Chapter 63 Major Local Telephone Companies

Company	2012	2013	2014
CenturyLink	0.13	0.05	0.18
Frontier Commonwealth	0.26	0.39	0.18
Verizon North	0.35	0.42	0.11
Verizon PA	1.18	0.58	0.28
Windstream	0.05	1.50	0.27

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates decreased for four of the five major telephone companies in 2014. CenturyLink's infraction rate increased since 2013.
- Appendix H, Table 4, presents the actual number of infractions of Chapter 63 found on 2014 informal complaints for the major local telephone companies by infraction category.

Commission Infraction Rates – Chapter 64 Major Local Telephone Companies

Company	2012	2013	2014
CenturyLink	0.14	0.26	0.18
Frontier Commonwealth	0.34	0.32	0.29
Verizon North	0.16	0.12	0.05
Verizon PA	0.40	0.24	0.10
Windstream	0.15	0.31	0.11

- The infraction rate is the number of informally verified infractions per 1,000 residential customers.
- Infraction rates decreased for all five major telephone companies in 2014.
- Appendix H, Table 5, presents the actual number of infractions of Chapter 64 found on 2014 informal complaints for the major local telephone companies by infraction category.

Universal Service Programs

As part of its ongoing responsibilities, BCS monitors the universal service programs of local telephone companies and wireless companies. For the telephone industry, universal service programs² include Lifeline 135 Service (Lifeline 135), Lifeline Service (Lifeline) and the Universal Telephone Assistance Program (UTAP). These programs ensure that low-income consumers have access to telephone service by providing discounts or credits for telephone service. The Commission approved the implementation of Pennsylvania's first universal service program for local telephone companies in 1989.³ In December 1997, the Commission approved Lifeline service plans for 44 telephone companies which led to the statewide implementation of telephone companies' Lifeline programs in 1998.

Lifeline and Lifeline 135 Service

The Commission's 2005 Final Lifeline Order (Final Order), at Docket No. M-00051871 expanded the Lifeline program eligibility to be consistent with the Federal Communications Commission's (FCC) programs.⁴ It added the National School Free Lunch Program and an income-only based criterion (income at or below 135 percent of the federal poverty guidelines) as new criteria for Pennsylvania's Lifeline program eligibility. Second, the Final

² With the exception of UTAP, these programs are supported fully or in part by federal universal service funds.

³ The Link-Up America Program was the first universal service program. The FCC eliminated this program in 2012.

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

Order directed all jurisdictional Eligible Telecommunication Carriers (ETCs)⁵ to implement the Lifeline provisions contained in Chapter 30. Under these provisions⁶, ETCs are to inform new and existing customers about the availability of Lifeline services. They also must permit eligible Lifeline service customers to purchase any number of optional services (i.e. call waiting) at the tariffed rates for these services.

On Dec. 18, 2008, the Commission adopted the initial decision of a PUC administrative law judge ordering Verizon PA and Verizon North to revise their tariffs to permit their Lifeline 135 customers the opportunity to subscribe to three types of bundled service plans.⁷ Those customers may subscribe to a bundled service package plan that offers 1) local service with three optional services; 2) local service with three optional services plus regional toll service; or 3) local service with three optional services plus regional toll service and long-distance service at a single monthly rate.

In August 2010, the Commission adopted the final Policy Statement on the Commonwealth of Pennsylvania Guidelines for Designation and Annual Recertification as an ETC for purposes of Federal Universal Service Support (ETC Guidelines).⁸ Designation as an ETC for provision of Lifeline service would permit the wire-line and wireless providers to participate in the federal Universal Service Fund's (USF) Lifeline program in order to receive support from the Low-Income program of the federal USF for these services. Currently, there are 19 wireless telephone companies providing Lifeline services in Pennsylvania. There are 10 wireless telephone company ETC petitions pending.

On March 2, 2012, the FCC issued a Final Rule⁹ which reformed and begins to modernize the federal USF Lifeline program. The reforms substantially strengthen protections against waste, fraud and abuse; improve program administration and accountability; improve enrollment and consumer disclosures; initiate modernization of the program for broadband; and constrain the growth of the program in order to reduce the burden of all who contribute to the federal USF. In addition, the FCC identified numerous unserved census block groups in Pennsylvania where wireless ETCs may bid to receive Mobility Fund Phase 1 support to build infrastructure over which to deliver 3G or better broadband and voice service. In October 2012, T-Mobile Northeast, LLC and NEP Cellcorp, Inc. won the bids to build the infrastructure in designated areas of Pennsylvania.

The following table shows enrollment activity for the major telephone companies' Lifeline programs in 2013 and 2014.

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

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

⁷ See Dockets C-20077916 and C-20077917.

⁸ Docket No. M-2010-2164741 which codifies the guidelines at 52 Pa. Code § 69.2501.

