**STATE OF NEW JERSEY**
**OFFICE OF ADMINISTRATIVE LAW**
**BEFORE THE HONORABLE IRENE JONES**

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| **IN THE MATTER OF THE PETITION** | ) | |
| **OF ATLANTIC CITY ELECTRIC** | ) | |
| **COMPANY FOR APPROVAL OF** | ) | |
| **AMENDMENTS TO ITS TARIFF TO** | ) | |
| **PROVIDE FOR AN INCREASE IN** | ) | **BPU DOCKET No. ER11080469** |
| **RATES AND CHARGES FOR** | ) | **OAL DOCKET No. PUCRL 09929-2011** |
| **ELECTRIC SERVICE PURSUANT TO** | ) | |
| **N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1** | ) | |
| **AND FOR OTHER APPROPRIATE** | ) | |
| **RELIEF** | ) | |

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**DIRECT TESTIMONY OF ROGER COLTON**
**ON BEHALF OF THE**
**DIVISION OF RATE COUNSEL**

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**Q. PLEASE STATE YOUR NAME AND ADDRESS.**

A. My name is Roger Colton. My business address is 34 Warwick Road, Belmont, Massachusetts02478.

A. **BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

A. I am a principal in the firm of Fisher Sheehan & Colton, Public Finance and General Economics. In that capacity, I provide technical assistance to a variety of federal and state agencies, consumer organizations and public utilities on rate and customer service issues involving electric, natural gas, telephone and water/sewer utilities.

**Q. FOR WHOM ARE YOU TESTIFYING IN THIS PROCEEDING?**

A. I am testifying on behalf of the New Jersey Division of Rate Counsel.

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

A. After receiving my undergraduate degree from IowaStateUniversity (1975), I obtained further training in both law and economics. I received my law degree from the University of Florida in 1981. I received my Masters Degree (economics) from the McGregorSchool (AntiochUniversity) in 1993.

**Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND.**

A. I work primarily on utility issues involving low-income customers. This involves regulatory work on rate and customer service issues, as well as research into low-income utility usage, payment patterns and affordability programs. At present, I am working on various projects in the states of New Jersey, Maryland, Pennsylvania, North Carolinaand Colorado. My clients include state agencies (*e.g.*, Pennsylvania Office of Consumer Advocate, Maryland Office of Peoples Counsel, North Carolina Department of Justice, Iowa Department of Human Rights), federal agencies (*e.g.*, U.S. Department of Health and Human Services), community-based organizations (*e.g.*, Community Action of New Mexico, Coalition to Keep Indiana Warm, Energy Outreach Colorado), and private utilities (*e.g.*, Entergy Services, Xcel Energy, Tacoma Public Utilities). In addition to state- and utility-specific work, I engage in national work in the United States.

**Q. HAVE YOU WORKED SPECIFICALLY WITH CUSTOMER SERVICE ISSUES INVOLVING PUBLIC UTILITIES?**

A. Yes. I have been working on issues involving how utilities respond to customer payment troubles for more than 25 years. Over the past two-and-a-half decades, I have worked for both utility industry clients and public sector clients. I have worked for investor-owned utilities and municipal utilities that provide natural gas, electric and water/sewer services. I have taught seminars for organizations ranging from the National Low-Income Energy Consortium (NLIEC), to the National Association of Regulatory Utility Commissioners (NARUC), to the Edison Electric Institute (EEI) and American Gas Association (AGA). I have been called upon to speak to academic gatherings (e.g., University of Missouri's Financial Research Institute, New Mexico State University College of Business, Center for Public Utilities), and to industry gatherings (E-Source Forum, Florida Municipal Electric Association).

**Q. HAVE YOU EVER TESTIFIED BEFORE THIS OR OTHER PUBLIC UTILITY BOARDS OR COMMISSIONS?**

I have testified in regulatory proceedings in more than 30 states and various Canadian provinces on a wide range of water, telecommunications and energy issues. Other proceedings in which I have previously appeared as an expert witness are listed in Attachment A.

Last year, I worked on customer service issues related both to the merger of Constellation Energy with Exelon and related to the merger of Duke Energy with Progress Energy. In 2010, I completed (as part of a team) a manual on customer service processes for the American Water Works Association Research Foundation ("AWWARF"). In addition, in 2009, I completed a study of customer service processes for Tacoma Public Utilities ("TPU"), a municipal utility delivering both energy and water/wastewater service in Tacoma (Washington). My charge with Tacoma was to help them develop a short-term, moderate-term and long-term action plan to improve methods for assisting payment-troubled customers of their municipal system. My charge with TPU was to articulate customer service objectives; to identify programs, policies, procedures and practices designed to accomplish those objectives; and to align the utility's objectives with its programs, policies, procedures and practices. In 2009, I undertook a review of proposed modifications to the customer service regulations of the Ontario Energy Board. In 2008, I undertook a review of the customer service regulations of the Philadelphia Water Department for the Philadelphia Public Advocate.

**Q. HAVE YOU AUTHORED ARTICLES ON PUBLIC UTILITY REGULATORY ISSUES?**

A. Yes. I have published more than 80 articles in scholarly and trade journals on utility and housing issues. I have published an equal number of technical reports for various clients on energy, water, telecommunications and other associated utility issues. A list of my professional publications is included in Attachment A.

**Q. HAVE YOU EVER TESTIFIED BEFORE THIS BOARD?**

A. Yes. I have previously testified before the New Jersey Board of Public Utilities (the "Board") on a variety of occasions involving energy, water and telecommunications issues. In particular, I worked with the Division of Rate Counsel on developing a customer service improvement plan that was agreed upon by the parties as part of the April 19, 2011 Stipulation settling Phase II of the Company's 2009 base rate case (Docket ER09080664) (the "2011 Stipulation"), which the Board adopted by Order dated May 16, 2011 (the "2011 Order").

**Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

A. I have been asked to review the delivery of customer service by the Atlantic City Electric Company (the "Company" or "ACE"). My testimony will consider the implications of the adequacy of customer service from the perspective of a rate case. More specifically, my testimony is presented in the following three parts:

In **<u>Part 1</u>**, my testimony examines issues that have recurred since the July 2, 2002 Board Order resolving ACE's 2002 merger proceeding (Docket No. EM01050308) (the "2002 Merger Order") and that were again addressed in the 2011 Order.

- First, I find that, contrary to the Service Level Guarantee ("SLG") in the 2002 Merger Order that the Company's complaint level would not exceed 1,500 per year, the Company now exceeds its SLG by nearly 50%. The Company is not devoting adequate resources to an effort to undertake an accurate root-cause analysis of the increasing number of complaints. As a result, the level of compliance with this Company-agreed SLG continues to deteriorate.

- Second, I find that, contrary to the SLG in the 2002 Merger Order that the Company would "honor *<u>all</u>* mutually agreed face-to-face service related appointments with customers," the proportion of service appointments met continues to fall well short of the performance to which ACE agreed in this SLG in the Merger Order.

- Third, I find that, contrary to the Company's agreement under the 2011 Order to undertake "moment of truth" surveys to measure customer satisfaction with all aspects of customer service interactions, and contrary to the representation that such surveys would begin in January 2012, as of April 2012, no results from such surveys have yet been forthcoming. The "moment of truth" surveys required by the 2011 Order are necessary to determine *<u>how</u>* and *<u>why</u>* the Company's customer service activities are resulting in ongoing low levels of customer satisfaction.

- Fourth, I find that the failure rate of the Company's deferred payment arrangements is extraordinary. The Company does not appear to offer payment plans that consider the financial circumstances of the customer. For example, the deferred payment plan terms offered to residential customers require down-payments that appear to be excessive. Roughly 90% or more of the Company's deferred payment arrangements end in default.

In **Part 2**, I examine issues involving the Company's customer call centers.

- First, I find that while a utility might increase the efficiency of its operations through the implementation of technology, a company should *not* offer a degraded level of customer service through that reliance on technology. With ACE, overall, as well as on specific attributes of customer contact, customers routed through the Company's automated voice-response unit system are offered lower quality service as expressed by considerably lower customer satisfaction ratings.

- Second, I find that ACE customer satisfaction surveys document unresponsiveness by in-house customer service representatives ("CSRs") in responding to inability-to-pay problems. Lower ACE customer satisfaction ratings on "willingness to help" and "sympathetic to my concern" evidence that, either by training or by procedures, ACE CSRs are not adequately listening and responding to customer problems. As a result, customers are more likely to lose access to service, bear increased costs (through fees, deposits, and the like), and be subjected to stricter and quicker collection activities.

- Third, the Company contracts with a company called "Outsource ER Solutions" ("ERS") to provide supplemental call center services. I find that the Company's customers having contact with the ERS call center personnel perceive a lower quality of service, reporting lower satisfaction with ERS transactions than with transactions involving ACE personnel. ACE itself has expressed continuing internal concerns about the under-performance of ERS. Despite the poor performance of the Company's subcontractor, ACE continues not only to send a high proportion of its customer service calls to ERS, but also continues to send a high proportion of its most difficult calls to ERS, despite knowing ERS' poor performance.

In **Part 3**, I examine the customer service implications of the Company's mis-use of notices of disconnections for nonpayment. ACE repeatedly issues disconnect notices when it has no intention to actually disconnect service. I find that ACE's over-noticing of nonpayment disconnections has a direct adverse impact on customers receiving the disconnect notices; has the unintended consequence of *increasing* nonpayment and bad debt; and causes the Company to incur unnecessary credit and collection expenses that must be paid by all ratepayers.

I finally find that basic management techniques are available, and have been employed by other utilities, that would address each of the problems I identify above. In fact, a process for addressing these customer service issues was presented in the ACE Management Audit performed under the Board's auspices in March 2010. That process, however, has not been implemented by the Company for customer service issues.

## Part 1.The ACE Customer Service Issues.

**Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.**

A. In this section, I review the performance of ACE on several customer service issues that were first raised more than a decade ago in the July 2, 2002 Order resolving the 2002 ACE merger proceeding (Docket No. EM01050308) (the "2002 Merger Order") and again addressed in the April 19, 2011 Stipulation settling Phase II of ACE's 2009 base rate case (Docket ER09080664) (the "2011 Stipulation") that the Board adopted by Order dated May 16, 2011 (the "2011 Order"). My objective is to determine whether the Company has achieved its commitments in the 2002 Merger Order and the 2011 Order, and whether the assumptions underlying the 2011 Order have proven accurate.

### A. <u>Customer Complaints.</u>

**Q. PLEASE EXPLAIN THE ASPECTS OF THE 2002 MERGER ORDER AND THE 2011 ORDER THAT YOU ADDRESS IN THIS SECTION.**

A. In this part, I consider the extent to which the Company has succeeded in achieving its agreed-upon performance metrics regarding the number of customer complaints. The

Company agreed in the 2002 Merger Order that it would not exceed 1,500 customer complaints to the Board per year. This commitment was renewed in the 2011 Order.

**Q. WHAT IS THE COMPANY'S PERFORMANCE RELATIVE TO ITS SERVICE LEVEL GUARANTEE REGARDING COMPLAINTS TO THE BOARD?**

A. The level of complaints addressed in the 2002 Merger Order involving SLGs involved complaints *to the Board*. The number of complaints to the Board continues to increase for ACE. From the 2009 base rate case we know that, in 2007, the Company had 1,338 complaints to the Board. From data ACE provided in this proceeding, we know that the level of complaints to the Board alone reached 1,820 in 2008,[1] 2,000 in 2009,[2] and 2,083 in 2010, well above its commitment not to exceed 1,500.[3] By 2011, the level of complaints about ACE to the Board reached 2,248. (RCR-CI-64). Two observations can be made about the complaints to the Board about ACE: (1) the level of complaints to the Board is 50% higher than the SLG agreed upon in the 2002 Merger Order; and (2) the level of complaints continues to trend upward, with an increase of 68% since 2007. And this is the number of complaints to the Board alone; the total number of complaints about ACE is even higher.

**Q. HAVE YOU EXAMINED WHICH ASPECTS OF CUSTOMER SERVICE GIVE RISE TO COMPLAINTS ABOUT THE COMPANY?**

A. Yes. Rate Counsel asked the Company to provide the "categories of. … complaints (e.g., billing, collection, service)" for <u>all</u> complaints "with respect to the 'complaints root cause

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[1] RCR-CI-4, Attachment 1, 2008 SLG Results.
[2] RCR-CI-4, Attachment 2, 2009 SLG Results.
[3] RCR-CI-4, Attachment 3, 2010 SLG Results.

analysis' discussed in the Company's March 2011 Customer Service Improvement Plan"[4] (RCR-CI-20). This discovery question inquires into all complaints, a broader category than the SLG in the 2002 Merger Order. While the SLG from 2002 includes only complaints to the Board, "all" complaints include complaints to the Board as well as to the Company itself and to "external sources" such as legislative offices and the Better Business Bureau. (Attachment RCR-CI-20.xls). When asked for its total number of customer complaints, ACE reported 2,270 in 2008, 2,497 in 2009, 2,686 in 2010, and 2,175 for the first nine months of 2011. (RCR-CI-20). The vast majority of the complaints about ACE involve credit-related issues. According to ACE, of all its complaints, 1,766 (78%) were credit-related in 2008; 1,963 (79%) were credit-related in 2009; 2,014 (75%) were credit-related in 2010; and 1,617 (74%) were credit-related in 2011 (through September). (RCR-CI-20). As per the 2011 Order, ACE agreed to subject all its customer complaints to the "root cause" analysis.

**Q. CAN THE LEVEL OF COMPLAINTS BE ATTRIBUTED ONLY TO THE ECONOMIC RECESSION THAT HAS FACED THE COUNTRY?**

A. No. If the level of customer complaints could be attributed solely to the economic downturn that hit the country in 2008, four observations would be evident. First, the level of complaints by year would have been reasonably constant up until 2008, the year of the economic downturn, at which time the level would have demonstrated a substantial up-turn. Second, the level of complaints would have escalated at the time of the economic downturn, with a leveling out of the number of complaints once the new

[4] ACE discusses its "complaints root cause analysis" on p. 6 of 15 of its March 2011 Customer Service Improvement Plan, Exhibit B to the 2011 Stipulation.

normal had been established. Third, as the economic downturn moderated, the level of complaints would have decreased back toward the pre-downturn numbers. Finally, if the level of complaints were caused in large part by the economic recession, a growing proportion of the complaints would involve credit and collection issues.

None of these observations are borne out by the data. As the Company concedes, there has been a constant increase in the number of complaints, with each year being higher than the previous year. (RCR-CI-75). Moreover, the proportion of total complaints represented by credit and collection complaints has actually decreased a bit since 2008, from 78% in 2008 to 74% in 2011 (YTD).

In addition, if the growth in complaints could be attributed solely to the national recession, that growth would not have occurred prior to the recession. Instead, however, the number of complaints against ACE grew from 1,338 in 2007 to 1,824 in 2008. The growth in complaints was occurring before the nation experienced its economic downturn.

**Q. HOW DOES ACE'S PERFORMANCE COMPARE TO THE PERFORMANCE OF OTHER UTILITIES OF WHICH YOU ARE AWARE?**

A. It is reasonable to compare the ACE performance to the performance of electric utilities in the neighboring state of Pennsylvania. The Pennsylvania Public Utility Commission ("PUC") publishes complaint statistics in its annual "Utility Consumer Activities Report and Evaluation" (and corresponding quarterly updates).[5] In addition to reporting the actual number of consumer complaints to the PUC's Bureau of Consumer Services ("BCS"), the PUC reports a complaint rate, which is the ratio of complaints per 1,000 customers.

The number and rate of residential complaints involving ACE eclipses any of the major investor-owned electric utilities in Pennsylvania. While in 2011, ACE had 2,248 customer complaints filed with the Board, in Pennsylvania, there were only 5,906 complaints ***statewide*** filed with the PUC by all major electric utilities combined. The largest number of 2011 residential electric complaints filed in Pennsylvania (1,736) involved PECO, a combination gas/electric company with more than 1.4 million electric customers and nearly 500,000 natural gas customers (compared to ACE's residential customer base of almost 500,000). The second largest number of 2011 residential complaints filed in Pennsylvania involved Pennsylvania Power and Light (1,243), serving more than 1.2 million residential electric customers. In contrast, the electric companies in Pennsylvania having a residential customer base roughly equal to ACE, including Duquesne (524,406 residential customers in 2010), Metropolitan Edison (485,991 residential customers in 2010), and Pennelec (505,397 residential customers in 2010), generated 778 (Duquesne), 977 (Met-Ed), and 565 (Pennelec) residential complaints respectively in 2011.

[5] The Pennsylvania PUC reports complaint data for the following electric utilities: Duquesne Light, Met-Ed, PECO, Pennelec, PennPower, PPL, and West Penn. Quarterly Update to UCARE Report, January – December 2011, at 5, available at www.puc.state.pa.us/general/publications_reports/consumer_activities_report_and_evaluations.aspx (accessed March 30, 2012).

The customer complaint rate (i.e. number of complaints per 1,000 residential customers) was clearly much lower for these neighboring utilities. While ACE had a complaint rate of 4.32 per 1,000 customers in 2010 (2,083 complaints filed with the Board spread over an average monthly number of customers of 481,712),[6] the 2010 customer complaint rates for the two Pennsylvania electric companies with the largest number of complaints were PECO (1.29 residential complaints filed with BCS per 1,000 residential customers) and PPL(0.76 residential complaints filed with BCS per 1,000 residential customers). For the three utilities with roughly the same number of residential customers as ACE, the 2010 complaint rates were 1.10 for Duquesne, 0.94 for Met-Ed, and 0.63 for Pennelec.

In Pennsylvania, even the Philadelphia Gas Works ("PGW"), which historically has had the highest complaint rates amongst the major regulated energy (i.e., electric and natural gas) utilities,[7] reported a 2010 complaint rate of 1.97 complaints per 1,000 customers, compared to ACE's rate of 4.32 per 1,000 customers.

**Q. IS THERE ANY OTHER STRIKING DIFFERENCE BETWEEN THE COMPLAINTS FILED WITH RESPECT TO ACE AND COMPLAINTS FILED WITH ITS NEIGHBORING INVESTOR-OWNED UTILITIES?**

A. Yes. As noted above, ACE reports that nearly 75% of the complaints filed with respect to the Company involve credit and collection disputes. In contrast, the seven major

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[6] The average monthly number of residential customers was derived from monthly data provided by ACE in response to RCR-CI-47.

[7] Pennsylvania natural gas utilities had an average complaint rate of 1.02 per 1,000 customers. The individual 2010 natural gas 2010 complaint rates per 1,000 customers were: Columbia Gas (0.62); Equitable Gas (0.93); National Fuel Gas (0.68); Peoples (0.85); PGW (1.97); UGI Gas (0.69); and UGI Penn Natural (1.40). (2010 Utilities Consumer Activities Report and Evaluation (UCARE), at 28).

investor-owned electric utilities in Pennsylvania, for the most recent year for which data is reported (2010), had a total of 31% of their total complaints relating to the *combined* categories of discontinuance/transfer (10%), credit and deposits (8%), service interruptions (8%), and other payment issues (5%). According to the Pennsylvania PUC, ACE's neighboring major investor-owned utilities had 46 percent of their residential complaints relate to the three categories of (1) personnel problems (14%), (2) metering complaints (11%), and (3) billing disputes (21%), *not* the heavy concentration of consumer complaints focused on credit and collection issues found with ACE.

**Q. DOES THE PERFORMANCE OF ACE'S NEIGHBORING MAJOR INVESTOR-OWNED ELECTRIC UTILITIES SUPPORT THE CONCLUSION THAT THE "NATIONAL RECESSION" LED TO AN INCREASE IN THE NUMBER OF CUSTOMER COMPLAINTS?**

A. No. In contrast to ACE's assertion that the nation's economic recession led to an increase in customer complaints, in Pennsylvania:

- In 2009, three of the seven large investor-owned electric utilities had negative growth rates in the number of residential complaints (relative to 2008). A fourth company experienced a positive growth in the number of complaints of less than 1%.[8]
- Again in 2010, three of the seven major electric utilities also experienced a negative growth rate in residential complaints (relative to 2009), with one utility having a positive growth rate of only 2%.[9]

[8] Duquesne Light: (-31%); PECO (-11%); Penn Power (-12%); PPL (<1%).
[9] PECO (-17%); Pennelec (-18%); Penn Power (-19%); Met-Ed (2%).

There is no reason to believe that the growth in the number of customer service complaints about ACE is primarily associated with the national economic downturn.

**Q. WHAT DO YOU CONCLUDE?**

A. The Company stipulated to an SLG in the 2002 Merger Order that the number of customer complaints filed with the Board each year would not exceed 1,500. Contrary to that SLG, the Company now exceeds its performance guarantee by nearly 50% (2,248 / 1,500 = 1.499). Although the Company is trying to disclaim responsibility for the increasing number of customer complaints, by erroneously and artificially seeking to attribute that increase solely to the economic down-turn hitting the country in 2008 (RCR-CI-64), it is clear that the Company is not devoting adequate resources to an effort to undertake an accurate root-cause analysis of the increasing number of complaints. As a result, the extent to which the Company complies with this SLG agreed to as part of its 2002 Merger Order continues to deteriorate.

**Q. HOW MIGHT ONE REASONABLY EXPECT THE COMPANY TO RESPOND TO ITS HIGH AND INCREASING LEVEL OF CUSTOMER COMPLAINTS?**

A. It is reasonable to expect ACE to devote sufficient resources to achieve its SLG of no more than 1,500 annual customer complaints to the Board. Reducing complaints, however, should not be the objective of the deployment of resources. Reducing the number of complaints is the outcome of effectively resolving the reasons giving rise to consumer complaints. With ACE, the vast majority of consumer complaints (three-quarters or more) relate to customer service representatives' handling of credit and collection issues. Until the Company identifies, acknowledges, and addresses the cause of these credit and collection complaints, it will have a difficult time reducing the number and rate of complaints. By identifying the root causes of complaints, and then addressing those root causes, the reduction of complaints arises as a beneficial outcome.

