

2004
ANNUAL REPORT
CONSUMER SERVICES
DIVISION



Illinois Commerce
Commission

ANNUAL REPORT
CONSUMER SERVICES DIVISION
2004

ILLINOIS COMMERCE COMMISSION

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A Message from the Director

The Consumer Services Division's (CSD) report provides an overview of the division's assistance to consumers.

Our automated call distribution system connects callers to the member of our Staff best able to address the caller's issue, and expands our ability to serve consumers through recorded information about a number of utility topics. Recorded information is available to callers 24 hours a day, 7 days a week with the option to record a request that information be mailed to them about several of the topics. In 2004, approximately 141,000 consumers chose to use our voice response unit to access information. The CSD Staff is available from 8:30 a.m. to 5 p.m., Monday through Friday.

In 2004, our Staff answered more than 39,000 calls. Another 8,266 consumers contacted us through other methods such as email and by letter. Staff successfully worked with utilities to provide \$1.7 million in savings to consumers.

This report reviews utility performance in responding to their customers' concerns as presented to CSD Staff. It includes a breakdown of the types of inquiries/complaints that were received and how they were resolved; approaches to resolving inquiries and complaints, resolution time and problems identified by investigating consumer complaints.

Our Staff participates in consumer education efforts, rulemakings, certification cases, informal investigations into industry practices, and formal cases before the Commission.

I hope you will find this report to be a useful and interesting summary of Consumer Services Division's activities in assisting consumers and ensuring utility compliance.

A handwritten signature in black ink, appearing to read "Michael Gibson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Gibson
Interim Director

CONSUMER EDUCATION/COMPLAINT ACTIVITY

The Commission's Consumer Services Division (CSD) is the agency's principle contact with the utility consumers in the state. CSD is uniquely positioned to provide important information to the Commission. Our Staff consists of management; administrative support; consumer counselors, whose primary responsibility is to interface with consumers; and members involved in consumer programs, which includes consumer education, development of rules, carrier/supplier certification, and compliance issues.

Dialogs with consumers and utilities/service providers, allow us to provide useful information to other divisions within the Commission and to the Commissioners concerning issues that develop. On an informal basis, CSD contacts regulated utilities when issues of compliance and potential problems are raised by trends identified through consumer contacts.

ADDRESSING COMPLAINTS

The role of Consumer Services as educator increases as the regulated utility industry changes, particularly as competition develops. CSD responds to consumer questions about regulations, services, and products. Program Staff and Consumer Counselors reference laws, Commission orders, company tariffs, new services and products, marketing and consumer reactions on regulatory issues. CSD has the important responsibility of helping consumers understand choices.

In addition to education, a primary responsibility of CSD is to provide assistance to consumers in the resolution of informal complaints and disputes with regulated utilities and other entities. Informal complaints, as the designation implies, are those handled by Staff, not formally considered by the Commission, and which do not result in an order by the Commission. The formal complaint process, which requires Commission action, is available when complaints cannot be satisfactorily resolved through Staff intervention.

Following is a description of methods used by counselors in addressing complaints and inquiries.

3-Way Calling

This is a process, which permits a direct interface with the company while the consumer is still on the phone. Certain problems and requests for assistance are well suited to this type of resolution. These include requests for payment arrangements, payment extensions, final notice prior to disconnection, repairs, medical certificates, and billing issues that can be resolved during the initial contact. This method increases efficiency and, in most cases, results in a high degree of customer satisfaction. In 2004, more than 7,900 complaints were handled in this manner.

Investigative Complaints

Using this method, counselors notify the company of an informal complaint filed by the customer. The company must investigate the complaint and typically contacts the customer during the investigation. The company is required to furnish a report of the outcome along with supporting documentation. The counselor reviews the report to ensure that the company's action complies with Commission rules. CSD Staff may call on other divisions to provide answers to technical questions, getting advice from engineers, economists, and financial experts. After the review, the counselor contacts the consumer with an explanation of the results.

Consumer Services Online

Through its e-mail address, CSD receives contacts from consumers concerned with a wide variety of non-emergency issues. Site instructions advise consumers with a service related emergency to contact CSD by telephone. Electronic access to CSD provides a useful alternative to traditional mail and the toll free telephone hotline. Our records indicate that 4,333 complaints were received by e-mail during 2004.

DISTRIBUTING CALLS, RECORDING, AND TRACKING DATA

The Consumer Services Division uses an Automated Call Distribution system (ACD) to connect callers to the member of our Staff best able to address the caller's issue, and offer options to callers. Calls from TTYs are routed to counselors via Textnet, an interactive computer application. Callers can access recorded informational messages 24 hours a day, 7 days a week and can leave a voice message asking for a return call or order printed informational material. Statistics including the number of callers waiting and how long callers have waited are available to counselors. Monitoring, tracking and reporting capabilities help management determine appropriate levels of staffing, facilitate scheduling, assist in training counselors and identifying the needs of consumers.

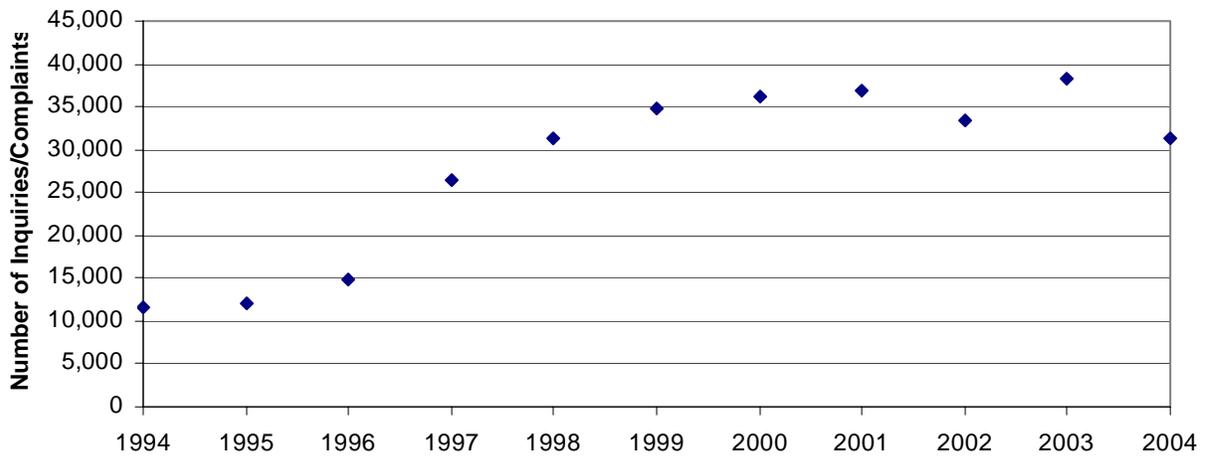
The ACD works with Consumer Services' Automated Complaint Tracking System (ACTS), a computerized complaint tracking system that provides an accurate and readily available record of consumer contacts. Using the ACTS, complaints are identified in such general categories as billing, credit and deposits, rates, service and termination; they are also identified in very specific terms. Our reporting capabilities allow flexibility in searching the records created in individual cases and compiling data. Reporting functions allow us to track information, identify problems, and analyze trends.

During 2004, CSD has been involved in a re-write of ACTS. The new version, a Windows based application, will replace the current DOS program. It is expected that the updated version will be deployed during the second quarter of 2005.

INFORMAL INQUIRY/COMPLAINT DATA

Counselors record informal inquiries, complaints, and opinions from consumers. Consumer education inquiries are typically answered during the initial contact. Customer opinions are also recorded during the initial contact. Based upon the nature of the problem, the counselor determines if there is a need for investigation requiring contact with the company.