⁹ 47 CFR Part 54 – Universal Service

Lifeline Service Activity 2013-14

Company	Total Number of Customers Who Received Lifeline Service		Total Number of Customers Enrolled as of December	
	2013	2014	2013	2014
CenturyLink	2,977	2,660	2,018	1,596
Frontier Commonwealth	4,908	2,314	2,086	1,861
Verizon North*	8,534	6,845	4,666	2,114
Verizon PA*	58,590	38,399	30,450	8,446
Windstream	4,905	4,572	3,385	3,052
Total	79,914	54,790	42,605	17,069

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

As of July 1, 2014, the monthly credit¹⁰ is \$9.25 for the Lifeline 135 program, and \$11.75 for the Verizon companies' Lifeline program.

Universal Telephone Assistance Program

Verizon PA implemented a Universal Telephone Assistance Program (UTAP) along with its Lifeline service program as part of a settlement agreement that was approved by the Commission in 1995. Verizon PA is the only company that offers a financial assistance program that helps existing Lifeline customers and qualified Lifeline applicants (with a pre-existing basic service arrearage) to restore their basic telephone service. The Dollar Energy Fund manages UTAP and distributes funds to qualified customers and Lifeline applicants. The average UTAP assistance grant given to customers in 2014 was \$78. Overall, UTAP distributed \$15,436 in financial assistance to 199 of Verizon PA's qualified customers in 2014.

Automatic Notification Program

The Lifeline service automatic notification provision at 66 Pa.C.S. § 3019(f)(5) requires that all jurisdictional ETCs provide the Department of Human Services (DHS), formerly the Department of Public Welfare, with service descriptions, subscription forms, contact telephone numbers and service area information so DHS can notify its clients about the availability of Lifeline service. In 2005, a working group consisting of representatives of the PUC, Pennsylvania Telephone Association, the Office of Consumer Advocate and the Pennsylvania Utility Law Project worked with DHS to implement this provision. Commission staff coordinated with members of the working group to develop subscription forms and

¹⁰ The monthly credit is subject to change due to the Federal Subscriber Line Cost rate changes.

listings of company contacts by county. Commission staff continues to provide DHS with copies of informational brochures and a link to the Commission's website for information about companies that offer Lifeline programs.

Wireless ETC Designation

Virgin Mobile USA, LP is the first wireless carrier designated by the Commission to be an ETC. On Dec. 22, 2010, the Commission approved Virgin Mobile's petition (Docket No. P-2010-2155915) for limited designation as an ETC. In January 2011, Virgin Mobile filed a petition for reconsideration to lift the Public Safety Answering Point (PSAP) certification requirements since the FCC no longer required facilities-based carriers seeking ETC status to comply with the PSAP certification obligations. The Commission approved Virgin Mobile's petition for reconsideration on Feb. 10, 2011. Effective Feb. 14, 2011, Virgin Mobile could operate its Lifeline program, Assurance Wireless, in Pennsylvania.

On Oct. 14, 2011, the Commission approved YourTel America's petition to become an ETC in Pennsylvania. The Commission approved the ETC petitions for Cricket Communications, Inc.; Keystone Wireless, LLC d/b/a Immix Wireless; T-Mobile Northeast, LLC; T-Mobile Central, LLC and Voicestream Pittsburgh, LP; Budget Prepay, Inc.; Global Connection, Inc. and Tag Mobile, LLC in 2012. Keystone and T-Mobile each petitioned for both low-income and high-cost support and sought federal Mobility Fund Phase 1 support. The federal Mobility Fund Phase 1 support will accelerate delivery of advanced mobile services to tens of thousands of road miles that currently lack 3G or 4G service. Winning bidders must deploy either 3G service within two years or 4G service within three years of the award. T-Mobile was approved for the federal Mobility Fund Phase 1 support in Pennsylvania. T-Mobile was awarded \$1,772,094, equaling 74.93 road miles.

The Commission approved the ETC petitions of Q-link Wireless, LLC; Blue Jay Wireless, LLC; Nexus Communications, Inc. and Telrite Corp. in 2013 and AmeriMex Communications Corp.; Airvoice Wireless, LLC; Buffalo-Lake Erie Wireless Systems Co., LLC and the amended ETC petition of NEP Cellcorp, Inc. during 2014.

The Commission became aware that Keystone Wireless was not offering Lifeline service. On Jan. 13, 2014 the Commission issued a letter to Keystone Wireless advising the company that it was ineligible for the high cost funding support from the federal USF mechanism, and that its information would be removed from our Lifeline information packets until it complies with the Commission Order approving the company's petition for ETC designation. Keystone Wireless, LLC legally changed their name to Limitless Mobile, LLC on Jan. 10, 2014. Limitless Mobile (Keystone) provided Lifeline service to one consumer during 2014.

For more information about the telephone universal service programs, contact Sandra Johnson-Gumby in BCS at (717) 772-0806 or by email at sjohnson-g@pa.gov.

Glossary of Terms

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

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

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

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

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

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

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

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

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

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 PARs).