**Q. WHAT DO OTHER UTILITIES DO TO ADDRESS THESE TYPES OF CUSTOMER SERVICE PROBLEMS?**

A. The basic process for addressing consumer complaints (and the credit and collection issues giving rise to many of those complaints) involves understanding the multiple attributes of the utility's customer population and addressing the challenges presented by those attributes. Pursuing such a process is not the antithesis of effective collections as ACE appears to believe. Indeed, addressing the underlying customer service problems may improve customer collections as well. Rather than simply "doing more" of an existing, ineffective collection process, the utility should seek to understand the bases for its customers' problems and offer a toolkit approach to addressing those problems.

Consider the Philadelphia Gas Works ("PGW") as one example. As I stated above,[10] PGW has historically experienced one of the highest complaint rates amongst the major natural gas and electric utilities in Pennsylvania. Nonetheless, PGW was able to both reduce its complaint rate *and* improve its collection outcomes at the same time. PGW performed a customer segmentation study that analyzed the reasons for non-payment and

[10] *See*, footnote 7, and accompanying text.

developed specific interventions responsive to each based on this segmentation. This is a sound management approach that can be successfully implemented by ACE.[11]

In its third biannual report to the Pennsylvania legislature on collections, the Pennsylvania PUC observed that PGW out-performed all other Pennsylvania natural gas utilities in its reduction of bad debt from 2004 through 2009.

### B. **Timely Appointments**.

**Q. PLEASE EXPLAIN THE ASPECTS OF TIMELY APPOINTMENTS THAT YOU ADDRESS IN THIS SECTION.**

A. In this section, I consider the extent to which the Company is complying with its SLG regarding missed appointments. In SLG #1 ("appointments kept") adopted for ACE in the 2002 Merger Order, the Company guaranteed that it "will honor *all* mutually agreed face-to-face service related appointments with customers." (emphasis added).[12] The 2002 Merger Order provides for a $25 credit to be applied to a customer's electric service bill should the Company fail to meet its service appointment guarantee, which shall be construed as a "penalty" and not charged to ratepayers.[13] One of the metrics that ACE reports to the Board in its annual SLG report involves the extent to which scheduled service appointments are timely kept.

[11] See also, Ron Gross (1997). "Win-Win Alternatives for Credit and Collections," prepared for Wisconsin Public Service Corporation (copy can be provided upon request).
[12] 2002 Merger Order, at 31.
[13] 2002 Merger Order, at 31.

**Q. WHAT FUNCTIONS ARE SERVED BY PROVIDING CUSTOMER COMPENSATION FOR MISSED SERVICE APPOINTMENTS?**

A. In my experience, customer compensation serves two functions. On the one hand, it is to serve as a penalty should the Company fail to maintain its service appointments. The other important function is for the Company to compensate customers who have devoted time to an appointment that was not kept by the Company.

**Q. OUTSIDE THE 2002 MERGER ORDER, HAS THE BOARD ESTABLISHED A STANDARD REGARDING CUSTOMER APPOINTMENTS?**

A. Yes. Even aside from SLG #1, the Board's regulations impose an obligation similar to that accepted by the Company in the 2002Merger Order. N.J.A.C. 14:3-3.8(b) states that:

> If the utility is unable to ensure that the service call will occur within the four-hour period provided under (a) above, the utility shall inform the customer at the earliest possible time, and in no case later than the close of business on the business day prior to the scheduled appointment. A utility shall not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment, <u>unless the utility can show good cause</u> (emphasis added).

As with other customer service regulations, the Board has set forth this customer service standard in mandatory language ("shall inform"; "shall not cancel") which mirrors the SLG in the 2002 Merger Order. ACE has not shown good cause for the huge deviation from its obligation.

**Q. HAS THE COMPANY COMPLIED WITH ITS SERVICE LEVEL GUARANTEE REGARDING "APPOINTMENTS KEPT"?**

A. No. The number and proportion of service appointments kept is set forth in Schedule RDC-2. According to the Company, it had 643 service appointments in 2011, of which

80 appointments were "not kept."[14] (RCR-CI-65). The proportion of service appointments kept in 2011, therefore, was 83.67%. (RCR-CI-65). That figure falls well short of the performance required by Board regulations and by the SLG in the 2002 Merger Order.

**Q. WHAT IS THE IMPACT ON CONSUMERS OF MISSED SERVICE APPOINTMENTS?**

A. The most direct impact of missed appointments, of course, is the inability of consumers to achieve the task at hand. Service appointments are scheduled for a variety of reasons: meter readings; meter tests; the reconnection of service; the installation of service; and others. In many such instances, the missed appointment means customers without service. In other instances, the missed appointment leads to unnecessary service with corresponding charges. In all instances the task that was scheduled either is not accomplished or is not accomplished in a timely fashion. Unfortunately, the Company does not track its missed appointments by the type of task to be accomplished. (RCR-CI-8(h), 8(i)). Nor does the Company track its service appointments by type of service requested, whether or not the appointment was kept. (RCR-CI-34).

The second impact is the lost value of a customer's time in waiting for the appointment. This lost time can result in a direct out-of-pocket financial cost, when the waiting results in lost hourly wages. Even if not out-of-pocket, the lost time could call upon employee resources such as vacation time, sick days or other paid leave having a monetary value.

[14] A "kept" appointment is one where ACE performed SLG #1 as per the 2002 Merger Order, by honoring a mutually agreed face-to-face service related appointment with a customer.

Whether or not employed, a customer's time devoted to waiting for a missed appointment has value to that customer.

**Q. WHAT IS THE GENERALLY-ACCEPTED RESPONSE TO MISSED SERVICE APPOINTMENTS?**

A. At a minimum, customers who have been subject to a missed service appointment should be appropriately compensated for their time. The compensation should appropriately reflect the value of customer time. The existing compensation of $25 does not do so. At this rate, the total sanction for the 80 appointments not kept by ACE in 2001[15] was only $2,000.

This "sanction" function for the Company to timely keep its service appointments is clearly secondary. The primary function of a customer payment is to compensate individual customers for the value of their time. The payment should be customer-focused, not company-focused. The payment is not intended, in other words, to be simply a financial sanction to encourage the Company to perform better on this aspect of customer service. It is intended to pay customers for the time they devote to missed appointments.

[15] ACE response to RCR-CI-65.

**C. Moment of Truth Surveys.**

**Q. PLEASE EXPLAIN THE ASPECTS OF THE 2011 ORDER THAT YOU ADDRESS IN THIS SECTION.**

A. In this section, I consider the progress on the 2011 Order for the Company to pursue "moment of truth" surveys of customer satisfaction conducted after particular transactions between the Company and its customers. In its "Customer Service Improvement Plan" (Exhibit B to the 2011 Stipulation), the Company stated that it "is agreeable to conducting other similar transactional or 'moment of truth' surveys to monitor field service calls, emergency service performance, and office services, where appropriate." (2011 Stipulation, page 7; see also, Exhibit B, at 6).

**Q. WHAT PROGRESS HAS BEEN MADE TO DATE WITH THE IMPLEMENTATION OF THESE "MOMENT OF TRUTH" SURVEYS?**

A. According to the Company:

> As provided by the Company's March 2011 Customer Service Improvement Plan, planning for the enhanced "Moment of Truth Transactional Survey" is ongoing, with surveying to begin in January 2012. A random sample of customers across consumer touch points will be surveyed on a weekly basis by telephone. Aspects to be measured include satisfaction with the walk-in payment centers, field service calls and continuing measurements of the Company's Call Center.

(RCR-CI-18, RCR-CI-19).

**Q. HAVE YOU BEEN PROVIDED WITH THE RESULTS OF ANY OR ALL OF THE WEEKLY "MOMENT OF TRUTH" SURVEYS IN 2012?**

A. No. While the Company has been asked in a continuing data request to provide the results of these surveys, it has not updated its November 28, 2011 discovery response promising to provide this information. (RCR-CI-18).

**Q. WHY IS IT IMPORTANT TO HAVE ACCESS TO THESE "MOMENT OF TRUTH" SURVEYS?**

A. It is important to implement, and provide access to, these "moment of truth" surveys to provide a complete review of the customer service improvements accomplished or needed by the Company. As even the Company acknowledges, calls that relate to credit, collection, new/change in service, and outages "typically result in systematically lower customer satisfaction levels." (RCR-CI-74). Accordingly, it is important to specifically segregate these transactions to determine the customer service improvements that are warranted and subsequently whether or not those changes have resulted in higher customer satisfaction levels.

**Q. HOW DO THE "MOMENT OF TRUTH" SURVEYS RELATE TO EXISTING CUSTOMER SATISFACTION SURVEYS?**

A. ACE has, for a number of years, undertaken certain transactional customer satisfaction surveys. These existing annual surveys are conducted for the Company on an annual or biannual basis by Market Strategies International (RCR-CI-17),[16] and are the antecedents to the specific "Moment of Truth" surveys that were to begin in January 2012. In the

[16] The Company provided the survey, along with the survey results, for 2008 through 2011. (RCR-CI-17).

research performed by Market Strategies, a telephone survey is used to collect data among residential customers, using a random sample of residential customer records. (RCR-CI-17).

**Q. DO THE RESULTS OF THE COMPANY'S EXISTING CUSTOMER SATISFACTION SURVEYS INDICATE A NEED FOR THE "MOMENT OF TRUTH" SURVEYS?**

A. Yes. In the "Key Findings for Summer 2011," Market Strategies noted the "across-the-board declines in Overall Customer Service" measures for ACE. (RCR-CI-17).

- The percentage of customers rating the Company favorably[17] on "showing care and concern" had decreased 4% from 2010 to 2011, reaching the lowest level since October 2006.
- The percentage of customers rating the Company favorably on "being customer focused" decreased by one percent from 2010 to 2011, again reaching the lowest level since 2006.[18]

Overall, according to the Market Strategies results, the "value of customer service is down seven points from 2008, but has remained stable from 2009 – 2011." (RCR-CI-17, "Key Findings for Summer 2011," at 9).

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[17] A "favorable" rating was defined to be a rating of 6 – 10 on a ten point scale.

[18] The customer satisfaction on "being customer focused" had decreased by 4% from 2007 to 2011. (RCR-CI-17).

**Q. IS THERE ANY LIMITATION ON THE DATA PRESENTED ON THESE COMPONENTS OF CUSTOMER SATISFACTION?**

A. Yes. The most important limitation is that, in 2011, the overwhelming majority of customers surveyed had had no contact with the Company on credit and collection issues. In past surveys, only one-fifth of the customers surveyed had contacted the Company with billing questions or complaints and only one-in-twenty of the customers surveyed had contacted the Company for payment arrangements. In my experience, customers with credit and collection issues would have provided lower satisfaction ratings than the sample surveyed by ACE in 2011.[19]

**Q. DOES ANY OTHER DATA FROM THESE EXISTING PERIODIC CUSTOMER SATISFACTION SURVEYS INDICATE SHORTCOMINGS IN THE DELIVERY OF CUSTOMER SERVICE?**

A. Yes. Selected results[20] showing the importance of pursuing the "moment of truth" customer satisfaction surveys are presented in Schedule RDC-3. Schedule RDC-3 presents data from the 2009 "modeling analysis" by Market Strategies, the last set of detailed information provided by the Company. This analysis reported that the proportion of surveyed customers rating the Company favorably with respect to:

- "responsive to dealing with customer problems" was 71% in "Wave[21] 2" of 2009, the lowest level since 2005. The 2009 rating was down 6% from 2008;

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[19] While this may explain, in some part, the lower customer satisfaction attributed to ERS that I discuss below, it does not explain the overall poor performance of ERS. Moreover, as I discuss in detail below, even the Company's own internal reviews of ERS consistently expressed concern about the under-performance of ERS regarding customer service. At no point in those internal reviews did the Company note that the lower performance of ERS could be explained or excused because ERS handled more difficult calls.

[20] Results relating to rates, management performance, and reliability are excluded.

[21] The Company appears to refer to "waves" as periodic studies performed each year.

- the “value of customer service” was 76% in “Wave 2” of 2009, the lowest level since 2005. The 2009 rating was down 6% from 2008;
- “promptly address customer problems” was 72% in Wave 2 of 2009, the lowest level since 2005. The 2009 rating was down 5% from 2007and down 4% from 2008;
- “having employees who are empathetic” was 63% in Wave 2 of 2009, the lowest level since 2005. The 2009 rating was down 6% from both 2007 and 2008.

I have selected these particular metrics as being the types of customer service issues involving payment-troubled customers that I have discussed throughout my testimony.

**Q. ASIDE FROM THE TRENDS YOU NOTE ABOVE, IS THERE ANY OTHER INDICATION THAT THE COMPANY’S CUSTOMER SERVICE IS LACKING?**

A. Yes. One of the most important aspects of customer service, when addressing credit and collection issues, is whether the Company offers meaningful help to customers seeking assistance. Schedule RDC-3 indicates that the percentage of surveyed customers reporting a “favorable rating” for ACE on the attribute “offering assistance to customers who have problems paying” ranged around the 50% level. In three years (2005, 2008, Wave 2 2009), the favorability rating was at or below 50%. The highest level (57% in Wave 1 of 2009) was nestled between a 48% favorability rating in Wave 2 2008 and a 50% favorability rating in Wave 2 2009.

**Q. WHAT DO YOU CONCLUDE?**

A. Irrespective of the trend in customer satisfaction numbers, the absolute level of dissatisfaction should be of concern. The "moment of truth" surveys required of the Company by the 2011 Order are necessary to determine *how* and *why* customer service activities are resulting in these low levels of satisfaction. The moment of truth surveys do not merely examine the opinions of customers generally, but examine the opinions of customers who have recently been involved with specific transactions with the Company. Greater insights into what is, and is not, being accomplished in those transactions should emerge.

Overall, the Company seems to be clearly failing in its efforts to deliver reasonably adequate service to payment troubled customers. It is important for the Company to implement its "moment of truth" transactional surveys for all aspects of customer service and to make that data available to the Board, Rate Counsel (and other stakeholders) as at least a first step in engaging in an improvement process. Final recommendations on specific necessary improvements, if any, should follow a review of that data.

## D. Deferred Payment Arrangements.

**Q. PLEASE EXPLAIN THE ASPECTS OF THE 2011 ORDER THAT YOU ADDRESS IN THIS SECTION.**

A. In the 2009 ACE base rate case, Rate Counsel found an extraordinary failure rate for the deferred payment arrangements ("DPAs") that the Company offered to its residential customers.[22] According to Rate Counsel, the high failure rate was evidence, unto itself, of the unreasonably short time periods over which residential customers were being required to retire arrears. In response to these concerns, in the 2011 Order, the Company agreed to provide additional statistics on the offer of DPAs, along with the failure and success rate of those plans. The Company further agreed to make changes in the "script" that governs how its customer service representatives ("CSRs") will "negotiate" initial down-payments.

**Q. HAVE YOU HAD OCCASION TO REVIEW DATA ON THE SUCCESS AND FAILURE RATE OF DEFERRED PAYMENT ARRANGEMENTS SINCE THE 2011 STIPULATION?**

A. Yes. Data on ACE DPAs is set forth in Schedule RDC-4.[23] I have concern over the continuing failure rate of the Company's DPAs. The Company does not give its customers a reasonable opportunity through its DPAs to succeed on retiring arrears. This failure has an adverse impact on customers, as they face increased levels of charges. The failure also has an adverse impact on the Company (and its remaining ratepayers); if the Company were to ask for reasonable down-payments and spread the deferred payments over a longer and more reasonable period, it could increase its collection of revenue even if not all such extended DPAs are successfully completed.

[22] 2011 Stipulation, Exhibit B, Attachments 1, 2 and 3.
[23] Based on ACE's response to RCR-CI-95.

**Q. WHAT IS YOUR FIRST CONCERN ABOUT THE COMPANY'S DEFERRED PAYMENT ARRANGEMENTS?**

A. First, it does not appear that the Company has addressed concerns about the offer of down-payments. Note that in 2010, the *average* down-payment received by the Company was 27% of the total outstanding bill. In 2010, for ten (10) of twelve (12) months, the average down-payment required for DPAs exceeded 25%. Even after the 2011 Order, the Company continues to collect down-payments in excess of 25%. The data in Schedule RDC-4 shows that the *average*down-payment was 25%. In 2011, for three (3) of twelve (12) months, the average monthly down-payment exceeded the regulatory maximum of 25%. See N.J.A.C. 14:3-7.7(b)(1).

The fact that the *average* down-payment for the population of customers with DPAs as a whole exceeds the regulatory maximum would, of necessity, indicate that some substantial portion of the individual down-payments required of individual customers exceed 25%. If one begins a calculation with those individual down-payments less than 25%, for the *average* to be at or *above* 25%, there must be some number of individual down-payments that are *more* than 25%.

**Q. WHAT IS YOUR SECOND CONCERN?**

A. The Company does not appear to have made any adjustments in its offer of term length for its deferred payment arrangements. According to Schedule RDC-4, in 2011, the Company offered DPAs with an average term of nine (9) months, exactly the same as it offered in 2010. This occurred despite the fact that, according to the Company, "the economy and the average delinquencies" have resulted in an increase in both the number of disconnect notices (RCR-CI-43) and actual service disconnections for nonpayment (RCR-CI-44). Moreover, the Company asserts that its continuing high level of complaints regarding "inability to pay, pre and post shutoff" are "driven by the nationwide recession." (RCR-CI-64). Given this deterioration in the "financial circumstances" of its customers, if the Company were taking those financial circumstances into account, as required by Board regulation, it would seem that that consideration should be seen in the DPA terms offered.

Quite aside from the term of the DPA (in months), Schedule RDC-4 further indicates that the Company is offering virtually identical DPA terms when viewed from the perspective of the installment payments required. While the 2010 average installment payment was $65 per month, the 2011 average installment payment was $69 per month, an increase in the required installment payment even though ACE reports that the financial circumstances of customers had degraded. (RCR-CI-43, RCR-CI-44, RCR-CI-64).

**Q. WHAT IS THE IMPACT OF THE COMPANY'S CONTINUING REFUSAL TO OFFER REASONABLE PAYMENT PLAN TERMS?**

A. The overwhelming majority of DPAs entered into by the ACE fail. The data in Schedule RDC-4 documents that, while 30,403 DPAs defaulted in 2010, 37,949 DPAs defaulted in 2011 (an increase of nearly 25%). In 2010, the Company entered into 10.1 DPAs that defaulted for every single (1.0) DPA that succeeded (i.e., was completed). In 2011, that performance further deteriorated, with the Company entering into 11.2 DPAs that defaulted for every single (1.0) DPA that succeeded.

**Q. WHAT ARE THE CONSEQUENCES OF DEFAULTING DEFERRED PAYMENT ARRANGEMENTS?**

A. A defaulting DPA has serious consequences for both the customer and the Company. For the customer, a defaulted DPA will often lead to the loss of service, either through a nonpayment utility disconnection or through forced mobility (as the customer leaves the premises for a new housing unit). Once a customer defaults on a DPA, the utility is under no obligation to offer a "second" DPA. In addition, to the extent that a customer fails to maintain a DPA, the likelihood that that customer will face collection activity in the future increases. The Company's forbearance on collection activity decreases as the payment history of the customer indicates an increasing lack of success. Each point of payment failure, in other words, makes a future point of failure more likely to occur. Moreover, each point of failure results in its own set of fees (e.g., disconnect/reconnect fees, security deposits, etc.), which diverts customer funds toward payment of the service fees and away from the payment of bills for current usage.

This spiral of failure not only has an impact on the customer, but also has an impact on the Company and all other ratepayers.

- Working capital needs increase. A higher incidence and depth of arrears caused by failed payment plans increases the working capital costs to be paid by all other ratepayers. As either the number of accounts in arrears, or the actual dollar level of arrears increases, the number of days that the Company goes without converting its billings into revenue increases also. As a result, either an out-of-pocket expense or an opportunity cost arises to be covered by working capital provided by ratepayers.

- Bad debt increases. Write-offs will increase as bills are issued but remain unpaid. Some accounts will be lost due to nonpayment disconnections; others will be lost due to customers who voluntarily terminate service and move to a different home.
- Lost sales occur. Whether short-term in nature due to nonpayment disconnections lasting days, or longer-term in nature due to homes that remain vacant for months, premises that are not generating sales are not generating revenues, thus increasing per-unit costs for all remaining ratepayers.

Some increased costs (e.g., bad debt) will be directly passed through to other ratepayers through the Societal Benefit Charge. Other costs will be reflected at the time base rates are established. In each instance, however, costs to ratepayers associated with the failure of the Company to adequately enter into successful DPAs will unnecessarily increase.

**Q. DO LONGER DEFERRED PAYMENT ARRANGEMENTS RESULT IN AN INCREASE RATHER THAN A DECREASE IN DEFAULTS?**

A. The Company has previously argued that longer DPAs result in higher default rates. The Company attempted to support its argument by providing information in the 2011 Stipulation.[24] ACE argued that that data showed the proportion of "defaults" was greater within longer DPAs during 2010. The attached Schedule RDC-5, setting forth that 2010

[24] 2011 Stipulation, Exhibit B, Attachment 3.

data provided by the Company, does not support ACE's assertion.[25] The difference in default rates between DPA ranges other than 1 to 3 months are virtually identical,[26] ranging from a low of 69.1% (4 to 6 months) to a high of 74.9% (more than 12 months). What the Company could *not* provide in that data, however, was any description of the characteristics of the various ranges that might affect the rate of defaults among DPAs. ACE could not provide information, for each range, on the size of the underlying arrearage made subject to the DPA; on the size of the monthly installment payment; on the point within the DPA the default occurred; or on the dollar amount or proportion of the underlying arrearage that was collected through the DPA. In my experience, such factors would be material to understanding the default rate among the Company's DPAs. Continuing into 2011, ACE could not provide explanatory information disaggregated by the term (in months) of the underlying DPAs. (RCR-CI-95).

