

**2007
ANNUAL REPORT
CONSUMER SERVICES
DIVISION**



**Illinois Commerce
Commission**

ANNUAL REPORT
CONSUMER SERVICES DIVISION
2007

ILLINOIS COMMERCE COMMISSION

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Executive Summary

The Consumer Services Division (CSD) of the Illinois Commerce Commission provides the agency's principal contact with utility ratepayers throughout the State of Illinois. Utility customers are connected to an experienced team of counselors who work exclusively to field questions about utility service and resolve their issues. Consumers are also served through recorded information about a number of utility topics. This report delivers a year in review summary of our work.

In 2007, approximately 125,000 consumers called this division for information or assistance. Moreover, our team received, recorded, researched and responded to more than 31,000 specific complaints, the majority of which focused on energy issues. Another 2,630 consumers contacted the division via alternative methods including letters and email. Through these various channels of customer communication the Consumer Services team successfully worked with utilities to provide \$1.3 million in savings to consumers.

This report also includes a breakdown of the types of inquiries/complaints that were received and how they were resolved; approaches to resolving inquiries and complaints, resolution times and problems identified by investigating consumer complaints. Utility performance in responding to customer concerns is also reviewed.

In addition to managing consumer contact, CSD staff participates in consumer education efforts, rulemakings, certification cases, informal investigations into industry practices, and formal cases before the Commission.

I represent the members of this division when I say thank you for your interest. Our ongoing goal is to assist and educate consumers regarding issues of public utility compliance with state laws and rules, the provision of natural gas from alternative suppliers, electric rate restructuring and telephone service alternatives.

Robert F. Koch
Manager

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.

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.

CONSUMER EDUCATION

Counselor Staff answers consumer inquiries regarding customer rights and responsibilities; Commission programs and rules; telecommunication carrier options and alternative energy supplier options.

RECORDING CONSUMER OPINION

Counselor Staff records consumer observations and opinions regarding utility issues such as cost of service, rate case protests, utility policy and practices, customer service issues, location of transmission lines, utility service territories, area codes and other issues.

RESOLVING DISPUTES

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 2007, more than 6,400 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 2,132 complaints were received by e-mail during 2007.

DISTRIBUTING CALLS, RECORDING, AND TRACKING DATA

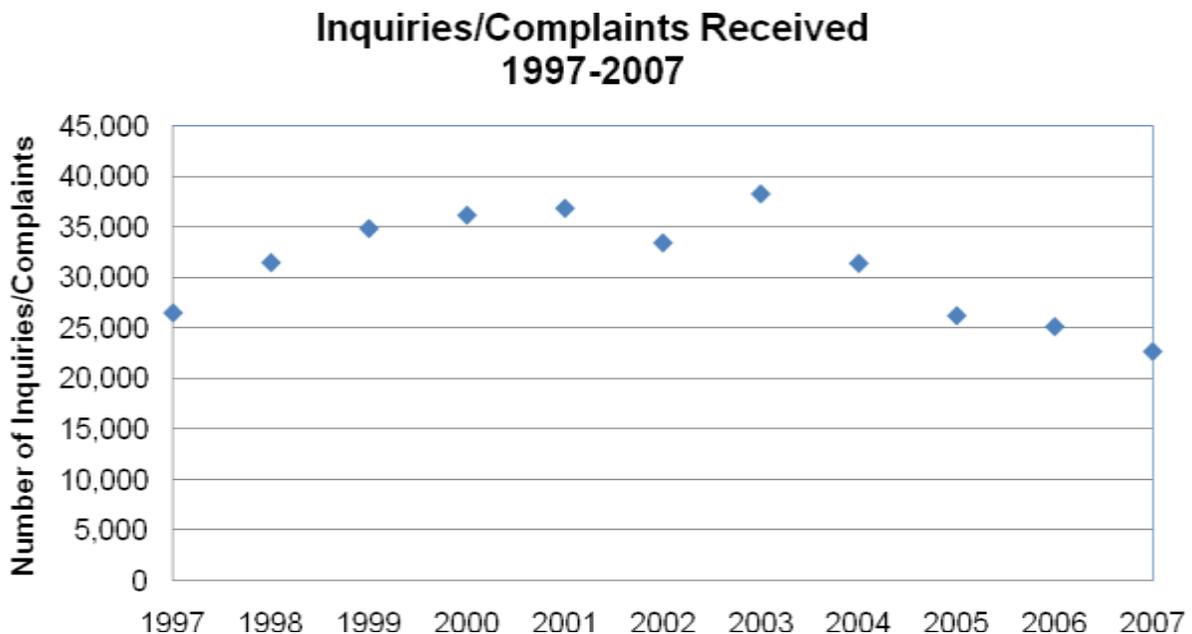
The Consumer Services Division uses an Automated Call Distribution system (ACD) to connect callers to the member of our Staff best able to address the caller's issue, and offer options to callers. Calls from TTYs are routed to counselors via Textnet, an interactive computer application. Callers can access 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.

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.

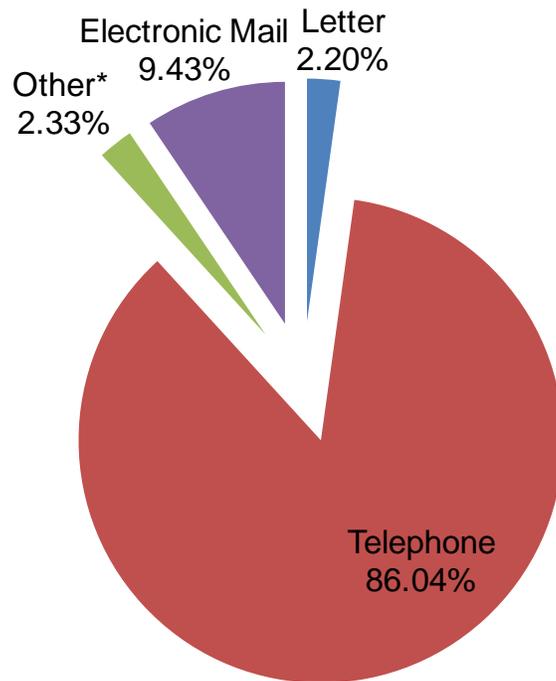


During 2007, CSD Staff recorded 22,617 contacts. The graph depicts the number of inquiries and complaints received from 1997 through 2007.