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

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

Justified Payment Agreement Request Rate - The number of justified PARs per 1,000 residential customers.

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

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

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

Payment Agreement Request Rate - The number of PARs per 1,000 residential customers.

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

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

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

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

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

Appendices

Appendix A

Consumer Ratings of BCS Service

How quickly did the PUC handle your request?		
	2013	2014
Very quickly	51%	45%
Fairly quickly	32%	33%
Not very quickly	8%	10%
Not at all quickly	5%	7%
Don't recall	2%	2%
Have not heard from PUC	3%	3%
How easy to understand was the information the PUC gave you about the outcome of the problem?		
	2013	2014
Very easy	51%	54%
Fairly easy	23%	23%
Not very easy	4%	3%
Not at all easy	2%	3%
Don't recall	3%	3%
Did not receive any information	18%	13%
How polite was the first person you talked with at the PUC?		
	2013	2014
Very polite	71%	74%
Fairly polite	19%	16%
Not very polite	4%	2%
Not at all polite	1%	2%
Don't recall	1%	1%
Did not speak to anyone	3%	5%
How interested in helping you was the first person you talked with at the PUC?		
	2013	2014
Very interested	63%	66%
Fairly interested	25%	23%
Not very interested	7%	5%
Not at all interested	2%	2%
Don't recall	1%	1%
Did not speak to anyone	2%	3%
If you had another problem with a utility, would you contact the PUC again?		
	2013	2014
Yes	83%	83%
No	7%	7%
Not sure	10%	10%

Appendix B

Total Volume of Consumer Complaints and Payment Agreement Requests to the BCS in 2013 and 2014

Industry	Consumer Complaints						Payment Agreement Requests					
	Residential			Commercial			Residential			Commercial		
	2013	2014	Percent Change	2013	2014	Percent Change	2013	2014	Percent Change	2013	2014	Percent Change
Electric	6,563	13,971	113%	646	1,024	59%	39,929	41,665	4%	162	408	152%
Gas	2,263	2,783	23%	199	180	-10%	13,717	15,480	13%	89	140	57%
Water	545	627	15%	44	39	-11%	3,896	4,236	9%	9	19	111%
Telephone	1,684	992	-41%	259	112	-57%	313	120	-62%	2	2	0%
Other	8	5	-38%	0	2	---	6	8	33%	0	1	---
Total	11,063	18,378	66%	1,148	1,357	18%	57,861	61,509	6%	262	570	118%

Appendix C

2014 Residential Informal Complaints (Consumer Complaints and PARs) for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC		
City Electric – Lewisburg (EDC)	17	17
Pike County Light and Power (EDC)	19	24
Non-Major Electric Distribution Companies (EDCs)***	6	6
AEP Energy (EGS)	11	13
Alpha Gas & Electric (EGS)	5	5
Ambit Energy (EGS)	80	96
American Power & Gas of PA (EGS)	366	382
American Power Partners (EGS)	194	195
AP Gas and Electric (EGS)	20	22
Bargain Energy (EGS)	7	7
Blue Point Energy (EGS)	148	153
Bounce Energy (EGS)	15	16
Champion Energy Services (EGS)	19	20
Choice Energy Services (EGS)	12	13
Clearview Electric (EGS)	25	27
Commerce Energy (EGS)	13	14
Con Edison Solutions (EGS)	18	28
Constellation Energy Power Choice (EGS)	25	31
Discount Power (EGS)	15	16
Dominion Energy Services (EGS)	43	65
Elec-Direct Energy Services (EGS)	166	192

* Only those non-major companies having five or more residential consumer complaints and/or PARs in 2014 are listed individually. Non-major companies having fewer than five residential consumer complaints and/or PARs in 2014 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2014 Residential Informal Complaints (Consumer Complaints and PARs) for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC (continued)		
Encoa/Energy Co. of America (EGS)	6	8
Energy Plus Holdings (EGS)	64	74
Entrust Energy (EGS)	8	9
Ethical Electric (EGS)	176	193
First Energy Solutions (EGS)	239	291
Frontier Utilities Northeast (EGS)	5	5
Gateway Energy (EGS)	17	20
Great American Power (EGS)	178	182
Green Mountain Energy (EGS)	29	35
Hiko Energy (EGS)	404	417
Hop Energy (EGS)	15	19
IDT Energy (EGS)	1,919	2,013
Interstate Gas Supply (EGS)	63	70
Liberty Power (EGS)	38	39
New Energy Ventured - Mid Atlantic (EGS)	24	26
Nextera Energy (EGS)	44	52
North American Power and Gas (EGS)	331	355
NRG Solutions (EGS)	33	41
Oasis Energy (EGS)	21	34
Palmco Power PA (EGS)	107	118