**Inquiries/Complaints Received
1994-2004**

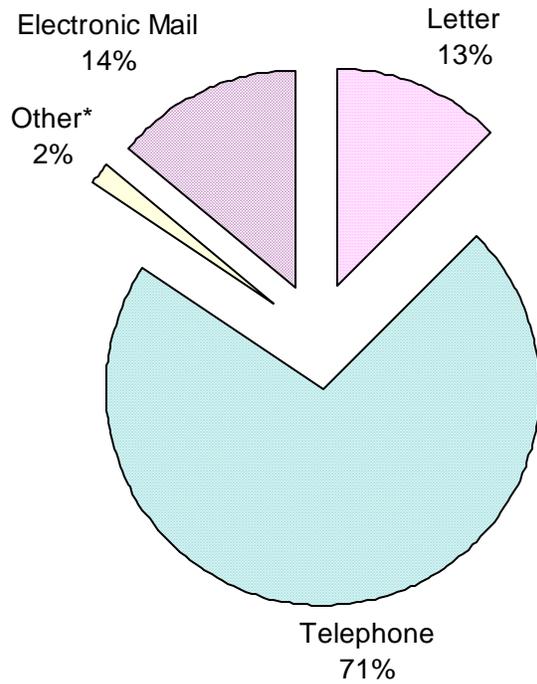


During 2004, CSD Staff recorded 31,352 contacts. The graph depicts the number of inquiries and complaints received from 1994 through 2004.

TELEPHONE SUMMARY

Total Calls: 185,702
Calls to IVR: 140,707
Calls Answered: 39,959
Number of Inquiries/Complaints: 31,352

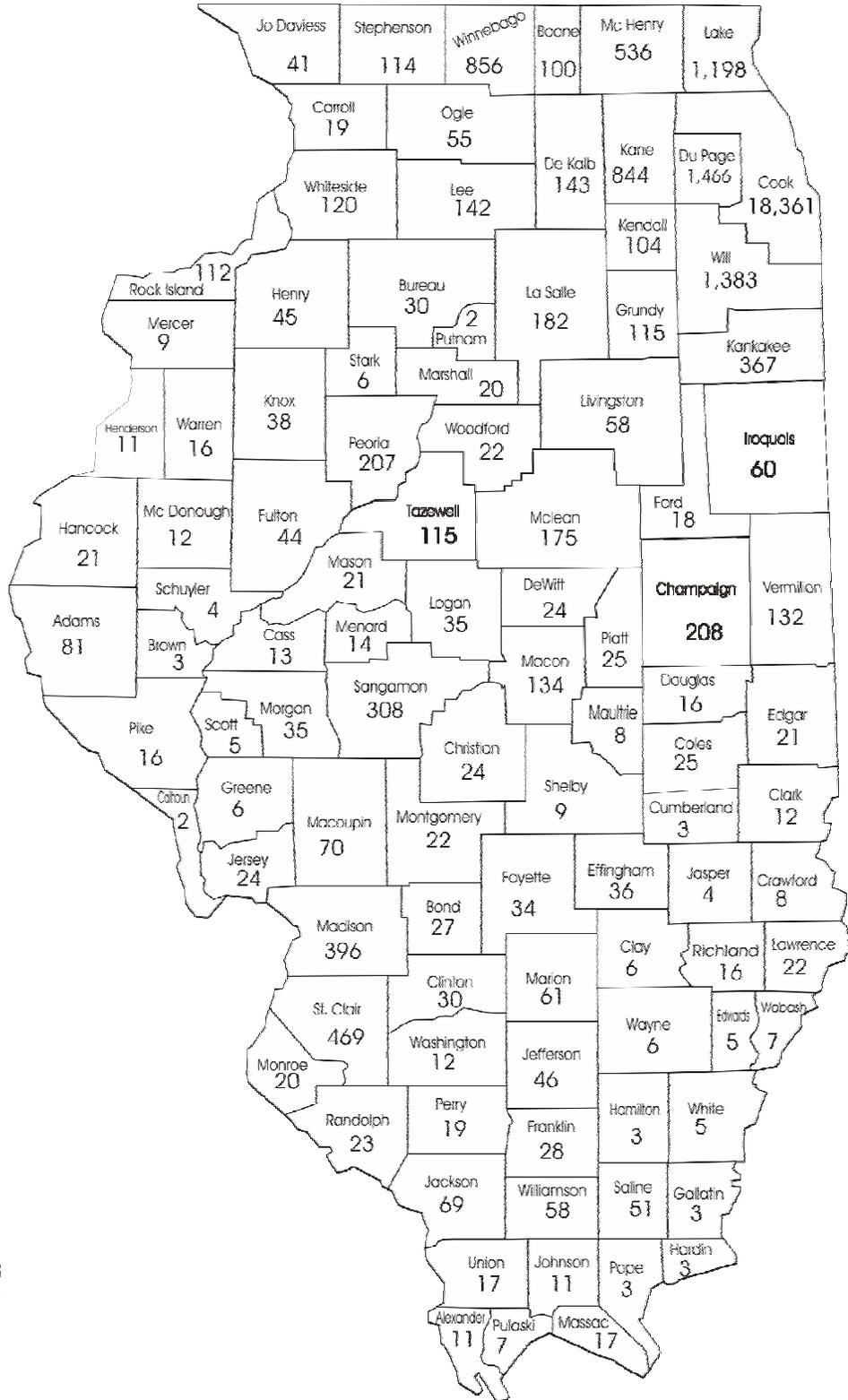
Origin of Inquiries/Complaints



*Contacts include those made via fax and teletypewriter.

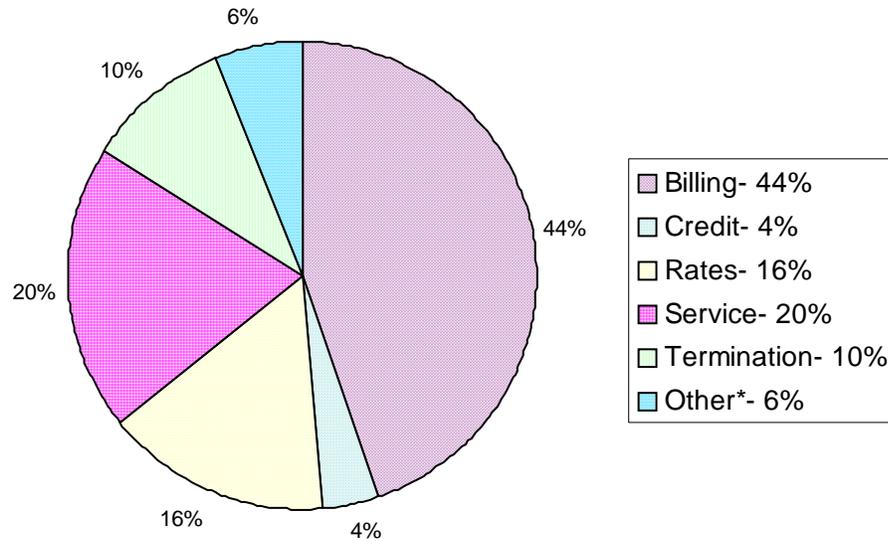
Most of the 31,352 cases recorded (71%) began with a telephone call to our toll-free number.

NUMBER OF CONTACTS BY COUNTY



Not Specified = 1,328
Out of State = 17

PROBLEM IDENTIFICATION



***Includes issue-oriented contacts**

The graph above represents the total number of inquiries/complaints that were opened during 2004, categorized by problem type. These categories include billing, credit/deposit, rates, service, termination, and other. This graph illustrates that 44% of the inquiries/complaints opened related to the consumer's bill.

TOP 10 INQUIRIES/COMPLAINTS

REASON FOR CONTACT	NUMBER
Rate structure- general	3,959
Need payment arrangements	3,005
Accuracy of bill- responsibility for account	2,300
Seeking reconnection	2,190
Accuracy of bill- usage/consumption	1,315
Timeliness of performed service- reconnection/disconnection	1,128
Deferred payment agreement	971
Timeliness of performed service- installation of new service/transfer	957
Accuracy of bill- disputes rate class/plan	957
Timeliness of performed service- scheduling or repair	783

Complaints and inquiries are categorized by these general problem types: billing, credit/deposit, rates, service, termination and other. At the time of closing, more specific codes are added. The Top 10 Inquiries/Complaints are listed in descending order beginning with the most frequently recorded issue. Charts showing the “Top 10” complaints by industry type can be found in the Energy section and Telecommunications section of this report.

