Pennsylvania Public Utility Commission

Fifth Biennial Report to the General Assembly and the Governor pursuant to section 1415

Implementation of Chapter 14

Dec. 14, 2014

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Executive Summary

This Fifth Biennial Report to the General Assembly and Governor Pursuant to Section 1415 of the Public Utility Code is a comprehensive evaluation of the impact of the legislative enactment of Chapter 14. The report encompasses the Public Utility Commission's (Commission or PUC) review of the implementation of Chapter 14, including, but not limited to, the following four areas:

- The degree to which the Chapter's requirements have been successfully implemented;
- The effect upon the cash working capital or cash flow, uncollectible levels and collections of the affected public utilities;
- The level of access to utility services by residential customers including low-income customers; and
- The effect upon the level of consumer complaints and mediations filed with and adjudicated by the Commission. (Mediations are currently classified as payment agreement requests (PARs) under § 1415.)

The PUC is required to provide this report to the General Assembly and Governor every two years. In the First Biennial Report to the General Assembly and Governor Pursuant to Chapter 14 submitted on Dec. 14, 2006, the Commission concluded that a comprehensive evaluation of the impact of Chapter 14 was premature. In both the second report submitted on Dec. 14, 2008, and the third report submitted on Jan. 14, 2011, the Commission concluded that the electric industry's implementation of the Act showed some deterioration since the passage of Chapter 14, while the natural gas industry, especially Philadelphia Gas Works (PGW), showed improvement. In the fourth report submitted on Dec. 14, 2012, the Commission concluded that the Commonwealth's utilities have successfully implemented Chapter 14 since its passage on Dec.14, 2004.

Based on the analysis of utility data from 2002 through 2013 contained in this Fifth Biennial Report, the PUC concludes that Pennsylvania's utilities have successfully implemented Chapter 14 since its passage. However, while it appears that Chapter 14 effectively lowered overall collections expenses for utilities during the earlier years following implementation, the most recent trend analysis shows increases in several key cost components such as gross write-offs, arrears and the numbers of customers in debt, both by individual companies and by the industries that are approaching pre-Chapter 14 levels.

Section I – The Degree to Which the Chapter's Requirements Have Been Successfully Implemented

- Chapter 14 has been in effect for ten years. The Commission has taken steps to implement Chapter 14 in a manner that achieves the policy goals of increasing utility account collections and eliminating the subsidization of bad debt costs by paying customers.

- The Commission revised the "Standards and Billing Practices for Residential Utility Service" regulations at 52 Pa. Code Chapter 56, bringing it into compliance with Chapter 14 (Docket No. L-00060182). The regulations have been in effect following publication in the *Pennsylvania Bulletin* on Oct. 8, 2011. The Commission works to implement Chapter

14 fairly and to ensure that service remains available to all customers on reasonable terms and conditions.

- Overall, the Commission concludes that utilities have complied with Chapter 14. Some compliance issues arise as the Commission's Bureau of Consumer Services (BCS) reviews informal consumer complaints and the Bureau of Investigation & Enforcement (I&E) conducts informal investigations. However, no indications of widespread, systemic violations of the Chapter currently exist. Utilities, as a whole, appear to have brought their operations into compliance with the requirements of the Chapter, and the Commission is generally satisfied with the level of compliance to date.

- Tables 1 through 9 of this report show the number of instances of non-compliance (infractions) as part of informal complaint investigations by BCS, as well as informal investigations and settlements by I&E, relative to the electric, gas and water industries. Infractions are misapplications or violations of Chapter 14 found by BCS staff when reviewing informal complaint information and utility responses concerning the allegation. BCS considers an infraction as verified if the utility chooses not to contest the allegation, or it admits that a violation may have occurred.

Section II – The Effect Upon the Cash Working Capital or Cash Flow, Uncollectible Levels and Collections of the Affected Public Utilities

- The overall collections performance for the electric industry shows some improvement since the passage of Chapter 14.

  - Residential revenues for the electric industry have increased by 30.3 percent since 2004. Collections operating expenses, as a percentage of residential revenues, have declined slightly from 1.6 percent in 2004 to 1.3 percent in 2013.

  - The gross residential write-offs ratio for the electric industry, which is the percent of billings written-off as uncollectible, declined from 2.1 percent in 2004 to a low of 1.7 in 2010, but has since risen to 2.0 percent in 2013.

  - The percentage of weighted arrears for the electric industry declined to a low point in 2010, but has since risen to exceed pre-Chapter 14 levels.