* Only those non-major companies having five or more residential consumer complaints and/or PARs in 2014 are listed individually. Non-major companies having fewer than five residential consumer complaints and/or PARs in 2014 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2014 Residential Informal Complaints (Consumer Complaints and PARs) for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC (continued)		
Park Power (EGS)	15	19
Pennsylvania Gas and Electric (EGS)	1,727	1,807
Planet Energy PA Corp (EGS)	5	8
Plymouth Rock Energy (EGS)	27	31
Public Power (EGS)	104	113
Reliable Power (EGS)	39	41
Rescom Energy (EGS)	20	28
Respond Power (EGS)	1,143	1,233
RPA Energy (EGS)	5	5
SFE Energy (EGS)	11	14
Shipley Oil Company (EGS)	5	6
Spark Energy (EGS)	13	16
Sperian Energy (EGS)	28	35
Starion Energy of PA (EGS)	137	144
Stream Energy (EGS)	77	90
Superior Plus Energy Services (EGS)	26	32
Talen Energy fka PPL Energy Plus (EGS)	33	51
TriEagle Energy (EGS)	27	27
UGI Energy Service (EGS)	20	20
Verde Energy USA (EGS)	173	215

* Only those non-major companies having five or more residential consumer complaints and/or PARs in 2014 are listed individually. Non-major companies having fewer than five residential consumer complaints and/or PARs in 2014 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2014 Residential Informal Complaints (Consumer Complaints and PARs) for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
ELECTRIC (continued)		
Viridian Energy (EGS)	51	54
WGL Energy Services (EGS)	78	83
Xoom Energy PA (EGS)	37	39
YEP Energy (EGS)	7	9
Other Electric Generation Suppliers (EGSs)***	33	42
Total Non-Major Electric	8,786	9,505
GAS		
Peoples TWP (NGDC)	160	161
UGI Central Penn Gas (NGDC)	519	521
Other Non-Major Natural Gas Distribution Companies (NGDCs)***	18	18
Agway (NGS)	0	5
Ambit Northeast (NGS)	13	14
Direct Energy (NGS)	8	8
Dominion Energy Solutions (NGS)	18	23
Gateway Energy Services (NGS)	6	7
Hiko Energy (NGS)	16	18

* Only those non-major companies having five or more residential consumer complaints and/or PARs in 2014 are listed individually. Non-major companies having fewer than five residential consumer complaints and/or PARs in 2014 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2014 Residential Informal Complaints (Consumer Complaints and PARs) for Companies Not Included in Industry Chapters

Company*	Number of Complaints	Total Number of Complaints Includes Secondary Company Complaints **
GAS (continued)		
IDT Energy (NGS)	15	15
Major Energy (NGS)	79	83
Palmco Energy (NGS)	17	17
Pennsylvania Gas and Electric (NGS)	26	26
Shipley Energy (NGS)	5	5
Titan Gas & Power (NGS)	0	5
Verde Energy USA PA (NGS)	8	8
WGL Energy Services (NGS)	7	10
Other Natural Gas Suppliers (NGSs)***	35	31
Total Non-Major Gas	950	975

* Only those non-major companies having five or more residential consumer complaints and/or PARs in 2014 are listed individually. Non-major companies having fewer than five residential consumer complaints and/or PARs in 2014 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix C (Continued)

2014 Residential Informal Complaints (Consumer Complaints and PARs) for Companies Not Included in Industry Chapters

Company*	Number of Complaints
WATER	
Penn Estates Utilities (WP)	7
Other Private Water***	26
City of Philadelphia (WM)	12
Municipal Water***	12
Total Non-Major Water	57
TELEPHONE	
Other Non-Major Incumbent Local Exchange Carriers (ILECs)***	1
AT&T Local (CLEC)	6
Cavalier Telephone Mid-Atlantic (CLEC)	10
Comcast Digital Phone (CLEC)	7
Consolidated Comm of PA (LEC)	5
Full Service Network (CLEC)	12
Tracfone dba Safelink Wireless	6
Other Competitive Local Exchange Carriers (CLECs)***	17
Other Providers of Telecommunications Services***	43
Total Non-Major Telephone	107

* Only those non-major companies having five or more residential consumer complaints and/or PARs in 2014 are listed individually. Non-major companies having fewer than five residential consumer complaints and/or PARs in 2014 are included in the appropriate general category for their industry, i.e. "Other Non-Major Electric Distribution Companies" or "Other CLECs," etc.

** Includes consumer complaints where the non-major company is listed as the secondary company.

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

Appendix D-1

Classification of Consumer Complaints Electric, Gas & Water

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

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

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

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

Discontinuance/Transfer - Complaints related to the responsibility for or the amount of bills after discontinuance or transfer of service: The customer requested discontinuance of service, and the company failed to finalize the account as requested or 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 or misreading).

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

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

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 or pressure); the company's equipment is unsatisfactory or unsafe; the company fails to act on a complaint about safety; the company plans to abandon service; the company does not offer needed service; the company wants to change location of equipment; or the company providing service is not certified by the Commission (defactos).