MEANS OF RESOLVING INQUIRIES/COMPLAINTS

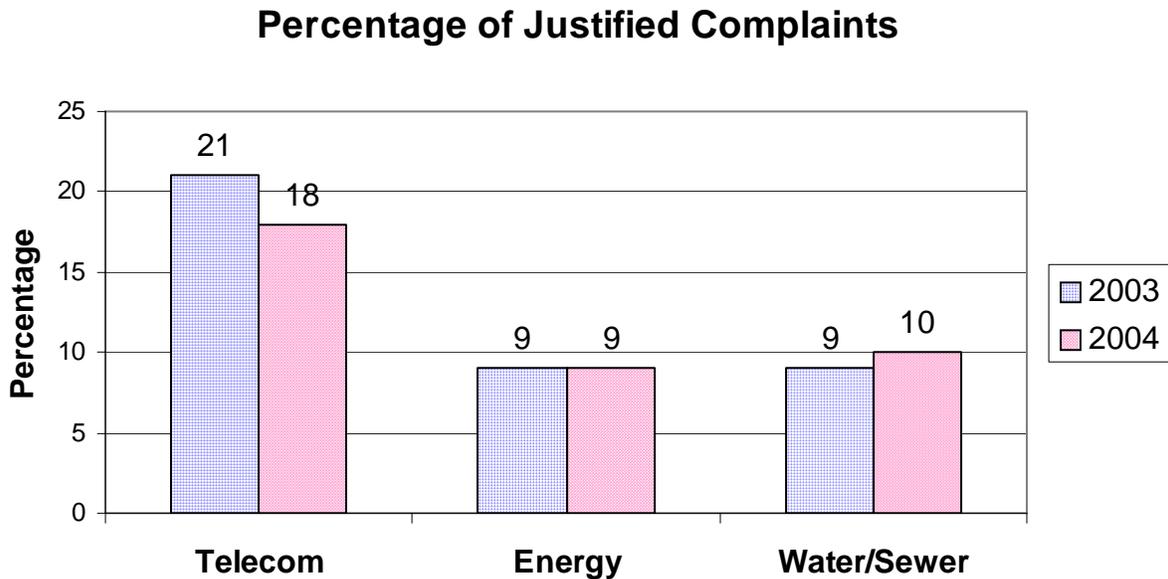
RESOLUTION CODE	NUMBER
Information or explanation provided	22,997
Company compromised to settle	3,154
Company agrees to correct mistake or error	2,198
Unable to reach complainant	767
Referral to other agency or division	618
ICC had no jurisdiction	421
Action initiated to correct problem	271
Formal hearing sought	232
Miscellaneous (resolution by means not on list)	175
Duplicate action by another counselor	171
Company unresponsive	123
Meter tested; billing correct	84
Complaint dismissed; groundless	54
CSD received carbon copy response	54
Customer withdraws complaint	31
Pending long term utility action	20
Issue beyond time limit for complaint filing	18
Company does not have a certificate	5
Chronic complainant (same issue)	4
Total	31,397

Staff successfully worked with utilities to provide nearly \$1.7 million to customers in savings or avoided charges.

During the calendar year 2004, CSD closed 31,397 inquiries/complaints. Although most of these cases were opened and closed during 2004, some were opened in 2003. After utilities research and reply to investigative complaints, CSD must review the response and contact the consumer with the outcome. This explains why investigative complaints opened late in the year are often closed during the following year. The table above shows the number of cases closed in 2004 by resolution category.

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. Cases that are evaluated are those in which contact with the company is initiated and include 3-way and investigative cases. The graph below compares justified complaints to the total number of 3-way and investigative cases. The comparison is made by industry type and by year.



MEDIATION

By law mediation is available to consumers to resolve telecommunication disputes. Effective July 1, 2001, residential consumers or business consumers with fewer than 20 lines have the right to request mediation when they have been unable to reach resolution through the informal complaint process. Telecommunication carriers are required to participate in mediation. The process must be completed within 45 days. If the parties are unable to reach agreement or after 45 days, whichever comes first, the consumer may file a formal complaint with the Commission. In 48 cases, consumers expressed an interest in pursuing their complaints through mediation; Staff notified the Commission's Chief Clerk to send a letter informing the consumer how to proceed.

FORMAL COMPLAINTS

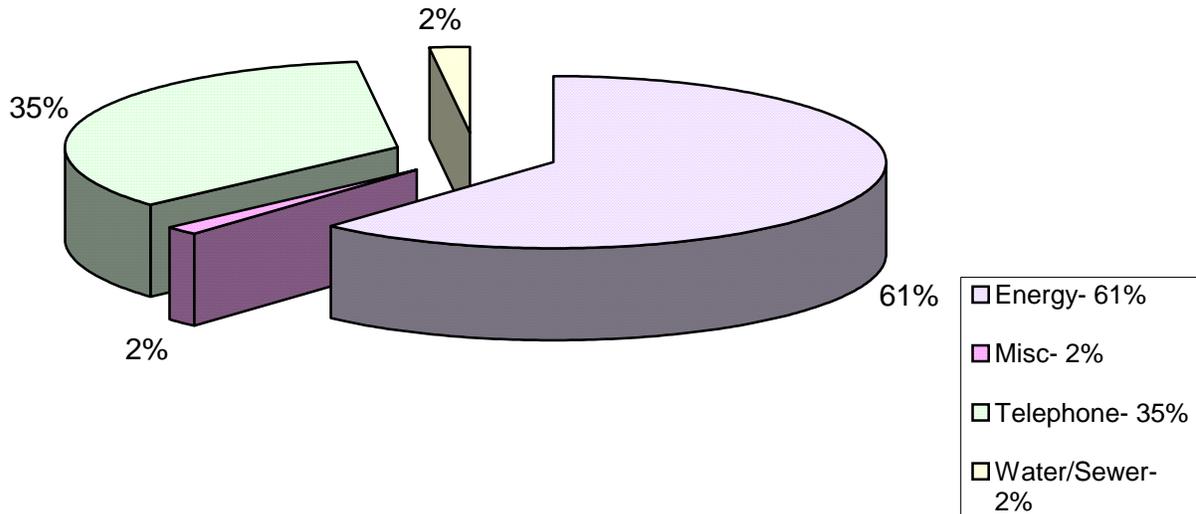
If a resolution is not reached through the informal process (including mediation), the consumer may file for a formal hearing. After the fully completed and notarized forms are submitted to the Commission, a hearing is scheduled. An Administrative Law Judge presides over the case in a manner similar to a court proceeding, considers testimony presented, reviews evidence, and makes a recommendation to the Commission which renders a decision.

The Consumer Services Division makes every effort to achieve resolution of disputes between consumers and utilities in the informal process. Of the 31,397 contacts from consumers closed during 2004, 232 consumers requested formal complaint forms and 42 formal hearings were actually docketed. Of the docketed cases, 22 were dismissed by the Commission and 20 are still pending.

REVIEW OF INQUIRIES/COMPLAINTS DATA

This section addresses and highlights trends in the numbers and types of inquiries and complaints for each industry. CSD categorizes the inquiries/complaints it receives according to the following industries: telephone, energy, water/sewer and miscellaneous.