This lack of any ability to explain the underlying dynamics of DPAs by the length of the DPA is demonstrated in Schedule RDC-5. In this Schedule, I have examined not only the row total percentages, but the column percentages. Doing this allows me to determine whether a disproportionate number of longer-term DPAs fall into the "default" category.[27] Based on Schedule RDC-5, we can see that while DPAs of more than 12 months in length represented 8% of *all* DPAs, they also represented 8% of all *current*

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[25] In the 2011 Stipulation, the Company agreed to provide the data.
[26] The majority of these very short-term DPAs also had a high failure rate (59.6%).
[27] In the data provided as part of the 2011 Stipulation, the Company set forth the term "satisfied DPA" and "successfully completed" as being synonymous. The column totals for these two categories, however, are not particularly meaningful. By definition, a payment plan of three months or less is more likely to be successfully completed in a one year period than a payment plan of more than 12 months. The earliest date on which a 12-month payment plan entered into in January 2010, for example, could be successfully completed would be January 2011 (with payment plan installments made during the 12 months of February 2010 through January 2011). It is, in other words, not possible to "successfully complete" a 12-month DPA in a single calendar year.

DPAs, and 8% of all *defaulted* DPAs.[28] While DPAs of 10 – 12 months in length represented 52% of all DPAs, they represented somewhat more defaulted DPAs (54%), but also somewhat more current DPAs (57%). In contrast, there was not a substantial under-representation of shorter-term DPAs in the category of "defaults." While 13% of all DPAs were of 1 to 3 months, 11% of defaulted DPAs were of 1 to 3 months; while 21% of all DPAs were of 4 to 6 months in length, 20% of all defaulted DPAs were of 4 to 6 months in length.

There is simply no basis, within the Company's own data, to conclude that longer-tem DPAs are disproportionately represented in the population of "defaulting" DPAs. Each range of DPA reported by the Company is represented in the "defaulting" population at nearly the identical percentage they represent of the total DPA population.

**Q. WHAT IS YOUR EXPERIENCE WITH IMPROVING DEFERRED PAYMENT ARRANGEMENT TERMS?**

A. When I worked for Tacoma Public Utilities ("TPU") in 2009, one area I examined involved the collection of revenue through DPAs. I found that "Providing more reasonable DPAs is likely to generate additional revenue collection to the utility rather than placing more revenue at risk."[29]

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[28] RDC describes three DPA payment categories: (1) in a "satisfied" DPA, the customer has successfully made all required payments; (2) in a "current" (or ongoing) DPA, the customer is continuing to make required payments but has not yet made all of them; and (3) in a "defaulted" DPA, the customer has failed to make all required payments.
[29] Colton (July 2009), *An Outcomes Planning Approach to Serving TPU Low-Income Customers*, Tacoma Public Utilities: Tacoma (WA). Available on-line at www.fsconline.com (click on "publications").

TPU administered a pilot DPA program beginning in November 2007. This pilot initiative was directed toward past-due accounts that had been sent to collections.[30] Through this pilot, TPU offered more flexible DPA terms than the standard terms offered through CSRs. In its pre-pilot program actions, TPU pursued a very strict standard DPA process. The standard offer required a 50% down-payment with the balance due before the next bill. In contrast, the DPA pilot provided multiple payment plan options. In addition, TPU waived its 1% per month interest charge on the new DPA.

| TPU Pilot Program Collection Account Payment Options | | | |
|---|---|---|---|
| If Customer Cannot Pay Any Down-payment | | If Customer Can Pay 25% Down-payment | |
| Initial Balance | Payment Plan Term | Initial Balance | Payment Plan Term |
| Up to $499.99 | 2 months | Up to $499.99 | 3 months |
| $500 - $999.99 | 4 months | $500 - $999.99 | 6 months |
| $1,000 - $1,499.99 | 6 months | $1,000 - $1,499.99 | 9 months |
| $1,500 or more | 9 months | $1,500 or more | 12 months |
| If a customer fails to keep one payment arrangement, an additional arrangement will be provided with a down-payment of 25% plus all outstanding fees. If a customer fails to keep a second payment arrangement, no additional arrangement will be provided. All charges, including accrued interest, become immediately due. | | | |

The lessons from TPU's pilot experience far transcend the specific numbers associated with how much of a down-payment was required or how long (in months) a DPA was allowed to continue. TPU's experience teaches that extending the length of DPAs, and reducing the amount of down-payments, when coupled with responsiveness to the situations and needs presented by individual customers, does not impede the collection of

[30] To be sent to collections, an account must have been final-billed with an outstanding arrears. TPU assigns accounts to its collection agency for collection without selling those accounts to the agency.

revenue, but rather enhances the collection of revenue. By lowering down-payments and extending the length of DPAs, TPU collected more, not less, of its past-due billings.

**Q. WHAT IMPACTS DID THE TPU PILOT PROGRAM GENERATE?**

A. A comparison of collections outcomes between 2007 and 2008 documented a significant improvement in revenue recovery. This improvement occurred notwithstanding the economic crisis that enveloped the nation at that time.

The two years presented virtually identical collections potential:

- While $2,404,114 was assigned to collections in 2007, $2,404,562 was assigned in 2008, an increase of only $449 (0.02% or 0.0002).

- While 7,798 accounts were assigned to collections in 2007, 7,992 accounts were assigned in 2008, an increase of only 194 accounts (2.5%).

- While an average arrears of $308.30 was assigned to collections in 2007, an average arrears of $300.87 was assigned in 2008, a decrease of $7.43 (-2.4%).

Despite the virtually identical circumstances, the collections outcomes were substantially more positive under the pilot program collections terms that were responsive to individual circumstances.

- In absolute dollar terms, gross total collections increased from $741,336 in 2007 to $1,007,930 in 2008, an increase of $266,595 (36%).

- The collection agency experienced an across-the-board increase in collections. In each month during 2008, the agency collected more than in the corresponding month of 2007. By the end of the year, the agency had increased its collections from $228,109 in 2007 to $488,377 in 2008, an increase of 114%.[31]

Finally, the improvement in collections attributed to the collection agency was assessed from the effective number of cleared accounts. In 2007, the agency effectively cleared 740 of the 7,798 accounts assigned to it (9% of the assigned accounts). In contrast, in 2008, the agency effectively cleared 1,490 of the 7,992 accounts assigned to it (19% of the assigned accounts).[32] The agency under the pilot program was clearly not only more effective at generating additional dollars, but was more than twice as efficient in collecting revenue from the assigned accounts under the revised payment terms process.

**Q. WHAT DO YOU CONCLUDE?**

A. ACE does not have an effective strategy for its DPAs. Required down-payments appear to be excessive. Moreover, ACE does not appear to offer DPAs that take into consideration the financial circumstances of the customer. Roughly 90% or more of the Company's DPAs end in default. This need not be the case. Offering DPAs taking into account a customer's financial circumstances could improve collections, decrease defaults, and decrease the exposure of customers to the loss of service for nonpayment

[31] This doubling was generated from a cumulative total increase in arrears assigned to collections of less than $500.

[32] TPU's "cleared" accounts should be distinguished from ACE's "satisfied" payment plan. A "cleared" account has been fully paid irrespective of whether the account was made subject to a payment plan. Offering extended payment plans was an additional tool to help TPU "clear" its unpaid accounts. The increase in both the dollars paid and the number of fully-paid (i.e., "cleared") accounts occurred as a result of the extended payment plan terms.

default and the corresponding exposure of the Company to increased nonpayment-related expenses.

**Part 2.Call Center Customer Satisfaction.**

**Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.**

A. In this section, I consider the results from, and customer service implications of, the Company's "Call Center Satisfaction Transactional Research Program." According to the Company:

> The Call Center Satisfaction Transactional Research Program is conducted on a monthly basis. The primary objective of this research program is to monitor customer satisfaction with the Company's customer service performance. Phone survey interviews are conducted on weekly basis with ACE's customers and the survey data is analyzed and reported monthly, quarterly and annually to internal personnel. This study monitors customer perceptions of the Company's [CSRs] and the Company's automated interactive voice response system. The survey results and call center metrics provide insight into the correlations that exist between operational performance and customer satisfaction with the customer service transactions.

(RCR-CI-16). The Company goes on to state:

> Survey results are used on an ongoing basis to evaluate call center staff performance, identify trends in terms of complaints and identify opportunities to improve. Overall ratings for specific aspects of the call are compared to measure performance.

(RCR-CI-16). Three important observations can be made from the data collected through ACE's research program. First, the Company acknowledges that the customer satisfaction surveys can and should be used to measure the adequacy of "customer service performance." Second, the study indicates that customer perceptions are relevant and material to assess the Company's customer service performance. Third, the Company acknowledges that not only the overall satisfaction, but also the metrics with respect to "specific aspects of the call," are to be used in measuring performance. In light of these three observations, I turn to an assessment of certain issues raised by the Company's customer satisfaction surveys.

**Q. DOES THE COMPANY ACKNOWLEDGE THE IMPORTANCE OF CUSTOMER SATISFACTION SURVEYS IN ASSESSING THE ADEQUACY OF CUSTOMER SERVICE IN ANY OTHER CONTEXT?**

A. Yes. The Company states with respect to customer satisfaction surveys that:

> study results are analyzed to provide an understanding of customer needs and their relationship to overall satisfaction with the company. The survey provides insights into the aspects of the relationship that customers consider important, and ACE's performance on those metrics. The survey is designed to measure ACE's performance across the entire customer experience, including overall perception of the company, customer service, rates, reliability and restoration, and operational aspects such as billing and online account services. (RCR-CI-17).

Clearly, even from the Company's perspective, customer satisfaction surveys are an important tool to measure the adequacy of customer service.

## A. Shortcomings in Customer Service through the Company's Voice Response Unit.

**Q. DO YOU HAVE CONCERNS ABOUT THE CUSTOMER SERVICE OFFERED THROUGH THE COMPANY'S AUTOMATED VOICE RESPONSE SYSTEM?**

A. Yes. I have two separate but related concerns with the Company's use of its automated voice response unit ("VRU") to respond to customer contacts. First, the automated VRU generates a substantially lower level of customer satisfaction on important aspects of customer contacts (such as responsiveness to the customer, prompt resolution of problems). Second, even while the VRU is generating these substantively lower levels of customer satisfaction, the Company tends to increase its reliance on the VRU for the very calls on which the need for responsiveness is the greatest at the time of year when the incidence of these very calls is the highest. I will examine each of these problems separately below.

**Q. PLEASE EXPLAIN THE LEVEL OF CUSTOMER SATISFACTION WITH THE COMPANY'S VRU SYSTEM.**

A. The Company's VRU system offers a distinctly lesser quality of customer service than does access to the Company's own "live" CSRs. Schedule RDC-6 presents Company-provided customer satisfaction results for the years 2007 through 2011 (YTD-Sept.) for both customers interacting with live ACE CSRs and with customers routed through the VRU system. (RCR-CI-16). In every year, the "overall" satisfaction of customers routed through the VRU system was about 20 percentage points below the overall satisfaction of customers handled by CSRs.

| Customer Satisfaction (CSRs vs. VRUs) (2007 – 2011—YTD September) | | | | |
|---|---|---|---|---|
| | Overall Satisfaction | | Responsive to Needs (VRU) /Resolved Problem Quickly (CSR) | |
| | VRU | CSRs | VRU | CSRs |
| 2007 | --- | --- | 72% | 85% |
| 2008 | 68% | 86% | 74% | 82% |
| 2009 | 61% | 86% | 71% | 82% |
| 2010 | 62% | 82% | 68% | 80% |
| 2011 | 68% | 86% | 71% | 85% |
| SOURCE: RCR-CI-16 | | | | |

**Q. IS THERE A SEASONAL VARIATION IN THE LEVEL OF CUSTOMER SATISFACTION WITH THE AUTOMATED VRU SYSTEM?**

A. Yes. The data is set forth in Schedule RDC-7. Schedule RDC-7 shows that when examined on a month-by-month basis, some of the lowest scores in a year occur during peak periods of use for the VRU system. In July 2011, for example, one of the peak usage months, the Company reports that:

- Only 59% of VRU customers reported that the system "answered my questions."
- Only 53% of VRU customers reported that the system "provided responsive service."
- Only 47% of VRU customers reported that the system "provided accurate service."

Similarly, in August 2010, again one of the peak usage months, ACE reports that:

- Only 62% of VRU customers reported that the system "answered my questions."
- Only 53% of VRU customers reported that the system "provided responsive service."
- Only 55% of VRU customers reported that the system "provided accurate service."

In 2010, the "overall satisfaction with VRU" in July, August and September was 62%, 53% and 46% respectively. In 2011, the overall satisfaction with VRU in July, August and September was 59%, 67% and 67% respectively.

This seasonal decrease in the customer satisfaction with the VRU system, particularly given the specific attributes with which the VRU generates dissatisfaction (e.g., responsiveness, accuracy, answered my question), occurred at the time when the need for responsiveness is greatest. Precisely at the time of year when the need for responsive customer service is the greatest, the Company committed its least responsive resource to the task of customer service.

**Q. PLEASE EXPLAIN THE BASIS OF YOUR CONCLUSION THAT THE USE OF THE VRU INCREASES IN PRECISELY THE MONTHS WHEN THE NEED FOR RESPONSIVE CUSTOMER SERVICE IS THE HIGHEST.**

A. Schedule RDC-8 (page 1 of 2) presents the number of telephone calls handled within the PHI Call Center in 2011, disaggregated by those calls handled by in-house CSRs and those calls handled through the VRU system.[33] It is evident from that data that the use of the VRU system increases in absolute terms when the bills for the warm weather months of June through September are due. Even though the percentage of calls handled by the VRU each month remains relatively constant, the fact remains that while in January through May, 30,000 calls a month (or fewer) are routed through the VRU system, with similar usage in November/December, in the months of July through September (with June and October being "shoulder" months), the use of the VRU system substantially increases in absolute numbers. In 2011, routing customers through the VRU system peaked in July (39,819) and August (46,124). A similar usage pattern existed in the other years for which data were provided (2008 – 2010). (RCR-CI-83). Nearly a third of the annual call volume routed through the VRU system (31%) is handled in the months of

[33] Based on ACE's response to RCR-CI-83.

July through September. With the lower customer satisfaction rates identified by the Company's own studies of VRU calls, the higher absolute number of calls means that a higher number of customers believe that their customer service has been less than satisfactory.

**Q. IS THERE A DIFFERENCE IN THE TYPE OF CALLS THAT ARE RECEIVED AT THESE PEAK TIMES AS WELL?**

A. Yes. The heaviest reliance on the VRU system comes in those months in which the calls relating to "credit" issues peak for the Company.[34] In 2011, for example, the total number of "credit" calls handled by ACE peaked in the months of July (19,257), August (22,619), September (22,316), and October (21,591).[35] The average number of credit calls in all remaining months was less than 14,800, with the highest in all remaining months being November (17,857).

**Q. WHAT DO YOU CONCLUDE?**

A. A company's call center is often viewed as the front-line of the delivery of reasonably adequate "customer service" by a utility. Whether the customer service delivered through any particular component of a company's call center is adequate or not can be measured, in part, through customer satisfaction surveys. Through such surveys, customers can _say_ whether they felt they received appropriate service and, if not, where the Company fell short. While a utility might increase the efficiency of its operations through the implementation of technology, it should _not_ offer a degraded level of

[34] Schedule RDC-8, page 1 of 2.
[35] Schedule RDC-8, page 1 of 2, based on ACE's response to RCR-CI-67.

customer service through that reliance on technology. With ACE, a level of degradation in service appears clearly to occur. Overall, as well as on specific attributes of customer contact, the data presented above documents that customers routed through the Company's VRU system are offered substantively lower quality service as expressed by considerably lower customer satisfaction.

### B. <u>The Company's In-House Call Center Customer Service Representatives.</u>

**Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.**

A. In this section, I consider several of the customer service implications arising from the customer satisfaction survey results relating to the Company's in-house CSRs. More than half (53%) of all customer service telephone contacts with the Company in 2011 were handled by the Company's in-house CSRs (783,329 of 1,482,986 contacts). (Schedule RDC-8, page 1 of 2). The number of monthly contacts, as I have discussed above, is not constant. Rather, the number of contacts, as well as the purpose of those contacts, varies by month and by season.

**Q. DO YOU HAVE CONCERNS WITHIN THE POPULATION OF CUSTOMERS WHO CONTACT THE COMPANY THROUGH ITS CUSTOMER SERVICE REPRESENTATIVES?**

A. Yes. Schedule RDC-9 presents customer satisfaction with ACE CSRs, disaggregated by certain detailed attributes of "customer satisfaction," for the years 2008 through 2011 (YTD-Sept.). In addition to the "overall" satisfaction rating, I examine the ratings for whether the CSR was sympathetic to the customer's concerns;[36] "courteous"; "honest"; "willing to help"; showed "care and concern" or was "sympathetic"; and treated the customer as a "valued customer."

Several observations arise out of this data. As should be expected, the Company's CSRs are consistently considered to be both "courteous" and "honest." Indeed, there should be no question as to whether a Company representative is "courteous" to Company customers. In fact, CSRs consistently receive high scores on this attribute, even higher than the overall levels of satisfaction. In addition, with perceptions of "honesty" consistently in the 90%+ range, the Company stopped measuring this attribute in 2010.

However, the Company's CSRs score much lower on whether they are actually helpful to customers. In particular, the extent to which CSRs are rated as "willing to help" has decreased from 2008 through 2011, with a low of 80% achieved in 2010 (before somewhat rebounding to 85% in 2011 (YTD-Sept.)). Even more importantly, the extent to which CSRs are seen as "sympathetic" to the customer's problem achieves the lowest rating of the various attributes. Even if seen as "courteous," in other words, roughly 1-in-5 customers contacting the Company find the CSR to be not sympathetic to the problem the customer is facing. In 2011, for example, while CSRs were "courteous" (92%) and treated customers as "valued" (88%), those CSRs were at the same time rated lower with respect to whether they were "willing to help" (85%) or "sympathetic to my concern"(83%).

[36] For this category, I combined the 2008 "showed care and concern" with the post-2008 "was sympathetic to my concerns."

As is evident, both customer satisfaction attributes involving the actual assistance provided by the Company's CSRs ("willing to help" and "showing care and concern") were consistently rated below the attributes involving basic CSR treatment of customers with problems (honest, courteous).

**Q. DO YOU HAVE AN ADDITIONAL CONCERN RAISED BY THE COMPANY'S CUSTOMER SATISFACTION RATINGS?**

A. Yes. Schedule RDC-10 presents customer satisfaction ratings by various satisfaction attributes and by quarter for the Company's CSRs. Given the degradation of customer satisfaction during the months in which the number of collection-related calls peaks, it is reasonable to inquire into why the degradation occurs. Schedule RDC-10 shows that in both 2010 and 2011, the customer rating of the extent to which Company CSRs are "sympathetic to my concerns" (Factor "B" in Schedule RDC-10) substantially drops in the time period in which CSRs are addressing the peak level of collections issues. In 2010, while the percentage of customers reporting that CSRs were sympathetic to the concerns of the customer was 81% in Quarter 1 and 80% in Quarter 2, that percentage dropped to 75% in Quarter 3. In 2011, while the percentage of customers reporting that CSRs were sympathetic to the concerns of the customer was 86% in Quarter 1, it dropped to 81% in Quarter 3.

These results from 2010 and 2011 are not unusual. The Quarter 1 data for 2009 (84% showing sympathy for the customer's concern: Factor B) dropped to 79% in Quarter 3 (i.e., the summer months). Similarly, in 2011, the customer's report of CSR "willingness to help" (Factor "F" in Schedule RDC-10) was nearly constant in Quarter 1 (89%) and Quarter 2 (88%), but fell to 86% in Quarter 3.

**Q. DO THE CUSTOMER SERVICE SHORTCOMINGS YOU IDENTIFY ABOVE HAVE AN IMPACT ON THE LEVEL OF EFFORT THAT A CUSTOMER (AND THE COMPANY) MUST DEVOTE TO ADDRESSING PAYMENT TROUBLES?**

A. Yes. To the extent that the payment troubles of customers are not addressed, the customer service shortcomings I identify directly lead to an increased level of effort required by both customers and Company CSRs. In my experience, many of the shortcomings I identify can be directly associated with a lack of responsiveness on the part of CSRs. In this respect, I view "responsiveness" as including a range of actions by a utility. It begins with responsiveness to why the customer is in arrears. It includes an understanding of the customer's long-term ability to pay. It requires a willingness to "hear," and an ability to understand, both the short-term and long-term financial circumstances of a customer and to craft an appropriate re-payment obligation that appropriately reflects those circumstances.

As I describe in detail above, the customer satisfaction surveys tell us that many customers do not find the CSRs to be "willing to help" or "sympathetic to my concerns" or to demonstrate "care and concern." Seeking high down-payments, offering short payment plans, and relying on the disconnection of service as a collection device are all consistent with these customer reactions.

The data in Schedule RDC-10 shows the extent to which this lack of responsiveness by CSRs during the period of peak collections-related calls translates into additional work (by both the customer and the Company). Factor "H" in Schedule RDC-10 reports on whether the customer was able to resolve his or her problem in the first call with the Company. In the three years 2009 through 2011, the ***highest*** year-end rating on this factor was only 69%. In the four years of quarterly data (2008 through 2011), the highest ranking on Factor H was only 73% (Quarter 2, 2011), with most quarterly ratings falling between 60% and 70%. In the most recent quarter available (Quarter 3, 2011), only 66% of customers reported being able to resolve their issue on their first call with ACE CSRs.