Termination or PAR Procedures - Complaints about termination and/or payment agreement procedures: The customer claims no termination notice was received, the company failed to honor a medical certificate, there was a delay in reconnection after the bill was paid.

All Other Problems - All other complaints that do not fit into the above categories, including, but not limited to, credit application procedures.

Appendix D-2

Classification of Consumer Complaints Telephone

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

Audiotex - Complaints about the company's failure to resolve billing problems related to special phone entertainment or information services. In 2014, BCS evaluated no residential consumer complaints about audiotex.

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

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

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

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

Extended Area of Service (EAS) - Complaints about a limited local calling area. In 2014, BCS evaluated no residential consumer complaints about EAS.

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

Rates - General or specific complaints about a utility's rates: general or specific rates are too high or the customer is being billed on the incorrect rate. In 2014, BCS evaluated no residential consumer complaint about rates.

Sales Nonbasic Services - Complaints related to the sale of nonbasic services, including the availability of certain services. In 2014, BCS evaluated one residential consumer complaint about sales of nonbasic services.

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

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

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

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

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

Appendix E - Table 1

Consumer Complaint Categories: 2014*

Major Electric Distribution Companies

Categories**	Duquesne***	Met-Ed***	PECO****+	Penelec	Penn Power	PPL***	UGI-Electric	West Penn***	Electric Majors
Termination or PAR Procedures	235	65	154	93	39	217	21	63	887
Billing Disputes	43	73	80	68	12	72	13	57	418
Metering	6	152	15	110	13	10	0	93	399
Credit and Deposits	37	61	52	108	32	31	12	65	398
Personnel Problems	44	49	52	33	10	33	3	63	287
Discontinuance/Transfer	32	20	34	21	6	33	3	21	170
Service Interruptions	2	30	23	8	0	5	0	26	94
Damages	15	10	7	5	4	5	0	41	87
Service Quality	9	14	17	5	7	5	2	13	72
Other Payment Issues	20	4	15	7	4	14	0	5	69
Scheduling Delays	4	9	8	7	3	7	0	19	57
Service Extensions	0	6	3	2	2	4	0	21	38
Rates	0	1	0	0	1	2	0	1	5
All Other Problems	12	6	6	7	6	14	1	8	60
Total*	459	500	466	474	139	452	55	496	3,041

* Categories are for residential complaints evaluated by BCS as of July 24, 2015, whether the case outcome was found to be "justified."

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

*** Statistics are based on a probability sample of cases.

+ PECO statistics include electric and gas.

Appendix E - Table 2

Consumer Complaint Categories: 2014*

Major Natural Gas Distribution Companies

Categories**	Columbia	NFG	Peoples	Peoples-Equitable	PGW***	UGI-Gas	UGI Penn Natural	Gas Majors
Termination or PAR Procedures	31	25	37	46	127	72	49	387
Billing Disputes	22	22	27	28	51	18	22	190
Personnel Problems	29	3	11	25	70	13	6	157
Discontinuance/Transfer	8	10	10	5	66	14	7	120
Metering	5	9	16	6	34	5	2	77
Credit and Deposits	6	3	6	11	4	31	14	75
Other Payment Issues	4	3	3	6	53	3	2	74
Service Quality	12	0	16	15	3	3	4	53
Scheduling Delays	10	4	2	3	25	5	3	52
Damages	10	2	7	2	15	8	3	47
Service Extensions	6	5	1	1	6	10	9	38
Service Interruptions	4	0	3	1	4	2	0	14
Rates	1	0	0	6	0	0	1	8
All Other Problems	1	4	4	6	1	12	6	34
Total*	149	90	143	161	459	196	128	1,326

* Categories are for residential complaints evaluated by BCS as of July 24, 2015, whether the case outcome was found to be "justified."

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

*** Statistics are based on a probability sample of cases.

Appendix E - Table 3

Consumer Complaint Categories: 2014*

Major Water Companies

Categories**	Aqua	PAWC	"Other Class A" Water	All "Class A" Water
Billing Disputes	69	132	4	205
Termination or PAR Procedures	20	28	2	50
Service Quality	9	39	1	49
Metering	11	27	0	38
Damages	5	27	3	35
Personnel Problems	9	16	5	30
Scheduling Delays	2	15	1	18
Discontinuance/Transfer	7	10	0	17
Other Payment Issues	6	5	0	11
Credit and Deposits	7	3	0	10
Service Interruptions	1	5	1	7
Rates	0	4	0	4
Service Extensions	1	1	1	3
All Other Problems	2	7	0	9
Total*	149	319	18	486

* Categories are for residential complaints evaluated by BCS as of July 24, 2015, whether the case outcome was found to be "justified."