TELEPHONE SUMMARY

Total Calls: 158,643
Calls to IVR: 125,382
Calls Answered: 31,872
Number of Inquiries/Complaints: 22,617

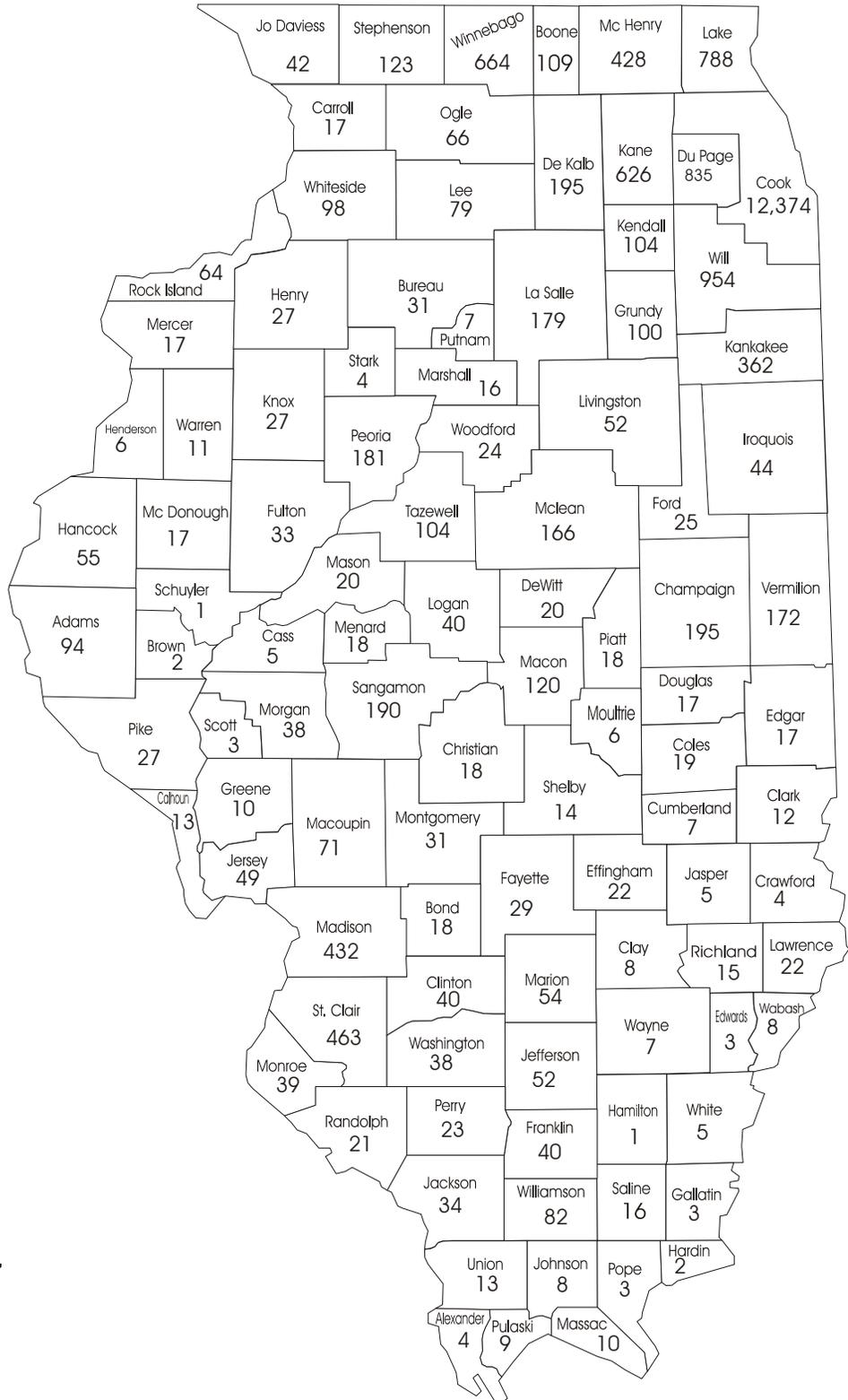
Origin of Inquiries/Complaints



*Contacts include those made via fax and teletypewriter.

Most of the 22,617 cases recorded (86%) began with a telephone call to our toll-free number.

