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National Association of Regulatory Utility Commissioners

**PENNSYLVANIA PUBLIC UTILITY COMMISSION &  
ENERGY REGULATION BOARD OF ZAMBIA:  
3RD PARTNERSHIP ACTIVITY  
OF THE  
National Association of Regulatory Utility Commissioners**

**CONSUMER PROTECTION: MANAGING PUBLIC  
INVOLVEMENT**

**PRESENTED BY:  
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OFFICE OF SPECIAL ASSISTANTS**

# *CONSUMER PROTECTION -2*

## OVERVIEW

- CUSTOMER SERVICE RULES
- TYPES OF COMPLAINTS
- COMPLAINT HANDLING  
PROCESS/PROCEDURE
- TRACKING COMPLAINTS
- ENFORCEMENT OF RULES

# *CONSUMER PROTECTION-3*

## *INTRODUCTION*

- Commenced in early 1900s
- Recognition that legitimate monopolies existed in some areas
- Obligation to serve customers
- Utility receives franchise (historically exclusive)
- Utilities agreed to have rates set by Commissions



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## CONSUMER PROTECTION-4 STATUTORY ADVOCATES

- PUBLIC UTILITY COMMISSION – Public Interest
- PUC OFFICE OF TRIAL STAFF – Public Interest
- OFFICE OF SMALL BUSINESS ADVOCATE – small business interest
- OFFICE OF CONSUMER ADVOCATE – residential consumer interest

# CONSUMER PROTECTION – 5 RESIDENTIAL CONSUMERS

- **1978 – COMMISSION ADOPTED UNIFORM,  
FAIR AND EQUITABLE STANDARDS AND  
BILLING PRACTICES FOR RESIDENTIAL  
UTILITY SERVICE**

**ELIGIBILITY CRITERIA, BILLING,  
CREDIT AND DEPOSIT PRACTICES,  
TERMINATION & COMPLAINT PROCEDURES**

## *CONSUMER PROTECTION – 6 STANDARDS AND BILLING PRACTICES*

- BILLING
  - FREQUENCY
  - METER READING; ESTIMATED BILLING
  - BILLING INFORMATION
  - TRANSFER OF ACCOUNTS



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## *CONSUMER PROTECTION – 7 STANDARDS AND BILLING PRACTICES*

- PAYMENTS
  - LATE PAYMENT CHARGES
  - PARTIAL PAYMENTS

## *CONSUMER PROTECTION – 8 STANDARDS AND BILLING PRACTICES*

- CREDIT AND DEPOSIT STANDARDS
  - POLICY – ESSENTIAL ELEMENT OF THE CREDIT AND DEPOSIT PRACTICES IS THEIR NONDISCRIMINATORY AND EQUITABLE APPLICATION TO POTENTIAL AND ACTUAL RATEPAYERS THROUGHOUT THE SERVICE AREA



## CONSUMER PROTECTION – 9

### Standards and Billing Practices

- Credit and Deposit Standards (cont.)
  - Procedures for new applicants
    - Credit standards; cash deposits; 3<sup>rd</sup> party guarantors
    - Written procedures

#### PROCEDURES FOR EXISTING RATEPAYERS

General Rule; Payment period for deposit; deposit method

# *CONSUMER PROTECTION* – 10

## Standards and Billing Practices

- Interruption and Discontinuance of Service
- Termination of Service
  - Grounds for Termination
    - Authorized
    - Unauthorized
  - Notice procedures prior to termination
  - Notice procedures after dispute filed
  - Emergency provisions
  - Medical certifications
  - Third party Notification

# *Consumer Protection – 11*

## Disputes

- **Classification of Consumer Complaints**
  - **Billing Disputes** -high bills; inaccurate bills or balances; installation charges; customer charges; service charges; repair charges; late payment charges; frequency of bills; and the misapplication of payment on bills.

## *Consumer Protection – 12* Disputes

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

# *Consumer Protection – 13*

## Disputes

- **Damages** - company's lack of payment or failure to restore property related to damages to equipment, appliances or property due to service outages, company construction or repair, and improperly delivered or transferred service.

# *Consumer Protection – 14*

## Disputes

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

# *Consumer Protection – 15*

## Disputes

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

# *Consumer Protection – 16*

## Disputes

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



# *Consumer Protection – 17*

## Disputes

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

# *Consumer Protection – 18*

## Disputes

- **Service Extensions –**

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

# *Consumer Protection – 19*

## Disputes

- **Scheduling Delays –**

Company's scheduling: delays in scheduling or repairing service or relocating poles, failures to keep scheduled meetings or appointments, and lack of accessibility to customers.

# *Consumer Protection – 20*

## Disputes

- **Service Quality** - The quality of the product is poor; the company's equipment is unsatisfactory or unsafe; the company fails to act on a complaint about safety; the company plans to abandon service; the company does not offer needed service; the company wants to change location of equipment; or the company providing service is not certified by the Commission (de facto).

