

2001
ANNUAL REPORT
CONSUMER SERVICES
DIVISION



Illinois Commerce
Commission

ANNUAL REPORT
CONSUMER SERVICES DIVISION
2001

ILLINOIS COMMERCE COMMISSION

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A Message from the Director

The Consumer Services Division's (CSD) report provides highlights of Staff's service to consumers. In addition to the number of customers served along with the amount of money saved for customers, we include information about the participation of Staff in consumer education efforts, rulemakings, certification cases, formal company complaint cases, and investigations into industry practices. The most significant event for 2001 was the installation of a new telephone system, which has allowed CSD to serve more consumers with reduced staffing.

This report reviews utility performance in responding to their customers' concerns as presented to CSD staff. It includes such information as 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.

I hope this report will serve as a guide to understanding the utilities' performance, consumers' concerns and the ways in which the ICC's Consumer Services Division addresses these important matters.

Debi Barr-Holquist
Director

HIGHLIGHTS OF 2001

Serving Customers

The number of customers served annually by staff of the Consumers Services Division continues to increase. In 2001, our staff answered more than 64,000 calls. Another 6,600 consumers contacted us through other sources such as email and by letter. Staff successfully worked with utilities to provided \$3.2 million to customers in savings or avoided charges. Customers have benefited greatly from the intervention of Staff and cooperation of utilities. Our new automated call distribution system installed in August has greatly expanded our ability to provide service to consumers. An astounding 62,000 consumers chose to use our voice response unit to access information.

Automated Call Distributor Update

A new Automated Call Distribution (ACD) system was put into service in August. In addition to connecting each caller to the member of our Staff best able to address the caller's issue, the ACD provides recorded information about a number of utility topics including electric choice, telephone cramming and slamming, and natural gas prices. The availability of recorded information allows us to assist callers 24 hours a day, 7 days a week. Callers also have the option to record a request that information be mailed to them about several of the topics. The CSD Staff is available from 8:30 a.m. to 5 p.m., Monday through Friday.

Consumer Education

The "Plug-In-Illinois" campaign continued to provide information about electric restructuring in Illinois to nearly 500,000 non-residential customers who became eligible December 31, 2000. Media and outreach efforts continued to help educate the business community throughout the year. Materials were presented at the Governor's Small Business Summit and at speaking engagements and other business group events throughout the year. Commission spokespersons, including Commissioners, the Executive Director, and other Staff spoke with groups such as the Illinois Retail Merchants Association, and the media. The Plug-In web site, which gained further exposure through business organization on-line advertising and various organizations' web links, contains an overview of choice and the electric service industry, the brochure and bill insert in downloadable formats, a choice timeline, a list of suppliers and other information. During 2001 the Plug-In web site recorded more than 15,000 visitors.

In the telecommunications area, Consumer Services is leading the Illinois Telephone Consumer Education Fund (ITCEF) Committee that was established by the Illinois Commerce Commission as a condition of the SBC/Ameritech merger. The Committee functions as a not-for-profit corporation whose mission is to educate Illinois consumers to help them understand their options, rights and responsibilities in the telecommunications market. Ameritech provided \$3 million in funds to support this effort. With the assistance of a vendor, the Committee conducted a survey to determine customer awareness, produced brochures offering information on a variety of topics, provided a web site, and launched a multi media educational campaign in the fall of 2001.

Illinois Community Technology Fund

A member of CSD Staff has been an active representative and Secretary of a not-for-profit corporation that administers the Illinois Community Technology Fund (ICTF). 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. SBC/Ameritech is required to provide funding in the amount of \$1 million each year for three years. In addition, the ICTF has \$1,425,000 available over three years to support a Community Computer Center (CCC). The ICTF issued its first Request for Proposal (RFP) and received over 370 grant applications. Approximately \$1.4 million was distributed to 40 not-for-profit organizations. The final ICTF RFP and the CCC RFP were issued in 2001.

Lifeline Assistance

The Commission entered its order (Docket No. 01-0478) to maintain the Lifeline monthly assistance to eligible consumers of \$1.50. The order also required 100% (up to \$60) to cover installation fees. On June 27, 2001, in Docket No. 01-0467, the Commission entered an order to increase Verizon's Lifeline assistance to \$10.20 pursuant to a GTE/Bell Atlantic merger condition.

Illinois Telecommunications Law Re-write

The provisions in Article 13 of the Public Utilities Act were to sunset in July 2001. Staff responded to a myriad of legislative bills by writing and/or reviewing position papers to analyze each bill. Staff participated in various subcommittee, public, and negotiation meetings with the industry, consumer advocates, legislative staff, and legislators. Our Division participated in this process, offering advice and commentary on the many aspects of the law that affect consumers, while placing specific emphasis on telecommunications service quality; customer credits; slamming, cramming, and jamming; and, digital divide voluntary contributions.

Natural Gas Supply Prices

The dramatic increase in the cost of natural gas during the 2000/2001 heating season caused government officials to make inquiries into the increase in the price of natural gas, the billing practices of public utilities, and their effects on consumers. The CSD staff participated in these investigations throughout the process making inquiries, preparing reports, and monitoring utility activities.

CONSUMER EDUCATION/COMPLAINT ACTIVITY

In 1972, the Commission's Consumer Services Division (CSD) was established and has evolved with changing utility regulation and services in Illinois. As 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 development of rules, carrier/supplier certification, and compliance issues.

CSD has continuing dialogs with consumers and utilities/service providers, allowing 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 has increased as various components of the regulated utility industry have changed, particularly with the development of competition. CSD responds to consumer questions about regulations, services, and products. Program Staff and Consumer Counselors research 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 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 2001, more than 9,300 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 customer 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. The number of complaints received by e-mail increased 127% over those received during 2000.

Company vs. Company

CSD has procedures to facilitate resolution of complaints between companies that are competitors. The changing environment in the utility industry and the advent of competition have signaled the need for a venue in which no-fault compromises can be achieved, benefiting both the parties involved in the dispute and the consumers they serve. Experience confirms that all parties benefit when a complaint can be resolved informally, avoiding the need for a formal complaint.

DISTRIBUTING CALLS, RECORDING, AND TRACKING DATA

On August 15, 2001, the Consumer Services Division put into service a new Automated Call Distribution system (ACD). In addition to connecting each caller to the member of our Staff best able to address the caller's issue, the system has many features that assist staff and offer options to callers. Callers can access recorded informational messages 24 hours a day, 7 days a week; those who want to speak to a counselor are informed of the average wait time; callers can leave a voice message asking for a return call or order printed informational material. Each counselor's computer displays individual statistics and ACD "gate" statistics including the number callers waiting and how long callers have waited. 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 is designed to fit current needs while allowing for expansion in size and sophistication by adding off-the-shelf software.

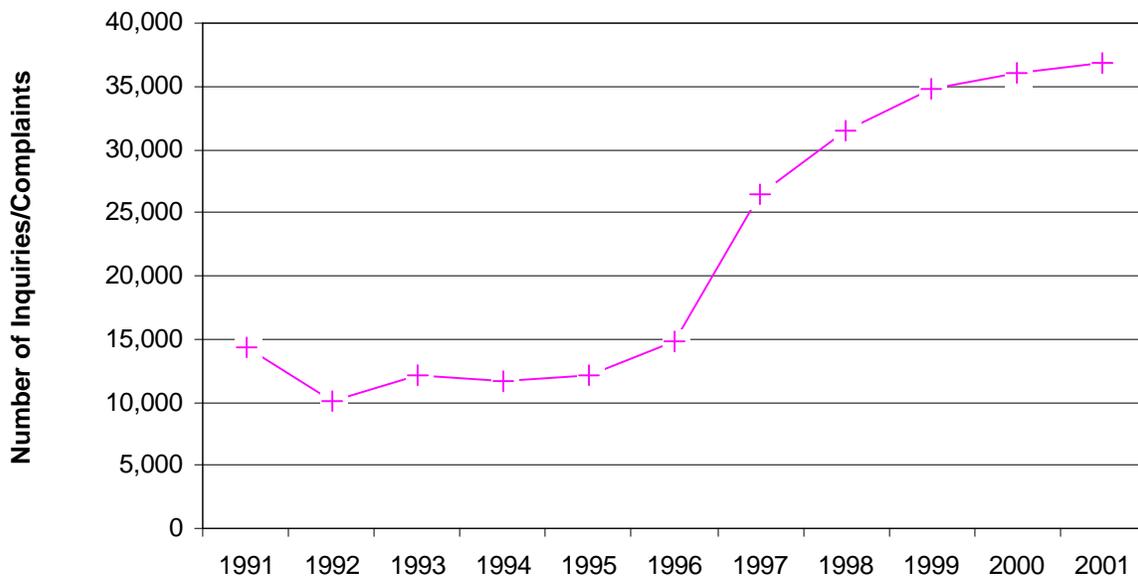
The new ACD can work as a stand-alone product, however, it provides CSD even greater functionality when joined with a data base program, such a Consumer Services' Automated Complaint Tracking System (ACTS), or a virtual multimedia Internet site.