2004 Inquiries/Complaints by Utility Type

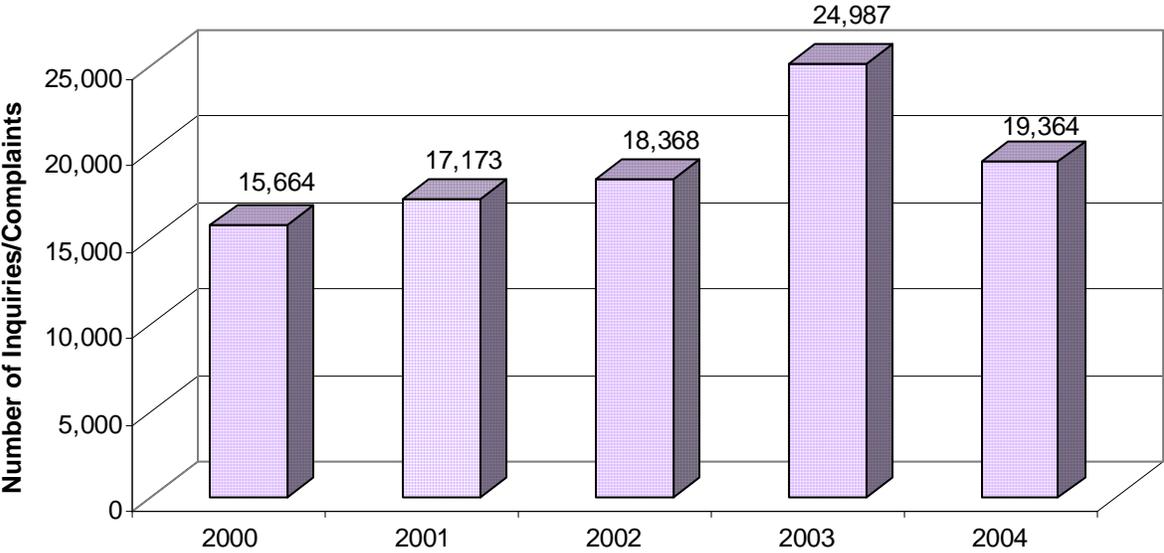


Combining gas and electric cases results in 61% of the total inquiries/complaints attributed to the energy industry. Telephone inquiries/complaints comprise 35% of the total number received during 2004. The miscellaneous category includes companies that were not specified and contacts that included more than one type of utility. The water and sewer industry accounts for 2% of the inquiries/complaints.

ENERGY INDUSTRY

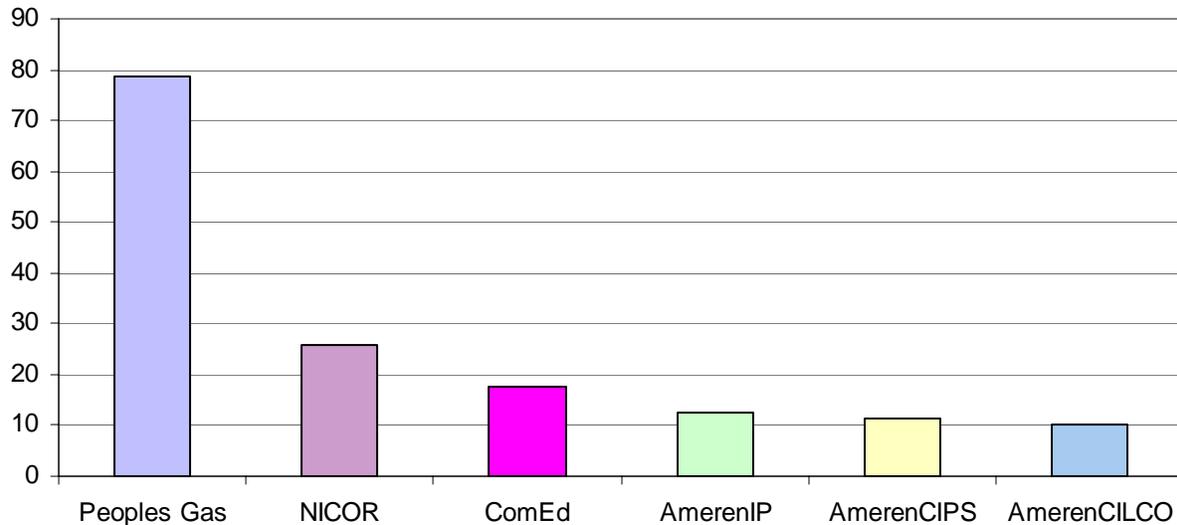
Inquiries and complaints included in the “Energy Industry” category are those concerning companies that provide only electric service, companies that provide only gas service, and companies that provide both gas and electric service.

Energy Industry Contacts



The graph above illustrates the number of inquiries and complaints that were received each year by CSD for the electric and gas companies from 2000 through 2004.

Inquiries/Complaints per 10,000 Customers 2004



The graph above illustrates the number of inquiries/complaints received per 10,000 customers for the major companies in the energy industry. Peoples Gas led in the number of calls related to billing, estimated meter readings, termination, and payment arrangements.

2004 ENERGY INQUIRIES/COMPLAINTS FOR SMALLER ELECTRIC AND GAS COMPANIES

Company	Customers*	Contacts
AmerenUE	66,200	165
North Shore	149,200	159
Atmos Energy	23,600	34
MidAmerican	83,700	30
Illinois Gas	10,300	5
Interstate	12,800	3
Mt. Carmel	5,600	2
Consumers Gas	5,900	1

*Estimated Number

The complaint and inquiry volume for electric and gas companies with less than 150,000 customers is shown in the chart above, beginning with the utility with the largest volume of contacts.

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. The following table compares the energy companies' justified complaints of 2003 to those in 2004. Only energy companies with more than 50 complaints are included in the table. The companies are listed in descending order, beginning with the company that has the largest percentage of justified complaints in 2004.

	2003 Complaints			2004 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
MxEnergy*	N/A	N/A	N/A	14	69	20%
North Shore	9	115	8%	10	94	11%
Peoples Gas	460	4,924	9%	433	4,089	11%
ComEd	462	5,651	8%	449	5,086	9%
Nicor	162	2,243	7%	173	1,976	9%
AmerenUE	6	64	9%	10	119	8%
AmerenCIPS	11	212	5%	14	246	6%
AmerenIP	65	609	11%	31	541	6%
AmerenCILCO	10	114	9%	7	147	5%

*Less than 50 complaints in 2003

RESPONSE TIME

The following table shows a comparison of the average response time for energy companies during 2003 and 2004. Response time is the number of days the utility takes to respond to CSD. The companies shown are those that received 50 or more investigative complaints during 2004. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The companies are listed alphabetically.

	2003 Response Time (in Days)	2004 Response Time (in Days)	Change in Days (2003 to 2004)
AmerenCILCO	13.8	10.8	-3.0
AmerenCIPS	11.8	7.8	-4.0
ComEd	10.1	12.5	2.4
AmerenIP	16.7	14.0	-2.7
MxEnergy*	N/A	5.2	N/A
Nicor	20.3	12.8	-7.5
North Shore*	N/A	10.0	N/A
Peoples Gas	25.6	11.7	-13.9

*Less than 50 complaints in 2003

PROBLEM CODE COMPARISON

Complaints and inquiries are first categorized in one of six general problem types. At the time of closing, more specific codes are added. The table below compares the general problems categories of the total number of inquiries/complaints that were opened during 2003 and 2004.

Comparison of Problems – 2003 and 2004

	2003	2004
Billing	9,385	8,328
Credit/Deposit	1,437	1,190
Rates	7,556	4,032
Service	2,758	2,747
Termination	2,888	2,496
Other *	910	530

*Includes pilot programs, restructuring, ICC regulations, etc.

TOP 10 ENERGY COMPLAINTS

At the time of closing, when details about the reason for contact are known, more detailed problem codes are added. The following table identifies the top ten energy complaints attributed to these specific codes.

REASON FOR CONTACT (detail problem codes)	NUMBER
Rates- General (Cust Chg, Tax, PGA, Fran, Accs)	3,856
Needs Payment Arrangements	2,693
Termination- Seeking Reconnection	1,820
Questions Responsibility for Account	1,438
Deferred Payment Arrangements	868
Usage- Consumption	748
Reconnection or Disconnection	718
Accuracy of Bill- Meter	674
Credit/Deposits/Deposit Request	531
Service/Timeliness of Performed Service- Installation	528

ENERGY INDUSTRY CONTACTS

The tables below illustrate the breakdown of the issues raised by consumers. As the counselors close complaints, they are categorized by the general headings of billing, service, rates, etc. They are then further broken down into the more specific complaint classification. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselors during 2004.