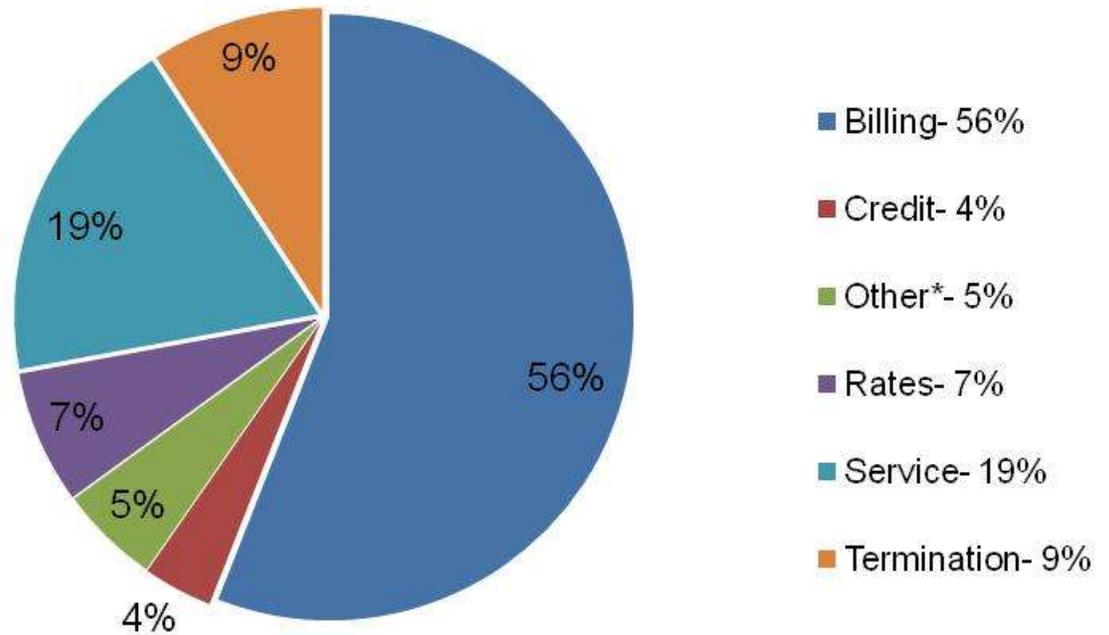
NUMBER OF CONTACTS BY COUNTY



Not Specified = 687

Out of State = 96

PROBLEM IDENTIFICATION



***Includes issue-oriented contacts**

The graph above represents the total number of inquiries/complaints that were opened during 2007, categorized by problem type. These categories include billing, credit/deposit, rates, service, termination and other. This graph illustrates that 56% of the inquiries/complaints opened related to the consumer's bill.

TOP 10 INQUIRIES/COMPLAINTS

REASON FOR CONTACT	NUMBER
Need payment arrangements	2,672
Seeking reconnection	1,591
Accuracy of bill- responsibility for account	1,490
Accuracy of bill- usage/consumption	1,267
Deferred payment agreement	1,218
Protest rates	1,196
Accuracy of bill- meter	832
Accuracy of bill- other	668
Other	658
Timeliness of performed service- reconnection/disconnection	570

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

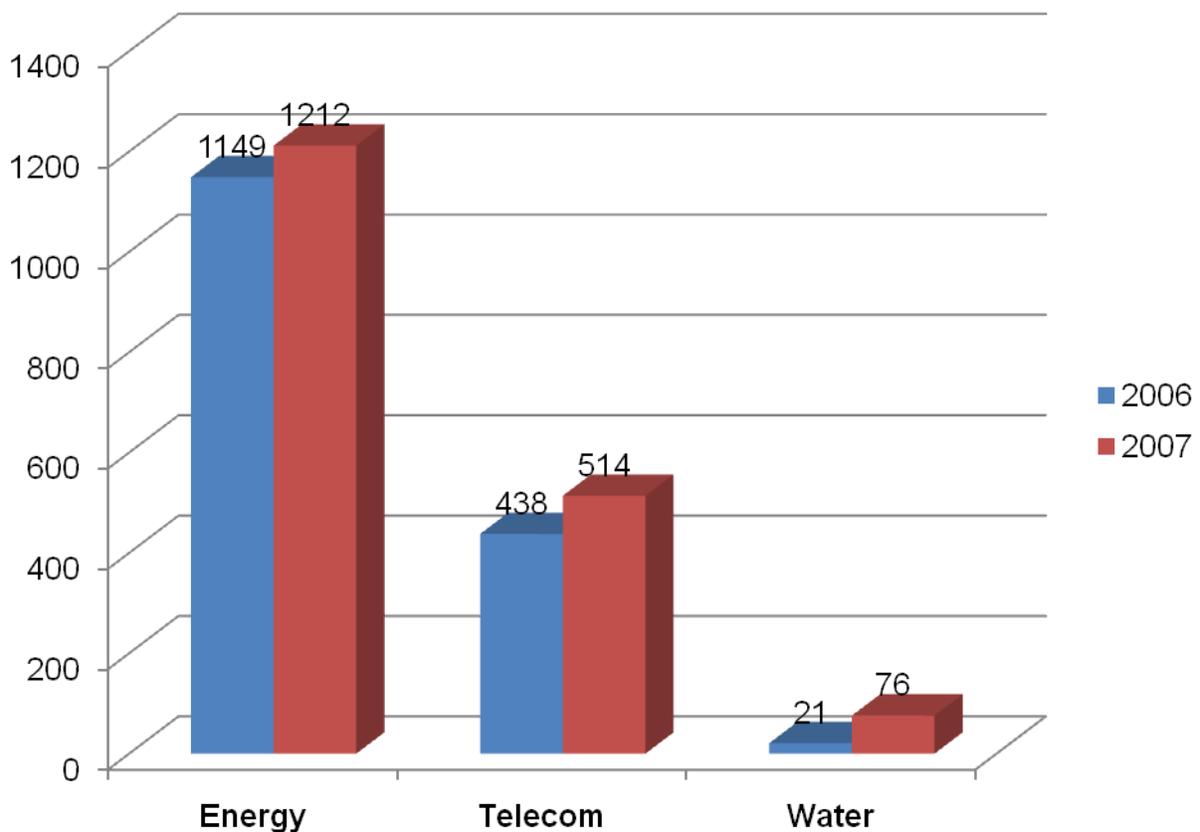
RESOLUTION CODE	NUMBER
Information or explanation provided	16,572
Co/CSD action resulted in mutual agreement	1,840
Company agrees to correct mistake or error	1,741
ICC had no jurisdiction	763
Unable to reach complainant	646
Referral to other agency or division	208
Action initiated to correct problem	146
Duplicate action by another counselor	139
Miscellaneous (resolution by means not on list)	103
Company unresponsive	95
Meter tested; billing correct	79
Pending long term utility action	59
Formal hearing sought	52
Complaint dismissed; groundless	45
CSD received carbon copy response	33
Customer withdraws complaint	22
Mediation	15
Issue beyond time limit for complaint filing	12
Chronic complainant (same issue)	12
Company does not have a certificate	5
Total	22,587

Staff successfully worked with utilities to provide nearly \$1.3 million to customers in savings or avoided charges. During the calendar year 2007, CSD closed 22,587 inquiries/complaints. Although most of these cases were opened and closed during 2007, some were opened in 2006. After utilities research and reply to investigative complaints, CSD must review the response and contact the consumer with the outcome. Therefore, investigative complaints opened late in the year are often closed during the following year. The table above shows the number of cases closed in 2007 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.