# *Consumer Protection – 21*

## Disputes

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

# *Consumer Protection – 22*

## Disputes

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

# *Consumer Protection-23*

## *Tracking Complaints*

- Docketing System
- Customer Information System
- Consumer services Information System

# *CONSUMER PROTECTION – 24*

## *Disputes*

- Utility Company Dispute Procedures
  - Company response to inquiry
  - Attempted resolution
  - Termination stayed
  - Time for filing a termination dispute or informal complaint



## *CONSUMER PROTECTION – 25 DISPUTES*

- Obligations of Company
  - No termination for disputed matter
  - Investigate
  - Payment agreement
  - Give ratepayer information
  - Issue dispute report – contents of report

# *CONSUMER PROTECTION – 26*

## *DISPUTES*

- **COMPLAINTS**

- **Pennsylvania Public Utility Code:**

- The Commission, or any person, corporation, or municipal corporation having an interest in the subject matter, may complain about anything done or not done by a utility in violation of the law.
- Utility, corporation or person may complain about any order or regulation of the Commission.

# *CONSUMER PROTECTION – 27*

## *Disputes*

- Informal Complaint Procedures
  - BCS staff is responsible for most activities at the PUC involving consumer services for residential and small commercial consumers.

# *CONSUMER PROTECTION – 28*

## *Disputes*

- Informal Complaints for electric, gas, water, telephone:
  - Consumer complaints 2004 - 26,214
  - Payment arrangement 2004 - 94,610
  - Inquiries 2004 - 92,416

# *CONSUMER PROTECTION – 29*

## *Disputes*

- Informal Complaint Procedures (CONT.)
  - BY LAW, BCS:
    - INVESTIGATES
    - ISSUES FINAL DETERMINATIONS ON ALL INFORMAL CONSUMER COMPLAINTS
    - ADVISES COMMISSION OF NEED FOR FORMAL COMMISSION ACTION ON COMPLAINT MATTERS

# *CONSUMER PROTECTION – 30*

## *Disputes*

- Informal Complaint Procedures (CONT.)
  - BCS RECORDS
    - ALL COMPLAINTS RECEIVED
    - MATTER COMPLAINED OF
    - UTILITY INVOLVED
    - DISPOSITION
    - FURNISHES ANNUAL REPORT TO THE COMMISSION

# *CONSUMER PROTECTION – 31*

## *Disputes*

- Informal Complaint Procedures
  - Obligation: Prior contact with Utility
  - Time for filing
  - Contents of filing – name, address, telephone no., account no., utility, dispute (new or prior), termination, relief sought

# *CONSUMER PROTECTION – 32*

## *Disputes*

- Informal Complaint Procedures (cont.) – Commission Process
  - Docketing
  - Representation
  - Consumer Services Review Techniques – reports, calls, conferences, statements, research, inquiry, investigation
  - Settlements
  - Termination for unauthorized use
  - Effect of Consumer Services Decision



# *CONSUMER PROTECTION – 33*

## *Disputes*

- Formal Complaints
  - Seeks legal proceeding before an ALJ or mediation\*
  - Party seeking relief from the Commission has the burden of proof\*
    - Duty to establish fact by preponderance of evidence
    - Must show that utility is responsible for problem

# *CONSUMER PROTECTION – 34*

## *Disputes*

- Formal Complaints (after BCS Decisions)
  - Filing (20 days) and Docketing
  - De Novo Review
  - Administrative Law Judge/Special Agent Hearings\*
  - Settlements/Mediation
  - Decisions
  - Commission Review/Order/Reconsideration

# *Consumer Protection – 35*

## Disputes

- Formal Complaint Procedures-Ability to Pay
- Hearings:
  - Special Agent
  - Stay of BCS Payment arrangement; not of current bills
  - Proposed Findings and Conclusions
  - Time for Special Agent Decision
  - Exceptions



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## *Consumer Protection -36*

### SUNSHINE ACT

- **OPEN MEETINGS** - Official action and deliberations by a quorum of the members of an agency, shall take place at a meeting open to the public.

# *Consumer Protection –37*

## **SUNSHINE ACT**

### **– PURPOSES**

- TO ENHANCE AND ENSURE PROPER FUNCTIONING OF DEMOCRATIC PROCESS BY PROTECTING PUBLIC'S RIGHT TO:**
  - Notice of Meetings**
  - Be present at meetings of agencies**
  - Attend and Witness deliberations, policy formulation, and decision making for agency business**

# *Consumer Protection –38*

## **SUNSHINE ACT**

- **TO AVOID SECRECY IN PUBLIC AFFAIRS WHICH:**
  - **Undermines the public's faith in government**
  - **Undermines the public's role in a democratic society**