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

Appendix E - Table 4

Consumer Complaint Categories: 2014*

Major Local Telephone Companies

Categories**	CenturyLink	Frontier Common- wealth	Verizon North	Verizon PA***	Windstream	Telephone Majors
Unsatisfactory Service	8	9	17	146	8	188
Billing Disputes	9	13	8	104	8	142
Service Delivery	2	6	5	109	11	133
Service Terminations	6	2	4	26	1	39
Competition	2	1	0	11	1	15
Discontinuance/Transfer	0	1	0	4	1	6
Annoyance Calls	0	0	0	3	2	5
Credit and Deposits	0	0	0	4	0	4
Non-Recurring Charges	0	1	0	2	0	3
Toll Services	0	0	0	1	0	1
All Other Problems	3	5	2	73	0	83
Total*	30	38	36	483	32	619

* Categories are for residential complaints evaluated by BCS as of June 27, 2015, whether the case outcome was found to be "justified."

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

*** Statistics are based on a probability sample of cases.

Appendix F - Table 1

2013-14 Residential Consumer Complaint Statistics Major Electric Distribution Companies

Company Name	2014 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2013	2014	% Change in #	2013	2014	Numbers ² / Rates ³ 2013		Numbers ² / Rates ³ 2014	
Duquesne	527,390	505	608	20%	0.96	1.15	52	0.10	64*	0.12
Met-Ed	490,059	819	1,213	48%	1.68	2.48	169	0.35	330*	0.67*
PECO ⁵	1,445,054	1,218	1,634	34%	0.85	1.13	222*	0.15*	172*	0.12*
Penelec	503,597	589	783	33%	1.17	1.55	103	0.20	164	0.33
Penn Power	141,745	101	161	59%	0.72	1.14	16	0.11	27	0.19
PPL	1,221,960	706	1,801	155%	0.58	1.47	74*	0.06*	255*	0.21*
UGI-Electric	55,881	57	66	16%	1.02	1.18	5	0.09	5	0.09
West Penn	621,020	951	829	-13%	1.54	1.33	183	0.30	154*	0.25
Major Electric	5,006,706	4,946	7,095	43%			824		1,171	
Average of Rates					1.07⁴	1.47⁴		0.18⁴		0.27⁴

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

² Estimated based on the number of cases on CSIS as of July 24, 2015.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

* Based on a probability sample of cases.

Appendix F - Table 2

2013-14 Residential Consumer Complaint Statistics Major Natural Gas Distribution Companies

Company Name	2014 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2013	2014	% Change in #	2013	2014	Numbers ² / Rates ³ 2013		Numbers ² / Rates ³ 2014	
Columbia	386,150	180	185	3%	0.47	0.48	12	0.03	14	0.04
NFG	198,681	92	102	11%	0.46	0.51	16	0.08	19	0.10
Peoples	330,459	245	171	-30%	0.74	0.52	49	0.15	39	0.12
Peoples-Equitable	243,602	140	187	34%	0.58	0.77	8	0.03	12	0.05
PGW	469,283	1,178	1,416	20%	2.51	3.02	334*	0.71*	179*	0.38*
UGI-Gas	331,582	166	265	60%	0.51	0.80	9	0.03	31	0.09
UGI Penn Natural	150,495	86	170	98%	0.58	1.13	8	0.05	17	0.11
Major Gas	2,110,252	2,087	2,496	20%			436		311	
Average of Rates					0.84	1.03		0.16		0.13

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

² Estimated based on the number of cases on CSIS as of July 24, 2015.

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

* Based on a probability sample of cases.

Appendix F - Table 3

2013-14 Residential Consumer Complaint Statistics Major Water Companies

Company Name	2014 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2013	2014	% Change in #	2013	2014	Numbers ² / Rates ³ 2013		Numbers ² / Rates ³ 2014	
Aqua	391,768	175	164	-6%	0.45	0.42	76	0.20	63	0.16
PAWC	596,302	309	421	36%	0.52	0.71	108	0.18	173	0.29
"Other Class A" Water	138,350	31	20	-35%	0.23	0.14	5	0.04	4	0.03
Major Water	1,126,420	515	605	17%			189		240	
Average of Rates					0.40	0.42		0.14		0.16

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

² Estimated based on the number of cases on CSIS as of July 24, 2015.

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

Appendix F - Table 4

2013-14 Residential Consumer Complaint Statistics Major Local Telephone Companies

Company Name	2014 Residential Customers	Residential Consumer Complaints to BCS			Consumer Complaint Rates ¹		Justified Consumer Complaints			
		2013	2014	% Change in #	2013	2014	Numbers ² / Rates ³ 2013		Numbers ² / Rates ³ 2014	
CenturyLink	141,564	52	36	-31%	0.35	0.25	19	0.13	18	0.13
Frontier Commonwealth	110,592	51	42	-18%	0.44	0.38	28	0.24	22	0.20
Verizon North	187,169	102	38	-63%	0.49	0.20	47	0.22	15	0.08
Verizon PA	1,007,422	1,304	741	-43%	1.10	0.74	499*	0.42*	308*	0.31*
Windstream	101,526	75	35	-53%	0.70	0.34	46	0.43	19	0.19
Major Telephone	1,548,273	1,584	892	-44%			639		382	
Average of Rates					0.61	0.38		0.29		0.18

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

² Estimated based on the number of cases on CSIS as of June 27, 2015.