Number of Justified Complaints



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 31 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.

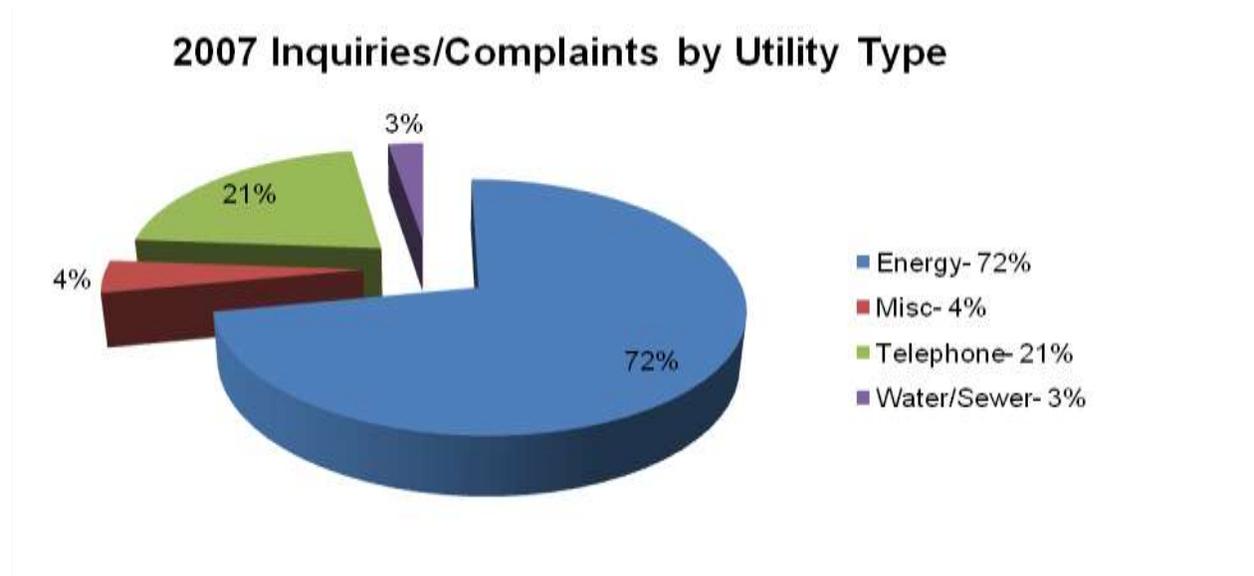
FORMAL COMPLAINTS

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 22,587 contacts from consumers closed during 2007, 279 consumers requested formal complaint forms and 52 formal hearings were actually docketed. Of the docketed cases, 21 were dismissed by the Commission, 28 are still pending and 3 were denied.

REVIEW OF INQUIRIES/COMPLAINTS DATA

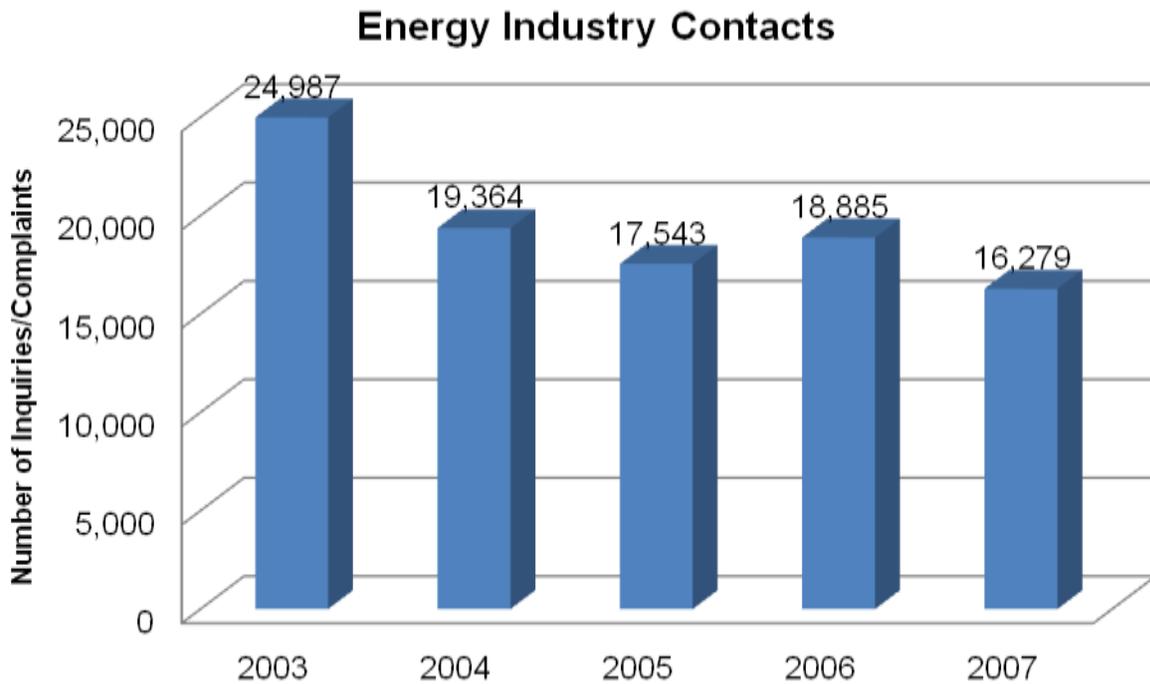
This section addresses and highlights trends in the numbers and types of inquiries and complaints for each industry. CSD categorizes the inquiries/complaints it receives according to the following industries: telephone, energy, water/sewer and miscellaneous.