# *Consumer Protection –39*

## **SUNSHINE ACT**

- **LAW APPLIES TO:**
  - General assembly
  - Executive branch of government (including governor's cabinet when meeting on official policy making business)
  - Any board, council, authority
  - Any commission
  - Any political subdivision (state, municipal, township)
  - School authority, school board, school governing body

# *Consumer Protection –40*

## **SUNSHINE ACT**

- **RECORDING OF VOTES**
  - **Vote of each member who actually votes must be:**
    - Publicly cast
    - Recorded



# *Consumer Protection –41*

## **SUNSHINE ACT**

- **MINUTES**
  - **WRITTEN MINUTES MUST BE KEPT SHOWING:**
    - (1) date, time & place of meeting
    - (2) names of members present
    - (3) the substance of all official actions & record by individual member of the roll call votes taken
    - (4) names of anyone officially appearing and their comments

# *Consumer Protection –42*

## **SUNSHINE ACT**

- **EXCEPTIONS TO OPEN MEETING LAW:**
  - **EXECUTIVE SESSIONS:**
    - Public excluded (although the agency may admit those necessary to carry out the purpose of the meeting)
  - **ISSUES FOR EXECUTIVE SESSION:**
    - (1) Employment
      - Appointment
      - Termination
      - Terms & conditions
      - Performance evaluations
      - Promotion/discipline

# *Consumer Protection –43*

## **SUNSHINE ACT**

- **(2) LABOR RELATIONS/COLLECTIVE BARGAINING**
  - Information
  - Strategy
  - Negotiations
- **(3) PURCHASE OR LEASE OF REAL PROPERTY (LAND/STRUCTURES)**
- **(4) CONSULTATION(LEGAL/PROF)**
  - Information
  - Strategy
    - » In connection with litigation or issues on which identifiable complaints are expected to be filed
- **(5) PRIVILEGED AGENCY BUSINESS**

# *Consumer Protection –44*

## **SUNSHINE ACT**

### **– PUBLIC PARTICIPATION:**

- Must permit opportunity for comment before official action is taken:**
  - » **Exception:** if agency had practice, before 1993, of holding special meetings solely for the purpose of public comment in advance of advertised regular meetings, then there is no requirement for comment at the open meeting

# *Consumer Protection –45*

## Public Meetings

- **FREQUENCY:** every 2 weeks
- **PUBLIC NOTICE:** Regular meetings - notice given once for each calendar or fiscal year
  - Notice shows time, date and place of meetings

# *Consumer Protection –46*

## Public Meetings

- **PUBLIC NOTICE (CONT)**
  - **SPECIAL MEETINGS/RESCHEDULED MEETINGS -**
    - Notice by
      - » Publication in newspapers of general circulation
      - » Posting copy prominently in principal office of commission
      - OR
      - » Building where meeting will be held



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# *Consumer Protection –47*

## Public Meetings

- **EMERGENCY MEETING** - Involving a clear and present danger to life or property, will not violate law

# *Consumer Protection –48*

## Public Meetings

**TRANSCRIPTS - Available to public for inspection during normal business hours**

- Transcript may not be copied; copies may be purchased from court reporter
- Notes may be taken



# *Consumer Protection –49*

## Public Meetings

- **HOW MATTERS GET TO PUBLIC MEETING**
  - **(1) UNCONTESTED PROCEEDINGS:**
  - **Examples:**
    - Tariff Changes
    - Rate Cases
    - Application cases
      - Certificates of Convenience
        - » Abandonment
    - Affiliated Interest proceeding
- **BUREAU RECOMMENDATION**
  - Report/proposed order
    - » Minimum of 9 days before scheduled meeting

# *Consumer Protection –50 Public Meetings*

## **– COMMISSION REVIEW**

- More than two commissioners cannot meet and discuss cases for action
- Role of commissioners assistants



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# *Consumer Protection –51*

## Public Meetings

- **AGENDA**
  - **REGULAR**
    - Tentative/final
  - **CARRY-IN**
  - **FORMAT**

# *Consumer Protection –52*

## Public Meetings

- **CONDUCT OF PUBLIC MEETING**
  - CALL TO ORDER
  - APPROVAL OF MINUTES OF LAST MEETING
  - SPECIAL ACKNOWLEDGEMENTS
  - PRESENTATION OF CASES
    - **Motions**
      - To adopt recommendation
      - To take other action



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# *Consumer Protection –53*

## Public Meetings

- **VOTE ON MOTION**
  - Majority necessary to adopt motion
  - If motion fails, another motion must be advanced
  - Effect of tie vote

# *Consumer Protection – 54*

## Disputes – Commission Decisions

- **Orders**

- •Pursuant to state law
- •Written disposition of case
- •Specific to the facts
- •Commission ‘speaks only through its orders’
  - •Relies upon and establishes precedent
  - •Signals to enable predictability
  - •Order is basis for appeal
  - •Permits Commission to emphasize policy issues