Consumer Services Division's computerized complaint tracking system provides an accurate and readily available record of consumer contacts. Using the Automated Complaint Tracking System (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 tied to every data entry field allow us to track information, identify problems, and analyze trends. An important feature of ACTS is electronic exchange. Many major utilities receive and respond via e-mail to complaints presented by counselors. Utility responses are directly entered into ACTS, significantly reducing the task entry summarizing the utility's position pertaining to the individual complaint. Standardized letters pertaining to common complaint issues are stored in ACTS allowing staff to quickly and efficiently generate replies to consumers.

INFORMAL INQUIRY/COMPLAINT DATA

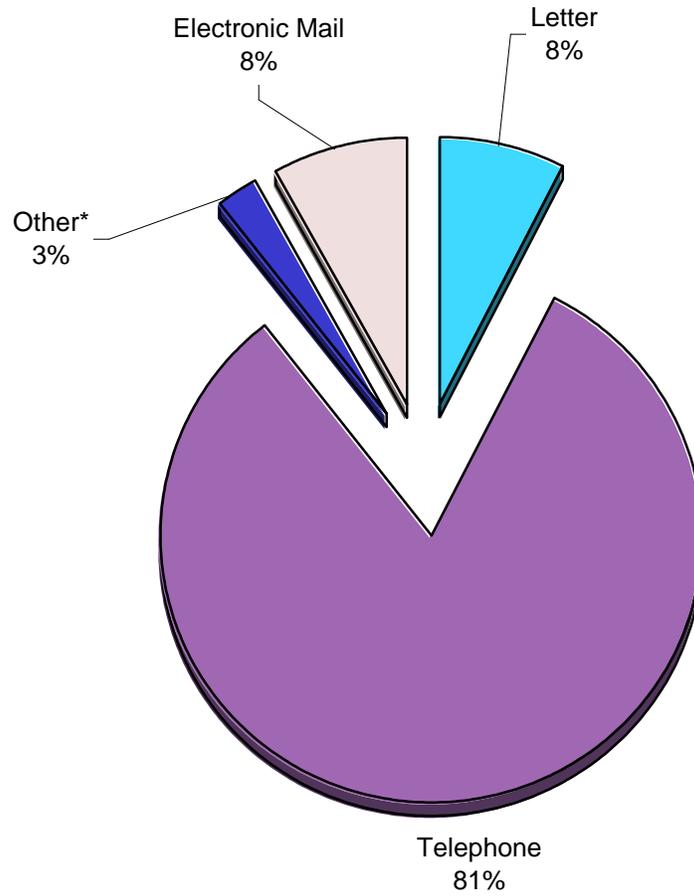
Counselors record informal inquiries, complaints, and opinions from consumers. Consumer education inquiries are typically answered during the initial contact. Customer opinions are also recorded during the initial contact. Based upon the nature of the problem, the counselor determines if there is a need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

Inquiries/Complaints Received 1991-2001



During 2001, CSD Staff recorded 36,803 contacts. The graph depicts the continuing increase in the number of inquiries and complaints received from 1991 through 2001. The service provided by CSD is in strong demand as evidenced by the increasing volume resulting from the consumers' need for information and assistance.

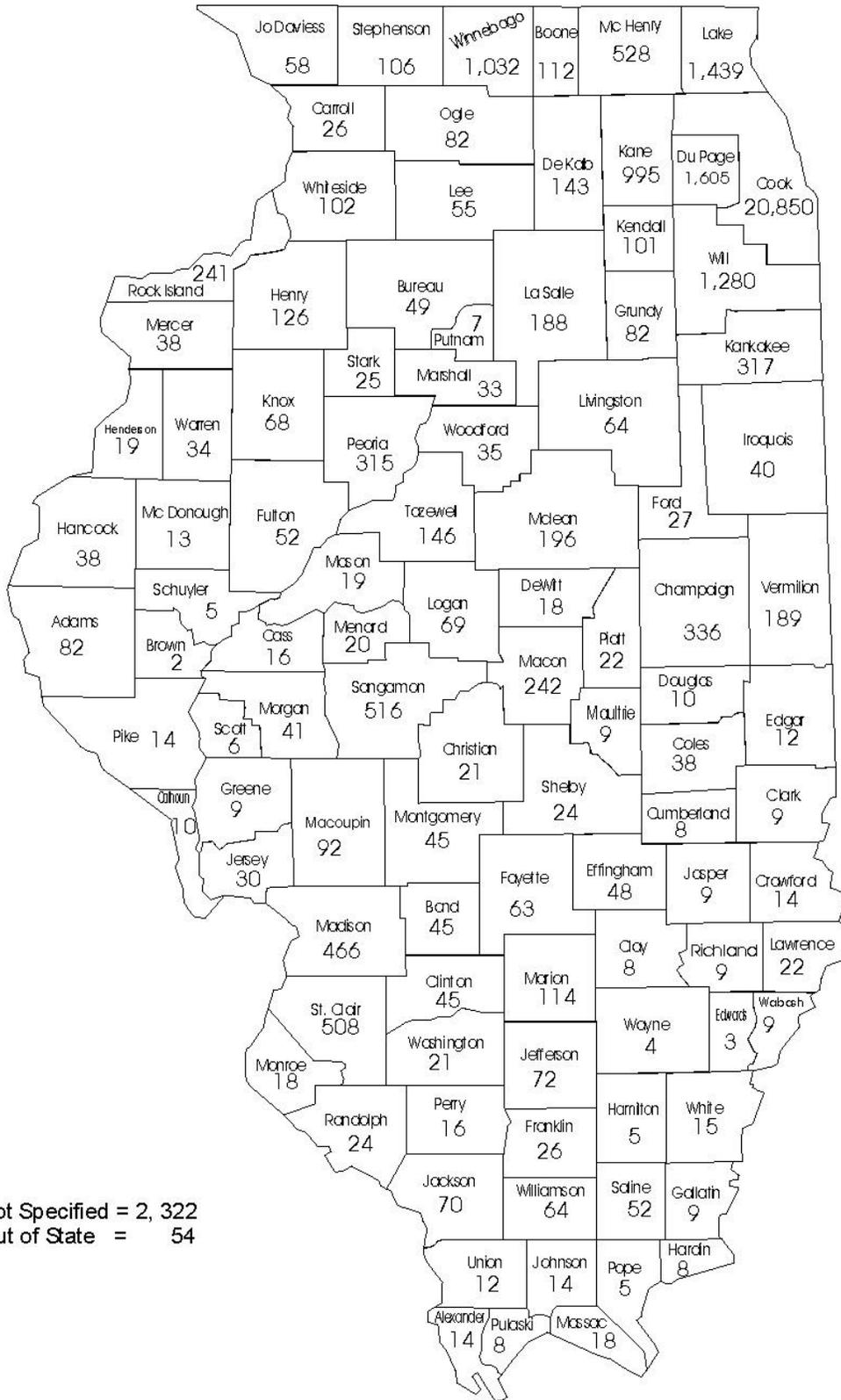
Origin of Inquiries/Complaints



*Contacts include those made via fax and teletypewriter.

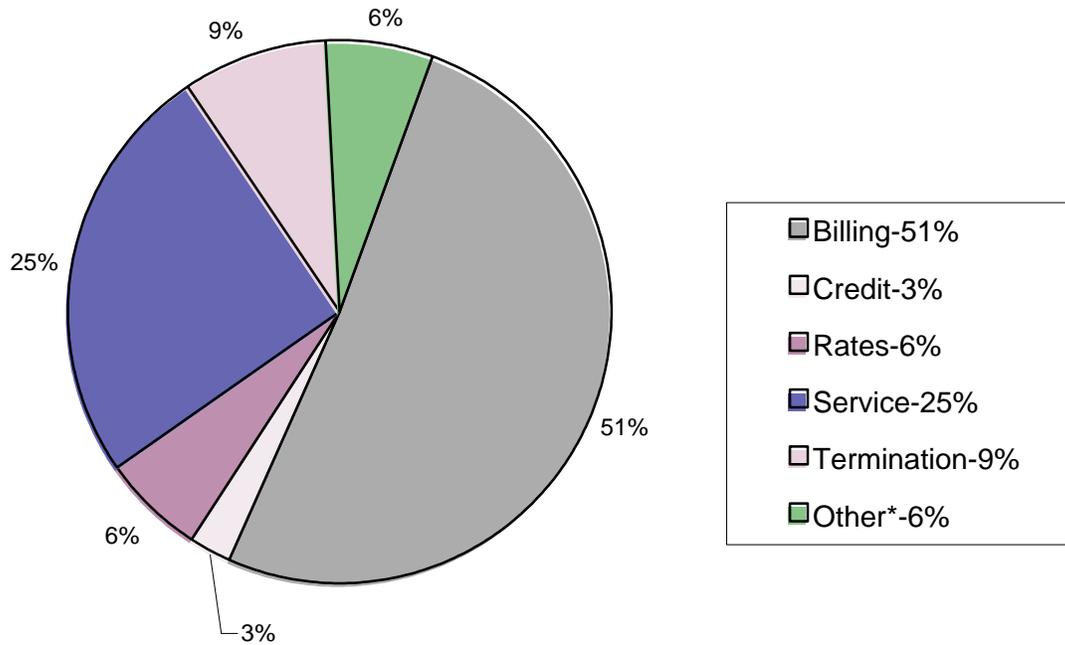
Most of the 36,803 cases recorded (81%) began with a telephone call to our toll-free number.