Combining gas and electric cases results in 72% of the total inquiries/complaints attributed to the energy industry. Telephone inquiries/complaints comprise 21% of the total number received during 2007. 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 3% of the inquiries/complaints.

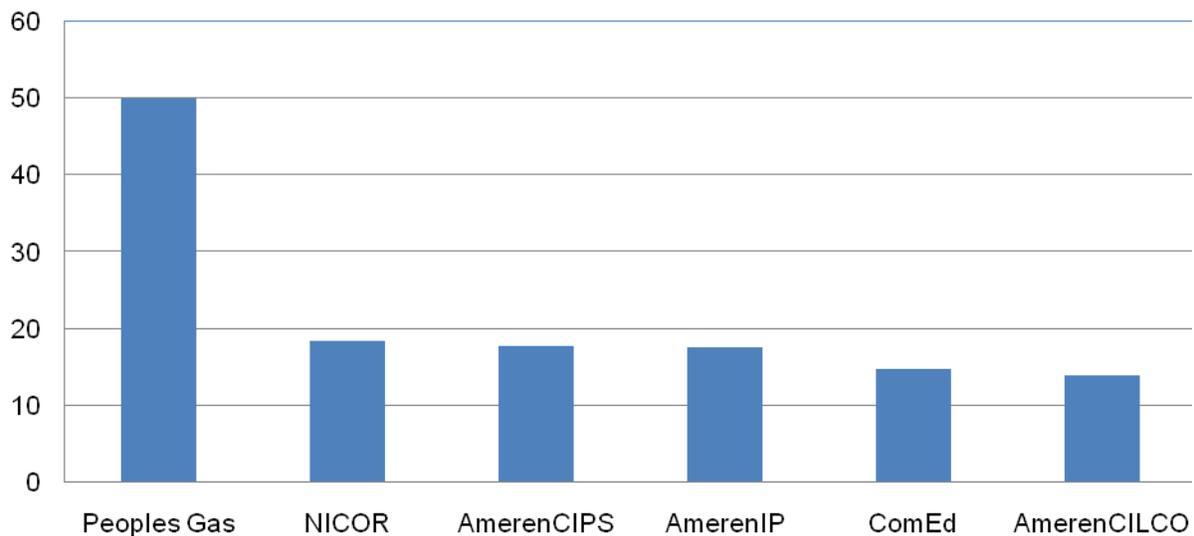
ENERGY INDUSTRY

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.



The graph above illustrates the number of inquiries and complaints that were received each year by CSD for the electric and gas companies from 2003 through 2007.

Inquiries/Complaints per 10,000 Customers 2007



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.

2007 ENERGY INQUIRIES/COMPLAINTS FOR SMALLER ELECTRIC AND GAS COMPANIES

Company	Customers*	Contacts
North Shore	150,800	143
MidAmerican	84,400	13
Atmos Energy	23,000	12
Illinois Gas	9,900	6
Interstate	12,800	5
Mt. Carmel	5,600	2
South Beloit	9,500	2

*Estimated Number

The complaint and inquiry volume for electric and gas companies with less than 160,000 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 2006 to those in 2007. 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 2007.

	2006 Complaints			2007 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
Nicor	317	3,571	9%	345	3,058	11%
ComEd	314	4,951	6%	418	4,116	10%
Peoples Gas	397	4,657	9%	321	3,411	9%
AmerenCILCO	5	186	3%	12	142	8%
AmerenIP	41	709	6%	33	456	7%
North Shore	15	149	10%	9	128	7%
AmerenCIPS	11	305	4%	6	220	3%

RESPONSE TIME

The following table shows a comparison of the average response time for energy companies during 2006 and 2007. 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 2006. 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.

	2006 Response Time (in Days)	2007 Response Time (in Days)	Change in Days (2006 to 2007)
AmerenCILCO	11.3	11.1	-.2
AmerenCIPS	9.9	10.5	.6
AmerenIP	19.9	14.0	-5.9
ComEd	13.9	14.1	.2
Nicor	13.2	9.9	-3.3
North Shore	12.1	10.9	-1.2
Peoples Gas	11.5	10.1	-1.4

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 2006 and 2007.

Comparison of Problems – 2006 and 2007

	2006	2007
Billing	9,598	8,468
Credit/Deposit	1,047	807
Rates	326	1,377
Service	3,460	2,077
Termination	3,034	1,915
Other	940	635

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
Needs Payment Arrangements	2,484
Termination- Seeking Reconnection	1,391
Questions Responsibility for Account	1,152
Protest Rates	1,141
Deferred Payment Arrangements	1,137
Usage- Consumption	929
Accuracy of Bill- Meter	804
Credit/Deposits/Deposit Request	462
Reconnection or Disconnection	424
Other	352

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 2007.