**Q. DO THE PROBLEMS YOU IDENTIFY ABOVE TRANSLATE INTO MEASURABLE PERFORMANCE SHORTFALLS WITH COLLECTION OUTCOMES?**

A. Yes. I discuss the continuing failure of the Company to enter into DPAs that "work" in detail above. Roughly 90% of the DPAs that are "negotiated" by ACE end in default. This percentage of failure has remained constant since prior to the 2008 start of the recession. The recession, then, cannot explain such a high percentage of defaults. The only other conclusion that can be reached is that there is a fundamental structural problem with the Company's approach to DPAs.

Despite the fact that the Company asserted that its customers are facing an economic recession, with increased arrears, the length of DPAs, percentages of arrears required as down-payments, and monthly payment installments remain virtually constant. Both the number of disconnect notices and the number of nonpayment service disconnections have increased between 10% and 20% from September 2008 to September 2011 (RCR-CI-40; RCR-CI-93), with the increase dismissed by ACE as "not significant." (RCR-CI-43, RCR-CI-44).

The extent to which customers are falling into older arrears is far outstripping the extent to which customers are entering into DPAs. The increase from 2010 to 2011 in the average monthly number of residential accounts 90 or more days in arrears (4,400) was five times greater than the increase in the average number of new DPAs (only 870). The increase from 2010 to 2011 in the average monthly number of residential accounts 120 or more days in arrears (6,800) was nearly eight times greater than the increase in the average number of new DPAs (870). The Company should make DPAs more available to address the increased number of accounts that are in arrears for a longer period of time.

The problem is that customers cannot go elsewhere to gain better customer service. If customers cannot resolve their problems through Company-provided processes, they have no other company to turn to in order to obtain electricity. Unresponsive, ACE dismisses the increase in the number of service disconnection notices of 50,000 simply as "to be expected" (RCR-CI-93), and the increase in the number of nonpayment service disconnections as "not significant" (RCR-CI-43, RCR-CI-44).

**Q. BASED ON THE DATA AND ANALYSIS ABOVE, WHAT DO YOU CONCLUDE?**

A. The customer satisfaction survey documents a series of shortcomings by the Company's in-house CSRs in responding to inability-to-pay problems. Issues such as the length of DPAs, the amount of down-payments, and the amount of expected winter payments all require not merely a courteous response, but also a response that is specifically tailored to the circumstances that the customer presents to the utility.[37] A CSR should be not merely courteous and respectful, but should be helpful as well. The lower customer satisfaction ratings on "willingness to help" and "sympathetic to my concern" evidence a lack of responsiveness. Either by training or by procedures, CSRs are not adequately listening to and responding to customer problems. As a result, customers are more likely to lose access to service, bear increased costs, be subject to stricter and quicker collection activities, and face a more tenuous ability to remain in habitable housing.

## C. The Company's Out-Sourced Call Center Representatives.

**Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.**

A. In this section, I consider the customer service implications of customer satisfaction survey results on the delivery of customer service through the Company's out-sourced call center. ACE contracts with a company called Outsource ER Solutions ("ERS") to provide supplemental call center services. As indicated in Schedule RDC-11, in 2011, nearly one-of-five (18%) (173,924 of 957,923) calls that were handled by the Company

[37] I discuss the relationship between CSR responsiveness and customer service satisfaction earlier in my testimony.

were, in fact, handled by ERS. A full 60% of the ERS calls addressed credit and collection situations (103,577 of 173,924). More than half of all credit and collection calls directed to the Company were handled by ERS (103,577 of 204,029), even though credit and collection calls represent only 21% of the total calls directed to the Company (204,029 of 957,253). In contrast, ERS handles very few (less than 7%) of the "General" calls to the Company, even though the General calls represent more than half (52%) of all calls handled by either ACE in-house or ERS CSRs.

**Q. IS THERE ANY BASIS FOR CONCERN WITH RESPECT TO WHETHER THE USE OF ERS IS IMPEDING THE OFFER OF REASONABLY ADEQUATE SERVICE TO THE COMPANY'S CUSTOMERS?**

A. Yes. Schedule RDC-12 presents the results of the customer call center satisfaction tracking survey for the months of January through September 2011 (RCR-CI-16).[38] Note that the first part of these results (pages 1 and 2) related to the ACE call center operations. The second part of these results (pages 3 and 4) related to the Company's ERS operations. The survey results reveal the following differences in results between the ACE call center and the ERS call center:

| | ACE | OUTSOURCE ER SOLUTIONS |
|---|---|---|
| **Overall Satisfaction** | 81% | 76% |
| **Overall Satisfaction with CSR*** | 86% | 81% |
| **CSR was willing to help** | 88% | 82% |
| **CSR was sympathetic to my concern** | 83% | 78% |

[38] September 2011 is the latest data for which the Company provided data.

| | | |
|---|---|---|
| **CSR treated me as a valued customer** | 87% | 81% |
| **CSR courteous/respectful** | 92% | 88% |
| **Payment arrangement made** | 88% | 78% |

*CSR= Customer Service Representative. Source ACE response to RCR-CI-16.

Each of the differences set forth above is statistically significant at the 95% confidence level. (RCR-CI-68). In each of the instances reported above, in other words, one can be 95% confident that the stated customer service received by customers who were routed to the ERS call center was lesser quality than the customer service received by customers who were treated by in-house CSRs through the Company's in-house call center. I have attached to this testimony, as Schedule RDC-13, the Company's response to data request RCR-CI-68.

**Q. HAS THE COMPANY EXPRESSED ANY INTERNAL CONCERNS ABOUT THE CUSTOMER SERVICE QUALITY AND CUSTOMER SATISFACTION WITH ERS?**

A. Yes. The Company has expressed concern about the underperformance of ERS internally. The author of the "ERS Performance Report for October 2010" stated quite directly that "I am very concerned with the low customer satisfaction scores … The year started with a rating of 85. Year-to-date the rating is 76. This is an area that presents an opportunity for improvement." Indeed, the final year-end 2010 "overall customer satisfaction" rating for ERS was only 79%. (RCR-CI-70, Attachment 2).

Again in January 2011, the ERS performance report assessing the work ERS did for ACE and Delmarva Power stated: "The overall rating for ERS. . .for the month of January 2011 is **80%**. We really need to work on increasing this rating. The areas requiring improvement are as follows:

- CSR Resolved Problem Quickly
- Confident in Information Provided
- **CSR was Sympathetic to my Concern".**

(RCR-CI-70, Attachment 3)(emphasis in original). The most recent "Performance Report" provided for ERS reported that, as recently as November 2011, ERS continued to under-perform, with an "overall" customer satisfaction rating of 84% contrasted to a "goal" of 85%. (RCR-CI-70, Attachment 3).[39] In May 2011, the Company reported that the "overall rating" for ERS staff had fallen by 8% from the prior month, with particular concern being expressed about the performance with respect to: (1) courteous and respectful; (2) willing to help; (3) treated me as a valued customer; and (4) was sympathetic to my concerns. Again in June 2011, concern was expressed about the ERS under-performance, with particular attention drawn to: (1) resolved problem quickly; (2) confident in information provided; and (3) sympathetic to my concern. (RCR-CI-70, Attachment 3). The "overall" rating for ERS fell to 80% in July (remember, ACE considered 85%acceptable), before rebounding to 92% in August. Data collected in the three months of September, October and November was insufficient to even track the performance of ERS staff. (RCR-CI-70, Attachment 3). ACE gave no reason for its

[39] Even this report may be suspect, since both the October and November 2011 reports indicated that the sample size for the ERS report was not reported due to a small sample size.

failure to obtain an adequate sampling size, particularly in light of the continuing expressions of internal concern regarding the underperformance of ERS.

**Q. DO THE ERS CUSTOMER SERVICE REPRESENTATIVES PERFORM AT A BETTER, WORSE OR CONSISTENT LEVEL WITH THE COMPANY'S IN-HOUSE STAFF ON CALL-HANDLING "QUALITY"?**

A. The ERS CSRs do not merely under-perform relative to stated "customer satisfaction" performance standards, they under-perform relative to the Company's own in-house CSRs on "quality monitoring." This under-performance is of particular concern given that ERS handles more than half of all of the Company's "collections" calls. Moreover, not all months are equal. As stated above, customer service calls relating to collections issues tend to peak in the months of June through September. Two of the three months with the highest discrepancies between the ERS staff and the in-house staff (June 2009: 7.23%; September 2010: 4.95%) were during those peak call months. The fact that ERS underperforms ACE's in-house CSRs by larger margins during the peak call months is more significant (i.e., affects more customers) than the fact that the relative performance differential is narrower when the number of calls is lower.

The Company provided its own comparisons between the "quality monitoring" of ACE in-house CSRs as compared to ERS CSRs. One particular metric periodically measured by ACE addresses "knowledge/problem solving." The periodic results comparing ACE in-house CSRs to ERS CSRs are presented in Schedule RDC-14. ERS CSRs consistently under-perform ACE in-house CSRs, sometimes by substantial margins.

**Q. WHAT DO YOU CONCLUDE?**

A. ACE's customers should not receive degraded customer service because the Company has chosen to out-source all or some portion of the customer service function. Despite this principle, Company customers appear to experience precisely that result. We know that ACE customers having contact with ERS call center CSRs receive a lower quality of service because customers ***tell*** us this in response to customer satisfaction surveys. On one measure after another, ACE customers report a lower satisfaction with ERS transactions than with transactions involving ACE CSRs. Despite the poor performance of the Company's out-sourced call center assets, the Company continues not only to send a high proportion of its customer service calls to ERS, but indeed, it continues to send a high proportion of its most difficult calls to ERS, despite knowing ERS' poor performance.

Given the Company's acknowledgement of the role of customer satisfaction surveys in measuring customer service performance, and given a continuing internal expression of "concern" regarding the under-performance of ERS CSRs, the data and analysis I present above document a substantial area for customer service quality improvement by ACE.

## D. Improving Customer Service and Customer Satisfaction.

**Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.**

A. In this section, I offer an overview of the tasks that are inherent in any reasonable and prudent company response to the customer service/customer satisfaction issues I have identified above. In offering this discussion, I note that the various elements of the under-performance on customer satisfaction I have identified above represent mere indicators of a broader customer service problem. Customer satisfaction is not the end to be sought; it is a mechanism to use in measuring whether ACE is achieving its objective of delivering reasonably adequate service. If customer service improves, that improvement will be reflected in improved customer satisfaction. The goal, however, is to improve customer service, not merely to raise customer satisfaction scores.

**Q. WHAT DO OTHER COMPANIES DO TO IMPROVE THEIR CUSTOMER SERVICE CALL CENTER ACTIVITIES AND OUTCOMES?**

A. I have helped design, implement and evaluate programs directed toward low-income and payment-troubled customers for 25+ years. In my professional work, I have developed and utilized sound planning processes that are commonly used within the utility industry. These planning processes involve: (a) articulating a long-term direction; (b) identifying objectives (measurable, verifiable, data-based) that can be used to measure the achievement of outcomes; (c) developing an implementation plan (with short-term, moderate-term, and long-term action steps); and (d) implementing an evaluation process, through which actual outcomes can be compared to desired outcomes, material variances identified, and root causes for those material variances understood and remedied.

A planning process used to improve customer service by a public utility with customer service problems such as those faced by ACE would identify the following necessary ingredients: (a) the changes in policies, practices and procedures; (b) the staff, in terms of both expertise and staffing levels; (c) the staff training, with respect to both new or modified policies and compliance with existing policies and law; (d) the technology; and (e) the financial resources. The process would set measurable objectives; articulate specific metrics to be used in measuring whether those objectives are being achieved; periodically measure and report those metrics; determine the shortfall, if any, between the actual performance and the desired performance; determine the root cause of any shortfalls that are found to exist; adopt remedial measures to respond to those shortfalls; and begin the process of implementation, performance measurement, and improvement again. In fact, the 2011 Order already requires ACE to take actions that have proven effective at improving customer service, i.e., to conduct a root cause analysis of its customer complaints and moment-of-truth surveys across the range of its customer interactions. The Company has not yet done either.

Based upon my experience both in helping review the actions of utilities that have undertaken these tasks and in performing these tasks myself, should the Board require ACE to undertake such a review, ACE could be expected to complete an initial customer service improvement plan and deliver it to the Board within 12 months after the issuance of a final order in this proceeding.

**Q. UPON WHAT DO YOU BASE YOUR CONCLUSION THAT SUCH A PLANNING PROCESS IS CONSISTENT WITH SOUND PRACTICE IN THE UTILITY INDUSTRY?**

A. For ACE, in particular, this process is consistent with the "Strategic Planning" section of the *Management Audit of Atlantic City Electric Company*, dated March 2010, prepared by Overland Consulting (the "Overland Management Audit"), the Board's auditors:

> Strategic planning fundamentally involves the following process:
>
> - Development of a plan or vision for the long-term direction of the Company.
> - Identification of objectives that can be used to measure performance.
> - Development of an implementation plan.
> - Evaluation of performance and adoption of adjustments as needed by changed circumstances and actual events.[40]

The planning process needed for ACE to improve its customer service, and its customer satisfaction, would be structured the same as the overall "strategic planning process" recommended in the Board-mandated Overland Management Audit.

**Q. CAN YOU SUMMARIZE?**

A. Using the basic management process articulated in the Overland Management Audit to develop appropriate responses to the customer service issues I have identified above would help ACE address its customer service problems. As I discussed above, the process outlined in the Overland Management Audit is akin to the planning and operations set forth in the report, which I co-authored[41] for the American Water Works Association Research Foundation ("AWWARF"), titled *Best Practices in Customer*

[40] Overland Consulting (March 2010), *Management Audit of Atlantic City Electric Company presented to New Jersey Board of Public Utilities*, at Chapter 9.

[41] The report was prepared in collaboration with Stratus Consulting (Washington D.C.) and Scott Rubin, an independent water consultant based in Harrisburg, Pennsylvania.

*Assistance Programs*.[42] While the AWWARF *Best Practices* report was written for the water/wastewater industry, the lessons contained therein are equally applicable to the energy industry. Indeed, the report cites energy industry practices as illustrative examples throughout.

**Part 3. Over-Noticing Service Disconnections for Nonpayment.**

**Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.**

A. In this section, I consider the customer service implications of the Company's mis-use of notices of disconnections for nonpayment. As I will discuss below, ACE over-uses disconnect notices. It repeatedly issues disconnect notices when it has no intention of following up those notices with the actual disconnection of service. As a result, payment-troubled customers are taught by the Company's actions that the notices warning of consequences should payment not be made can be ignored; the warned-of consequences routinely do not occur.

As I will describe below, the impacts of over-noticing nonpayment disconnections are three-fold: (1) the process of over-noticing has a direct adverse impact on customers receiving the disconnect notices; (2) the process of over-noticing has the unintended consequence of ***increasing*** nonpayment and bad debt; and (3) the very process of sending out notices with no possibility of follow-up causes the Company to incur unnecessary expenses that must be paid by all ratepayers. Before turning to my discussion of these

[42] *See*, note **Error! Bookmark not defined.**, supra, and accompanying text.

three impacts, however, I will first describe the basis for my conclusion that the Company over-notices disconnections for nonpayment.

### A. The Basis for Finding that the Company Over-Notices Non-payment Service Disconnections.

**Q. UPON WHAT DO YOU BASE YOUR CONCLUSION THAT THE COMPANY OVER-NOTICES NONPAYMENT DISCONNECTIONS?**

A. A shutoff notice is to provide a clear and believable warning of the impending disconnection of service due to nonpayment. When ACE routinely issues notices of an impending disconnection of service to residential customers when it has no intention to follow-through on its threat, it is "over-noticing" its accounts.

The Company does precisely that. In 2010, nearly 98.5% of the Company-issued shutoff notices did *not* result in a subsequent shutoff, irrespective of whether a customer paid his or her bill. In 2010, the Company issued 502,947 residential disconnect notices and actually disconnected service to 8,285 accounts;[43] only 1.6% of shutoff notices, in other words, resulted in actual shutoffs. ACE confirmed that, in 2010, it "issued 494,662 residential service disconnections notices that did not lead to a disconnection of service (recognizing that a single account may have received more than one service disconnection notice)." (RCR-CI-88).

[43] RCR-CI-40, RCR-CI-41.

This serious over-noticing of shutoffs[44] was not unique to 2010. In 2011, the Company continued to send false warnings of an impending shutoff. The 2011 data is set forth in Schedule RDC-15 (RCR-CI-5).[45] In 2011, more than 98% of the Company-issued shutoff notices did not result in a shutoff (439,607 notices with 8,216 shutoffs). ACE issued 53 notices of disconnection for each disconnection it actually implemented.

**Q. ISN'T THE NUMBER OF SHUTOFF NOTICES SIMPLY DRIVEN BY THE NUMBER OF OVER-DUE ACCOUNTS?**

A. No. Merely because a customer is overdue does not mean that that customer is going to be subject to the disconnection of service for nonpayment. While the Board's regulations *allow* the Company to disconnect service if a customer's arrears is either more than $100 or greater than 90-days in arrears, the Company does not do that. The Company narrowly targets its disconnection activity toward accounts with much higher arrears. The fact that ACE narrowly targets its actual service disconnections to high arrears customers cannot be disputed. (Schedule RDC-16). However, despite this narrow focus of the actual disconnection of service, the Company continues to over-send *notices* that falsely "warn" overdue customers of an impending disconnection absent full payment.

As can be seen from Schedule RDC-16, merely having an arrears does not in reality place an account in jeopardy of being subject to the disconnection of service. The arrears for

[44] "Over-noticing" shutoffs refers to sending shutoff notices with no intent or capacity to follow-up the notice with the actual performance of the threatened collection activity.
[45] The data presented in Schedule RDC-15 includes 2011 data year-to-date through October 2011 for all customers. (RCR-CI-5). This is the extent of the data provided by the Company.

accounts that were actually disconnected for nonpayment is three or more times higher than the average level of arrears of accounts with arrears.

**Q. IS THE NUMBER OF DISCONNECT NOTICES EXPLAINED BY THE EXTENT OF MONTHLY ARREARS?**

A. No. It is easy to assert, and even easier to merely *assume*, that the number of residential disconnect notices that ACE issues is somehow tied to the extent to which its customers are in arrears. (RCR-CI-87) However, that explanatory power simply does not exist. Any asserted relationship between the number of disconnect notices sent and the extent to which customers are in arrears (i.e. the amount owed or the length of time owed) is error.

Schedule RDC-17 presents arrearage and disconnection data for the ACE residential class. (RCR-CI-40, RCR-CI-41, RCR-CI-48). This residential data shows that the variation in the monthly number of disconnect notices cannot be explained by the variation in the number of accounts in arrears. The tightest explanatory "fit," which is still poor, is between the month-to-month variation in the number of accounts 120 days in arrears and the month-to-month variation in the number of disconnection notices issued. An even weaker link is found between the monthly variation in the number of accounts 90-days in arrears and the monthly variation in the number of disconnection notices issued.

**Q. HOW MANY DISCONNECT NOTICES DOES THE COMPANY ISSUE FOR EACH DISCONNECTION IT ACTUALLY PERFORMS?**

A. Company data documents that in 2011 ACE issued 62 disconnect notices for each disconnection actually implemented (395,989 notices vs. 6,422 disconnections). The highest notice-to-disconnection rate was in January 2011 (124-to-1), followed by February (75-to-1) and July (81 notices for each shutoff actually implemented).

**Q. ISN'T IT LIKELY THAT THE HIGH RATIO OF DISCONNECT NOTICES SENT TO ACTUAL DISCONNECTIONS SIMPLY INDICATES THAT PEOPLE RECEIVING DISCONNECT NOTICES PAY THEIR BILLS IN FULL PRIOR TO THE NEXT MONTH?**

A. No. Not only is that not "likely," that is not occurring. And the Company certainly has no empirical basis upon which to make that claim. The Company was asked to provide, for each month January 2010 through September 2011, the number of residential accounts to which it issued a service disconnection notice in that month, along with the number of residential accounts that: (1) paid their bill in full before their next bill; (2) paid 75% or more of their bill but not their full bill before their next bill; (3) paid 0% of their bill before their next bill; and (4) voluntarily left the ACE system before their next bill. The Company could not provide this requested data. (RCR-CI-89).

Even without direct measurement, however, it is possible to determine that disconnect notices do not generate significant additional payments before the next billing date. If accounts 60-days in arrears receiving disconnect notices were avoiding the actual disconnect of service because they paid their bills in full after receiving the disconnect notice, it would be possible to see that result in a decrease in the number of accounts with 90+ days of arrears compared to the number of accounts with 60+ days in arrears. In order to have a 90-day arrears in March, in other words, you *must* have had a 60-day arrears in February.

Schedule RDC-17 shows that the data simply does not support that conclusion. Even if one were to assume (simply for the sake of analysis) that every disconnect notice was directed toward accounts 60-days in arrears, and even if we were to assume further that every account with 60-day arrears that was paid would not have been paid in the absence of receiving a disconnect notice, the relationship does not hold up.

- In May, the Company issued 46,274 disconnect notices, but saw a reduction of only 7,158 accounts from the 60-day to 90-day arrears (15%).
- In June, the Company issued 46,097 disconnect notices, but saw a reduction of only 4,885 accounts from the 60-day to 90-day arrears (11%).
- In July, the Company issued 41,708 disconnect notices, but saw a reduction of only 3,390 accounts from 60-day to 90-day arrears (8%).
- In August, the Company issued its greatest number of disconnect notices (48,636) but saw a reduction of only 7,613 accounts from the 60-day to 90-day arrears (16%).

Not only does the Company lack data showing that residential customers pay in response to shutoff notices, but the data that *does* exist does not support that conclusion.

### B. The Customer Service Harm of Over-Noticing Non-Payment Service Disconnections.

**Q. WHETHER OR NOT DISCONNECT NOTICES HAVE A DEMONSTRATED EFFECTIVENESS IN GENERATING PAYMENTS, WHAT IS THE *HARM* OF SENDING OUT NOTICES THAT FALSELY WARN OF AN IMPENDING DISCONNECTION OF SERVICE?**

A. There are two harms that arise from issuing shutoff notices that falsely warn a customer of an impending disconnection. The first harm relates to customer service. The second harm represents a business harm. In this section, I consider the customer service harms.