BILLING	CONTACTS
Payment Arrangements	3,853
Responsibility for Account	1,438
Usage/Consumption	748
Meter	674
Payment- Other	557
Bill/Statement	358
Accuracy	226
Payment Posting Problem	204
Disputes Rate Class/Plan	110
Tampering	90
Repair/Service	44
Extension/Installation Dispute	26
SUBTOTAL	8,328

CREDIT/DEPOSIT	CONTACTS
Deposit Requirement	531
Service Denial	456
Deposit Amount/Conditions	156
Deposit Administration	47
SUBTOTAL	1,190

RATES	CONTACTS
Rate Structure	3,868
Opinion- Rate in Effect	78
Inquiry	71
Proposed Rate Change	15
SUBTOTAL	4,032

SERVICE	CONTACTS
Timeliness- General	1,032
Timeliness of Reconnection or Disconnection	718
Conduct of Personnel	352
Interruptions	213
Service Quality	147
Extension/Availability	131
Safety	106
Equipment Problems	48
SUBTOTAL	2,747

TERMINATION – SEEKING RECONNECTION	CONTACTS
Seeks Assistance	1,820
Medical Certificate	214
Questions Regarding Procedures	188
Other	109
Terminated in Error	76
Tampering	72
Disputed Bill/Deposit	17
SUBTOTAL	2,496

OTHER	CONTACTS
Other	405
ICC Actions or Regulations	68
No Jurisdiction	38
Issues-Oriented Contacts	19
SUBTOTAL	530

TOTAL NUMBER OF CLOSED ENERGY CONTACTS: 19,323

RESIDENTIAL ELECTRIC SUPPLIER CHOICE

Since May 2002, residential customers have been eligible to choose their electric supplier. Electric public utilities have the necessary tariffs and systems in place to provide delivery services; however, no suppliers have entered the market to serve residential customers. The Commission maintains a consumer education web site at: www.icc.state.il.us/pluginillinois

RESIDENTIAL NATURAL GAS SUPPLIER CHOICE

Unlike the electric industry, which by law restructured the state's electric industry to promote customer choice and create a competitive marketplace, natural gas supplier choice is not mandated. Nicor Gas, North Shore Gas, and Peoples Gas voluntarily offer programs that allow their residential customers to choose their gas supplier. Customer participation is also voluntary; eligible customers are free to choose an alternative gas supplier or remain with the utility and receive bundled (delivery and supply) gas service.

The Commission has approved the choice programs and the utility tariffs that state the terms and conditions of the service. The Commission also required utilities offering residential choice to develop consumer education material. The tariffs governing suppliers include standards of conduct for participating alternative suppliers.

After the choice programs began, Section XIX was added to the Public Utilities Act. Under this law, alternative gas suppliers offering service to residential and small commercial retail customers are required to be certified by the Commission. In addition to certification, the law also provides for consumer protections and Commission oversight including consumer complaints.

Nicor gas reports that approximately 147,933 residential customers participated in the Customer Select Program during 2004; Peoples and North Shore indicate that approximately 7,800 residential customers participated in their Choices For You Program. A list of certified suppliers and other information can be found on the Commission's web site: www.icc.state.il.us

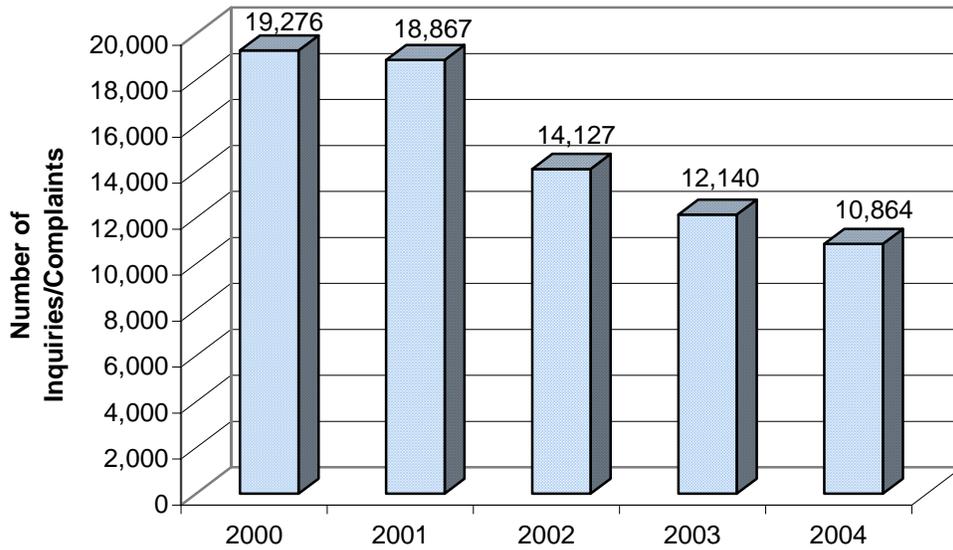
2004 ENERGY INQUIRIES/COMPLAINTS FOR ALTERNATIVE GAS SUPPLIERS

Company	Contacts
Dominion Retail	13
Interstate Gas Supply	4
MxEnergy	95
Peoples Energy Services	15
Santanna	36
US Energy Savings Corp.	32
Utility Resource Solutions	21

The chart above shows the number of contacts regarding alternative gas suppliers recorded by CSD during 2004. These contacts concerning residential consumers include inquiries and complaints. Complaints included such issues as failure to abide by the terms of the agreement or contract, unauthorized customer switch (slamming), protests regarding supplier marketing methods, and misleading marketing practices.

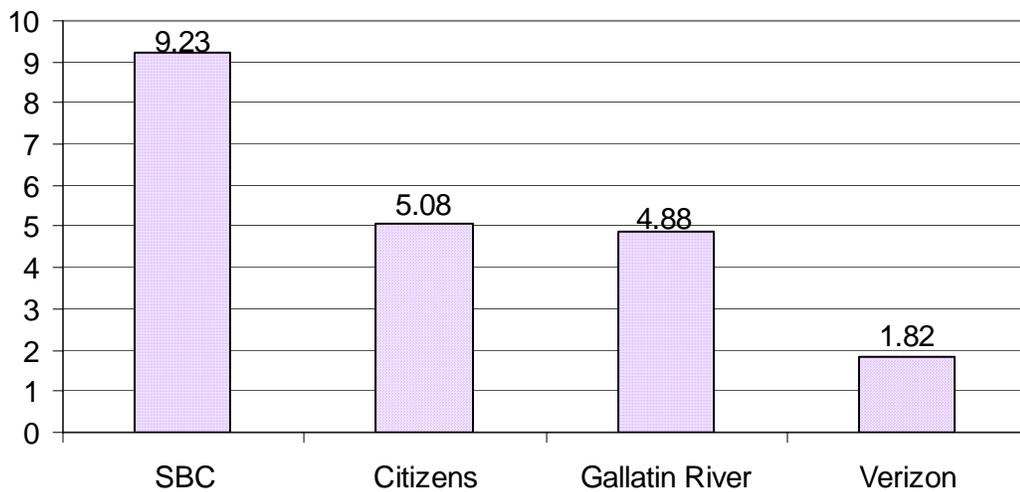
TELECOMMUNICATIONS INDUSTRY

Telecommunications Industry Contacts



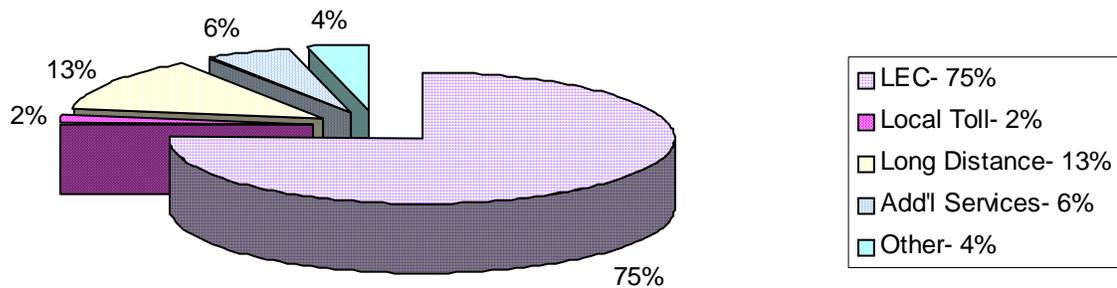
The graph above shows the number of inquiries and complaints concerning the telecommunications industry that were received each year by CSD from 2000 through 2004.