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

* Based on a probability sample of cases.

Appendix G - Table 1

2013-14 Residential Payment Agreement Request (PAR) Statistics Major Electric Distribution Companies

Company Name	2014 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2013	2014	% Change In #	2013	2014	Numbers ² / Rates ³ 2013		Numbers ² / Rates ³ 2014	
Duquesne	527,390	4,998	3,697	-26%	9.49	7.01	162	0.31	72	0.14
Met-Ed	490,059	2,610	3,577	37%	5.34	7.30	183	0.37	230	0.47
PECO ⁵	1,445,054	7,419	8,358	13%	5.17	5.78	139	0.10	481	0.33
Penelec	503,597	2,457	3,305	35%	4.87	6.56	129	0.26	168	0.33
Penn Power	141,745	661	793	20%	4.68	5.59	19	0.13	46	0.32
PPL	1,221,960	19,307	17,062	-12%	15.84	13.96	816	0.67	467	0.38
UGI-Electric	55,881	673	656	-3%	12.03	11.74	23	0.41	38	0.68
West Penn	621,020	1,712	2,307	35%	2.76	3.71	93	0.15	106	0.17
Major Electric	5,006,706	39,837	39,755	<1%			1,564		1,608	
Average of Rates					6.88⁴	7.13⁴		0.28⁴		0.31⁴

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

² With the exception of Penn Power and UGI-Electric, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for all EDCs is based on the number of cases on CSIS as of July 24, 2015.

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

⁴ Does not include UGI-Electric.

⁵ PECO statistics include electric and gas.

Appendix G - Table 2

2013-14 Residential Payment Agreement Request (PAR) Statistics Major Natural Gas Distribution Companies

Company Name	2014 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2013	2014	% Change in #	2013	2014	Numbers ² / Rates ³ 2013		Numbers ² / Rates ³ 2014	
Columbia	386,150	1,029	796	-23%	2.68	2.06	8	0.02	16	0.04
NFG	198,681	806	614	-24%	4.06	3.09	26	0.13	40	0.20
Peoples	330,459	610	825	35%	1.85	2.50	27	0.08	51	0.15
Peoples-Equitable	243,602	1,449	1,102	-24%	5.97	4.52	25	0.10	11	0.05
PGW	469,283	5,240	7,347	40%	11.17	15.66	173	0.37	229	0.49
UGI-Gas	331,582	2,553	2,506	-2%	7.87	7.56	157	0.48	176	0.53
UGI Penn Natural	150,495	1,594	1,627	2%	10.69	10.81	111	0.74	156	1.04
Major Gas	2,110,252	13,281	14,817	12%			527		679	
Average of Rates					6.33	6.60		0.28		0.36

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

² With the exception of Columbia and NFG, each company's number of justified PARs is estimated based on a probability sample of cases. The number of justified PARs for all NGDCs is based on the number of cases on CSIS as of July 24, 2015.

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

Appendix G - Table 3

2013-14 Residential Payment Agreement Request (PAR) Statistics Major Water Companies

Company Name	2014 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2013	2014	% Change in #	2013	2014	Numbers ² / Rates ³ 2013		Numbers ² / Rates ³ 2014	
Aqua	391,768	1,239	1,096	-12%	3.20	2.80	48*	0.12*	27*	0.07*
PAWC	596,302	2,387	2,877	21%	4.04	4.82	304*	0.51*	340*	0.57*
"Other Class A" Water	138,350	230	228	-1%	1.69	1.65	5	0.04	0	0.00
Major Water	1,126,420	3,856	4,201	9%			357		367	
Average of Rates					2.97	3.09		0.22		0.21

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

² Estimated based on a probability sample of cases and the number of cases on CSIS as of July 24, 2015.

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

* Based on a probability sample of cases.

Appendix G - Table 4

2013-14 Residential Payment Agreement Request (PAR) Statistics Major Local Telephone Companies

Company Name	2014 Residential Customers	Residential PARs to BCS			PAR Rates ¹		Justified PARs			
		2013	2014	% Change in #	2013	2014	Numbers ² / Rates ³ 2013		Numbers ² / Rates ³ 2014	
CenturyLink	141,564	31	11	-65%	0.21	0.08	14	0.09	3	0.02
Frontier Commonwealth	110,592	9	1	-89%	0.08	0.01	2	0.02	0	0.00
Verizon North	187,169	9	6	-33%	0.04	0.03	2	0.01	2	0.01
Verizon PA	1,007,422	238	91	-62%	0.20	0.09	8*	0.01*	4	0.00
Windstream	101,526	6	4	-33%	0.06	0.04	6	0.06	1	0.01
Major Telephone	1,548,273	293	113	-61%			32		10	
Average of Rates					0.12	0.05		0.04		0.01

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

² Estimated based on the number of cases on CSIS as of June 27, 2015.