NUMBER OF CONTACTS BY COUNTY



Not Specified = 2, 322
 Out of State = 54

PROBLEM IDENTIFICATION



***Includes issue-oriented contacts**

The graph represents the total number of inquiries/complaints that were opened during 2001, categorized by problem type. These categories include billing, credit/deposit, rates, service, termination, and other. This graph illustrates that 51% of the inquiries/complaints opened related to the consumer's bill. CSD opened significantly fewer inquiries or complaints in the other categories.

TOP 10 INQUIRIES/COMPLAINTS

REASON FOR CONTACT	NUMBER
Need payment arrangements	3,612
Accuracy of bill – usage/consumption	2,800
Accuracy of bill – responsibility for account	2,507
Seeking reconnection	2,305
Timeliness of performed service – scheduling or repair	1,637
Timeliness of performed service – installation of new service/transfer	1,613
General rate structure	1,440
Accuracy of bill – disputes rate class/plan	1,269
Other payment agreements	1,029
Accuracy of bill – meter	1,020

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.

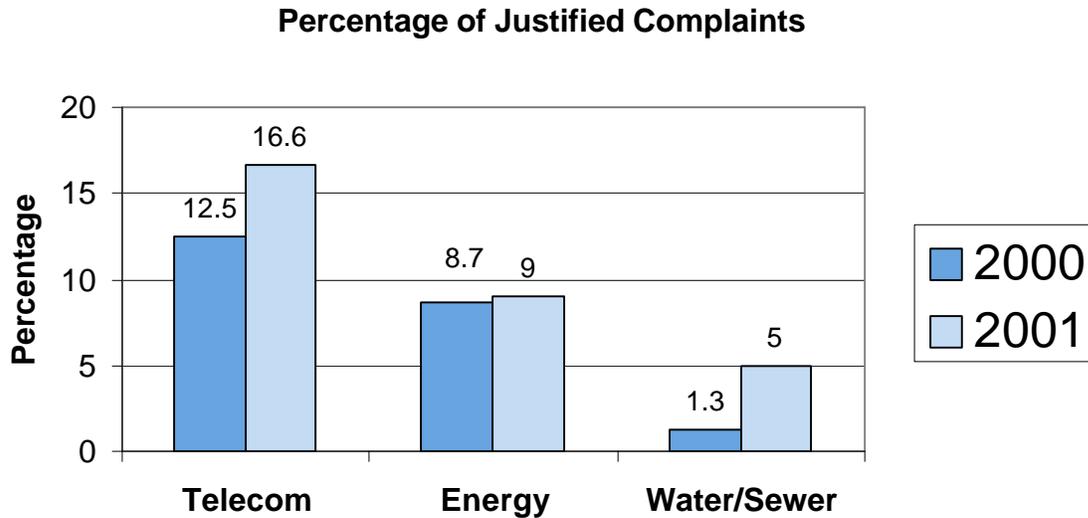
MEANS OF RESOLVING INQUIRIES/COMPLAINTS

RESOLUTION CODE	NUMBER
Information or explanation provided	25,520
Company agrees to correct mistake or error	3,674
Company compromised to settle	3,565
ICC had no jurisdiction	659
Customer did not pursue	648
Referral to other agency or division	612
Action initiated to correct problem	425
Complaint dismissed; groundless	358
CSD received carbon copy response	288
Duplicate action by another counselor	255
Miscellaneous (resolution by means not on list)	188
Meter tested; billing correct	109
Company unresponsive	102
Pending long term utility action	92
Customer withdraws complaint	73
Formal hearing sought	60
Issue beyond time limit for complaint filing	15
Repeated complaint	6
Company does not have a certificate	2
Mediation	2
Total	36,653

During the calendar year 2001, CSD closed 36,653 inquiries/complaints. Although most of these cases were opened and closed during 2001, some were opened in 2000. 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 2001 by resolution category. Staff successfully worked with utilities to provide nearly \$3.2 million to customers in savings or avoided charges.

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

A voluntary mediation program began in 1994 for consumers of Ameritech, ComEd, or Peoples Gas who were not satisfied with the results of informal complaints. The Center for Conflict Resolution (CCR), a non-profit organization based in Chicago, mediates these cases at no charge to the consumer, the utility, or the ICC.

The Illinois telecommunications law was rewritten in 2001. One of its benefits to consumers is the availability of mediation to resolve telecommunications disputes in an expeditious manner. Under the new law, which took effect 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.

FORMAL COMPLAINTS

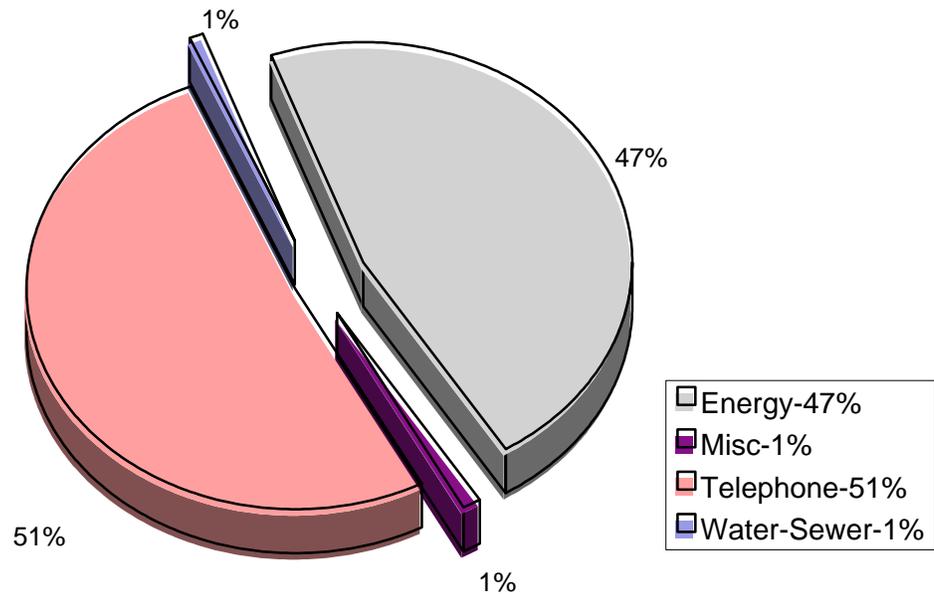
If a resolution is not reached through the informal process (including mediation), the consumer may file for a formal hearing. After the fully completed and notarized forms are submitted to the Commission, a hearing is scheduled. An Administrative Law Judge presides over the case, which is similar to 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 customers and utilities in the informal process. Of the 36,653 contacts from consumers closed during 2001, just 60 customers requested formal complaint forms and 31 formal hearings were actually docketed. One of the 31 cases was dismissed by the Commission as having no merit; orders for dismissal are pending in 10 cases; one case was withdrawn; and the remaining 19 formal complaint cases from 2001 are 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.

2001 Inquiries/Complaints by Utility Type

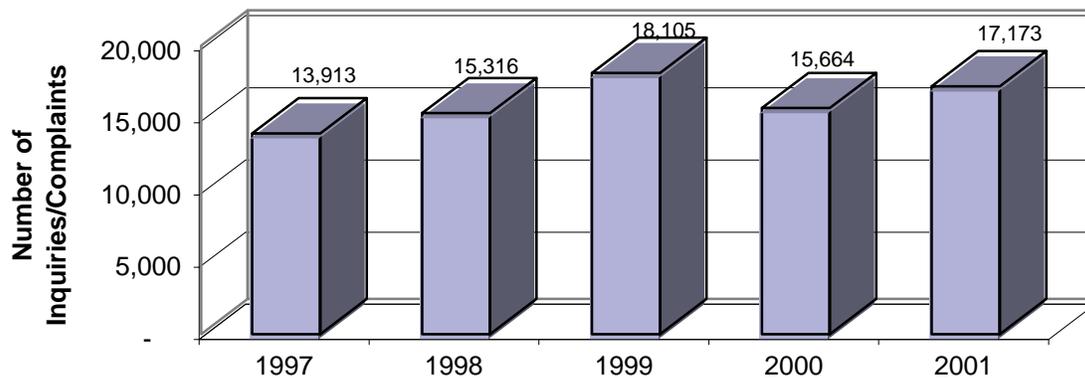


Telephone inquiries/complaints comprise 51% of the total number received during 2001; significant technological and regulatory changes in the industry account for much of the volume. Combining gas and electric cases results in 47% of the total inquiries/complaints attributed to the energy industry. The water and sewer industry accounts for 1% of the inquiries/complaints. The miscellaneous category includes companies that were not specified and contacts that included more than one type of utility. The total number of contacts did not appreciably change compared to last year, however, the percentage of energy complaints increased from 43% to 47% and there was a corresponding decline in telecommunications contacts from 54% to 51%. The increase in energy complaints was the result of calls about natural gas service. This increase was mostly related to customers with questions about rates, the amount of the bill, the accuracy of meter readings, and the need for either payment arrangements on the bill or service reconnection.