Inquiries/Complaints per 10,000 Access Lines 2004



The graph on the previous page does not include combination carriers (resale and facilities based). This graph illustrates the number of inquiries and complaints per 10,000 access lines that were received for major local exchange carriers for 2004. Access lines include the number of residential and business phone lines used.

2004 Telecommunications Inquiries/Complaints by Company Type



Definitions for the above graph:

LEC – Local Exchange Carrier – a company that provides local exchange service

Local Toll – local calls that are made to locations outside the local exchange boundary, but within the Market Service Area (MSA) otherwise known as the Local Access Transport Area (LATA)

Long Distance – a company that provides service between LATAs

Provider of Additional Services – a company that provides services such as Digital Subscriber Line (DSL), voice mail and calling cards

Other – Includes services such as cellular/mobile and customer-owned pay telephones

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. The following tables compare the telecommunications carriers' justified complaints closed in 2003 to those closed in 2004. The charts are divided by the type of service provided: local exchange carriers, carriers that provide local toll service and those that provide long distance service.

The Local Exchange Carrier chart includes those companies that received 50 or more investigative complaints during 2004. The chart for Local Toll Carriers includes companies that received 30 or more investigative complaints. The Long Distance Carrier chart includes companies that received 40 or more investigative complaints. Investigative complaints are those that are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The carriers are listed in descending order beginning with the company that had the largest percentage of justified complaints in 2004.

Local Exchange Carriers

	2003 Complaints			2004 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
AT&T	308	1,088	28%	182	800	23%
Sprint	28	85	33%	24	111	22%
Verizon	29	201	14%	59	273	22%
Comcast	313	1,084	29%	45	221	20%
MCI	240	1,172	20%	152	742	20%
McLeod	41	160	26%	14	83	17%
Frontier	19	90	21%	13	81	16%
RCN	92	318	29%	21	142	15%
Talk America*	N/A	N/A	N/A	23	157	15%
Global Teldata	9	82	11%	14	100	14%
SBC	390	2,626	15%	366	2,609	14%
SureTel	40	149	27%	9	73	12%
Midwestern	9	110	8%	2	87	2%

*Less than 50 complaints in 2003

Local Toll Carriers

	2003 Complaints			2004 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
MCI	10	55	18%	8	33	24%
AT&T	13	89	15%	10	84	12%
SBC	7	32	22%	5	41	12%

Long Distance Carriers

	2003 Complaints			2004 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
AT&T	59	280	21%	87	374	23%
MCI	30	197	15%	19	101	19%
SBC LD*	N/A	N/A	N/A	23	131	17%
Sprint	7	46	15%	4	52	8%

*Less than 40 complaints in 2003

RESPONSE TIME

The following tables compare the average response time for telecommunications carriers during 2004. Response time is the number of days the utility takes to respond to CSD. The Local Exchange Carrier table includes those companies that received 50 or more investigative complaints during 2004. The table for Local Toll Carriers includes companies that received 30 or more investigative complaints. The Long Distance Carrier table includes companies that received 40 or more investigative complaints. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The carriers are listed alphabetically.

Local Exchange Carriers

	2003 Response Time (in Days)	2004 Response Time (in Days)	Change in Days (2003 to 2004)
AT&T	12.7	12.2	-.50
Comcast	16.7	15.7	-1.0
Frontier	13.3	12.4	-.90
Global Teldata	20.2	13.7	-6.5
MCI	15.8	10.6	-5.2
McLeod	13.8	10.2	-3.6
RCN	18.5	21.5	3.0
SBC	14.1	11.1	-3.0
Sprint	28.0	20.5	-7.5
SureTel	27.0	31.4	4.4
Talk America*	N/A	12.1	N/A
Verizon	15.4	12.4	-3.0

*Less than 50 complaints in 2003

Local Toll Carriers

	2003 Response Time (in Days)	2004 Response Time (in Days)	Change in Days (2003 to 2004)
AT&T	11.2	13.9	2.7
SBC*	N/A	22.1	N/A

*Less than 30 complaints in 2003

Long Distance Carriers

	2003 Response Time (in Days)	2004 Response Time (in Days)	Change in Days (2003 to 2004)
AT&T	12.9	11.8	-1.1
MCI	14.6	12.2	-2.4
SBC LD*	N/A	15.6	N/A
Sprint	37.9	15.4	-22.5

*Less than 40 complaints in 2003

PROBLEM CODE COMPARISON

Complaints and inquiries are first categorized in one of six general problem types. At the time of closing, more specific codes are added. The following table compares the number of telecommunications inquiries/complaints in each of the general problem categories for the inquiries/complaints that were closed during 2003 and 2004. Billing continues to be the most frequently identified problem.

Comparison of Problems – 2003 and 2004

	2003	2004
Billing	5,780	4,571
Credit/Deposit	90	67
Rates	363	580
Service	3,713	3,051
Termination	801	553
Other*	670	1,355

*Includes operator services, universal service programs, area code changes, etc.

TOP 10 TELECOMMUNICATIONS COMPLAINTS

At the time of closing, when details about the reason for contact are known, more specific codes are added. The following table identifies the top ten telecommunications complaints attributed to these specific codes beginning with the most frequently recorded issue. Billing issues was the leading telecommunications complaint category in 2004.

REASON FOR CONTACT (detail problem codes)	NUMBER
Questions Responsibility for Account	760
Other- Wholesale Rates	749
Dispute Rate Class or Plan	742
Usage- Consumption	464
Schedule for Repair	439
Accuracy of Bill	436
Installation of New Service	399
Reconnection or Disconnection	394
Termination- Seeking Reconnection	341
Protest Rates	340

TELECOMMUNICATIONS INDUSTRY CONTACTS

The following tables illustrate the breakdown of the issues raised by customers. As the counselors close complaints, they are categorized by the specific complaint classifications. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselors during 2004.

BILLING	CONTACTS
Responsibility for Account	760
Dispute- Rate Classification/Plan	742
Accuracy- General	587
Usage/Consumption	464
Payment Arrangements	453
Bill for Feature Not Ordered	298
Bill Statement	294
Payment- General	266
Repair/Service	264
Disputed Bill by Other Company	254
Posting Problems	188
Extension/Installation Dispute	1
SUBTOTAL	4,571

CREDIT/DEPOSIT	CONTACTS
Deposit Amount/Conditions	41
Service Denial	16
Deposit Administration	10
SUBTOTAL	67

RATES	CONTACTS
Opinion- Rate in Effect	346
Rate Structure	115
Rate Inquiry	81
Proposed Rate Change	38
SUBTOTAL	580

SERVICE	CONTACTS
Timeliness of Performed Work	1,383
Conduct of Personnel/Reps	833
Availability of Features & Equipment	275
Quality	273
Service Interruptions	145
Equipment Problems	93
Service Extensions	36
Safety	13
SUBTOTAL	3,051

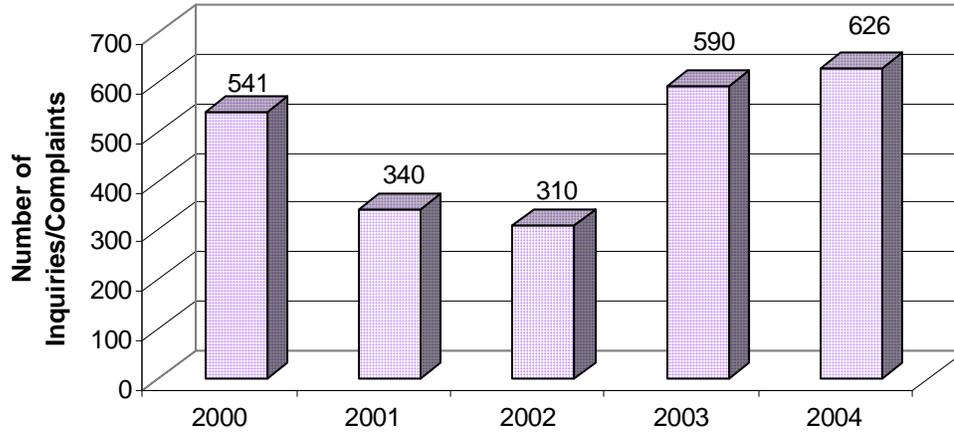
TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	341
Other	80
Questions Regarding Procedures	54
Disputes	43
Medical Certificate	35
SUBTOTAL	553