- The overall collections performance for the gas industry improved from 2004-13 and continues a trend that began in the pre-Chapter 14 period from 2002-04.

  - Residential revenues for the gas industry have decreased by 12.8 percent during the period from 2004-13.

  - Since the implementation of Chapter 14, the percent of gas industry customers in debt declined from 22.63 percent in 2004 to a low of 14.77 percent in 2010, but has recently climbed to 18 percent in 2013. The total dollars in debt declined by 37.9 percent overall since 2004.

- The gross residential write-offs ratio for the gas industry declined overall by 22.3 percent since the passage of Chapter 14, going from 5.61 percent in 2004 to a low of 3.72 in 2011, then rising to 4.36 percent in 2013.

- Overall, the analysis of the various collections data since the passage of Chapter 14 continues to show a pattern of improvement for PGW.

    - Fewer residential customers owe money to PGW, as the percent of customers in debt declined by 37.1 percent from 2004-13. The amount of billings in debt declined 28.9 percent overall since 2004.

    - PGW had an overall 9.4 percent decrease in its gross residential write-offs ratio for the period 2004-13.

- Enrollment in Universal Service programs has increased significantly since the passage of Chapter 14, resulting in higher Universal Service costs. These costs are recoverable for the utilities and represent a pre-emptive alternative to the traditional costs associated with collections by helping the utilities manage customer debt.

    - The combination of total collections and Universal Service costs as a percentage of gross revenues increased slightly from 7.1 percent in 2004 to 7.6 percent in 2013 for the electric industry. The gas industry remained steady, going from 12.1 percent in 2004 to 12 percent in 2013.

    - Both the electric and gas industries have seen an increase in Customer Assistance Program (CAP) enrollment since the passage of Chapter 14. This has led to a corresponding increase in CAP spending, which is borne by all residential ratepayers. Reductions in collections costs have partially offset the increase in CAP costs.

    - Enrollment in CAP programs for the electric and gas industries increased overall by 53 percent from 2004 to 2013, with total combined enrollment peaking in 2011 at 495,903 customers. Since reaching a record high number of 192,924 in 2009, the gas industry's customer enrollment in CAPs has decreased by 14 percent.

    - The electric industry has increased CAP spending by 98.6 percent from 2004-13, while the gas industry has increased CAP spending by 25.5 percent.

    - Low-income households that are placed into CAP managed to pay 83 percent of their CAP bills in 2013, representing the ongoing success of the program.

    - Spending for the Low Income Usage Reduction Program (LIURP) increased by 53.9 percent for the electric industry and by 154.2 percent for the gas industry during the period between 2004-13. Still, LIURP spending for the gas industry was only 59 percent of the level spent by the electric industry in 2013.

Section III – The Level of Access to Utility Services by Residential Customers, Including Low-Income Customers

- Terminations have increased dramatically since the passage of Chapter 14, reaching an all-time high in 2013. On the positive side, some utilities have had success in using termination procedures to manage customer debt effectively. However, a record high number of customers now enter the winter without a central heating source and the Commission is concerned about the health and safety of the occupants in these homes.

  - Terminations increased by 123.7 percent for the electric industry and by 12.9 percent for the gas industry between 2004-13.

- The Cold Weather Survey data is the most important indicator of the level of access to utility service.

  - The companies reported that as of Dec. 23, 2013, a record high of 19,653 households entered the winter season without heat-related service.

  - An additional 1,628 residences were using potentially unsafe heating sources, bringing the total number of homes not using a central heating system to 21,281. This number is 42 percent higher than the pre-Chapter 14 average from 2001-04 of 14,992.

- The Commission continues to promote energy efficiency and conservation education through utility programs such as LIURP, which emphasize customer responsibility in addition to weatherization as tools for maintaining access to utility service.

Section IV – The Effect Upon the Level of Consumer Complaints and Mediations Filed with and Adjudicated by the Commission (Mediations are Currently Classified as Payment Agreement Requests Under § 1415)

- Chapter 14 continues to have an impact on the number of Payment Agreement Requests (PARs).

  - PARs decreased by 36.1 percent between 2004-13 and remain well below the 2004 level.

  - Since the passage of Chapter 14, through the end of 2013, the Commission has turned away 168,678 customers seeking PARs, as they were deemed ineligible. The Commission turned away 18,312 customers in the year 2013.