**Q. PLEASE DESCRIBE THE "CUSTOMER SERVICE" HARM ARISING FROM SENDING OUT NOTICES THAT FALSELY WARN OF AN IMPENDING DISCONNECTION OF SERVICE FOR NONPAYMENT.**

A. Issuing notices that falsely warn a customer of an impending disconnection of service is contrary to the entire purpose of the notice. The purpose of a notice is to provide a clear and believable warning that a service termination is about to occur. In response to such a notice, the customer must either take the steps necessary to prevent the service termination or take those steps needed to protect him or herself against the dangers to life, health and property that might result from the loss of service.

The key phrase above is "clear and believable." From a customer service perspective, in other words, when ACE issues false notices of an impending disconnection of service, it violates its obligation to provide a clear and believable notice of a pending shutoff. Customers react in different ways to the need to pay a sum-certain by a date-certain or face the disconnection of service altogether. We know from repeated surveys of energy assistance recipients[46] that some customers will forego food while others forego medical care in order to pay their home energy bills. Some customers will engage in high-cost, high-risk borrowing through "check-cashing stores" or "pay-day lending stores" which leave them worse off in even the intermediate term. Some customers simply move, while others may flip their account into someone else's name.[47] Each of these outcomes, taken in response to a false threat of service disconnection, represents an unacceptable degradation in quality of life.

Moreover, placing customers in the position where they face a perceived immediate drop-dead payment-in-full date also discourages customers from taking longer-term constructive actions in response to their bill nonpayment. For example, customers will not engage in energy usage reduction as a mechanism to reduce bills to bring them more within their ability to pay. As I found in my 1999 study, when a customer faces a nonpayment disconnect notice, "the customer is faced with an immediate need (*i.e.*, bill payment by a date certain) with the available constructive responses to an inability-to-pay unable to deliver assistance either in the form, the time period, or the magnitude necessary to meet that need." Constructive responses such as usage reduction strategies and partial payments are

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[46] The National Energy Assistance Directors Association (NEADA) has performed, under Congressional oversight, a biannual survey of fuel assistance recipients. *See e.g.*, Apprise, Inc. (April 2009). *National Energy Assistance Survey Report*, National Energy Assistance Directors Association: Washington D.C. Similar survey studies, with similar results, have been published in 2003, 2005 and 2008. All four of these reports can be accessed on-line at http://www.appriseinc.org/reports_survey.htm (last accessed April 3, 2012).

[47] Colton (1999), *Measuring LIHEAP Results: Responding to Home Energy Unaffordability*, prepared for U.S. Department of Health and Human Services, Administration for Children and Families, Energy Division (federal LIHEAP office). This report can be accessed on-line at http://www.fsconline.com/05_FSCLibrary/lib2.htm (last accessed April 3, 2012).

generally perceived to have been taken off-the-table by shutoff notices requiring full payment by a date-certain to retain service.

**Q. IS THERE AN EVEN DEEPER CUSTOMER SERVICE PROBLEM REPRESENTED BY SENDING FALSE DISCONNECT NOTICES?**

A. Yes. We have all heard the childhood story of the "boy who cried wolf." Repeatedly sending false disconnect notices creates a situation where the utility is sending wolf-like notices. My experience over more than two decades of working with payment-troubled customers counsels that the customer receiving a wolf-like notice has no basis upon which to make a decision as to which notice requires a response. The result is a tendency to delay. Delay occurs because, after sending multiple notices warning of an impending disconnection of service if payment-in-full is not made by a date certain, the utility does not send a notice saying "*this* time, we really mean it" or "this time, we really, *really* mean it." Notices, in other words, lose their believability. When a disconnection actually does occur, it thus often comes as a surprise. Or the customer is placed in the position of responding to a potential disconnection at the last minute when they realize that "*this* time, it's real."

**Q. WHAT DO YOU CONCLUDE?**

A. The key concept is "clear and believable warning." When ACE issues 60-or-more disconnect notices for every disconnection that it actually performs, the Company fails to fulfill its customer service obligation to provide a "clear and believable warning" that a pending disconnection of service for nonpayment is imminent. Just as the village residents learned to ignore the young boy's "cry of wolf" in the childhood story, customers learn to ignore the Company's "cry of wolf" as to the disconnection of service. In the meantime, just as the villagers were tricked into false (and often adverse) activities in response to the "cry of wolf," the ACE customers are tricked into false (and often adverse and counterproductive) activities in response as well.

### C. <u>The Business Harm of Over-Noticing Non-Payment Service Disconnections.</u>

**Q. OUTSIDE OF THE CUSTOMER SERVICE HARMS, IS THERE A BUSINESS HARM TO HAVING ACE OVER-NOTICE NONPAYMENT SERVICE DISCONNECTIONS?**

A. Yes. Several business harms arise from falsely "warning" of an impending service disconnection. First, over-noticing service disconnections impedes rather than facilitates collections. When a utility repeatedly issues shutoff notices warning customers of an imminent pending service disconnection unless bills are paid in full, without following up those notices by performing the threatened collection activity, it conveys the message that customers may ignore the shutoff notice with no adverse result arising.

Second, creating the false impression of a drop-dead shutoff date lacking payment-in-full discourages partial payments.

Third, issuing mass-produced shutoff notices costs the utility money. In addition to the out-of-pocket expense of generating the notice (which may be somewhat small for mass-produced computer-generated mailings), the set-up costs and the accounting costs of the system should be considered.

**Q. WHAT DO YOU CONCLUDE?**

A. Based on the data and analysis above, I conclude that the Company over-notices the threat of service disconnections for nonpayment. I conclude that the issue of sending out "too many" notices is more than a policy disagreement over collection techniques. A notice of service termination for nonpayment should be structured to provide a clear and believable warning of an imminent or pending disconnection of service. The purpose of the notice is to warn a customer that either his or her bill must be paid, or collection consequences will follow. If payment can ***not*** be made, the disconnection notice serves a public health and safety objective in warning the customer that he or she must arrange for alternative housing or make other arrangements necessary for housing if they lose their home energy service.

When the Company, however, sends out 62 "false" notices for every notice that is actually followed by the disconnection of service, issuance of the notice impedes rather than advances the objective of the notice. This impediment occurs for both the collection function and for the warning function of the notice. If a household receives three notices of disconnection with no follow-up, there is nothing to distinguish the fourth notice, nothing to say "we really mean it this time." There is nothing to distinguish the fifth notice (we really, ***really*** mean it this time). Over-noticing disconnections for nonpayment serves neither a collection function nor a customer service function; indeed, it is counter-productive rather than productive for both functions.

**Q. IS IT REASONABLE FOR A UTILITY TO LIMIT ITS ISSUANCE OF DISCONNECT NOTICES TO SITUATIONS WHERE IT IS LIKELY TO ACTUALLY DISCONNECT SERVICE FOR NONPAYMENT?**

A. Yes. Consider the data for Iowa's utilities. Iowa's natural gas and electric companies are required by the Iowa Utilities Board to report certain customer activities on a monthly basis. Amongst the data reported are both the number of disconnection notices issued and the number of nonpayment disconnections actually performed. I have reviewed that data from January 1999 through February 2012 (just over 13 years). The Iowa data reveals that utilities need not issue disconnect notices at the rate that ACE issues false notices. After beginning with the highest notice-to-disconnect ratio in the reporting period in 1999 (27-to-1), the Iowa utilities reduced their notice-to-disconnect ratio to between 12 and 15-to1 over the period 2001 through 2007. In the past four years for which complete data is available (2008 – 2011), the number of notices issued for each nonpayment disconnection performed has been around 20 (2008:18; 2009: 18; 2010: 21; 2011: 22). At no point during the 13 year period have Iowa utilities found it necessary, or effective, to issue shutoff notices at the rate that ACE has (more than 60-to-1).

Similarly, one electric utility with which I have worked in the past (Public Service Company of New Mexico: PSNM) has exhibited a similar pattern. In 2007, when I was working on customer service issues in New Mexico,[48] I gathered data on disconnect notices and actual nonpayment service disconnections from PSNM; the data was for 2001 through 2007.[49] The PSNM data closely reflected the Iowa utility data. In the time period 2001 through 2004, PSNM issued between 20 and 25 shutoff notices for each shutoff it performed. Beginning in 2005, however, PSNM sharpened its business rule for issuing shutoff notices. Rather than issuing between 500,000 and 600,000 shutoff notices each year, PSNM issued only 200,000 to 300,000 shutoff notices. Its ratio of notices-to-disconnections decreased to: 12-to-1 in 2005; 8-to-1 in 2006; and 10-to-1 in 2007.

I set forth the Iowa and New Mexico experience as states with which I have had personal experience. I do not set forth the Iowa and New Mexico data as a benchmark for a "reasonable" notice-to-disconnect ratio, although the experience of these utilities certainly indicates that there is no inherent collection benefit from over-noticing shutoffs to the degree that ACE does. Issuing fewer shutoff notices had no adverse effect on the amount collected by these public utility companies. What the experience of the Iowa utilities and PSNM documents is that a utility can more closely align its decision-rule for when it issues a shutoff notice to its decision rule for when it performs an actual disconnection of service without compromising its collections outcomes.

**Q. WHAT DO YOU RECOMMEND?**

A. To fulfill the standard that a shutoff notice be provided at a meaningful time and in a meaningful manner, the notice should give a clear and believable warning that termination is

[48] My client was Community Action of New Mexico (CANM), the statewide association of Community Action Agencies.
[49] 2007 data was for only the first six months.

about to occur. As is evident from this discussion, it is not exclusively the content of the notice that makes it a "clear and believable warning," but the timing and ongoing use (or mis-use) of the notice as well. My recommendation should not be read as encouraging ACE to increase the number of disconnections. My recommendation is that ACE modify its internal business practices to ensure that it issues nonpayment disconnect notices that provide a clear and believable warning of an impending disconnection of service in a meaningful time and manner. To do so, ACE should align when it issues a nonpayment disconnect notice with when it will actually pursue a nonpayment disconnection of service. It should make a showing to the Board that it has performed this task.

**Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

A. Yes, it does.

# Supporting Schedules

Schedule RDC-1

| Atlantic City Electric Service Level Guarantee Results: NJ Complaint Volumes | |
|---|---|
| 2007 /a/ | 1,338 |
| 2008 /a/ | 1,824 |
| 2009/b/ | 2,000 |
| 2010 /b/ | 2,083 |
| 2011 /c/ | 2,248 |

SOURCE:
/a/ Docket No. ER09080664.
/b/ RCR-CI-4 (annual SLG performance results).
/c/ RCR-CI-64.

Schedule RDC-2

| Atlantic City Electric 2011 Service Level Guarantee Results: Service Appointments | | | | | |
|---|---|---|---|---|---|
| 2011 | Total Svc Appts | # Appts Kept | # Appts Not Kept--Exempted | # Appts Not Kept | % Appts Kept |
| January | 32 | 24 | 3 | 5 | 75.00% |
| February | 42 | 42 | 0 | 0 | 100.00% |
| March | 49 | 40 | 0 | 6 | 81.63% |
| April | 50 | 40 | 2 | 8 | 80.00% |
| May | 67 | 63 | 1 | 3 | 94.03% |
| June | 70 | 65 | 2 | 3 | 92.86% |
| July | 63 | 54 | 3 | 6 | 85.71% |
| August | 56 | 44 | 4 | 8 | 78.57% |
| September | 63 | 50 | 2 | 11 | 79.37% |
| October | 58 | 48 | 2 | 8 | 82.76% |
| November | 53 | 36 | 1 | 16 | 67.92% |
| December | 40 | 32 | 2 | 6 | 80.00% |
| Year to date | 643 | 538 | 25 | 80 | 83.67% |
| SOURCE: RCR-CI-65. | | | | | |

Schedule RDC-3

| Selected Residential Customer Satisfaction Results: Customer Service (2009) | | | | | | |
|---|---|---|---|---|---|---|
| | Nov 2005 | Oct 2006 | Oct 2007 | Wave 2 2008 | Wave 1 2009 | Wave 2 2009 |
| Overall satisfaction | 79% | 76% | 77% | 74% | 79% | 74% |
| Value of customer service | 76% | 77% | 79% | 82% | 81% | 76% |
| Responsive when dealing with customer problems | 67% | 72% | 75% | 77% | 77% | 71% |
| Promptly addressing customer problems | 65% | 73% | 77% | 76% | 77% | 72% |
| Following through on promises | 57% | 64% | 68% | 66% | 70% | 63% |
| Having employees who are able to answer questions and solve problems | 66% | 69% | 72% | 74% | 77% | 69% |
| Having employees who are empathetic | 61% | 66% | 69% | 69% | 71% | 63% |
| Offering assistance to customers who have problems paying | 43% | 55% | 52% | 48% | 57% | 50% |
| SOURCE: PEPCO Holdings 2009: Residential Customer Satisfaction Results: Presentation 2: Modeling Analysis (January 2010), at pages 21 – 22, RCR-CI-17. | | | | | | |

## Deferred Payment Arrangements (2010 – 2011)

| 2010 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ann Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New DPAs | 1,330 | 1,241 | 3,145 | 3,678 | 3,448 | 2,972 | 3,552 | 5,296 | 6,522 | 6,765 | 3,777 | 1,704 | 43,400 |
| Avg Down-payment | $197 | $212 | $229 | $223 | $212 | $209 | $242 | $258 | $264 | $264 | $233 | $201 | $229 |
| Down-payment as pct of debt | 31% | 33% | 29% | 27% | 23% | 24% | 26% | 26% | 26% | 27% | 26% | 27% | 27% |
| Avg Term (months) | 7 | 7 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 9 |
| Avg Dollars/DPA | $635 | $645 | $801 | $816 | $913 | $887 | $948 | $978 | $1,001 | $972 | $889 | $734 | $852 |
| Avg Monthly Installment | $49 | $53 | $62 | $62 | $67 | $68 | $69 | $73 | $78 | $74 | $68 | $61 | $65 |
| Defaulted DPAs | 48 | 366 | 689 | 1,131 | 1,821 | 2,723 | 3,311 | 3,614 | 3,704 | 4,205 | 4,484 | 4,307 | 30,403 |
| Completed DPAs | 23 | 100 | 161 | 188 | 265 | 262 | 266 | 297 | 270 | 305 | 393 | 481 | 3,011 |

| 2011 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ann Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New DPAs | 1,429 | 1,458 | 3,852 | 4,375 | 4,176 | 4,225 | 5,361 | 6,547 | 7,593 | 7,654 | 4,143 | 1,668 | 52,481 |
| Avg Down-payment | $193 | $221 | $235 | $237 | $225 | $229 | $229 | $245 | $257 | $239 | $218 | $188 | $226 |
| Down-payment as pct of debt | 28% | 30% | 25% | 24% | 23% | 22% | 22% | 23% | 26% | 24% | 24% | 25% | 25% |
| Avg Term (months) | 8 | 8 | 9 | 9 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 8 | 9 |
| Avg Dollars/DPA | $701 | $733 | $942 | $984 | $985 | $1,041 | $1,029 | $1,049 | $1,004 | $983 | $895 | $743 | $924 |
| Avg Monthly Installment | $59 | $58 | $71 | $74 | $73 | $75 | $74 | $75 | $73 | $72 | $67 | $58 | $69 |
| Defaulted DPAs | 45 | 396 | 781 | 1,333 | 2,595 | 3,024 | 3,622 | 4,407 | 5,468 | 5,001 | 5,690 | 5,587 | 37,949 |
| Completed DPAs | 30 | 81 | 163 | 192 | 274 | 352 | 286 | 351 | 333 | 396 | 426 | 512 | 3,396 |

SOURCE: RCR-CI-95

Schedule RDC-5

**2010 Deferred Payment Arrangements (DPAs)**

| No. of Months | Total DPAs | | Satisfied DPAs | | % Successful | Current DPAs | | % Current | Defaulted DPAs | | % Defaulted |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Pct | No. | Pct | | No. | Pct | | No. | Pct5 | |
| 1 to 3 | 5,673 | 13% | 1,725 | 62% | 30.4% | 567 | 6% | 10.0% | 3,381 | 11% | 59.6% |
| 4 to 6 | 8,808 | 21% | 589 | 21% | 6.7% | 2,137 | 22% | 24.3% | 6,082 | 20% | 69.1% |
| 7 to 9 | 2,665 | 6% | 95 | 3% | 3.6% | 726 | 7% | 27.2% | 1,844 | 6% | 69.2% |
| 10 to 12 | 21,886 | 52% | 302 | 11% | 1.4% | 5,629 | 57% | 25.7% | 15,955 | 54% | 72.9% |
| >12 | 3,351 | 8% | 55 | 2% | 1.6% | 786 | 8% | 23.5% | 2,510 | 8% | 74.9% |
| Total | 42,383 | 100% | 2,766 | 100% | 6.5% | 9,845 | 100% | 23.2% | 29,772 | 100% | 70.2% |

SOURCE: 2011 Stipulation, Attachment 3, NJ DPA Completion Analysis.

Schedule RDC-6

| Customer Satisfaction (CSRs vs. VRUs) (2007 – 2011—YTD September) | | | | |
|---|---|---|---|---|
| | Overall Satisfaction | | Responsive to Needs (VRU) /Resolved Problem Quickly (CSR) | |
| | VRU | CSRs | VRU | CSRs |
| 2007 | --- | --- | 72% | 85% |
| 2008 | 68% | 86% | 74% | 82% |
| 2009 | 61% | 86% | 71% | 82% |
| 2010 | 62% | 82% | 68% | 80% |
| 2011 | 68% | 86% | 71% | 85% |
| SOURCE: RCR-CI-16 | | | | |

| 2010 PHI Call Center Customer Satisfaction Tracking Study—ACE (excerpt) (in percent) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 | 2010 |
| Overall satisfaction | — | 69 | 74 | 79 | 80 | 65 | 68 | 69 | 72 | 68 | 68 | 84 | 73 |
| CSR | — | 60 | 69 | 84 | 72 | 63 | 63 | 67 | 69 | 63 | 60 | 80 | 70 |
| IVR | — | 80 | 78 | 74 | 88 | 67 | 73 | 71 | 75 | 73 | 77 | 88 | 79 |
| Transferred to Energy Advisor | | | | | | | | | | | | | |
| Yes | — | — | — | — | — | 24 | 17 | 12 | 24 | 21 | 18 | 21 | 19 |
| No | — | — | — | — | — | 76 | 83 | 88 | 76 | 79 | 82 | 79 | 81 |
| Automated | | | | | | | | | | | | | |
| Overall satisfaction with VRU | — | 69 | 65 | 58 | 64 | 61 | 62 | 53 | 46 | 67 | 59 | 75 | 62 |
| Clear & Understandable | — | 87 | 87 | 84 | 94 | 82 | 93 | 82 | 84 | 93 | 75 | 96 | 88 |
| Pace | — | 87 | 92 | 88 | 87 | 80 | 89 | 81 | 79 | 90 | 70 | 89 | 85 |
| Easy to Understand/Navigate | — | 82 | 83 | 69 | 92 | 77 | 82 | 76 | 82 | 81 | 73 | 85 | 81 |
| Voice and Menu professional | — | 83 | 86 | 84 | 94 | 80 | 88 | 80 | 82 | 89 | 75 | 98 | 86 |
| Recognized what I said | — | 87 | 77 | 65 | 74 | 70 | 73 | 62 | 67 | 76 | 68 | 92 | 74 |
| Appropriate voice | — | 83 | 84 | 73 | 74 | 77 | 75 | 64 | 67 | 87 | 64 | 86 | 76 |
| Answered my questions | — | 78 | 73 | 58 | 66 | 73 | 73 | 62 | 57 | 81 | 56 | 79 | 69 |
| Provide responsive service | — | 74 | 71 | 58 | 77 | 70 | 70 | 53 | 65 | 69 | 59 | 82 | 68 |
| Provide accurate service | — | 74 | 71 | 62 | 81 | 71 | 66 | 55 | 59 | 69 | 59 | 77 | 67 |
| SOURCE: RCR-CI-16. | | | | | | | | | | | | | |

| 2011 PHI Call Center Customer Satisfaction Tracking Study—ACE (excerpt) (in percent) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 |
| Overall satisfaction | 83 | 79 | 78 | 86 | 76 | 82 | 79 | 85 | 79 | — | — | — | 81 |
| CSR | 83 | 81 | 72 | 83 | 73 | 82 | 79 | 85 | 79 | — | — | — | 80 |
| IVR | 83 | 77 | 83 | 90 | 79 | 83 | — | 85 | 79 | — | — | — | 82.375 |
| Transferred to Energy Advisor | | | | | | | | | | | | | |
| Yes | 19 | 23 | 23 | 24 | 21 | 20 | 25 | 26 | 14 | — | — | — | 22 |
| No | 81 | 77 | 77 | 76 | 79 | 80 | 75 | 74 | 86 | — | — | — | 78 |
| Automated | | | | | | | | | | | | | |
| Overall satisfaction with VRU | 73 | 66 | 72 | 58 | 62 | 77 | 59 | 67 | 67 | — | — | — | 68 |
| Clear & Understandable | 96 | 93 | 94 | 90 | 90 | 88 | 71 | 96 | 97 | — | — | — | 92 |
| Pace | 82 | 86 | 83 | 84 | 90 | 87 | 53 | 91 | 90 | — | — | — | 85 |
| Easy to Understand/Navigate | 79 | 89 | 83 | 77 | 85 | 85 | 47 | 84 | 85 | — | — | — | 82 |
| Voice and Menu professional | 85 | 82 | 89 | 87 | 87 | 87 | 65 | 91 | 95 | — | — | — | 87 |
| Recognized what I said | 75 | 79 | 72 | 71 | 75 | 83 | 53 | 78 | 87 | — | — | — | 76 |
| Appropriate voice | 78 | 82 | 81 | 74 | 75 | 83 | 59 | 80 | 90 | — | — | — | 79 |
| Answered my questions | 78 | 70 | 64 | 68 | 73 | 79 | 59 | 75 | 89 | — | — | — | 73 |
| Provide responsive service | 75 | 66 | 70 | 61 | 64 | 75 | 53 | 75 | 87 | — | — | — | 71 |
| Provide accurate service | 75 | 68 | 70 | 68 | 73 | 75 | 47 | 76 | 90 | — | — | — | 73 |
| SOURCE: RCR-CI-16. | | | | | | | | | | | | | |

| Date (2011) | Int Rep Ans | | Inhse VRU Handled | | Total Handled /a/ |
|---|---|---|---|---|---|
| January | 43,217 | 45% | 29,458 | 30% | 96,943 |
| February | 44,431 | 44% | 28,088 | 28% | 99,864 |
| March | 55,847 | 52% | 30,568 | 29% | 106,399 |
| April | 55,405 | 54% | 28,755 | 28% | 101,897 |
| May | 58,698 | 53% | 29,231 | 27% | 109,918 |
| June | 66,535 | 53% | 33,394 | 27% | 124,808 |
| July | 72,207 | 53% | 39,819 | 29% | 136,695 |
| August | 119,632 | 48% | 46,124 | 19% | 248,668 |
| September | 76,330 | 59% | 36,259 | 28% | 129,223 |
| October | 71,676 | 56% | 34,994 | 27% | 127,835 |
| November | 63,204 | 61% | 28,972 | 28% | 103,585 |
| December | 56,147 | 58% | 30,684 | 32% | 97,151 |
| **2011** | **783,329** | **53%** | **396,346** | **27%** | **1,482,986** |

NOTES:
/a/ The "total handled" include calls handled other than by in-house representatives or through the VRU system. Accordingly, the "total handled" is greater than the sum of the columns presented in this table.