OTHER	CONTACTS
Issues-Oriented Contacts	1,182
No Jurisdiction	173
SUBTOTAL	1,355

**TOTAL NUMBER OF CLOSED TELECOMMUNICATIONS CONTACTS:
10,177**

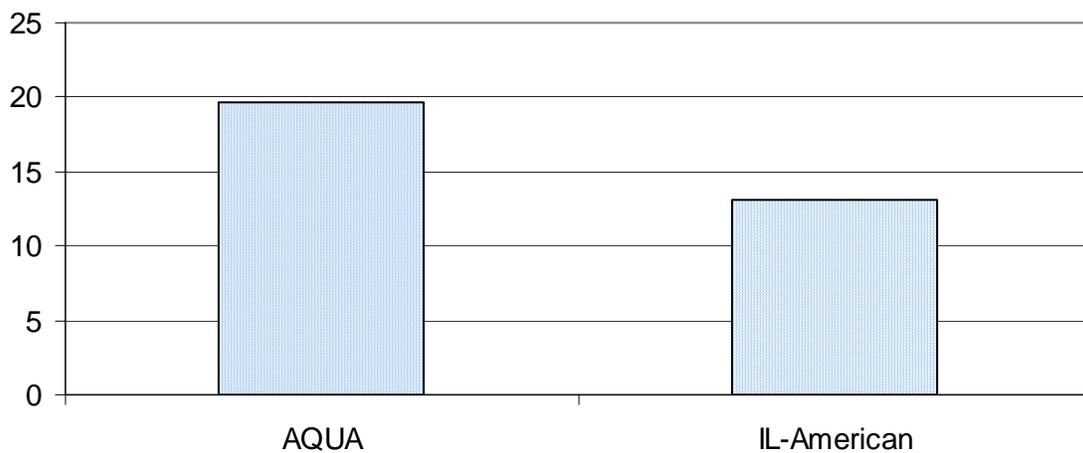
WATER & SEWER INDUSTRY

Water-Sewer Industry Contacts



The chart above illustrates the number of inquiries/complaints that were received each year by CSD for the water/sewer industry from 2000 through 2004.

Inquiries/Complaints per 10,000 Customers 2004



The chart on the previous page shows the number of inquiries and complaints per 10,000 customers that were received for the major companies in the water/sewer industry for 2004.

RESPONSE TIME

The table below shows a comparison of the average response time for those water and sewer utilities that received 20 or more investigative complaints during 2004. Response time is the number of days the utility takes to respond to CSD. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation.

	2003 Response Time (in Days)	2004 Response Time (in Days)	Change in Days (2003 to 2004)
AQUA	39.6	15.8	-23.8
Illinois-American	25.9	27.1	1.2

PROBLEM CODE COMPARISON

Complaints and inquiries are first categorized in one of six general problem types. At the time of closing, more specific codes are added. The following table compares the number of water/sewer inquiries/complaints in each of the general problem categories for the inquiries/complaints that were closed during 2003 and 2004.

Comparison of Problems – 2003 and 2004

	2003	2004
Billing	143	174
Credit/Deposit	4	4
Rates	317	296
Service	43	66
Termination	34	37
Other	38	44

WATER & SEWER INDUSTRY CONTACTS

The following tables illustrate the breakdown of the issues raised by customers. As the counselors close complaints, they are categorized into specific complaint classification. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselor during 2004.

BILLING	CONTACTS
Usage/Consumption	39
Accuracy	38
Payment Arrangements	31
Responsibility for Account	27
Payment/Billing General	23
Bill Statement	16
SUBTOTAL	174

CREDIT/DEPOSIT	CONTACTS
Service Denial	3
Deposit Amount/Conditions	1
SUBTOTAL	4

RATES	CONTACTS
Opinion- Rate in Effect	201
Proposed Rate Change	78
Rate Inquiries	9
Rate Structure	8
SUBTOTAL	296

SERVICE	CONTACTS
Timeliness of Performed Service	30
Service Quality	17
Equipment Problems/Safety/Interruption	9
Conduct of Personnel	6
Service Extension/Availability	4
SUBTOTAL	66

TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	18
Miscellaneous	13
Questions Regarding Procedures	6
SUBTOTAL	37

OTHER	CONTACTS
No Jurisdiction	32
Other	9
ICC Actions or Regulations	2
Issues-Oriented Contacts	1
SUBTOTAL	44

**TOTAL NUMBER OF CLOSED WATER AND SEWER CONTACTS:
621**

ACTIVITIES AND PROGRAMS

Consumer Outreach and Education

Staff develops consumer information that can be accessed through the Commission's web site or can be mailed to consumers. Our Staff is available to conduct meetings associated with rate increase requests of small water companies when community interest is demonstrated. To keep abreast of consumer issues and concerns, CSD Staff is represented on the Chicago Energy Council; the Department of Public Aid's Policy Advisory Council; and the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on Consumer Affairs.

Reorganization and Mergers

Where Commission approval for reorganization and mergers is required, Consumer Services Staff members participate both informally and when necessary through the formal process. Participation by CSD Staff helps ensure that quality customer service is maintained and that communications to customers are stated in plain language and style to minimize customer confusion especially with respect to any changes or decisions customers might be required to make.

Review and Monitoring of Sales and Marketing and Customer Notification

Statements concerning prices, terms, and conditions of service must disclose information accurately and adequately. A supplier must provide written information adequately disclosing prices, terms, and conditions before switching a customer. Formally, at the Commission's direction and informally CSD Staff reviews sales and marketing materials and when appropriate makes recommendations to correct deficiencies and improve material. Staff has been directed by the Commission to review sales and marketing materials in telecommunications and alternative gas supplier cases and in complaint cases filed by telecommunications carriers.

In addition to reviewing materials, CSD Staff reviews sales practices such as the unauthorized change of carrier or supplier (slamming).

Rulemakings

During 2004, CSD Staff participated in the rulemaking cases listed below:

83 Illinois Administrative Code

- Part 551 Certification of alternative gas suppliers
- Part 731 Wholesale performance measures (telecommunications)
- Part 755 Telecommunications access for persons with disabilities

- Part 756 Telecommunications relay services
- Part 757 Telephone assistance programs
- Part 773 Pre-subscription of telecommunication carrier

CONSUMER EDUCATION

Consumer Education - Electric Restructuring

In designing the law that restructures the electricity industry in Illinois, lawmakers recognized that consumers would need meaningful information allowing them to evaluate goods and services offered by new marketers and sellers. The law required the Commission to implement and maintain a consumer education program to provide residential and small commercial retail customers with information to help them understand their service options in a competitive electric services market, as well as their rights and responsibilities. As required by Section 16-117 of the Public Utilities Act, a working group formed by the Commission created educational materials to be distributed to electric customers. Utilities and Alternative Retail Electric Suppliers (ARES) are required to send the Commission-approved bill insert in their first mailing to potential customers or prior to executing an agreement or contract with a customer.

In Illinois, electric choice has been implemented in phases. As of December 31, 2000, all non-residential customers became eligible; residential customers became eligible beginning May 1, 2002. Although residential customers have been eligible for choice since May 2002, no suppliers have entered the market to serve residential customers.

The Commission maintains a consumer education web site at: www.icc.state.il.us/pluginillinois that has sections for business and residential consumers containing an overview of the electric service restructuring and customer choices including brochure content in text form as well as the brochures and bill inserts in downloadable formats, a list of suppliers (both certified and pending), frequently asked questions, and other information. The residential web page is available in English and in Spanish. This year the Plug In Illinois web site recorded more than 19,180 "visitors".