ENERGY INDUSTRY

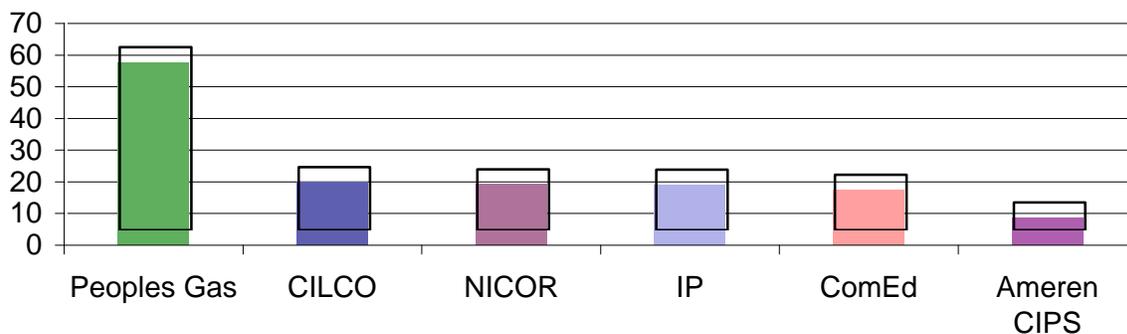
Inquiries and complaints included in the “Energy Industry” category are those concerning companies that provide only electric service, companies that provide only gas service, and companies that provide both gas and electric service.

Energy Industry Contacts



The graph above illustrates the number of inquiries and complaints there were received each year by CSD for the electric and gas companies from 1997 through 2001.

**Inquiries/Complaints per 10,000 Customers
2001**



The graph above illustrates the number of inquiries/complaints received per 10,000 customers for the major companies in the energy industry. The number of calls concerning natural gas service significantly increased in 2001 compared to the previous year. This was directly related to the high cost of natural gas. Peoples Gas led in the number of calls related to billing, estimated meter readings, termination, and payment arrangements.

2001 ENERGY INQUIRIES/COMPLAINTS FOR SMALLER ELECTRIC AND GAS COMPANIES

Company	Customers*	Contacts
North Shore	144,700	184
Ameren UE	62,400	108
United Cities Gas	25,400	100
MidAmerican	83,200	94
Illinois Gas	10,400	7
Mt. Carmel	5,600	3
Interstate	11,100	3

*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 2000 to those in 2001. 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 2001.

	2000 Complaints			2001 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
Nicor Gas	83	1,025	8%	190	1,754	11%
North Shore	6	70	8%	12	109	11%
ComEd	907	6,459	14%	394	4,414	9%
Peoples Gas	267	2,406	11%	290	3,160	9%
AmerenCIPS	7	124	6%	7	129	5%
CILCO	5	123	4%	9	194	5%
Illinois Power	23	376	6%	24	472	5%
United Cities	19	63	30%	3	57	5%
AmerenUE	5	63	8%	1	50	2%

RESPONSE TIME

The following table shows a comparison of the average response time for energy companies during 2000 and 2001. 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 2001. 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.

	2000 Response Time (in Days)	2001 Response Time (in Days)	Change in Days (2000 to 2002)
AmerenCIPS	10.4	16.5	6.1
AmerenUE*	16.0	16.7	0.7
CILCO	11.4	12.0	0.6
ComEd	10.9	9.3	-1.6
Illinois Power	11.5	11.7	0.2
Nicor Gas	18.2	22.9	4.7
North Shore*	29.3	52.0	22.7
Peoples Gas	28.7	45.6	16.9
United Cities Gas	8.3	10.0	1.7

* Less than 50 complaints in 2000

During 2001, many companies providing natural gas service were slower in responding than in the previous year. In most cases, this was a direct result of increased customer complaints related to the high cost of natural gas during the winter of 2000-01. Many of these issues required investigation by the company, such as re-reading meters, testing meters for accuracy and reviewing bill statements with customers. Staff has been working with North Shore and Peoples Gas to significantly reduce the response time for addressing complaints. Staff will monitor the companies' progress.

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 2000 and 2001.

Comparison of Problems – 2000 and 2001

	2000	2001
Billing	8,473	9,732
Credit/Deposit	851	848
Other *	852	862
Rates	435	1,562
Service	2,586	1,690
Termination	2,415	2,288

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

Inquiries and complaints pertaining to natural gas service increased greatly in 2001 compared with 2000. The number of complaints about rates more than tripled. In addition, customers contacted CSD questioning meter accuracy, seeking assistance in verifying the accuracy of billed amounts, and requesting payment arrangements.

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. In 2001, the high cost of natural gas was a major issue. Several of the top 10 complaints were directly related to the increase in natural gas costs, including questions about the rate structure for billing gas costs, the need for payment arrangements, and estimated and balloon bills.

REASON FOR CONTACT (detail problem codes)	NUMBER
Needs Payment Arrangements	2,886
Termination – Seeking Reconnection	1,760
Usage – Consumption	1,355
Rate Structure – PGA, etc.	1,278
Questions Responsibility for Account	1,116
Meter Reading Estimated/Make-up Bill	1,014
Other Payment Arrangements	869
Deferred Payment Arrangements	801
Credit/Deposits/Deposit Request	464
Reconnection or Disconnection	408

ENERGY INDUSTRY CONTACTS

The tables below illustrate the breakdown of the issues raised by customers. 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 2001.

BILLING	CONTACTS
Payment Arrangements	4,562
Usage/Consumption	1,343
Responsibility for Account	1,112
Meter	1,020
Payment – Other	638
Bill/Statement	366
Payment Posting Problem	301
Accuracy	195
Disputes Rate Class/Plan	118
Tampering	46
Repair/Service	22
Extension/Installation Dispute	9
SUBTOTAL	9,732

CREDIT/DEPOSIT	CONTACTS
Deposit Requirement	464
Service Denial	228
Deposit Amount/Conditions	104
Deposit Administration	52
SUBTOTAL	848

RATES	CONTACTS
Rate Structure	1,323
Inquiry	129
Opinion – Rate in Effect	104
Proposed Rate Change	6
SUBTOTAL	1,562

SERVICE	CONTACTS
Timeliness – General	504
Timeliness of Reconnection or Disconnection	409
Conduct of Personnel	380
Interruptions	130
Service Quality	98
Extension/Availability	72
Safety	58
Equipment Problems	39
SUBTOTAL	1,690

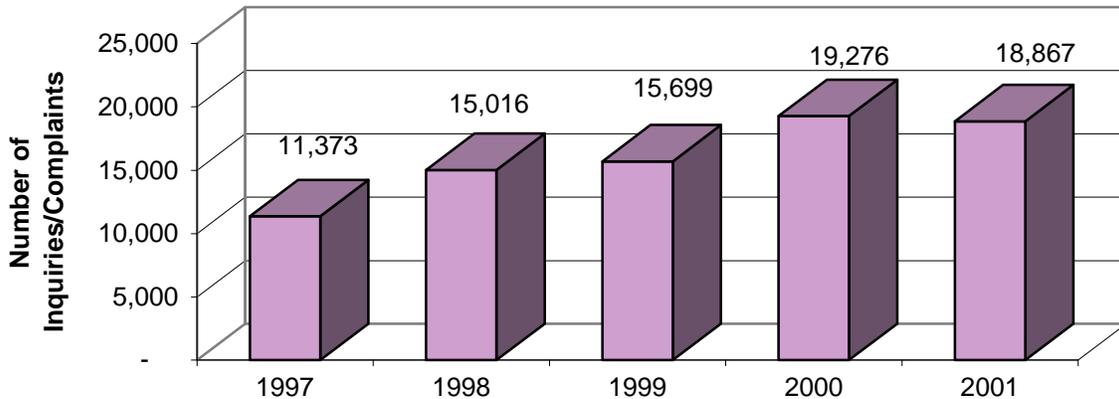
TERMINATION – SEEKING RECONNECTION	CONTACTS
Seeks Assistance	1,759
Questions Regarding Procedures	148
Other	129
Medical Certificate	115
Terminated in Error	57
Disputed Bill/Deposit	41
Tampering	39
SUBTOTAL	2,288

OTHER	CONTACTS
Other	377
ICC Actions or Regulations	284
No Jurisdiction	104
Issues – Oriented Contacts	97
SUBTOTAL	862