BILLING	CONTACTS
Payment Arrangements	3,866
Responsibility for Account	1,152
Usage/Consumption	929
Meter	804
Payment- Other	597
Bill/Statement	440
Accuracy	279
Payment Posting Problem	149
Tampering	97
Disputes Rate Class/Plan	89
Repair/Service	56
Extension/Installation Dispute	10
SUBTOTAL	8,468

CREDIT/DEPOSIT	CONTACTS
Deposit Requirement	462
Service Denial	175
Deposit Amount/Conditions	132
Deposit Administration	38
SUBTOTAL	807

RATES	CONTACTS
Opinion- Rate in Effect	1,151
Inquiry	96
Proposed Rate Change	79
Rate Structure	51
SUBTOTAL	1,377

SERVICE	CONTACTS
Timeliness- General	739
Timeliness of Reconnection or Disconnection	424
Conduct of Personnel	281
Interruptions	197
Service Quality	146
Safety	111
Extension/Availability	107
Equipment Problems	72
SUBTOTAL	2,077

TERMINATION – SEEKING RECONNECTION	CONTACTS
Seeks Assistance	1,391
Medical Certificate	192
Other	116
Questions Regarding Procedures	86
Terminated in Error	51
Tampering	48
Disputed Bill/Deposit	31
SUBTOTAL	1,915

OTHER	CONTACTS
Other	535
ICC Actions or Regulations	62
No Jurisdiction	23
Issues-Oriented Contacts	15
SUBTOTAL	635

TOTAL NUMBER OF CLOSED ENERGY CONTACTS: 15,279

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. Although as of 2008 four residential suppliers have been granted approval to provide service, no supplier has entered the market to serve residential customers. The Commission maintains a consumer education web site at: www.icc.illinois.gov/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 190,650 residential customers participated in the Customer Select Program during 2007. Peoples Gas indicates that approximately 44,670 residential customers participated in their Choices For You Program. North Shore Gas reports 5,619 residential customers participating. A list of certified suppliers and other information can be found on the Commission's web site: www.icc.illinois.gov

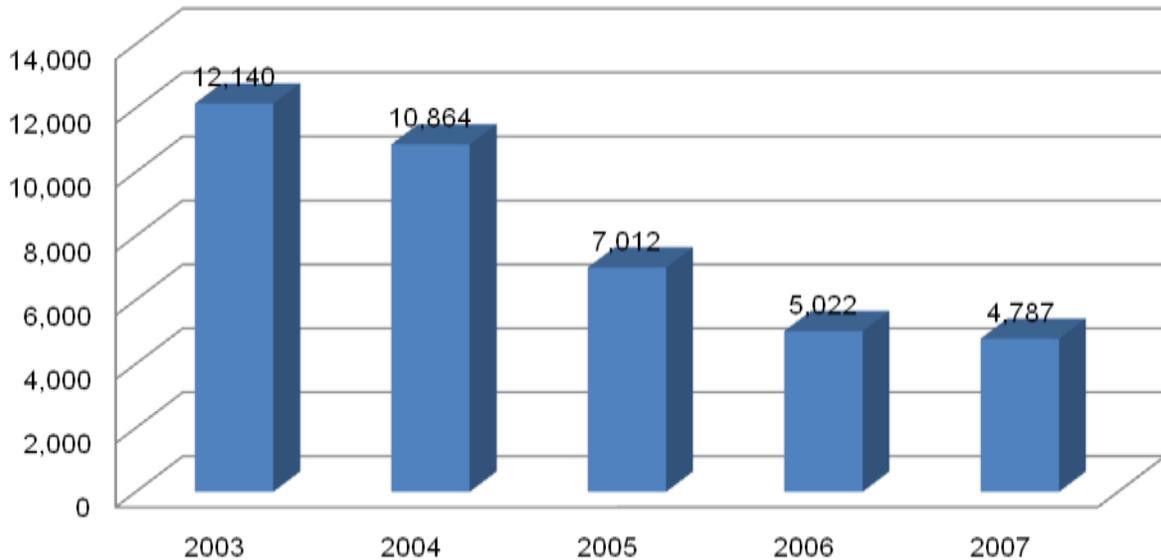
2007 ENERGY INQUIRIES/COMPLAINTS FOR ALTERNATIVE GAS SUPPLIERS

Company	Contacts
US Energy Savings Corp./Illinois Energy	654
Prairie Point/Nicor Advanced Energy	88
MxEnergy	45
Santanna	45
Peoples Energy Services	40
Dominion Retail	23
Interstate Gas Supply	19
Direct Energy	7
Utility Resource Solutions	4

The chart above shows the number of contacts regarding alternative gas suppliers recorded by CSD during 2007. 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, misleading marketing practices, and early termination penalties. Inquiries include questions about Commission rules, the utility choice programs through which suppliers offered their services to customers and whether the alternative supplier is authorized to provide service. Consumer complaints, particularly those pertaining to allegations of misleading marketing practices, are a source of concern that have invited scrutiny from the Commission, consumer advocates, and legislators.