SOURCE: RCR-CI-83.

**Internal Rep Handled**

| Split | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Totals** | **63,262** | **61,716** | **74,659** | **68,682** | **72,896** | **79,697** | **84,105** | **137,144** | **90,275** | **86,369** | **74,272** | **64,176** | **957,253** |
| ACE CCC Cust | 515 | 682 | 833 | 598 | 715 | 784 | 751 | 953 | 942 | 1,035 | 957 | 781 | 9,546 |
| ACE Credit | 12,260 | 10,940 | 17,086 | 14,683 | 15,610 | 15,968 | 19,257 | 22,619 | 22,316 | 21,591 | 17,857 | 13,842 | 204,029 |
| ACE Cust Choice | 1,000 | 833 | 1,251 | 1,213 | 972 | 1,093 | 1,102 | 1,268 | 1,538 | 1,490 | 1,063 | 766 | 13,589 |
| ACE General | 37,040 | 32,668 | 42,880 | 37,141 | 38,892 | 40,252 | 39,592 | 51,723 | 48,529 | 45,562 | 42,158 | 36,868 | 493,305 |
| ACE OMS Outage | 3,998 | 8,199 | 2,448 | 5,995 | 6,846 | 10,331 | 11,755 | 42,721 | 5,096 | 5,668 | 2,232 | 3,138 | 108,427 |
| ACE Priority Outage | 2,390 | 2,169 | 2,310 | 2,371 | 2,474 | 3,630 | 4,340 | 9,044 | 3,568 | 3,250 | 2,689 | 2,648 | 40,883 |
| ACE Service | 3,309 | 3,539 | 4,221 | 3,844 | 4,551 | 4,717 | 4,344 | 4,869 | 5,025 | 4,444 | 4,045 | 3,243 | 50,151 |
| ACE Spanish | 2,750 | 2,686 | 3,630 | 2,837 | 2,836 | 2,922 | 2,964 | 3,947 | 3,261 | 3,329 | 3,271 | 2,890 | 37,323 |

**Internal Rep Handled (by percent of total per month)**

| Split | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Totals** | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| ACE CCC Cust | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| ACE Credit | 19% | 18% | 23% | 21% | 21% | 20% | 23% | 16% | 25% | 25% | 24% | 22% | 21% |
| ACE Cust Choice | 2% | 1% | 2% | 2% | 1% | 1% | 1% | 1% | 2% | 2% | 1% | 1% | 1% |
| ACE General | 59% | 53% | 57% | 54% | 53% | 51% | 47% | 38% | 54% | 53% | 57% | 57% | 52% |
| ACE OMS Outage | 6% | 13% | 3% | 9% | 9% | 13% | 14% | 31% | 6% | 7% | 3% | 5% | 11% |
| ACE Priority Outage | 4% | 4% | 3% | 3% | 3% | 5% | 5% | 7% | 4% | 4% | 4% | 4% | 4% |
| ACE Service | 5% | 6% | 6% | 6% | 6% | 6% | 5% | 4% | 6% | 5% | 5% | 5% | 5% |
| ACE Spanish | 4% | 4% | 5% | 4% | 4% | 4% | 4% | 3% | 4% | 4% | 4% | 5% | 4% |

SOURCE: RCR-CI-67.

| Customer Satisfaction by Overall Satisfaction and Selected Attributes (2008 – 2011—YTD) (ACE CSR) | | | | | | |
|---|---|---|---|---|---|---|
| | Overall | Courteous | Honest /b/ | Willing to Help | Care / Sympathetic /a/ | Treated as Valued Customer |
| 2008 | 86% | 85% | 90% | 87% | 82% | 87% |
| 2009 | 86% | 90% | 90% | 86% | 80% | 87% |
| 2010 | 82% | 90% | NM | 80% | 83% | 85% |
| 2011 (YTD) | 86% | 92% | NM | 85% | 83% | 88% |

NOTES:
/a/ In 2009, ACE discontinued its metric "showed care and concern" and replaced it with "sympathetic to my concern."
/b/ Beginning in 2010, the Company no longer measured whether customers perceived the CSR to be "honest."

SOURCE: RCR-CI-16.

Schedule RDC-10

| Customer Satisfaction Ratings by Selected Attributes and by Quarter (2008 – 2011-YTD) /a/ | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Call Ctr | Factor | Year End /b/ | | | Quarter 1 /b/ | | | Quarter 2 | | | | Quarter 3 | | | |
| /c/ | /d/ | 2009 | 2010 | 2011 | 2009 | 2010 | 2011 | 2008 | 2009 | 2010 | 2011 | 2008 | 2009 | 2010 | 2011 |
| ACE | A | 86% | 82% | 86% | 86% | 83% | 86% | N/A | 82% | 83% | 87% | 86% | 87% | 78% | 82% |
| ER | A | 85% | 79% | 81% | 90% | 84% | 85% | N/A | 80% | 77% | 85% | 86% | 85% | 72% | 73% |
| ACE | B | 80% | 80% | 83% | 84% | 81% | 86% | N/A | 78% | 80% | 82% | 83% | 79% | 75% | 81% |
| ER | B | 79% | 75% | 78% | 83% | 78% | 80% | N/A | 74% | 74% | 81% | 82% | 79% | 69% | 73% |
| ACE | C | 85% | 82% | 88% | 88% | 84% | 89% | N/A | 82% | 83% | 88% | 85% | 85% | 78% | 85% |
| ER | C | 85% | 81% | 84% | 91% | 87% | 83% | N/A | 79% | 80% | 88% | 86% | 84% | 77% | 82% |
| ACE | D | 90% | 90% | 92% | 92% | 90% | 93% | N/A | 89% | 87% | 92% | 90% | 89% | 88% | 90% |
| ER | D | 89% | 86% | 88% | 93% | 87% | 89% | N/A | 89% | 85% | 89% | 88% | 87% | 84% | 86% |
| ACE | E | 82% | 80% | 85% | 82% | 78% | 85% | N/A | 80% | 81% | 86% | 83% | 83% | 75% | 83% |
| ER | E | 80% | 77% | 78% | 85% | 82% | 80% | N/A | 77% | 78% | 80% | 83% | 79% | 71% | 75% |
| ACE | F | 86% | 85% | 88% | 86% | 86% | 89% | N/A | 84% | 84% | 88% | 87% | 87% | 81% | 86% |
| ER | F | 86% | 81% | 82% | 88% | 85% | 85% | N/A | 83% | 80% | 85% | 88% | 86% | 78% | 74% |
| ACE | G | 87% | 85% | 87% | 89% | 86% | 88% | N/A | 85% | 86% | 87% | 87% | 87% | 80% | 86% |
| ER | G | 86% | 79% | 81% | 88% | 85% | 84% | N/A | 82% | 79% | 85% | 87% | 85% | 72% | 74% |
| ACE | H | 67% | 65% | 69% | 68% | 62% | 67% | N/A | 66% | 66% | 73% | 70% | 66% | 62% | 66% |
| ER | H | 59% | 61% | 64% | 71% | 65% | 64% | N/A | 69% | 63% | 68% | 62% | 68% | 53% | 59% |

NOTES:

/a/ The fourth quarter is not routinely reported, and is thus not included in this Schedule.
/b/ Since Outsource ER Solutions was not retained until the third quarter of 2008, data for Quarters 1 and 2, as well as year-end data, are not reported.
/c/ ACE = the Company; ER = Outsource Energy Solutions (what is referred to as "ERS" in the text of the testimony).

SOURCE: RCR-CI-16.

/d/ The attributes reported are as follows:
A=Overall satisfaction;
B= Sympathetic to my concerns;
C=Knowledgeable;
D=Courteous;
E=Quickly resolved my issues;
F= Willing to help;
G=Treated me as valued customer;
H= Resolved my issues on first call.

Schedule RDC-11

| Total Rep Handled by Call Center and Outsource ER Solutions by Type of Call | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Split** | **Jan** | **Feb** | **Mar** | **Apr** | **May** | **Jun** | **Jul** | **Aug** | **Sep** | **Oct** | **Nov** | **Dec** | **2011** |
| **Totals** | **63262** | **61716** | **74659** | **68682** | **72896** | **79697** | **84105** | **137144** | **90275** | **86369** | **74272** | **64176** | **957253** |
| ACE CCC Cust | 515 | 682 | 833 | 598 | 715 | 784 | 751 | 953 | 942 | 1035 | 957 | 781 | 9546 |
| ACE Credit | 12260 | 10940 | 17086 | 14683 | 15610 | 15968 | 19257 | 22619 | 22316 | 21591 | 17857 | 13842 | 204029 |
| ACE Cust Choice | 1000 | 833 | 1251 | 1213 | 972 | 1093 | 1102 | 1268 | 1538 | 1490 | 1063 | 766 | 13589 |
| ACE General | 37040 | 32668 | 42880 | 37141 | 38892 | 40252 | 39592 | 51723 | 48529 | 45562 | 42158 | 36868 | 493305 |
| ACE OMS Outage | 3998 | 8199 | 2448 | 5995 | 6846 | 10331 | 11755 | 42721 | 5096 | 5668 | 2232 | 3138 | 108427 |
| ACE Priority Outage | 2390 | 2169 | 2310 | 2371 | 2474 | 3630 | 4340 | 9044 | 3568 | 3250 | 2689 | 2648 | 40883 |
| ACE Service | 3309 | 3539 | 4221 | 3844 | 4551 | 4717 | 4344 | 4869 | 5025 | 4444 | 4045 | 3243 | 50151 |
| ACE Spanish | 2750 | 2686 | 3630 | 2837 | 2836 | 2922 | 2964 | 3947 | 3261 | 3329 | 3271 | 2890 | 37323 |
| **Internal Rep Handled** | | | | | | | | | | | | | |
| **Split** | **Jan** | **Feb** | **Mar** | **Apr** | **May** | **Jun** | **Jul** | **Aug** | **Sep** | **Oct** | **Nov** | **Dec** | **2011** |
| **Totals** | **43217** | **44431** | **55847** | **55405** | **58698** | **66535** | **72207** | **119632** | **76330** | **71676** | **63204** | **56147** | **783329** |
| ACE CCC Cust | 515 | 682 | 833 | 598 | 715 | 784 | 751 | 953 | 942 | 1035 | 957 | 781 | 9546 |
| ACE Credit | 7471 | 7246 | 8587 | 4843 | 6001 | 6533 | 9551 | 10129 | 11783 | 10464 | 9886 | 7958 | 100452 |
| ACE Cust Choice | 1000 | 833 | 1251 | 1213 | 972 | 1093 | 1102 | 1268 | 1538 | 1490 | 1063 | 766 | 13589 |
| ACE General | 22934 | 21235 | 35011 | 37141 | 38892 | 40252 | 39592 | 51720 | 48521 | 45562 | 42158 | 36868 | 459886 |
| ACE OMS Outage | 3804 | 7147 | 2325 | 5681 | 6320 | 9823 | 11545 | 40915 | 4878 | 5539 | 2191 | 2982 | 103150 |
| ACE Priority Outage | 2236 | 1912 | 2180 | 2187 | 2210 | 3364 | 4252 | 8678 | 3465 | 3159 | 2615 | 2503 | 38761 |
| ACE Service | 3309 | 3539 | 2894 | 1658 | 1281 | 1994 | 2522 | 2405 | 2496 | 1721 | 1887 | 1971 | 27677 |
| ACE Spanish | 1948 | 1837 | 2766 | 2084 | 2307 | 2692 | 2892 | 3564 | 2707 | 2706 | 2447 | 2318 | 30268 |
| **ERS Rep Handled** | | | | | | | | | | | | | |
| **Split** | **Jan** | **Feb** | **Mar** | **Apr** | **May** | **Jun** | **Jul** | **Aug** | **Sep** | **Oct** | **Nov** | **Dec** | **2011** |
| **Totals** | **20045** | **17285** | **18812** | **13277** | **14198** | **13162** | **11898** | **17512** | **13945** | **14693** | **11068** | **8029** | **173924** |
| ACE CCC Cust | | | | | | | | | | | | | 0 |
| ACE Credit | 4789 | 3694 | 8499 | 9840 | 9609 | 9435 | 9706 | 12490 | 10533 | 11127 | 7971 | 5884 | 103577 |
| ACE Cust Choice | | | | | | | | | | | | | 0 |
| ACE General | 14106 | 11433 | 7869 | 0 | 0 | | | 3 | 8 | | | | 33419 |
| ACE OMS Outage | 194 | 1052 | 123 | 314 | 526 | 508 | 210 | 1806 | 218 | 129 | 41 | 156 | 5277 |
| ACE Priority Outage | 154 | 257 | 130 | 184 | 264 | 266 | 88 | 366 | 103 | 91 | 74 | 145 | 2122 |
| ACE Service | | | 1327 | 2186 | 3270 | 2723 | 1822 | 2464 | 2529 | 2723 | 2158 | 1272 | 22474 |
| ACE Spanish | 802 | 849 | 864 | 753 | 529 | 230 | 72 | 383 | 554 | 623 | 824 | 572 | 7055 |
| SOURCE: RCR-CI-67(c) - (d). | | | | | | | | | | | | | |

| 2011 PHI Call Center Customer Satisfaction Tracking Survey<br>PHI – 77% Satisfied with Call Experience – Year to Date September 2011 (in percent) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACE | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | YTD |
| | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 |
| Overall Satisfaction | 83 | 79 | 78 | 86 | 76 | 82 | 79 | 85 | 79 | 81 |
| CSR | 83 | 81 | 72 | 83 | 73 | 82 | 79 | 85 | 79 | 80 |
| IVR | 83 | 77 | 83 | 90 | 79 | 83 | — | 85 | 79 | 82.375 |
| Very Satisfied (9 - 10) | 61 | 56 | 55 | 56 | 53 | 65 | 56 | 63 | 57 | 58 |
| Very Dissatisfied (0 – 2) | 3 | 6 | 7 | 3 | 13 | 6 | 10 | 6 | 9 | 7 |
| Reason for call | | | | | | | | | | |
| Trouble | 100 | 75 | 82 | 88 | 82 | 87 | 88 | 85 | 58 | 82.7778 |
| Service | 92 | 100 | 62 | 100 | 75 | 100 | 75 | 69 | 79 | 83.5556 |
| Meter | 100 | — | — | 34 | 100 | 51 | — | 100 | 100 | 80.3333 |
| Total Billing | 79 | 79 | 78 | 89 | 71 | 81 | 74 | 87 | 87 | 80.5556 |
| Questions | 77 | 76 | 84 | 77 | 62 | 72 | 70 | 81 | 84 | 75.8889 |
| Complaints | 74 | 55 | 31 | 75 | 50 | 75 | 67 | 58 | 100 | 65 |
| Payment Arrangements | 86 | 88 | 89 | 97 | 80 | 84 | 80 | 93 | 94 | 87.8889 |
| Other billing | 59 | 86 | 89 | 100 | 69 | 100 | 80 | 100 | 68 | 83.4444 |
| Speed Call Answered (5 pt scale) | 94 | 72 | 84 | 89 | 83 | 87 | 81 | 90 | 81 | 85 |
| Percent Referred for Self Service Option | 53 | 51 | 33 | 60 | 56 | 61 | 58 | 53 | 54 | 53 |
| Transferred to Energy Advisor | | | | | | | | | | |
| Yes | 19 | 23 | 23 | 24 | 21 | 20 | 25 | 26 | 14 | 22 |
| No | 81 | 77 | 77 | 76 | 79 | 80 | 75 | 74 | 86 | 78 |
| Achieved goal 1st Call | 76 | 61 | 64 | 76 | 66 | 78 | 67 | 66 | 64 | 69 |
| Multiple Calls | 22 | 38 | 33 | 24 | 34 | 19 | 31 | 29 | 32 | 29 |

| 2011 PHI Call Center Customer Satisfaction Tracking Survey (excerpt)<br>PHI – 77% Satisfied with Call Experience – Year to Date September 2011 (percentages) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACE | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | YTD |
| | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 |
| Automated | | | | | | | | | | |
| Overall Satisfaction with VRU* | 73 | 66 | 72 | 58 | 62 | 77 | 59 | 67 | 67 | 68 |
| Clear & Understandable | 96 | 93 | 94 | 90 | 90 | 88 | 71 | 96 | 97 | 92 |
| Pace | 82 | 86 | 83 | 84 | 90 | 87 | 53 | 91 | 90 | 85 |
| Easy to Understand/Nevigate | 79 | 89 | 83 | 77 | 85 | 85 | 47 | 84 | 85 | 82 |
| Voice & Menu Professional | 85 | 82 | 89 | 87 | 87 | 87 | 65 | 91 | 95 | 87 |
| Recognized What I Said | 75 | 79 | 72 | 71 | 75 | 83 | 53 | 78 | 87 | 76 |
| Appropriate Voice | 78 | 82 | 81 | 74 | 75 | 83 | 59 | 80 | 90 | 79 |
| Answered My Questions | 78 | 70 | 64 | 68 | 73 | 79 | 59 | 75 | 89 | 73 |
| Provide Responsive Service | 75 | 66 | 70 | 61 | 64 | 75 | 53 | 75 | 87 | 71 |
| Provide Accurate Service | 75 | 68 | 70 | 68 | 73 | 75 | 47 | 76 | 90 | 73 |
| Call Center | | | | | | | | | | |
| Overall Satisfaction with CSR* | 96 | 82 | 82 | 87 | 83 | 91 | 87 | 86 | 76 | 86 |
| Transferred to CSR Quickly | 85 | 66 | 82 | 83 | 82 | 87 | 78 | 89 | 81 | 82 |
| CSR Knowledgeable | 95 | 85 | 88 | 89 | 88 | 88 | 89 | 86 | 83 | 88 |
| CSR Courteous/Respectful | 96 | 90 | 92 | 91 | 92 | 92 | 87 | 92 | 89 | 92 |
| CSR Straightforward/Honest | 99 | 88 | 92 | 94 | 88 | 90 | 87 | 91 | 88 | 91 |
| CSR Resolved Problem Quickly | 90 | 83 | 82 | 85 | 83 | 89 | 80 | 86 | 82 | 85 |
| CSR Was Willing to Help* | 94 | 88 | 86 | 88 | 88 | 87 | 82 | 90 | 84 | 88 |
| CSR Treated me as a Valued Customer* | 94 | 83 | 87 | 88 | 86 | 87 | 87 | 87 | 85 | 87 |
| Confident in Information Provided | 92 | 80 | 83 | 87 | 87 | 88 | 87 | 88 | 83 | 86 |
| CSR was Sympathetic to my Concern | 91 | 83 | 85 | 83 | 87 | 77 | 82 | 82 | 80 | 83 |

| 2011 PHI Call Center Customer Satisfaction Tracking Survey (excerpt)<br>PHI – 77% Satisfied with Call Experience – Year to Date September 2011 (percentages) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| ACE/DPL – Outsource ER Solutions | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | YTD |
| | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 |
| Overall Satisfaction | 66 | 73 | 81 | 88 | 71 | 78 | 79 | 85 | 62 | 76 |
| CSR | 66 | 73 | 81 | 88 | 71 | 78 | 79 | 85 | 62 | 76 |
| IVR | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Very Satisfied (9 - 10) | 45 | 41 | 64 | 58 | 54 | 41 | 50 | 67 | 39 | 51 |
| Very Dissatisfied (0 – 2) | 14 | 12 | 6 | 1 | 8 | 8 | 8 | 4 | 8 | 8 |
| Reason for call | | | | | | | | | | |
| Trouble | 17 | 75 | 82 | 100 | 25 | 100 | --- | --- | --- | 66.5 |
| Service | 86 | 80 | 89 | 100 | 100 | 100 | 50 | 1-- | --- | 88.125 |
| Meter | 67 | --- | --- | --- | --- | --- | --- | --- | --- | 67 |
| Total Billing | 68 | 70 | 80 | 83 | 66 | 76 | 84 | 80 | --- | 75.875 |
| Questions | 65 | 67 | 79 | 84 | 38 | 85 | 100 | 50 | --- | 71 |
| Complaints | 80 | 46 | 75 | 67 | 50 | 40 | --- | --- | --- | 59.6667 |
| Payment Arrangements | 67 | 81 | 82 | 82 | 74 | 78 | 73 | 88 | --- | 78.125 |
| Other billing | 73 | 77 | 80 | 100 | 67 | 100 | 100 | 100 | --- | 87.125 |
| Speed Call Answered (5 pt scale) | 73 | 77 | 80 | 91 | 81 | 86 | 79 | 89 | 85 | 82 |
| Percent Referred for Self Service Option | 42 | 49 | 45 | 55 | 43 | 67 | 57 | 40 | 44 | 50 |
| Transferred to Energy Advisor | | | | | | | | | | |
| Yes | 26 | 32 | 30 | 21 | 29 | 29 | 25 | 26 | 8 | 26 |
| No | 74 | 68 | 70 | 79 | 71 | 71 | 75 | 74 | 92 | 74 |
| Achieved goal 1st Call | 58 | 67 | 66 | 71 | 70 | 63 | 63 | 67 | 46 | 64 |
| Multiple Calls | 38 | 31 | 31 | 26 | 21 | 37 | 38 | 26 | 39 | 32 |