TOTAL NUMBER OF CLOSED ENERGY CONTACTS: 16,982

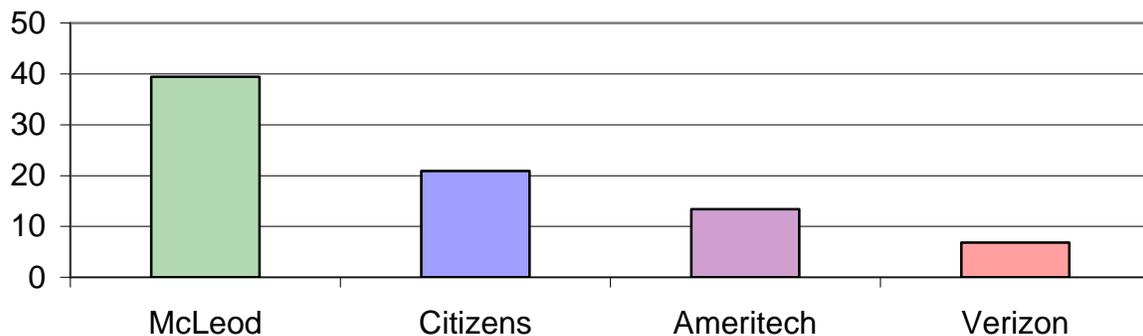
TELECOMMUNICATIONS INDUSTRY

Telecommunications Industry Contacts



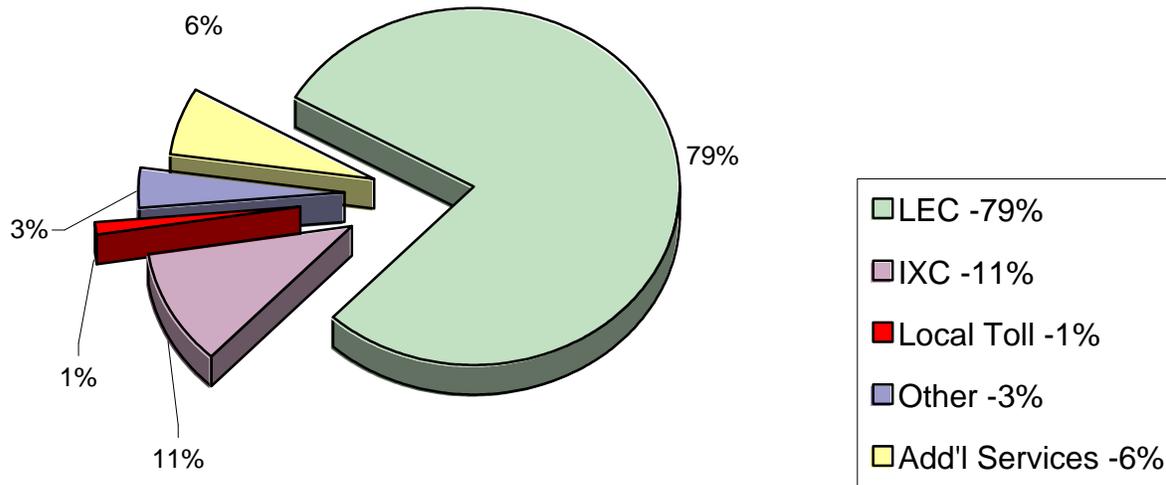
The graph above shows the number of inquiries and complaints concerning the telecommunications industry that were received each year by CSD from 1997 through 2001.

**Inquiries/Complaints per 10,000 Access Lines
2001**



This graph illustrates the number of inquiries and complaints per 10,000 access lines that were received for major local exchange carriers for 2001. Access lines include the number of residential and business phone lines used.

2001 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)

IXC – Inter-exchange Carrier – a company that provides service between exchanges and between Market Service Areas (MSAs), also known as the Local Access Transport Areas (LATAs)

Provider of Additional Services – a company that provides services such as 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 2000 to those closed in 2001. The charts are divided by the type of service provided: local exchange carriers, carriers that provide local toll service and those that provide inter-exchange service. The data indicates that the number of justified complaints taken in 2001 concerning local exchange services was lower than those taken in 2000.

The Local Exchange Carrier chart and the Inter-Exchange Carrier chart include those companies that received 50 or more investigative complaints during 2001. The chart for Local Toll Carriers 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 2001.

Local Exchange Carriers

	2000 Complaints			2001 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
Mpower	8	41	19%	15	54	28%
AT&T	109	500	22%	201	824	24%
McLeod	48	194	25%	81	371	22%
21 st Century	88	431	20%	118	570	21%
CoreCom	6	30	20%	10	50	20%
MCI	27	75	36%	209	1,079	19%
Ameritech	2,016	6,991	29%	949	6,084	16%
Citizens	2	13	15%	16	152	11%
Midwestern	63	475	13%	70	1,045	7%
Verizon	41	455	9%	20	288	7%

Local Toll Carriers

	2000 Complaints			2001 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
AT&T	15	67	22%	8	43	19%
MCI	4	36	11%	3	41	7%
Ameritech	9	46	19%	3	60	5%

Inter-Exchange Carriers

	2000 Complaints			2001 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
AT&T	144	960	15%	88	667	13%
MCI	46	360	13%	44	361	12%
Sprint	6	67	9%	4	51	8%

RESPONSE TIME

The following tables compare the average response time for telecommunications carriers during 2001. Response time is the number of days the utility takes to respond to CSD. The Local Exchange Carrier table and the Inter-Exchange Carrier table include those companies that received 50 or more investigative complaints during 2001. The table for Local Toll Carriers 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

	2000 Response Time (in Days)	2001 Response Time (in Days)	Change in Days (2000 to 2002)
21 st Century	24.8	17.3	-7.5
Allegiance*	3.8	38.3	34.5
Ameritech	35.1	15.5	-19.6
AT&T	23.7	18.9	-4.8
Citizens*	24.3	24.7	0.4
MCI	19.2	36.2	17
McLeod	19.3	25.6	6.3
MTI	6.0	10.4	4.4
SureTel*	2.8	16.1	13.3
Verizon	12.7	11.6	-1.1
Z Tel*	10.5	18.9	8.4

* Less than 50 complaints in 2000

Complaint response time increased greatly in 2001 for three companies: Allegiance, SureTel and Z Tel. The delays in large part can be attributed to an increase of more than 200 percent in the number of complaints received by each company. MCI's response time to complaints about inter-exchange and local service also increased in 2001. Staff initiated discussions with these utilities to implement plans to significantly reduce response time and Staff will monitor their progress.

Local Toll Carriers

	2000 Response Time (in Days)	2001 Response Time (in Days)	Change in Days (2000 to 2002)
Ameritech	32.2	24.6	7.6
AT&T	18.6	10.6	8.0
MCI	19.5	28.7	9.2

Inter-Exchange Carriers

	2000 Response Time (in Days)	2001 Response Time (in Days)	Change in Days (2000 to 2002)
AT&T	18	18.7	0.7
MCI	17.1	30.9	13.8
Sprint	17.3	16.6	-0.7

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 2000 and 2001. Billing continues to be the most frequently identified problem. During 2001, the number of inquiries/complaints concerning billing increased, but the number decreased in all other problem categories.

Comparison of Problems – 2000 and 2001

	2000	2001
Billing	7,662	7,707
Credit/Deposit	141	129
Other*	1,482	941
Rates	876	689
Service	7,176	6,756
Termination	1,139	880

*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. Service related problems, installation of new service and repair of existing service, were the leading telecommunications complaint categories in 2001. Some service and billing problems experienced by customers can be attributed to the transition to a competitive telecommunications market. Industry improvements are needed to ensure consumers the ability of seamless switching between local exchange carriers. Billing problems include charges for service/feature not ordered and bills issued by both (former and new) carriers following the change of a carrier. Service problems include the release of customers causing delays in the reconnection and disconnection of service.

REASON FOR CONTACT (detail problem codes)	NUMBER
Schedule for Repair	1,340
Installation of New Service	1,323
Questions Responsibility for Account	1,267
Usage- Consumption	1,260
Dispute Rate Class or Plan	1,056
Needs Payment Arrangements	691
Reconnection or Disconnection	591
Poor Performance of Office Personnel	585
Other Billing Issues	567
Billed for Service or Feature not Ordered	549

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 2001.

BILLING	CONTACTS
Responsibility for Account	1,279
Usage/Consumption	1,278
Dispute – Rate Classification/Plan	1,075
Payment Arrangements	1,042
Accuracy – General	593
Bill for Feature Not Ordered	553
Bill Statement	509
Payment – General	379
Disputed Bill by Other Company	367
Posting Problems	346
Repair/Service	275
Extension/Installation Dispute	11
SUBTOTAL	7,707

CREDIT/DEPOSIT	CONTACTS
Service Denial	80
Deposit Amount/Conditions	35
Deposit Administration	14
SUBTOTAL	129

RATES	CONTACTS
Rate Structure	343
Rate Inquiry	229
Opinion – Rate in Effect	90
Proposed Rate Change	27
SUBTOTAL	689

SERVICE	CONTACTS
Timeliness of Performed Work	3,786
Poor Performance by Utility Personnel	755
Quality	625
Unauthorized Change of Service (slamming)	482
Service Interruptions	456
Availability of Features & Equipment	296
Conduct of Billing Agents/Outside Contractors	190
Equipment Problems	142
Safety	13
Service Extensions	11
SUBTOTAL	6,756

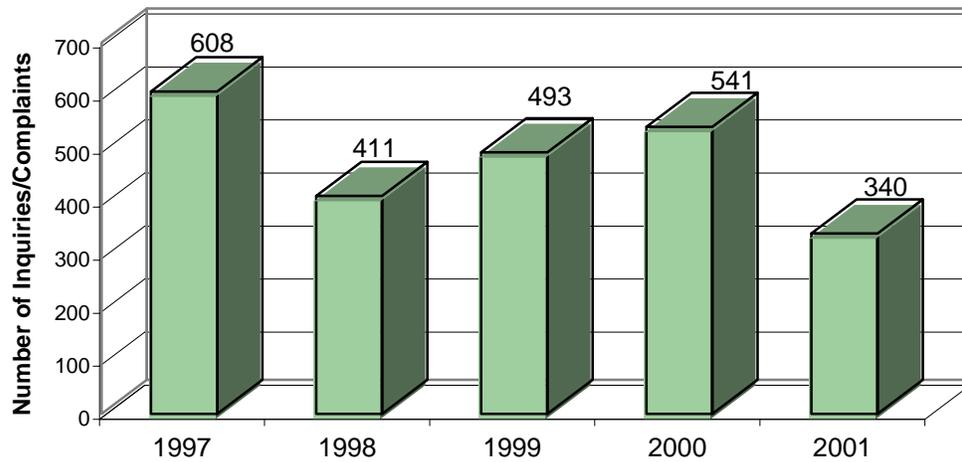
TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	527
Disputes	191
Questions Regarding Procedures	106
Medical Certificate	56
SUBTOTAL	880