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

* Based on a probability sample of cases.

Appendix H – Table 1

Chapter 56, Chapter 14 and Other Infraction Categories: 2014*

Major Electric Distribution Companies

Description	Duquesne		Met-Ed		PECO+		Penelec		Penn Power		PPL		UGI-Electric		West Penn	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22, 56.24 and 56.25)	2	4%	9	7%	0	0%	6	9%	1	7%	2	3%	0	0%	3	3%
Meter Reading (56.12)	0	0%	64	52%	0	0%	11	16%	2	13%	3	4%	0	0%	50	55%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	1	2%	3	2%	0	0%	4	6%	1	7%	5	7%	0	0%	2	2%
Transfer of Accounts (56.16, 56.72 and Secretarial Letter re: third-party request for service)	1	2%	10	8%	2	5%	8	12%	1	7%	0	0%	0	0%	3	3%
Credit Standards and Deposits (56.31-37, 56.41, 56.42, 56.51 and 56.53)	15	29%	5	4%	6	16%	10	15%	3	20%	17	23%	0	0%	1	1%
Termination Grounds (56.2-Def. of Delinquent Acct., 56.81-83 and 56.100)	2	4%	2	2%	2	5%	1	1%	3	20%	2	3%	0	0%	5	5%
Termination Procedures (56.91-97, 56.112 and 56.114)	3	6%	0	0%	2	5%	0	0%	1	7%	5	7%	0	0%	0	0%
Reconnection of Service (56.115 and 56.191(a)-(c))	2	4%	3	2%	1	3%	1	1%	1	7%	0	0%	0	0%	1	1%
Liability - Responsibility for Bills (56.2-Def. of Applicant, 56.2-Def. of Customer and 56.191(d)-(e))	2	4%	0	0%	0	0%	0	0%	0	0%	1	1%	0	0%	1	1%
Landlord/Ratepayer (1521-1533)	1	2%	0	0%	1	3%	0	0%	0	0%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 56.181)	19	37%	14	11%	20	54%	18	26%	0	0%	34	46%	1	100%	15	16%
Other (56.1, 56.111, 57.20 and 1501)	4	8%	12	10%	3	8%	9	13%	2	13%	5	7%	0	0%	10	11%
Total	52		122		37		68		15		74		1		91	

* # equals the number of verified infractions identified by BCS as of Sept. 25, 2015.

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

+ PECO statistics include electric and gas.

Appendix H – Table 2

Chapter 56, Chapter 14 and Other Infraction Categories: 2014* Major Natural Gas Distribution Companies

Description	Columbia		NFG		Peoples		Peoples-Equitable		PGW		UGI – Gas		UGI Penn Natural	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Billing and Payment (56.2-Def. of Billing Month, 56.2-Def. of Billing Period, 56.11, 56.15, 56.21, 56.22, 56.24 and 56.25)	0	0%	0	0%	0	0%	0	0%	4	4%	0	0%	0	0%
Meter Reading (56.12)	0	0%	2	40%	4	15%	0	0%	0	0%	2	8%	1	25%
Make-Up Bills (56.14, 57.24, 59.22 and 65.9 (C))	0	0%	0	0%	1	4%	0	0%	11	12%	0	0%	0	0%
Transfer of Accounts (56.16, 56.72 and Secretarial Letter re: third-party request for service)	0	0%	0	0%	1	4%	0	0%	0	0%	2	8%	0	0%
Credit Standards and Deposits (56.31-37, 56.41, 56.42, 56.51 and 56.53)	0	0%	0	0%	1	4%	1	33%	10	11%	13	50%	1	25%
Termination Grounds (56.2-Def. of Delinquent Acct., 56.81-83 and 56.100)	1	33%	0	0%	1	4%	0	0%	0	0%	2	8%	0	0%
Termination Procedures (56.91-97, 56.112 and 56.114)	1	33%	0	0%	3	12%	1	33%	0	0%	0	0%	1	25%
Reconnection of Service (56.115 and 56.191(a)-(c))	0	0%	0	0%	0	0%	1	33%	3	3%	2	8%	0	0%
Liability - Responsibility for Bills (56.2-Def. of Applicant, 56.2-Def. of Customer and 56.191(d)-(e))	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Landlord/Ratepayer (1521-1533)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Dispute Handling (56.2-Def. of Dispute, 56.141-152 and 56.181)	1	33%	2	40%	7	27%	0	0%	56	60%	4	15%	1	25%
Other (56.1, 56.71 and 1501)	0	0%	1	20%	8	31%	0	0%	9	10%	1	4%	0	0%
Total	3		5		26		3		93		26		4	

* # equals the number of verified infractions identified by BCS as of Sept. 25, 2015.

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