| 2011 PHI Call Center Customer Satisfaction Tracking Survey<br>PHI – 77% Satisfied with Call Experience – Year to Date September 2011 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
| | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 |
| Automated | | | | | | | | | | |
| Overall Satisfaction with VRU* | 64 | 52 | 68 | 63 | 64 | 52 | 80 | --- | 43 | 60 |
| Clear & Understandable | 80 | 79 | 91 | 84 | 100 | 86 | 90 | --- | 86 | 87 |
| Pace | 76 | 90 | 73 | 84 | 91 | 86 | 90 | --- | 86 | 85 |
| Easy to Understand / Navigate | 64 | 79 | 77 | 78 | 96 | 86 | 100 | --- | 86 | 84 |
| Voice & Menu Professional | 76 | 86 | 91 | 81 | 91 | 86 | 100 | --- | 86 | 87 |
| Recognized What I Said | 72 | 79 | 73 | 72 | 73 | 57 | 80 | --- | 43 | 68 |
| Appropriate Voice | 76 | 79 | 73 | 78 | 82 | 81 | 100 | --- | 71 | 80 |
| Answered My Questions | 56 | 55 | 73 | 75 | 82 | 57 | 90 | --- | 71 | 70 |
| Provide Responsive Service | 60 | 62 | 77 | 75 | 68 | 67 | 90 | --- | 71 | 72 |
| Provide Accurate Service | 64 | 62 | 73 | 78 | 82 | 67 | 90 | --- | 57 | 72 |
| Call Center | | | | | | | | | | |
| Overall Satisfaction with CSR* | 80 | 83 | 87 | 87 | 82 | 85 | 73 | 88 | 54 | 81 |
| Transferred to CSR Quickly | 72 | 83 | 81 | 85 | 87 | 88 | 82 | 88 | 77 | 83 |
| CSR Knowledgeable | 82 | 82 | 84 | 91 | 86 | 88 | 82 | 92 | 69 | 84 |
| CSR Courteous/Respectful | 87 | 88 | 91 | 93 | 87 | 88 | 91 | 96 | 69 | 88 |
| CSR Straightforward/Honest | 84 | 85 | 85 | 92 | 87 | 85 | 86 | 92 | 77 | 86 |
| CSR Resolved Problem Quickly | 73 | 81 | 84 | 85 | 79 | 75 | 77 | 92 | 54 | 78 |
| CSR Was Willing to Help* | 82 | 83 | 88 | 93 | 77 | 85 | 82 | 92 | 46 | 82 |
| CSR Treated me as a Valued Customer* | 80 | 83 | 87 | 91 | 78 | 85 | 82 | 92 | 46 | 81 |
| Confident in Information Provided | 73 | 83 | 84 | 89 | 87 | 79 | 68 | 96 | 69 | 82 |
| CSR Was Sympathetic to My Concern | 74 | 81 | 83 | 85 | 73 | 83 | 77 | 92 | 46 | 78 |

**IN THE MATTER OF THE PETITION OF ATLANTIC CITY ELECTRIC COMPANY FOR APPROVAL OF AMENDMENTS TO ITS TARIFF TO PROVIDE FOR AN INCREASE IN RATES AND CHARGES FOR ELECTRIC SERVICE PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A 48:2-21.1 AND FOR OTHER APPROPRIATE RELIEF**

**BPU Dkt. No.: ER11080469 and OAL Docket No. PUC 09929-2011**

Response to DRC Data Requests – Set DRC-12

01/13/2012

Atlantic City Electric

Question No. : RCR-CI-68

Reference RCR-CI-16. Please indicate for the 2011 year-to-date data provided in response to RCR-CI-16, whether there is a statistically significant difference in the results between the ACE Call Center and the "ACE-DPL Outsource ER Solutions" call center for the following reported results:

a. The "overall satisfaction" of 81% for ACE call center vs. the 76% for the Outsource ER Solutions call center.
b. The "overall satisfaction with CSR" of 86% for ACE call center vs. 81% for the Outsource ER Solutions call center.
c. The 69% "achieved goal on 1st call" for ACE call center vs. 64% for the Outsource ER Solutions call center.
d. The 88% "CSR was willing to help" for ACE call center vs. 82% for Outsource ER Solutions call center.
e. The 83% "CSR was sympathetic to my concern" for ACE call center vs. 78% for Outsource ER Solutions call center.
f. The 87% "CSR treated me as a valued customer" for ACE call center vs. 81% for Outsource ER Solutions call center.
g. The 92% "CSR Courteous/respectful" for ACE call center vs. 88% for Outsource ER Solutions call center.
h. The 87.88889% for "payment arrangements" for ACE call center vs. 78.125% for ER Solutions call center.
i. The 65% for "complaints" for ACE call center vs. 59.66667% for the Outsource ER Solutions call center.

(Response on next page)

**RESPONSE:**

| | | Statistical Difference at 95% Confidence Level | Z test for comparing two sample proportions |
|---|---|---|---|
| a. | The "overall satisfaction" of 81% for ACE call center vs. the 76% for the Outsource ER Solutions call center. | Yes | Z = 2.264 |
| b. | The "overall satisfaction with CSR" of 86% for ACE call center vs. 81% for the Outsource ER Solutions call center. | Yes | Z = 2.519 |
| c. | The 69% "achieved goal on 1st call" for ACE call center vs. 64% for the Outsource ER Solutions call center. | No | Z = 1.958 |
| d. | The 88% "CSR was willing to help" for ACE call center vs. 82% for Outsource ER Solutions call center. | Yes | Z = 3.162 |
| e. | The 83% "CSR was sympathetic to my concern" for ACE call center vs. 78% for Outsource ER Solutions call center. | Yes | Z = 2.352 |
| f. | The 87% "CSR treated me as a valued customer" for ACE call center vs. 81% for Outsource ER Solutions call center. | Yes | Z = 3.074 |
| g. | The 92% "CSR Courteous/respectful" for ACE call center vs. 88% for Outsource ER Solutions call center. | Yes | Z = 2.513 |
| h. | The 87.88889% for "payment arrangements" for ACE call center vs. 78.125% for ER Solutions call center. | Yes | Z =5.06 |
| i. | The 65% for "complaints" for ACE call center vs. 59.66667% for the Outsource ER Solutions call center. | No | Z = 1.907 |

Schedule RDC-14

Customer Satisfaction by Reporting Period (In-House CSRs vs. Outsource ER Solutions Staff)

| Knowledge/Problem Solving | Mar-09 | May-09 | Jun-09 | Oct-09 | Apr-10 | Sep-10 |
|---|---|---|---|---|---|---|
| In-House | 94.09 | 94.13 | 93.51 | 92.8 | 92.89 | 96.09 |
| ERS | 84.38 | 92.73 | 86.28 | 89.02 | 91.83 | 91.14 |

SOURCE: RCR-CI-70, Attachments 1 and 2.

Schedule RDC-15

## ACE Customer Accounts, Shutoffs, Shutoff Notices, and Overdue Bills (2011 TYD)

| | January | February | March | April | May | June | July | August | September | October | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL RESIDENTIAL ACCOUNTS BILLED: | 482,241 | 482,162 | 482,069 | 481,996 | 482,091 | 482,106 | 482,188 | 482,222 | 481,974 | 481,432 | 4,820,481 |
| TOTAL NON-RESIDENTIAL ACCOUNTS BILLED: | 65,255 | 65,258 | 65,259 | 65,306 | 65,325 | 65,329 | 65,290 | 65,273 | 65,313 | 65,286 | 652,894 |
| TOTAL NO. ACCTS. SENT DISC NOTICES (ALL) | 41,728 | 36,607 | 46,402 | 46,632 | 46,274 | 46,097 | 41,708 | 48,636 | 41,905 | 43,218 | 439,207 |
| TOTAL NO. ACCOUNTS TERMINATED | 431 | 531 | 1,057 | 908 | 922 | 987 | 617 | 919 | 718 | 1,126 | 8,216 |
| NO. OVERDUE ACCTS. | 135,070 | 133,341 | 140,154 | 123,573 | 121,267 | 114,550 | 102,439 | 103,560 | 108,622 | 125,992 | |
| Notices per DNP | 97 | 69 | 44 | 51 | 50 | 47 | 68 | 53 | 58 | 38 | 53 |
| Accts receiving DNP notice | 8% | 7% | 8% | 9% | 8% | 8% | 8% | 9% | 8% | 8% | 8% |
| Notices of overdue customers | 31% | 27% | 33% | 38% | 38% | 40% | 41% | 47% | 39% | 34% | |
| 101 - 500 | $15,072,380 | $14,511,667 | $15,503,275 | $13,100,890 | $12,196,376 | $11,215,068 | $9,830,959 | $10,559,195 | $12,191,138 | $14,797,583 | |
| 501 - 1000 | $18,028,523 | $16,812,755 | $17,265,801 | $15,333,637 | $14,615,798 | $13,616,676 | $12,240,278 | $11,857,167 | $12,376,622 | $14,462,902 | |
| Over - 1000 | $27,861,809 | $30,567,085 | $35,801,062 | $32,122,843 | $32,358,581 | $29,532,141 | $25,015,384 | $24,474,400 | $24,965,454 | $25,256,517 | |
| 101 and over (total) | $60,962,711 | $61,891,507 | $68,570,137 | $60,557,370 | $59,170,754 | $54,363,885 | $47,086,621 | $46,890,762 | $49,533,214 | $54,517,002 | |
| OVER 60 DAYS | $14,014,270 | $9,742,770 | $11,398,959 | $13,645,051 | $12,330,180 | $11,207,455 | $8,983,037 | $7,084,778 | $7,964,817 | $10,352,825 | |
| OVER 90 DAYS | $13,321,250 | $9,229,408 | $6,563,340 | $6,896,795 | $8,912,266 | $8,011,661 | $7,049,155 | $6,049,427 | $4,497,796 | $4,987,674 | |
| OVER 120 DAYS | $17,918,664 | $23,104,047 | $24,302,978 | $20,026,533 | $19,007,299 | $19,350,324 | $18,479,560 | $17,660,414 | $15,299,945 | $13,413,929 | |
| OVER 60 DAYS (total) | $45,254,184 | $42,076,225 | $42,265,277 | $40,568,379 | $40,249,745 | $38,569,440 | $34,511,752 | $30,794,619 | $27,762,557 | $28,754,428 | |

SOURCE: RCR-CI-5.

| Average Arrears of Accounts in Arrears vs. Average Arrears of Accounts Disconnected (dollars) | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Arrears: Accounts in Arrears | Jan | Feb | Mar | Apr | May | Jun | July | Aug | Sep | Oct | Nov | Dec | Average |
| 2008 | $415 | $401 | $398 | $413 | $404 | $397 | $384 | $415 | $429 | $429 | $433 | $423 | $412 |
| 2009 | $417 | $418 | $419 | $413 | $430 | $402 | $393 | $412 | $438 | $441 | $453 | $445 | $423 |
| 2010 | $436 | $455 | $460 | $445 | $441 | $451 | $452 | $512 | $542 | $556 | $547 | $555 | $488 |
| 2011 | $553 | $558 | $554 | $522 | $534 | $529 | $500 | $516 | $511 | $510 | $509 | $508 | $525 |
| Arrears: Disconnected Accounts | | | | | | | | | | | | | |
| 2008 | $963 | $1,073 | $994 | $1,012 | $1,209 | $1,120 | $1,099 | $1,046 | $1,140 | $1,079 | $1,396 | $1,254 | $1,115 |
| 2009 | $1,304 | $1,088 | $995 | $974 | $962 | $1,541 | $1,147 | $1,271 | $1,203 | $1,315 | $1,468 | $1,352 | $1,218 |
| 2010 | $848 | $1,259 | $1,236 | $1,293 | $1,353 | $1,398 | $1,469 | $1,483 | $1,546 | $1,667 | $1,804 | $1,555 | $1,409 |
| 2011 | $1,800 | $1,693 | $1,485 | $1,598 | $1,573 | $1,581 | $1,720 | $1,450 | $1,745 | $1,616 | $1,568 | $1,542 | $1,614 |
| SOURCE: RCR-CI-92. | | | | | | | | | | | | | |

## Residential Arrears by Age of Arrears/Residential Disconnections for Nonpayment and Disconnect Notices (2011 YTD)

| | 30-day | 60-day | 90-day | 120-day | 150-day | Total | Shutoffs | DNP Notices | Ratio: Notice-to-DNP | 60+ | 90+ | 120+ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January | 40,926 | 18,399 | 17,422 | 18,308 | 30,238 | 125,293 | 336 | 41,728 | 124 | 84,367 | 65,968 | 48,546 |
| February | 52,091 | 21,184 | 11,720 | 11,680 | 35,905 | 132,580 | 489 | 36,607 | 75 | 80,489 | 59,305 | 47,585 |
| March | 41,691 | 25,126 | 12,092 | 7,263 | 31,361 | 117,533 | 940 | 46,402 | 49 | 75,842 | 50,716 | 38,624 |
| April | 41,707 | 22,201 | 14,900 | 8,220 | 27,717 | 114,745 | 835 | 46,632 | 56 | 73,038 | 50,837 | 35,937 |
| May | 38,259 | 20,558 | 13,400 | 10,015 | 26,003 | 108,235 | 840 | 46,274 | 55 | 69,976 | 49,418 | 36,018 |
| June | 32,937 | 17,176 | 12,291 | 8,897 | 25,694 | 96,995 | 918 | 46,097 | 50 | 64,058 | 46,882 | 34,591 |
| July | 40,170 | 14,058 | 10,668 | 8,441 | 24,920 | 98,257 | 518 | 41,708 | 81 | 58,087 | 44,029 | 33,361 |
| August | 50,462 | 16,084 | 8,471 | 7,122 | 22,629 | 104,768 | 820 | 48,636 | 59 | 54,306 | 38,222 | 29,751 |
| September | 62,692 | 23,818 | 9,449 | 5,542 | 20,681 | 122,182 | 726 | 41,905 | 58 | 59,490 | 35,672 | 26,223 |
| October | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| November | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| December | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

SOURCE: RCR-CI-48, RCR-CI-40, RCR-CI-41.

# Appendix A

# ROGER D. COLTON

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## EDUCATION:

J.D. (Order of the Coif), University of Florida (1981)

M.A. (Economics), McGregor School, Antioch University (1993)

B.A. Iowa State University (1975) (journalism, political science, speech)

## PROFESSIONAL EXPERIENCE:

**Fisher, Sheehan and Colton, Public Finance and General Economics:** 1985 - present.

As a co-founder of this economics consulting partnership, Colton provides services in a variety of areas, including: regulatory economics, poverty law and economics, public benefits, fair housing, community development, energy efficiency, utility law and economics (energy, telecommunications, water/sewer), government budgeting, and planning and zoning.

Colton has testified in state and federal courts in the United States and Canada, as well as before regulatory and legislative bodies in more than three dozen states. He is particularly noted for creative program design and implementation within tight budget constraints.

**National Consumer Law Center (NCLC):** 1986 - 1994

As a staff attorney with NCLC, Colton worked on low-income energy and utility issues. He pioneered cost-justifications for low-income affordable energy rates, as well as developing models to quantify the non-energy benefits (*e.g.*, reduced credit and collection costs, reduced working capital) of low-income energy efficiency. He designed and implemented low-income affordable rate and fuel assistance programs across the country. Colton was charged with developing new practical and theoretical underpinnings for solutions to low-income energy problems.

**Community Action Research Group (CARG):** 1981 - 1985

As staff attorney for this non-profit research and consulting organization, Colton worked primarily on energy and utility issues. He provided legal representation to low-income persons on public utility issues; provided legal and technical assistance to consumer and labor organizations; and provided legal and technical assistance to a variety of state and local governments nationwide on natural gas, electric, and telecommunications issues. He routinely appeared as an expert witness before regulatory agencies and legislative committees regarding energy and telecommunications issues.

## PROFESSIONAL AFFILIATIONS:

| | |
|---|---|
| Chair: | Belmont (MA) Solar Advisory Committee |
| Chair: | Belmont (MA) Energy Committee |
| Coordinator: | BelmontBudget.org (Belmont's Community Budget Forum) |
| Coordinator: | Belmont Affordable Shelter Fund (BASF) |
| Member: | Board of Directors, Belmont Housing Trust, Inc. |
| Chair: | Housing Work Group, Belmont (MA) Comprehensive Planning Process |
| Past Chair: | Waverley Square Fire Station Re-use Study Committee (Belmont MA) |
| Past Member: | Belmont (MA) Energy and Facilities Work Group |
| Past Member: | Belmont (MA) Uplands Advisory Committee |
| Past Member: | Advisory Board: Fair Housing Center of Greater Boston. |
| Past Member: | Fair Housing Committee, Town of Belmont (MA) |
| Past Member: | Aggregation Advisory Committee, New York State Energy Research and Development Authority. |
| Past Member: | Board of Directors, Vermont Energy Investment Corporation. |
| Past Member: | Board of Directors, National Fuel Funds Network |
| Past Member: | National Advisory Committee, U.S. Department of Health and Human Services, Administration for Children and Families, Performance Goals for Low-Income Home Energy Assistance. |
| Past Member: | Editorial Advisory Board, International Library, *Public Utility Law Anthology*. |
| Past Member: | ASHRAE Guidelines Committee, GPC-8, *Energy Cost Allocation of Comfort HVAC Systems for Multiple Occupancy Buildings* |
| Past Member: | National Advisory Committee, U.S. Department of Housing and Urban Development, Calculation of Utility Allowances for Public Housing. |
| Past Member: | National Advisory Board: Energy Financing Alternatives for Subsidized Housing, New York State Energy Research and Development Authority. |

## PROFESSIONAL ASSOCIATIONS:

National Association of Housing and Redevelopment Officials (NAHRO)
Association for Enterprise Opportunity (AEO)
Iowa State Bar Association
Energy Bar Association
Association for Institutional Thought (AFIT)
Association for Evolutionary Economics (AEE)
Society for the Study of Social Problems (SSSO)

International Society for Policy Studies
Association for Social Economics

## Books

Colton, *et al.*, ***Access to Utility Service***, National Consumer Law Center: Boston (4th edition 2008).

Colton, *et al.*, ***Tenants' Rights to Utility Service***, National Consumer Law Center: Boston (1994).

Colton, ***The Regulation of Rural Electric Cooperatives***, National Consumer Law Center: Boston (1992).

## Journal Publications

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Colton (2003).***Energy Efficiency as an Affordable Housing Tool in Colorado***, prepared for Colorado Energy Assistance Foundation.