OTHER	CONTACTS
Issues – Oriented Contacts	652
No Jurisdiction	289
SUBTOTAL	941

**TOTAL NUMBER OF CLOSED TELECOMMUNICATIONS CONTACTS:
17,102**

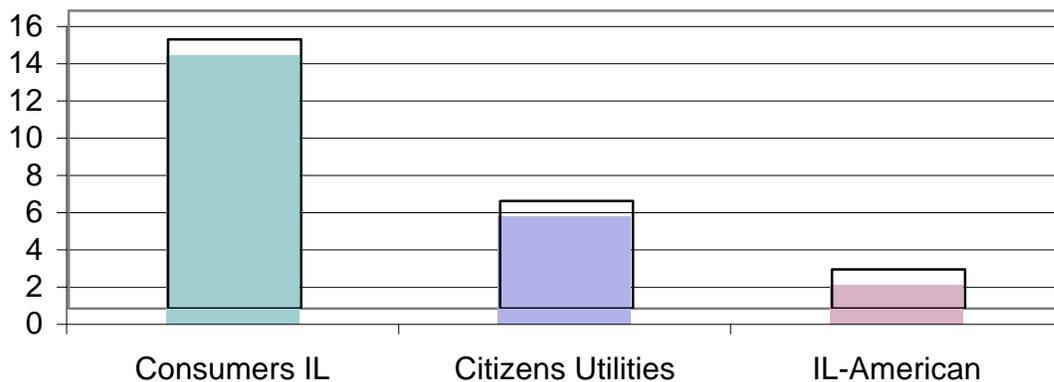
WATER & SEWER INDUSTRY

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 1997 through 2001.

Inquiries/Complaints per 10,000 Customers 2001



The chart above shows the number of inquiries and complaints per 10,000 customers that were received for the major companies in the water/sewer industry for 2001.

RESPONSE TIME

The table below shows a comparison of the average response time for those water and sewer utilities that received 40 or more investigative complaints during 2001. 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.

	2000 Response Time (in Days)	2001 Response Time (in Days)	Change in Days (2000 to 2002)
Consumers Illinois	13.6	10.9	-2.7
Illinois-American	14.8	14.9	.1

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 2001.

BILLING	CONTACTS
Usage/Consumption	38
Accuracy	26
Payment Arrangements	24
Payment/Billing General	14
Responsibility for Account	13
Bill Statement	11
SUBTOTAL	126

CREDIT/DEPOSIT	CONTACTS
Service Denial	2
SUBTOTAL	2

RATES	CONTACTS
Proposed Rate Change	43
Opinion – Rate in Effect	19
Rate Inquiries	9
Rate Structure	6
SUBTOTAL	77

SERVICE	CONTACTS
Timeliness of Performed Service	11
Service Quality	10
Conduct of Personnel	9
Service Extension/Availability	2
Equipment Problems/Safety/Interruption	1
SUBTOTAL	33

TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	17
Miscellaneous	8
Questions Regarding Procedures	7
Medical Certificate	1
SUBTOTAL	33

OTHER	CONTACTS
No Jurisdiction	34
Issues – Oriented Contacts	23
SUBTOTAL	57

TOTAL NUMBER OF CLOSED WATER AND SEWER CONTACTS: 328

ACTIVITIES AND ISSUES

CONSUMER OUTREACH & EDUCATION

Consumer Services anticipates that its role in consumer outreach and education will continue to expand as the utility industry changes; we look forward to the challenge. Currently, CSD conducts meetings associated with rate increase requests of small water companies when community interest is expressed. The Staff is also available to witness meter tests performed by utilities and to make presentations on various consumer and regulatory matters to consumer groups. To keep abreast of consumer issues and concerns, CSD Staff is represented on the Chicago Energy Council; the Department of Commerce and Community Affairs Policy Advisory Council; and the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on Consumer Affairs.

Public Forums

The Illinois General Assembly adopted a resolution during the spring session calling upon the Commission to conduct hearings into natural gas utility billing practices. A member of Consumer Services Division staff conducted two public forums to allow for public comment on the billing practices of Illinois gas utilities. The meetings were held during August in Springfield and Orland Park.

Customer Information

The Illinois Commerce Commission has developed a series of publications for consumer education and outreach. Our consumer guide, "It's Time to Get Plugged In", is available in business and residential versions containing 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. Topics discussed in other publications include using phones away from home, maximum rates allowed for operator service providers, "900" numbers, and resolving utility problems. A list and description of these publications can be found at the end of this document.

These publications and other useful customer information are available through the Commission's web site at: www.icc.state.il.us. In increasing numbers, consumers access the Internet on a daily basis; Consumer Services Division contributes to updating and expanding the site. Portions of the Consumer Service Section of the Commission's web site have been translated into Spanish. Making information conveniently and easily accessible to consumers 24 hours a day is part of CSD's goal of a comprehensive, interactive and "user-friendly" web site. Consumers are able to navigate from the home page, which contains separate areas/headings for electric, natural gas, telecommunications, and other utility services.

Regulatory information including Commission rules and other documents are available through the Commission's web site. Administrative Code Part 280 provides detailed procedures for electric, gas, water and sewer utilities governing eligibility for service, deposits, payment practices and discontinuance of service; Administrative Code Part 735 establishes procedures for telecommunications carriers. This information can be accessed at the document library of the Commission's web site www.icc.state.il.us.

Customer Survey

This year, Consumer Services conducted a survey to determine the level of satisfaction among the consumers who contact our office. Written surveys were sent to randomly chosen groups of customers. Questions addressed promptness of answer, knowledge, courtesy, and overall satisfaction. The survey results were very positive, with over 75% of the responses indicating overall satisfaction.

ENERGY ISSUES AND ACTIVITIES

ELECTRIC SUPPLIER CHOICE

The Commission continues efforts to implement the Electric Service Customer Choice and Rate Relief Law of 1997 (P.A. 90-561). CSD Staff has been involved in rulemakings and other endeavors to implement this law.

Consumer Education Program

Details about the Consumer Education Program can be found in the **Consumer Programs** section of this report.

Delivery Services Tariffs

Historically, customers have paid the utility a single "bundled price" for electricity. This price included all of the costs associated with generating, transmitting, and distributing power. Electric restructuring allows eligible customers to choose who provides the generation portion. The incumbent utility will continue to deliver the electricity to the customer. This service is referred to as the "delivery services" portion of the customer's electric service. To offer the necessary service, new prices, terms, and conditions had to be developed and approved. Delivery Services Tariffs were approved for each company in 1999 to provide service for non-residential customers. In preparation for the implementation of residential delivery services in May 2002 the utilities filed revised tariffs. CSD Staff testified in the AmerenCIPS and AmerenUE Docket (00-0802) and monitored the filings of the other utilities.

GAS SUPPLIER CHOICE

Unlike restructuring in the electric industry that requires electric utilities to provide delivery services, natural gas utilities are not required to make delivery services available. However, some natural gas utilities voluntarily offer their residential and small commercial retail customers the option to choose an alternative gas supplier.

Nicor Gas

In January 1998, Nicor Gas began "Customer Select", a pilot program allowing customers to choose their natural gas supplier. The program was phased in beginning with certain commercial and industrial customers and expanded to all non-residential customers and 83,000 residential customers by March 2000. In August 2000, Nicor Gas filed a request (Docket 00-0620) with the ICC to expand Customer Select to all business and residential customers. The Commission issued an order July 5, 2001, and another on January 3, 2002, at the conclusion of a rehearing granting approval for the expansion of customer choice effective March 1, 2002. The Commission's order in the case addresses customer enrollment, billing options, requirements of suppliers pertaining to delivery of gas, distribution company standards of conduct to be followed by suppliers, and a requirement that the distribution company provide consumer education.

Peoples Gas and North Shore Gas

The "Customer Choice" Pilot Program began in November 1997 offering small commercial and industrial customers throughout Peoples service territory the opportunity to buy their natural gas supply from a number of established non-utility marketing firms. In May 2000, Peoples Gas filed a tariff to make Customer Choice permanent; the Commission approved that filing. In May 2001, Peoples sought approval (Docket 01-0470) to revise its program for small volume transportation and extend the availability of the Program on a phased-in-basis to residential customers. Also, in May 2001, North Shore Gas petitioned the Commission for approval (Docket 01-0469) of a similar program. The Commission granted approval on March 5, 2002, with changes taking effect May 1, 2002. The Commission's order granting approval addresses customer enrollment, billing options, requirements of suppliers pertaining to delivery of gas, distribution company standards of conduct to be followed by suppliers, and a requirement that the distribution company provide consumer education.