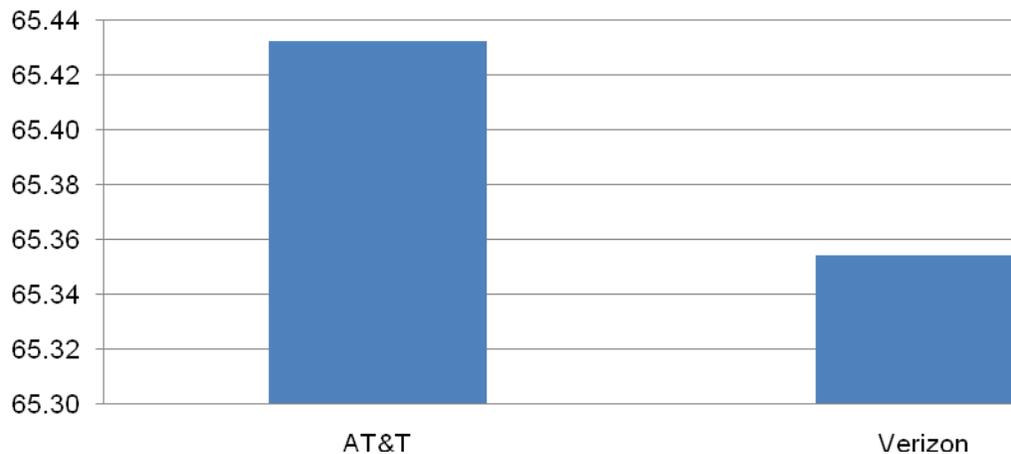
TELECOMMUNICATIONS INDUSTRY

Telecommunications Industry Contacts



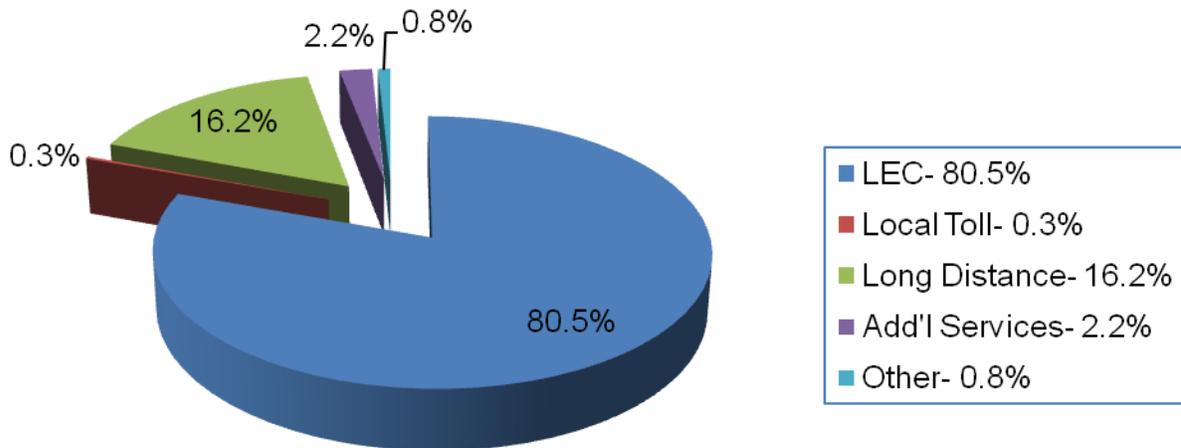
The graph above shows the number of inquiries and complaints concerning the telecommunications industry that were received each year by CSD from 2003 through 2007.

**Inquiries/Complaints per 100,000 Access Lines
2007**



The graph above does not include combination carriers (resale and facilities based). This graph illustrates the number of inquiries and complaints per 100,000 access lines that were received for major local exchange carriers for 2007. Access lines include the number of residential and business phone lines used.

2007 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 2006 to those closed in 2007. The charts are divided by the type of service provided: local exchange carriers and those that provide long distance service.

The Local Exchange Carrier chart includes those companies that received 50 or more investigative complaints during 2007. The Long Distance Carrier chart includes companies that received 30 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 2007.

Local Exchange Carriers

	2006 Complaints			2007 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
Verizon	73	383	19%	98	265	37%
Nexus*	n/a	n/a	n/a	14	68	21%
McLeod	13	78	17%	10	58	17%
Clear Rate*	n/a	n/a	n/a	7	56	13%
Comcast	16	95	17%	11	88	13%
MCI	49	375	13%	19	149	13%
Sage	4	79	5%	11	86	13%
AT&T	161	1641	10%	191	1685	11%

*less than 50 complaints in 2006

Long Distance Carriers

	2006 Complaints			2007 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
AT&T	20	322	6%	54	399	14%
MCI	7	59	12%	2	30	7%

RESPONSE TIME

The following tables compare the average response time for telecommunications carriers during 2007. 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 2007. The Long Distance Carrier table includes companies that received 20 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

	2006 Response Time (in Days)	2007 Response Time (in Days)	Change in Days (2006 to 2007)
AT&T	11.5	11.87	.37
Clear Rate*	n/a	11.89	n/a
Comcast	13.5	13.75	.25
MCI	12.0	10.88	-1.12
McLeod	11.6	5.42	-6.18
Nexus*	n/a	8.58	n/a
Sage	5.2	3.70	-1.5
Verizon	14.6	12.08	-2.52

*less than 50 complaints in 2006

Long Distance Carriers

	2006 Response Time (in Days)	2007 Response Time (in Days)	Change in Days (2006 to 2007)
AT&T	15.3	12.04	-3.26
MCI	15.6	10.33	-5.27

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 2006 and 2007. Billing continues to be the most frequently identified problem.

Comparison of Problems – 2006 and 2007

	2006	2007
Billing	2,339	2,495
Credit/Deposit	39	41
Rates	116	111
Service	1,531	1,455
Termination	349	277
Other	409	296

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 issues were the leading telecommunications complaint category in 2007.

REASON FOR CONTACT (detail problem codes)	NUMBER
Dispute Rate Class or Plan	365
Other	286
Schedule or Repair	280
Questions Responsibility for Account	208
Usage- Consumption	206
Bill for Feature or Service not Ordered	197
Accuracy of Bill	192
Posting Problems	184
Unsatisfactory Service	176
Needs Arrangements	167

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 2007.

BILLING	CONTACTS
Dispute- Rate Classification/Plan	365
Accuracy- General	319
Payment Arrangements	282
Payment- General	276
Responsibility for Account	208
Usage/Consumption	206
Bill for Feature Not Ordered	197
Disputed Bill by Other Company	192
Posting Problems	184
Bill Statement	177
Repair/Service	85
Extension/Installation Dispute	4
SUBTOTAL	2,495

CREDIT/DEPOSIT	CONTACTS
Deposit Amount/Conditions	30
Service Denial	6
Deposit Administration	5
SUBTOTAL	41

RATES	CONTACTS
Rate Inquiry	45
Rate Structure	39
Opinion- Rate in Effect	23
Proposed Rate Change	4
SUBTOTAL	111

SERVICE	CONTACTS
Timeliness of Performed Work	635
Conduct of Personnel/Reps	256
Quality	196
Availability of Features & Equipment	175
Service Interruptions	132
Equipment Problems	42
Service Extensions	13
Safety	6
SUBTOTAL	1,455