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| CASE NAME | ROLE | CLIENT NAME | TOPIC | JURIS. | DATE |
|---|---|---|---|---|---|
| I/M/O PECO Energy—Electric Division | Witness | Office of Consumer Advocate | Low-income program cost recovery | Pennsylvania | 10 |
| I/M/O PPL Energy | Witness | Office of Consumer Advocate | Low-income program cost recovery | Pennsylvania | 10 |
| I/M/O Columbia Gas Company | Witness | Office of Consumer Advocate | Low-income program design/cost recovery | Pennsylvania | 10 |
| I/M/O Atlantic City Electric Company | Witness | Office of Rate Council | Customer service | New Jersey | 10 |
| I/M/O Philadelphia Gas Works | Witness | Office of Consumer Advocate | Low-income program cost recovery | Pennsylvania | 10 |
| I/M/O Philadelphia Gas Works | Witness | Office of Consumer Advocates | Low-income program design | Pennsylvania | 10 |
| I/M/O Xcel Energy Company | Witness | Xcel Energy Company (PSCo) | Low-income program design | Colorado | 09 |
| I/M/O Atmos Energy Company | Witness | Atmos Energy Company | Low-income program funding | Colorado | 09 |
| I/M/O New Hampshire CORE Energy Efficiency Programs | Witness | New Hampshire Legal Assistance | Low-income efficiency funding | New Hampshire | 09 |
| I/M/O Public Service Company of New Mexico (electric) | Witness | Community Action of New Mexico | Rate Design | New Mexico | 09 |
| I/M/O UGI Pennsylvania Natural Gas Company (PNG) | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 09 |
| I/M/O UGI Central Penn Gas Company (CPG) | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 09 |
| I/M/O PECO Electric (provider of last resort) | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 08 |
| I/M/O Equitable Gas Company | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 08 |
| I/M/O Columbia Gas Company | Witness | Office of Ohio Consumers' Counsel | Rate design | Ohio | 08 |
| I/M/O Dominion East Ohio Gas Company | Witness | Office of Ohio Consumers' Counsel | Rate design | Ohio | 08 |
| I/M/O Vectren Energy Delivery Company | Witness | Office of Ohio Consumers' Counsel | Rate design | Ohio | 08 |
| I/M/O Public Service Company of North Carolina | Witness | NC Department of Justice | Rate design | North Carolina | 08 |
| I/M/O Piedmont Natural Gas Company | Witness | NC Department of Justice | Rate design | North Carolina | 08 |
| I/M/O National Grid | Witness | New Hampshire Legal Assistance | Low-income rate assistance | New Hampshire | 08 |
| I/M/O EmPower Maryland | Witness | Office of Peoples Counsel | Low-income energy efficiency | Maryland | 08 |
| I/M/O Duke Energy Carolinas Save-a-Watt Program | Witness | NC Equal Justice Foundation | Low-income energy efficiency | North Carolina | 08 |

| CASE NAME | ROLE | CLIENT NAME | TOPIC | JURIS. | DATE |
|---|---|---|---|---|---|
| I/M/O Zia Natural Gas Company | Witness | Community Action New Mexico | Low-income/low-use rate design | New Mexico | 08 |
| I/M/O Universal Service Fund Support for the Affordability of Local Rural Telecomm Service | Witness | Office of Consumer Advocate | Telecomm service affordability | Pennsylvania | 08 |
| I/M/O Philadelphia Water Department | Witness | Public Advocate | Credit and Collections | Philadelphia | 08 |
| I/M/O Portland General Electric Company | Witness | Community Action--Oregon | General rate case | Oregon | 08 |
| I/M/O Philadelphia Electric Company (electric) | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 08 |
| I/M/O Philadelphia Electric Company (gas) | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 08 |
| I/M/O Columbia Gas Company | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 08 |
| I/M/O Public Service Company of New Mexico | Witness | Community Action New Mexico | Fuel adjustment clause | New Mexico | 08 |
| I/M/O Petition of Direct Energy for Low-Income Aggregation | Witness | Office of Peoples Counsel | Low-income electricity aggregation | Maryland | 07 |
| I/M/O Office of Consumer Advocate et al. v. Verizon and Verizon North | Witness | Office of Consumer Advocate | Lifeline telecommunications rates | Pennsylvania | 07 |
| I/M/O Pennsylvania Power Company | Consultant | Office of Consumer Advocate | Low-income program | Pennsylvania | 07 |
| I/M/O National Fuel Gas Distribution Corporation | Consultant | Office of Consumer Advocate | Low-income program | Pennsylvania | 07 |
| I/M/O Public Service of New Mexico--Electric | Witness | Community Action New Mexico | Low-income programs | New Mexico | 07 |
| I/M/O Citizens Gas/NIPSCO/Vectren for Universal Service Program | Witness | Citizens Gas & Coke Utility/Northern Indiana Public Service/Vectren Energy | Low-income program design | Indiana | 07 |
| I/M/O PPL Electric | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 07 |
| I/M/O Section 15 Challenge to NSPI Rates | Witness | Energy Affordability Coalition | Discrimination in utility regulation | Nova Scotia | 07 |
| I/M/O Philadelphia Gas Works | Witness | Office of Consumer Advocate | Low-income and residential collections | Pennsylvania | 07 |
| I/M/O Equitable Gas Company | Witness | Office of Consumer Advocate | Low-income program | Pennsylvania | 07 |
| I/M/O Section 11 Proceeding, Energy Restructuring | Witness | Office of Peoples Counsel | Low-income needs and responses | Maryland | 06 |
| I/M/O Citizens Gas/NIPSCO/Vectren for Universal Service Program | Witness | Citizens Gas & Coke Utility/Northern Indiana Public Service/Vectren Energy | Low-income program design | Indiana | 06 |
| I/M/O Public Service Co. of North Carolina | Witness | North Carolina Attorney General/Dept. of | Low-income energy usage | North Carolina | 06 |

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|---|---|---|---|---|---|
| | | Justice | | | |
| I/M/O Electric Assistance Program | Witness | New Hampshire Legal Assistance | Electric low-income program design | New Hampshire | 06 |
| I/M/O Verizon Petition for Alternative Regulation | Witness | New Hampshire Legal Assistance | Basic local telephone service | New Hampshire | 06 |
| I/M/O Pennsylvania Electric Co/Metropolitan Edison Co. | Witness | Office of Consumer Advocate | Universal service cost recovery | Pennsylvania | 06 |
| I/M/O Duquesne Light Company | Witness | Office of Consumer Advocates | Universal service cost recovery | Pennsylvania | 06 |
| I/M/O Natural Gas DSM Planning | Witness | Low-Income Energy Network | Low-income DSM program. | Ontario | 06 |
| I/M/O Union Gas Co. | Witness | Action Centre for Tenants Ontario (ACTO) | Low-income program design | Ontario | 06 |
| I/M/O Public Service of New Mexico merchant plant | Witness | Community Action New Mexico | Low-income energy usage | New Mexico | 06 |
| I/M/O Customer Assistance Program design and cost recovery | Witness | Office of Consumer Advocate | Low-income program design | Pennsylvania | 06 |
| I/M/O NIPSCO Proposal to Extend Winter Warmth Program | Witness | Northern Indiana Public Service Company | Low-income energy program evaluation | Indiana | 05 |
| I/M/O Piedmont Natural Gas | Witness | North Carolina Attorney General/Dept. of Justice | Low-income energy usage | North Carolina | 05 |
| I/M/O PSEG merger with Exelon Corp. | Witness | Division of Ratepayer Advocate | Low-income issues | New Jersey | 05 |
| Re. Philadelphia Water Department | Witness | Public Advocate | Water collection factors | Philadelphia | 05 |
| I/M/O statewide natural gas universal service program | Witness | New Hampshire Legal Assistance | Universal service | New Hampshire | 05 |
| I/M/O Sub-metering requirements for residential rental properties | Witness | Tenants Advocacy Centre of Ontario | Sub-metering consumer protections | Ontario | 05 |
| I/M/O National Fuel Gas Distribution Corp. | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 05 |
| I/M/O Nova Scotia Power, Inc. | Witness | Dalhousie Legal Aid Service | Universal service | Nova Scotia | 04 |
| I/M/O Lifeline Telephone Service | Witness | National Ass'n State Consumer Advocates (NASUCA) | Lifeline rate eligibility | FCC | 04 |
| Mackay v. Verizon North | Witness | Office of Consumer Advocate | Lifeline rates—vertical services | Pennsylvania | 04 |
| I/M/O PECO Energy | Witness | Office of Consumer Advocate | Low-income rates | Pennsylvania | 04 |
| I/M/O Philadelphia Gas Works | Witness | Office of Consumer Advocate | Credit and collections | Pennsylvania | 04 |

| CASE NAME | ROLE | CLIENT NAME | TOPIC | JURIS. | DATE |
|---|---|---|---|---|---|
| I/M/O Citizens Gas & Coke/Vectren | Witness | Citizens Action Coalition of Indiana | Universal service | Indiana | 04 |
| I/M/O PPL Electric Corporation | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 04 |
| I/M/O Consumers New Jersey Water Company | Witness | Division of Ratepayer Advocate | Low-income water rate | New Jersey | 04 |
| I/M/O Washington Gas Light Company | Witness | Office of Peoples Counsel | Low-income gas rate | Maryland | 04 |
| I/M/O Washington Gas Light Company | Witness | Office of Peoples Counsel | Low-income gas rate | Maryland | 03 |
| Golden v. City of Columbus | Witness | Helen Golden | ECOA disparate impacts | Ohio | 02 |
| Huegel v. City of Easton | Witness | Phyllis Huegel | Credit and collection | Pennsylvania | 02 |
| I/M/O Universal Service Fund | Witness | Public Utility Commission staff | Universal service funding | New Hampshire | 02 |
| I/M/O Philadelphia Gas Works | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 02 |
| I/M/O Washington Gas Light Company | Witness | Office of Peoples Counsel | Rate design | Maryland | 02 |
| I/M/O Consumers Illinois Water Company | Witness | Illinois Citizens Utility Board | Credit and collection | Illinois | 02 |
| I/M/O Public Service Electric & Gas Rates | Witness | Division of Ratepayer Advocate | Universal service | New Jersey | 01 |
| I/M/O Pennsylvania-American Water Company | Witness | Office of Consumer Advocate | Low-income rates and water conservation | Pennsylvania | 01 |
| I/M/O Louisville Gas & Electric Prepayment Meters | Witness | Kentucky Community Action Association | Low-income energy | Kentucky | 01 |
| I/M/O NICOR Budget Billing Plan Interest Charge | Witness | Cook County State's Attorney | Rate Design | Illinois | 01 |
| I/M/O Rules Re. Payment Plans for High Natural Gas Prices | Witness | Cook County State's Attorney | Budget Billing Plans | Illinois | 01 |
| I/M/O Philadelphia Water Department | Witness | Office of Public Advocate | Credit and collections | Philadelphia | 01 |
| I/M/O Missouri Gas Energy | Witness | Office of Peoples Counsel | Low-income rate relief | Missouri | 01 |
| I/M/O Bell Atlantic–New Jersey Alternative Regulation | Witness | Division of Ratepayer Advocate | Telecommunications universal service | New Jersey | 01 |
| I/M/O T.W. Phillips Gas and Oil Co. | Witness | Office of Consumer Advocate | Ratemaking of universal service costs. | Pennsylvania | 00 |
| I/M/O Peoples Natural Gas Company | Witness | Office of Consumer Advocate | Ratemaking of universal service costs. | Pennsylvania | 00 |
| I/M/O UGI Gas Company | Witness | Office of Consumer Advocate | Ratemaking of universal service costs. | Pennsylvania | 00 |

| CASE NAME | ROLE | CLIENT NAME | TOPIC | JURIS. | DATE |
|---|---|---|---|---|---|
| I/M/O PFG Gas Company | Witness | Office of Consumer Advocate | Ratemaking of universal service costs. | Pennsylvania | 00 |
| Armstrong v. Gallia Metropolitan Housing Authority | Witness | Equal Justice Foundation | Public housing utility allowances | Ohio | 00 |
| I/M/O Bell Atlantic–New Jersey Alternative Regulation | Witness | Division of Ratepayer Advocate | Telecommunications universal service | New Jersey | 00 |
| I/M/O Universal Service Fund for Gas and Electric Utilities | Witness | Division of Ratepayer Advocate | Design and funding of low-income programs | New Jersey | 00 |
| I/M/O Consolidated Edison Merger with Northeast Utilities | Witness | Save Our Homes Organization | Merger impacts on low-income | New Hampshire | 00 |
| I/M/O UtiliCorp Merger with St. Joseph Light & Power | Witness | Missouri Dept. of Natural Resources | Merger impacts on low-income | Missouri | 00 |
| I/M/O UtiliCorp Merger with Empire District Electric | Witness | Missouri Dept. of Natural Resources | Merger impacts on low-income | Missouri | 00 |
| I/M/O PacifiCorp | Witness | The Opportunity Council | Low-income energy affordability | Washington | 00 |
| I/M/O Public Service Co. of Colorado | Witness | Colorado Energy Assistance Foundation | Natural gas rate design | Colorado | 00 |
| I/M/O Avista Energy Corp. | Witness | Spokane Neighborhood Action Program | Low-income energy affordability | Washington | 00 |
| I/M/O TW Phillips Energy Co. | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 00 |
| I/M/O PECO Energy Company | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 00 |
| I/M/O National Fuel Gas Distribution Corp. | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 00 |
| I/M/O PFG Gas Company | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 00 |
| I/M/O UGI Energy Company | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 00 |
| Re. PSCO/NSP Merger | Witness | Colorado Energy Assistance Foundation | Merger impacts on low-income | Colorado | 99 - 00 |
| I/M/O Peoples Gas Company | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 99 |
| I/M/O Columbia Gas Company | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 99 |
| I/M/O PG Energy Company | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 99 |
| I/M/O Equitable Gas Company | Witness | Office of Consumer Advocate | Universal service | Pennsylvania | 99 |
| Allerruzzo v. Klarchek | Witness | Barlow Allerruzzo | Mobile home fees and sales | Illinois | 99 |
| I/M/O Restructuring New Jersey's Natural Gas Industry | Witness | Division of Ratepayer Advocate | Universal service | Pennsylvania | 99 |

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| I/M/O Bell Atlantic Local Competition | Witness | Public Utility Law Project | Lifeline telecommunications rates | New Jersey | 99 |
| I/M/O Merger Application for SBC and Ameritech Ohio | Witness | Edgemont Neighborhood Association | Merger impacts on low-income consumers | Ohio | 98 - 99 |
| Davis v. American General Finnce | Witness | Thomas Davis | Damages in "loan flipping" case | Ohio | 98 - 99 |
| Griffin v. Associates Financial Service Corp. | Witness | Earlie Griffin | Damages in "loan flipping" case | Ohio | 98 - 99 |
| I/M/O Baltimore Gas and Electric Restructuring Plan | Witness | Maryland Office of Peoples Counsel | Consumer protection/basic generation service | Maryland | 98 - 99 |
| I/M/O Delmarva Power and Light Restructuring Plan | Witness | Maryland Office of Peoples Counsel | Consumer protection/basic generation service | Maryland | 98 - 99 |
| I/M/O Potomac Electric Power Co. Restructuring Plan | Witness | Maryland Office of Peoples Counsel | Consumer protection/basic generation service | Maryland | 98 - 99 |
| I/M/O Potomac Edison Restructuring Plan | Witness | Maryland Office of Peoples Counsel | Consumer protection/basic generation service | Maryland | 98 - 99 |
| VMHOA v. LaPierre | Witness | Vermont Mobile Home Owners Association | Mobile home tying | Vermont | 98 |
| Re. Restructuring Plan of Virginia Electric Power | Witness | VMH Energy Services, Inc. | Consumer protection/basic generation service | Virginia | 98 |
| Mackey v. Spring Lake Mobile Home Estates | Witness | Timothy Mackey | Mobile home fees | State ct: Illinois | 98 |
| Re. Restructuring Plan of Atlantic City Electric | Witness | New Jersey Division of Ratepayer Advocate | Low-income issues | New Jersey | 97-98 |
| Re. Restructuring Plan of Jersey Central Power & Light | Witness | New Jersey Division of Ratepayer Advocate | Low-income issues | New Jersey | 97-98 |
| Re. Restructuring Plan of Public Service Electric & Gas | Witness | New Jersey Division of Ratepayer Advocate | Low-income issues | New Jersey | 97-98 |
| Re. Restructuring Plan of Rockland Electric | Witness | New Jersey Division of Ratepayer Advocate | Low-income issues | New Jersey | 97-98 |
| Appleby v. Metropolitan Dade County Housing Agency | Witness | Legal Services of Greater Miami | HUD utility allowances | Fed. court: So. Florida | 97 - 98 |
| Re. Restructuring Plan of PECO Energy Company | Witness | Energy Coordinating Agency of Philadelphia | Universal service | Pennsylvania | 97 |
| Re. Atlantic City Electric Merger | Witness | New Jersey Division of Ratepayer Advocate | Low-income issues | New Jersey | 97 |
| Re. IES Industries Merger | Witness | Iowa Community Action Association | Low-income issues | Iowa | 97 |
| Re. New Hampshire Electric Restructuring | Witness | NH Comm. Action Ass'n | Wires charge | New Hampshire | 97 |
| Re. Natural Gas Competition in Wisconsin | Witness | Wisconsin Community Action Association | Universal service | Wisconsin | 96 |
| Re. Baltimore Gas and Electric Merger | Witness | Maryland Office of Peoples Counsel | Low-income issues | Maryland | 96 |

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| Re. Northern States Power Merger | Witness | Energy Cents Coalition | Low-income issues | Minnesota | 96 |
| Re. Public Service Co. of Colorado Merger | Witness | Colorado Energy Assistance Foundation | Low-income issues | Colorado | 96 |
| Re. Massachusetts Restructuring Regulations | Witness | Fisher, Sheehan & Colton | Low-income issues/energy efficiency | Massachusetts | 96 |
| Re. FERC Merger Guidelines | Witness | National Coalition of Low-Income Groups | Low-income interests in mergers | Washington D.C. | 96 |
| Re. Joseph Keliikuli III | Witness | Joseph Keliikuli III | Damages from lack of homestead | Honolulu | 96 |
| Re. Theresa Mahaulu | Witness | Theresa Mahaulu | Damages from lack of homestead | Honolulu | 95 |
| Re. Joseph Ching, Sr. | Witness | Re. Joseph Ching, Sr. | Damages from lack of homestead | Honolulu | 95 |
| Joseph Keaulana, Jr. | Witness | Joseph Keaulana, Jr. | Damages from lack of homestead | Honolulu | 95 |
| Re. Utility Allowances for Section 8 Housing | Witness | National Coalition of Low-Income Groups | Fair Market Rent Setting | Washington D.C. | 95 |
| Re. PGW Customer Service Tariff Revisions | Witness | Philadelphia Public Advocate | Credit and collection | Philadelphia | 95 |
| Re. Customer Responsibility Program | Witness | Philadelphia Public Advocate | Low-income rates | Philadelphia | 95 |
| Re. Houston Lighting and Power Co. | Witness | Gulf Coast Legal Services | Low-Income Rates | Texas | 95 |
| Re. Request for Modification of Winter Moratorium | Witness | Philadelphia Public Advocate | Credit and collection | Philadelphia | 95 |
| Re. Dept of Hawaii Homelands Trust Homestead Production | Witness | Native Hawaiian Legal Corporation | Prudence of trust management | Honolulu | 94 |
| Re. SNET Request for Modified Shutoff Procedures | Witness | Office of Consumer Counsel | Credit and collection | Connecticut | 94 |
| Re. Central Light and Power Co. | Witness | United Farm Workers | Low-income rates/DSM | Texas | 94 |
| Blackwell v. Philadelphia Electric Co. | Witness | Gloria Blackwell | Role of shutoff regulations | Penn. courts | 94 |
| U.S. West Request for Waiver of Rules | Witness | Wash. Util. & Transp. Comm'n Staff | Telecommunications regulation | Washington | 94 |
| Re. U.S. West Request for Full Toll Denial | Witness | Colorado Office of Consumer Counsel | Telecommunications regulation | Colorado | 94 |
| Washington Gas Light Company | Witness | Community Family Life Services | Low-income rates & energy efficiency | Washington D.C. | 94 |
| Clark v. Peterborough Electric Utility | Witness | Peterborough Community Legal Centre | Discrimination of tenant deposits | Ontario, Canada | 94 |
| Dorsey v. Housing Auth. of Baltimore | Witness | Baltimore Legal Aide | Public housing utility allowances | Federal district court | 93 |

| CASE NAME | ROLE | CLIENT NAME | TOPIC | JURIS. | DATE |
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| Penn Bell Telephone Co. | Witness | Penn. Utility Law Project | Low-income phone rates | Pennsylvania | 93 |
| Philadelphia Gas Works | Witness | Philadelphia Public Advocate | Low-income rates | Philadelphia | 93 |
| Central Maine Power Co. | Witness | Maine Assn Ind. Neighborhoods | Low-income rates | Maine | 92 |
| New England Telephone Company | Witness | Mass Attorney General | Low-income phone rates | Massachusetts | 92 |
| Philadelphia Gas Co. | Witness | Philadelphia Public Advocate | Low-income DSM | Philadelphia | 92 |
| Philadelphia Water Dept. | Witness | Philadelphia Public Advocate | Low-income rates | Philadelphia | 92 |
| Public Service Co. of Colorado | Witness | Land and Water Fund | Low-income DSM | Colorado | 92 |
| Sierra Pacific Power Co. | Witness | Washoe Legal Services | Low-income DSM | Nevada | 92 |
| Consumers Power Co. | Witness | Michigan Legal Services | Low-income rates | Michigan | 92 |
| Columbia Gas | Witness | Office of Consumer Advocate (OCA) | Energy Assurance Program | Pennsylvania | 91 |
| Mass. Elec. Co. | Witness | Mass Elec Co. | Percentage of Income Plan | Massachusetts | 91 |
| AT&T | Witness | TURN | Inter-LATA competition | California | 91 |
| Generic Investigation into Uncollectibles | Witness | Office of Consumer Advocate | Controlling uncollectibles | Pennsylvania | 91 |
| Union Heat Light & Power | Witness | Kentucky Legal Services (KLS) | Energy Assurance Program | Kentucky | 90 |
| Philadelphia Water | Witness | Philadelphia Public Advocate (PPA) | Controlling accounts receivable | Philadelphia | 90 |
| Philadelphia Gas Works | Witness | PPA | Controlling accounts receivable | Philadelphia | 90 |
| Mississippi Power Co. | Witness | Southeast Mississippi Legal Services Corp. | Formula ratemaking | Mississippi | 90 |
| Kentucky Power & Light | Witness | KLS | Energy Assurance Program | Kentucky | 90 |
| Philadelphia Electric Co. | Witness | PPA | Low-income rate program | Philadelphia | 90 |
| Montana Power Co. | Witness | Montana Ass'n of Human Res. Council Directors | Low-income rate proposals | Montana | 90 |
| Columbia Gas Co. | Witness | Office of Consumer Advocate | Energy Assurance Program | Pennsylvania | 90 |
| Philadelphia Gas Works | Witness | PPA | Energy Assurance Program | Philadelphia | 89 |

| CASE NAME | ROLE | CLIENT NAME | TOPIC | JURIS. | DATE |
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| Southwestern Bell Telephone Co. | Witness | SEMLSC | Formula ratemaking | Mississippi | 90 |
| Generic Investigation into Low-income Programs | Witness | Vermont State Department of Public Service | Low-income rate proposals | Vermont | 89 |
| Generic Investigation into Dmnd Side Management Measures | Consultant | Vermont DPS | Low-income conservation programs | Vermont | 89 |
| National Fuel Gas | Witness | Office of Consumer Advocate | Low-income fuel funds | Pennsylvania | 89 |
| Montana Power Co. | Witness | Human Resource Develop. Council District XI | Low-income conservation | Montana | 88 |
| Washington Water Power Co. | Witness | Idaho Legal Service Corp. | Rate base, rate design, cost-allocations | Idaho | 88 |