NATURAL GAS SUPPLY PRICES

Report to the Illinois General Assembly

House Resolution 102 of the 92nd General Assembly asked the Illinois Commerce Commission to provide a report concerning the billing practices of public utilities providing natural gas service to consumers in Illinois. In September 2001, the Commission filed its report containing information pertaining to the guidelines that govern the practice of using estimates in issuing utility bills, the methodologies used by utilities in estimating usage, and standards for accuracy of metering devices. Also

included is information regarding public forums held by the Commission. Members of CSD staff led efforts to obtain and compile the necessary information for the report and conducted public forums. Facts obtained for the report led the Commission to require Central Illinois Light Company (CILCO) to revise its estimating procedures and Peoples Gas, North Shore Gas, and Nicor Gas to develop plans to expeditiously reduce their backlog of unread meters to a reasonable level.

Notice of Inquiry

The Commission initiated a Notice of Inquiry (01 NOI – 1) into the increase of the price of natural gas. In January 2001, Governor Ryan directed the Commission to complete a broad investigation of natural gas price increases, which had a serious impact on Illinois consumers during the 2000/2001 winter heating season. The resulting report focused on ten main subject areas: the cause of the high prices; efforts to inform and assist customer; supply and production; transmission; distribution; holding companies and affiliates; wholesale and trading; projected natural gas prices; hedging and risk management; and other comments. Members of CSD staff participated in the inquiry and contributed information to the report. Staff concluded that utilities made considerable efforts to alert customers to the rising costs of natural gas and to inform customers of conservation measures, the availability of deferred and budget billing plans and energy assistance.

Education efforts by utilities were frequent and presented through a variety of media. The high cost of gas and cold December weather resulted in bill amounts that were at least double or triple those of the previous year. Staff also found that utilities modified collection and disconnection policies to be more lenient with customers and help them manage the unusually high bills. Further, utilities delayed issuing disconnection notices and advised staff of prioritized disconnection of service based upon the customers' payment histories. Customers who made no effort to pay any portion of their delinquent bills were the first ones scheduled for disconnection. Consumer Services Division monitored the disconnection practices of the utilities to ensure compliance with Commission rules and adherence to the utilities' voluntarily adopted policies intended to address the special circumstances.

Electric Reliability Survey

The Electric Service Customer Choice and Rate Relief Law of 1997 (P.A. 90-561) requires each electric utility or alternative retail electric supplier owning, controlling, or operating transmission and distribution facilities and equipment to conduct a customer survey annually. This survey, conducted by phone, asks a randomly selected group of customers to rate the company on reliability, tree trimming, service quality and pricing among other topics of interest. Complete survey results are provided in each company's annual report and can be found on the Commission's web site. CSD Staff reviewed survey results and developed a chart of responses to key questions of interest to consumers; the chart can be found on the ICC web site.

Risk Management

In the fall of 2001, a number of electric and gas utilities jointly petitioned the Commission (Docket 01-0644) for waiver to existing rules in Code Part 280 permitting the utilities to use risk assessment as an additional method to determine when deposits may be required from applicants for residential service. The Commission had previously approved a petition (Docket 97-0635) for a waiver of the rule allowing Nicor Gas to conduct a pilot of this alternative method. In January of 2002, the petitioners in Docket 01-0644 filed an amended petition seeking a permanent change in the rule permitting a risk assessment analysis of the credit history of applicants for residential service to determine whether payment of a deposit is required. The rulemaking process has been initiated.

Energy Assistance Program Design Group

The electric restructuring legislation included an amendment to the Energy Assistance Act of 1989, which created the Energy Assistance Program Design Group and charged it with advising the General Assembly with respect to designing a low-income energy assistance program for the period beginning on July 1, 2002. Working group members include: legislators; designees from certain state agencies; consumers - - low-income, residential, commercial, and industrial; public utilities; municipal utilities; and electric cooperatives. A CSD Staff member represents the Illinois Commerce Commission on this group. The group's report was provided to the Governor and General Assembly in November 2001. The report includes recommendations for legislative changes to the Energy Assistance Act.

TELECOMMUNICATIONS ISSUES AND ACTIVITIES

New Competitive Local Exchange Carriers (CLECs)

During 2001, 88 petitions were filed by companies seeking Commission certification to provide local exchange service, through resale or facilities based service. CSD Staff participated in "new LEC" proceedings through testimony or cross-examination to ensure that the new service providers meet the requirements of the ICC rules, including the solicitation, collection, and remittance of monies for the various programs. The rules which fall within the purview of the Consumer Services Division deal with Teletypewriter (TTY) distribution; telecommunications relay service; telephone assistance programs; service quality; pre-subscription, credit, billing and termination of telephone service; pay-per-call services, and preservation of telephone company records. To date, approximately 500 petitions have been filed with the Commission.

Revision to 83 IAC Part 730 (Docket 98-0453)

The 83 Illinois Administrative Code 730 prescribes the standards of service for telecommunications carriers. Revisions to Part 730 were approved by the Commission and became effective September 1, 2000. Business and repair call center answer times were established, along with annual reporting requirements for number of calls received, answered, and abandoned.

On September 7, 2000, the Commission, on its own motion, opened Docket 00-0596, to revise and further define telephone service quality standards. The docket was delayed due to service quality issues in HB 2900. Continuing into 2001, several workshops were conducted and at the conclusion of the workshops, Staff filed testimony, testified, and is currently in the briefing stage of the docket.

83 IAC Part 732 (Docket No. 01-0485)

On June 28, 2001, Governor Ryan signed into law PA 92-0022, which added Section 13-712, relating to basic local exchange service quality and customer credits. On July 20, 2001, the Commission initiated a proceeding to adopt emergency rules, to implement rules for automatic application of customer credits for missing out of service, installation, and appointment standards. Staff conducted five workshops with the industry and consumer groups to collaboratively consider whether any changes should be made to Part 732. On December 19, 2001, the Commission entered an order adopting Part 732. The rules required staff to develop three templates to be posted to the Commission web site for a bill message; bill insert; and directory, web page, and/or direct mail pieces. Staff circulated several drafts for telecommunications carrier and consumer advocate input. Three petitions for rehearing were filed and on January 29, 2002, the Commission agreed to reopen the docket to review five specific issues.

83 IAC Part 758 (Docket No. 01-0825)

On June 28, 2001, Governor Ryan signed into law PA 92-0022, which added Section 13-301.2 to the Public Utilities Act. Section 13-301.2 requires the Commission to develop rules that require each telecommunications carrier to notify its customers of the availability for a customer to voluntarily participate in the funding of the Program to Eliminate the Digital Divide by electing to contribute an amount on the monthly bill. Staff proposed rules for comment and review at two workshops by the industry, consumer groups, and the Department of Commerce and Community Affairs. Staff provided the Commission with an agreed upon rule and the Commission approved the first notice period on December 19, 2001.

Reorganization and Mergers

Consumer Services played an active role in the approval for sale and purchase of telephone properties and related assets in the Oblong and Martinsville Exchanges to be purchased by Odin Telephone Exchange, Inc. from Illinois Consolidated Telephone Company and the purchase of the Staunton and Livingston Exchanges from Gallatin River Communications, L.L.C. by Madison Telephone Company. In addition, CSD Staff took part in the boundary revisions between Harrisonville Telephone Company and Verizon North, Inc. Staff activities included a review of petitions and data requests and the offering of written and oral testimony to ensure that the purchase of assets and reorganization would not diminish the utilities' ability to provide service.

Conditions of the SBC/Ameritech merger (Docket 98-0555) required Ameritech to fund consumer education and access to advance technology. The Illinois Telephone Consumer Education Fund and the Illinois Community Technology Fund were

established as not-for-profit corporations to administer the programs. Staff continues its active participation as members of both committees. More information can be found in the Consumer Programs section of this report. Additionally, Staff accepted and Verizon implemented the FCC merger conditions pertaining to Enhanced Lifeline Plans.

Saver Pack Plans

At the Commission's request, Staff conducted a review of Ameritech's sales and marketing plans with respect to the offering of its Saver Pack Plans. Staff provided the Commission with a report describing the statutory requirements and Ameritech's endeavors and deficiencies in meeting the statutory requirements. Staff requested the Commission's permission to continue working with Ameritech to clean up the deficiencies and committed to sending a follow up report in 90 days.

7-1-1

In response to an FCC order requiring that the telephone number "7-1-1" be implemented for access relay service by all telecommunications carriers, Staff facilitated workshops and conference calls to bring the telecommunications carriers and the deaf and hard of hearing communities together to design and implement the "7-1-1" number. Telecommunications carriers implemented the use of "7-1-1" on May 9, 2001; the cellular carriers began using "7-1-1" by October 1, 2001.

Area Codes

It was initially determined in early 2001 that it was necessary to implement the area code overlay and 11-digit dialing procedures for all phone calls placed by customers with 847 or 224 area code numbers. However, proceedings before the ICC revealed extra available numbers in 847 for assignment, which allowed for further delay of the overlay implementation. In December 2001, the first 224 numbers were activated. CSD handled a variety of calls and correspondence on this topic and area code exhaust for other parts of the State. The Commission is currently working on numbering issues for 312, 773, 815, 309, 217 and 618 area codes. CSD continues to perform consumer education duties on this topic, as well as making records of citizens' opinions. Detailed information on area codes in Illinois may be found on the ICC's website.