CONSUMER ASSISTANCE PROGRAMS

Assistive Telecommunications Equipment Distribution And Telecommunications Relay Service

Through a program designed by the Commission telecommunications carriers provide assistive telecommunications equipment to persons with hearing and speech disabilities or organizations whose primary purpose is serving persons with hearing and/or speech disabilities. The telecommunications carriers also provide a telecommunications relay service (TRS), which links people using

assistive equipment and people who use a standard telephone. A Commission approved surcharge is assessed on each subscriber line to offset the costs incurred by the telecommunications carriers.

The distribution program and relay center are administered by the Illinois Telecommunications Access Corporation (ITAC), a not-for-profit corporation that includes all the telecommunications carriers in Illinois. An Advisory Council comprised of 7 members who are participants of the distribution program and TRS users provides input to ITAC as well as to the Commission Staff Liaison.

During 2004, Consumer Services Division Staff participated in rulemakings revising the 83 Illinois Administrative Codes 755 and 756. Administrative Code 755 governs telecommunications access for persons with disabilities and Administrative Code 756 provides rules for the Telecommunications Relay Service. Administrative Code 755 was revised to initiate a voucher program for additional assistive telecommunications equipment, require that all local telecommunications carriers identify the monthly line subscriber line charge on customer's bills by July 1, 2004, require carriers to submit ITAC contribution payments directly to ITAC as of July 1, 2004 and generally update the rule. Revisions to Part 756 were made to update the rule and comply with Federal Communications Commission telecommunications relay rules.

***Universal Telephone Assistance Program (UTSAP)
Lifeline and Link Up Programs***

The FCC requires states to implement Link Up and Lifeline Programs to ensure the delivery of affordable telecommunications service to all Americans, including low-income consumers.

Link Up is a federally funded program that assists households by paying 50% (up to \$30) of the cost of installing local telephone service in their principal place of residence. Lifeline is a federally funded program that provides assistance with the monthly charge for local telephone service.

The Universal Telephone Service Assistance Program ("UTSAP"), funded by voluntary contributions from Illinois telephone consumers, provides supplemental assistance to individuals who receive assistance from the Link Up and Lifeline Programs. The amount of supplemental assistance is reviewed on an annual basis by the Commission according to the level of voluntary contributions.

UTSAP is administered by a not-for-profit group, Universal Telephone Assistance Corporation (UTAC). The UTAC Board of Directors has nine members consisting of five representatives from local exchange companies, two members representing ratepayers, and two members representing low-income consumers.

UTAC filed a petition with the Illinois Commerce Commission requesting that the Commission determine the amount and form of supplemental assistance to be

provided by the Illinois local exchange carriers to each eligible subscriber or eligible new subscriber under the Universal Telephone Service Assistance Program. The Commission ordered, effective January 1, 2004, that the amount paid by qualified Illinois subscribers of eligible telecommunications carriers shall be reduced by \$1.75 to ensure the availability of federal Tier Two matching funds. Voluntary contributions to the program during 2004 were nearly \$835,000.

Illinois Community Technology Fund - Telecommunications

The Illinois Commerce Commission established the Community Technology Fund as a condition of the 1999 merger of SBC and Ameritech Illinois to ensure that citizens in rural and low-income areas of the state have access to advanced telecommunications technology. A member of CSD Staff actively participated in the not-for-profit corporation that administers the Illinois Community Technology Fund (ICTF). SBC was required to provide funding in the amount of \$1million each year for three years. All grants issued as part of the Community Technology fund have been disbursed in two rounds. The grant cycles for these grants have concluded and these grants are considered closed. As of September 2004, all funds have been disbursed and the board has been disbanded.

Low Income Home Energy Assistance Program (LIHEAP)

Financial assistance is available to low income households in Illinois for energy bills. A household is eligible if its income is at or below 150% of the federal poverty guideline. Prior to July 1, 2004, the Illinois Department of Commerce and Economic Opportunity was responsible for administering the program. Now The Illinois Department of Public Aid administers the program through thirty-five agencies that operate in all Illinois counties. Funding for the program comes from two sources. One source is a federal government block grant through the Department of Health and Human Services. Beginning in January 1998, state funding has been made available as a result of a surcharge, which is added to the electric, and gas bills of all customers of investor owned utilities. Electric cooperatives, municipally owned gas, and electric systems have a choice of whether to assess the surcharge. If the charge is not assessed, the customers do not benefit from the assistance. The amounts, which are collected, are added to the federal LIHEAP funds. A portion of LIHEAP funds is also used for weatherization and program administration.

Illinois Restricted Call Registry

Illinois law adopts the National Do-Not-Call Registry, which is managed by the Federal Trade Commission, giving Illinois consumers the benefit of being included in both state and national registries with the convenience of free one-step enrollment. Illinois residential subscribers can register their telephone numbers by Internet or telephone according to methods established by the FTC. Since its inception, more than 3,790,831 registrations have been submitted by Illinois consumers. More information about the Illinois Restricted Call Registry is available on the Commission's web site.

PUBLICATIONS AVAILABLE

The Illinois Commerce Commission has developed a series of publications for consumer education and outreach. Following is a listing of those, which may be of interest to both utility consumers and individuals needing information on the Commission. Printed copies may be requested by calling Consumer Services toll free number 1 800-524-0795. This and other information is available through the Commission's web site at: www.icc.state.il.us

Consumer Issues and Assistance: describes the services provided by the Consumer Services Division.

Restricted Call Registry: describes registration methods and other information for consumers who want to reduce telephone solicitation calls.

Your Quick Reference Guide to Preparing for a Formal Complaint Hearing: is a consumer's "how-to" guide for preparing for a formal complaint hearing with topics such as: setting the hearing date, obtaining witnesses, supplying the necessary documentation, following the hearing procedures, accepting or appealing the Commission's decision, and filing for a rehearing.

ENERGY and WATER/SEWER

InfoCards: (informational postcards) offer consumers practical information pertaining to rules for electric, gas, water/sewer utilities in an easy-to-read, single sheet format. There are seven unique Info Cards that address consumers' rights and responsibilities with regard to: 1. Utility Bills; 2. Payment Plans for Utility Service; 3. Disconnecting Utility Service; 4. Reconnecting Utility Service; 5. Deposits for Utility Service; and 6. Resolving Your Utility Problems. The post card format allows counselors to expeditiously send useful information to consumers.

Understanding Natural Gas Prices: provides an explanation of why prices fluctuate, what charges are regulated, and some energy saving tips.

ELECTRIC RESTRUCTURING

It's Time to Get Plugged In: provides information regarding electric choice for small business customers.

A Residential Consumer's Guide To Electric Service Restructuring: provides information regarding electric choice for residential customers.

Our consumer guides listed above are available in business and residential versions. They contain information about electric service restructuring in Illinois. The brochures explain what is changing, what consumers will be choosing, when options are available, and a glossary of key terms. The residential guide is available in English and Spanish. Both brochures can be downloaded from our web site.

TELECOMMUNICATIONS

Local Telephone Service Your Rights and Responsibilities as a Consumer: provides an overview of consumer rights and responsibilities related to local exchange service.

Smart Shoppers Guide to Using Phones Away from Home: is a postcard that provides the maximum rates per minute for intrastate calls and the maximum surcharges for making operator-assisted calls. In addition, it explains what consumers can do if they have been overcharged. This is updated annually based on the approved rates.

What You Should Know About Using “900” Numbers: highlights 83 Illinois Administrative Code Part 772 by providing information on pay-per-call services. Included is information about the preamble that information providers must provide and customer rights regarding charges.

HOW TO REACH CSD

Our Staff of Consumer Counselors is available to assist consumers with questions or complaints regarding utility service from 8:30 a.m. to 5:00 p.m., Monday through Friday.

- Toll Free Hotline number is: 1-800-524-0795 (calls initiated within Illinois)
- Toll Free TTY number is: 1-800-858-9277 (calls initiated within Illinois)
- Our facsimile line is: 217-524-6859
- Our mailing address is: 527 East Capitol Avenue, Springfield, Illinois 62701
- An online complaint form is available at: www.icc.state.il.us
- Consumers initiating calls from outside of Illinois, utilities and others with an interest in Illinois regulations may contact the ICC’s Consumer Services Division at: 217-782-2024.