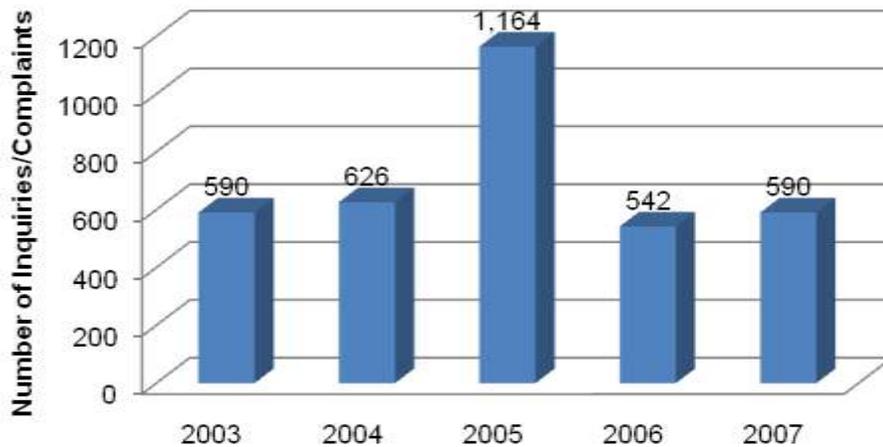
TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	144
Other	42
Medical Certificate	40
Disputes	31
Questions Regarding Procedures	20
SUBTOTAL	277

OTHER	CONTACTS
Issues-Oriented Contacts	257
No Jurisdiction	39
SUBTOTAL	296

**TOTAL NUMBER OF CLOSED TELECOMMUNICATIONS CONTACTS:
4,675**

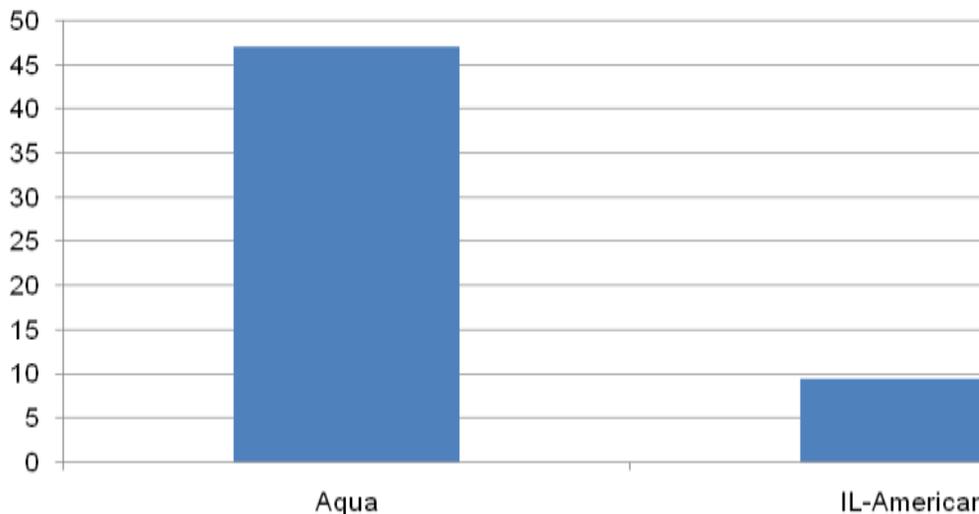
WATER & SEWER INDUSTRY

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 2003 through 2007.

Inquiries/Complaints per 10,000 Customers 2007



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 2007.

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 2007. 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.

	2006 Response Time (in Days)	2007 Response Time (in Days)	Change in Days (2006 to 2007)
AQUA	19.5	19.7	.2
Illinois-American	11.0	5.5	-5.5

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 2006 and 2007.

Comparison of Problems – 2006 and 2007

	2006	2007
Billing	183	302
Credit/Deposit	2	4
Rates	218	104
Service	50	90
Termination	43	68
Other	46	19

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 2007.

BILLING	CONTACTS
Accuracy	89
Usage/Consumption	80
Bill Statement	50
Responsibility for Account	34
Payment/Billing General	26
Payment Arrangements	22
Extension/Installation Dispute	1
SUBTOTAL	302

CREDIT/DEPOSIT	CONTACTS
Service Denial	4
SUBTOTAL	4

RATES	CONTACTS
Proposed Rate Change	70
Opinion- Rate in Effect	21
Rate Inquiries	9
Rate Structure	4
SUBTOTAL	104

SERVICE	CONTACTS
Timeliness of Performed Service	34
Service Quality	25
Equipment Problems/Safety/Interruption	14
Conduct of Personnel	13
Service Extension/Availability	4
SUBTOTAL	90

TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	44
Miscellaneous	22
Questions Regarding Procedures	2
SUBTOTAL	68

OTHER	CONTACTS
Other	16
ICC Actions or Regulations	2
No Jurisdiction	1
SUBTOTAL	19

**TOTAL NUMBER OF CLOSED WATER AND SEWER CONTACTS:
587**

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 Healthcare and Family Services' 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).

Rulemaking

During 2007, CSD Staff participated in the rulemaking case listed below:

83 Illinois Administrative Code

- Part 280 Proposed changes to procedures for gas, electric, water, sewer utilities governing eligibility for service, deposits, payment practices and discontinuance of service.

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 two suppliers have received Commission approval to serve residential customers, neither has begun to market to residential customers. The Commission maintains a consumer education web site at: www.icc.illinois.gov/pluginillinois.

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.

***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.

The Illinois Commerce Commission determined 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. Voluntary contributions to the program during 2007 were nearly \$556,736.

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 Healthcare and Family Services 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 7,093,934 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.illinois.gov

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

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 six 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.

Bill of Rights For Water and Sewer Customers: provides information regarding rights pertaining rates, billing and payment, make-up bills, disconnection of service, and dispute procedures.

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.illinois.gov
- 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.