Calling Plans and Competition

Legislation enacted on July 1, 2001, provided for Ameritech to offer its residential customers three new flat rate plans. Ameritech created rate plans that follow the requirements of the law. Those rate plans and a variety of other rates and service packages for both residential and business consumers were approved by the Commission. Competitive local phone companies in Illinois also developed a variety of plans to serve customers' needs, and CSD handled many consumer contacts in 2001 regarding the many options now facing customers for local phone service. CSD urges consumers to take account of their individual service needs when considering if a rate and service plan is right for them. Smart shoppers do well to ask for details in writing and we note that a great amount of information provided by companies about their rate plans is available on the Internet. The ICC's website also keeps a running list of competitive providers along with the areas they have currently chosen to serve under

the heading “About Local Exchange Carriers” in the Consumer Services section of the ICC web site. Carriers have the responsibility to update their information by contacting Commission Staff.

Service Installations and Repairs

Numbers of consumers contacting CSD regarding delays in repairing service or installing new service dropped slightly in 2001. However, this topic has become more complex with the emergence of competition and the implementation of new legal standards that allow for customer credits when repairs and/or installations are unreasonably delayed.

Slamming, Cramming and Jamming

On July 1, 2001, Illinois enacted new legislation on these topics. Slamming (the unauthorized change of a customer's pre-subscribed local, local toll or long distance carrier) received tough restrictions that reflect the Federal Communications Commission's (FCC's) requirements for letters of agency (LOAs) and third party verifications, while also retaining the mandate that carriers send confirmation letters to consumers when they use LOAs to sign up new customers. The Illinois law on slamming is Section 13-902 of the Public Utilities Act (PUA). Also included in Section 13-902 is an “anti-Jamming” requirement that changes in a subscriber's selection be executed without unreasonable delay. Cramming (the unauthorized billing of additional products and services on a customer's phone bill) was separated into its own statutory section (13-903 of the PUA), and restrictions were increased so that carriers that bill for other companies must now remove disputed charges when customers inform them of alleged cramming. Numbers for alleged instances of slamming and cramming continued their declining trends in 2001, with a slight rise in local service slams recorded. This may be attributed in part to the emergence of competition in the local service market in some areas of Illinois. CSD continues to work with consumers and carriers to ensure that the law is upheld.

CONSUMER PROGRAMS

CONSUMER EDUCATION PROGRAM (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.

In Illinois, electric choice is being implemented in phases. As of December 31, 2000, all non-residential customers became eligible. Residential customers are eligible beginning May 1, 2002. 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. The Commission also approved an implementation plan to conduct targeted media relations activities together with grassroots outreach focused on small commercial electricity customers. In addition, a video, a media kit and public service announcements were developed. Through speaking engagements and media interviews, the Commission's Chairman, Commissioners, and Executive Director have contributed to the outreach efforts of the campaign. The Commission maintains a consumer education web site at: www.icc.state.il.us/pluginillinois where consumers can access the approved material and other pertinent information including a list of certified suppliers.

CONSUMER EDUCATION FUND (Telecommunications)

The Illinois Telephone Consumer Education Fund (ITCEF) and the ITCEF Committee were established by the Illinois Commerce Commission as part of its approval of the merger (Docket 98-0555) of Ameritech and SBC Communications in October 1999. The Committee consists of representatives from the Illinois Commerce Commission, Citizens Utility Board, the Illinois Attorney General's Office, the Cook County State's Attorney's Office, and Ameritech Illinois. Ameritech provides funding for this educational effort. The ITCEF Committee's mission is to help Illinois consumers understand their options, rights and responsibilities in the telecommunications market. The Committee published a brochure *Phone Questions? Get Answers!* was made available by calling a toll-free phone number and through grassroots activities. The brochures and web site were the focus of the educational campaign, launched in fall of 2001, which consisted of advertising (television, radio and newspaper), a bill insert (included in bills to Ameritech's residential customers), grassroots activities, and media outreach.

ILLINOIS COMMUNITY TECHNOLOGY FUND (Telecommunications)

The Illinois Commerce Commission established the Community Technology Fund as a condition of the merger (Docket 98-0555) of SBC and Ameritech Illinois in 1999 to ensure that citizens in rural and low-income areas of the state have access to advanced telecommunications technology. A member of CSD Staff has been an active representative and Secretary of a not-for-profit corporation that administers the Illinois Community Technology Fund (ICTF). SBC/Ameritech is required to provide funding for \$1 million each year for three years. In addition, the ICTF has \$1,425,000 available over three years to support a Community Computer Center (CCC). The ICTF issued its first Request for Proposal (RFP) and received over 370 grant applications. Approximately \$1.4 million was distributed to 40 not-for-profit organizations. The final ICTF RFP and the CCC RFP were issued in 2001.

TELETYPEWRITER DISTRIBUTION AND TELECOMMUNICATIONS RELAY SERVICE

The Commission designed and implemented a program whereby the local exchange carriers (LECs) provide a Teletypewriter (TTY) to persons with hearing and speech disabilities, or organizations whose primary purpose is serving persons with hearing and/or speech disabilities. The local exchange carriers provide a telecommunications relay service (TRS), which links people who use a TTY and people who use a standard telephone. There is a surcharge assessed on each subscriber line to offset the costs incurred by the local exchange carriers. The Commission ordered the line charge to be lowered to 3 cents and .3 cents for Centrex in May 2001.

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

Since the program's inception in November 1988, 7,916 TTYs have been distributed. Among the recipients of these devices, 72 not-for-profit organizations have benefited from this program. TRS service is provided by Sprint. During 2001, over 1.5 million calls were completed through the relay system, and 276 TTYs were distributed through 19 centers located throughout the state. ITAC distributed 5 TTYs with a large visual display this year, bringing the total to 191. There were no telebraille machines distributed this year. Since the inception of the program, 20 telebrailles have been distributed.

In response to an FCC order requiring that the telephone number "7-1-1" be implemented for access relay service by all telecommunications carriers Staff facilitated workshops and conference calls to bring the telecommunications carriers and the deaf and hard of hearing communities together to design and implement the "7-1-1" number. Telecommunication carriers implemented the use of "7-1-1" on May 9, 2001; the cellular carriers began using "7-1-1" by October 1, 2001.

UNIVERSAL TELEPHONE ASSISTANCE PROGRAM (UTSAP)

The Telecommunications Act of 1996 directed the FCC to take the necessary steps to establish support mechanisms to ensure the delivery of affordable telecommunications service to all Americans, including low-income consumers. On May 7, 1997, the FCC issued an order that required states to implement Link Up and Lifeline Programs by January 1, 1998.

The Universal Telephone Assistance Corporation ("UTAC") and the Commission Staff worked diligently to revise 83 Illinois Administrative Code 757, "Telephone Assistance Programs" to incorporate the newly designed Link Up and Lifeline Programs.

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 \$6.85 towards 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. In addition to the federal Link Up waiver, 50% (up to \$30) assistance is applied to the consumer’s installation charge from UTSAP funds for eligible telecommunications carriers (“ETC”). Additionally, the UTSAP monthly supplemental assistance amount of \$1.50 is added to the existing federally funded amount of \$6.85 for ETCs. This allows the Commission to request additional federal support equal to one-half of any support generated from Illinois, bringing the total amount of monthly supplemental assistance to \$8.35. Carriers who have not applied for ETC status do not receive the federal funding, however, they are eligible for 50% of the installation charge and \$1.50 monthly charge from UTSAP. The amount of supplemental assistance is reviewed on an annual basis by the commission according to the level of voluntary contributions.

To be eligible, recipients must currently receive benefits from one of the following programs: Food Stamps, Medicaid, Federal Public Housing, Supplemental Security Income (“SSI”), and Low-Income Home Energy Assistance Program (“LIHEAP”). 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.

In response to an FCC merger condition, Ameritech implemented an optional enhanced Lifeline Program, Lifeline USA, which provides 100% on connection charges and a \$10.20 monthly discount on basic service. This program offers consumers more discount dollars, restricts optional and pay-per-use services, and provides for payment arrangements on past due local service bills. If consumers want the optional and pay-per-use services, the original Lifeline Plan of \$8.35 is still available. Verizon offered a program to increase the Lifeline rate to \$10.20, that the Commission accepted in June 2001. Verizon’s plan does not restrict optional services. The plans of Ameritech and Verizon will be in effect for three years.

The following table shows the number of recipients and voluntary contributions to the program since March 1993.

DATE	LINK-UP RECIPIENTS	LIFELINE RECIPIENTS	CONTRIBUTIONS
1993	15,267	--	\$242,997
1994	26,634	--	\$1,015,726
1995	24,000	--	\$801,423
1996	10,249	--	\$882,014
1997	6,720	--	\$855,600
1998	12,050	55,500	\$922,250
1999	12,200	53,300	\$911,500
2000	13,000	54,000	\$1,000,175
2001	27,453	62,798	\$1,184,130

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. The Illinois Department of Commerce and Community Affairs 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.

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.

Facts About Consumer Complaints: outlines the two basic levels of complaints, informal and formal, which the Illinois Commerce Commission handles.

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; 6. Resolving Your Utility Problems; and 7. Mediation. The post card format allows counselors to expeditiously send useful information to consumers.

Rights and Responsibilities as an Electric, Gas or Water Utility Customer: provides an overview of the utility consumers' rights and responsibilities; it does not include telephone service.

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

ELECTRIC RESTRUCTURING

Our consumer guide, *It's Time to Get Plugged In*, is available in business and residential versions containing 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.

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.