- While the Commission continues to issue payment terms for customers whose service was terminated, this authority is exercised judiciously and only in instances where the customer has made a good-faith effort to pay their bill.

- In addition, informal consumer complaint volume declined by 38.7 percent overall between 2004-13.

Reauthorization of Chapter 14

On Oct. 22, 2014, Governor Corbett signed House Bill 939, also known as Act 155 of 2014, which among other things reauthorized Chapter 14, the Responsible Utility Consumer Protection Act, for another ten years. In addition to reauthorizing Chapter 14, the General Assembly revised the law in a number of areas, including:

- Expanding the scope of the law to cover small gas companies, steam heating and wastewater utilities.
- Prohibiting termination of utility service on Fridays.
- Allowing physician assistants, along with physicians and nurse practitioners, to file medical certificates.
- Allowing all customers and applicants to pay security deposits in installments over 90 days. CAP-eligible consumers are exempt from security deposit requirements.
- Containing new utility reporting requirements concerning the use of medical certificates and high-arrearage accounts.
- Including a five-year PUC reporting requirement (due in years 2019 and 2024) on the implementation and impact of Chapter 14.

The newly re-authorized law goes into effect in December 2014. The Commission will strive to balance the needs of both consumers and utilities when implementing the new law and will provide all interested parties with opportunities to participate in the process. These efforts will likely include a future rulemaking to revise the sections of 52 Pa. Code Chapter 56 that have been superseded by the reauthorized Chapter 14. The Commission appreciates the opportunity to continually evaluate its regulations regarding Chapter 14 so that the goals of increasing utility account collections and eliminating the subsidization of bad debt costs by paying customers do not erode consumer protections.

Introduction

On Nov. 30, 2004, Senate Bill 677, also known as Act 201, the Responsible Utility Consumer Protection Act, was signed into law. The Act went into effect on Dec. 14, 2004, and amended Title 66 by adding Chapter 14 (66 Pa. C.S. §§ 1401-1418) (*Responsible Utility Customer Protection Act*). Chapter 14 is applicable to electric distribution companies, water distribution companies and larger natural gas distribution companies (those having annual operating income in excess of $6 million).

Chapter 14 required the PUC to provide a report to the General Assembly and Governor every two years (§ 1415). The first report was due no later than Dec. 14, 2006, and the final report was due in December 2014. The reports are to review the implementation of the provisions of Chapter 14, including, but not limited to:

1. The degree to which the Chapter's requirements have been successfully implemented;

2. The effect upon the cash working capital or cash flow, uncollectible levels and collections of the affected public utilities;

3. The level of access to utility services by residential customers including low-income customers; and

4. The effect upon the level of consumer complaints and mediations filed with and adjudicated by the Commission. (Mediations are currently classified as payment agreement requests under § 1415.)

Chapter 14 directs public utilities affected by the Chapter to provide data, as required by this Commission, to complete the reports. The PUC's report also may contain recommendations to the General Assembly and Governor regarding recommended legislative amendments or other changes that the Commission deems appropriate.

Chapter 14 includes the Philadelphia Gas Works (PGW), a city natural gas distribution operation, within the category of natural gas distribution utilities. The category specifically excludes natural gas distribution utilities with operational revenues of less than $6 million per year, except where the public utility voluntarily petitions the Commission to be included or where the public utility seeks to provide natural gas supply services to retail gas customers outside its service territory. Natural gas distribution utilities that are not connected to an interstate gas pipeline are similarly excluded from the provisions of Chapter 14 under § 1403.

On Oct. 22, 2014, Governor Corbett signed House Bill 939, also known as Act 155 of 2014, which among other things reauthorized Chapter 14, the Responsible Utility Consumer Protection Act, for another ten years. In addition to reauthorizing Chapter 14, the General Assembly revised the law in a number of areas, including:

- Expanding the scope of the law to cover small gas companies, steam heating and wastewater utilities.
- Prohibiting termination of utility service on Fridays.
- Allowing physician assistants, along with physicians and nurse practitioners, to file medical certificates.
- Allowing all customers and applicants to pay security deposits in installments over 90 days. CAP-eligible consumers are exempt from security deposit requirements.
- Containing new utility reporting requirements concerning the use of medical certificates and high-arrearage accounts.

The reauthorization of Chapter 14 now requires the PUC to provide additional reports on the implementation and impact to the General Assembly and Governor every five years (§ 1415). The first report following the reauthorization of Chapter 14 will be due in December of 2019 and the final report due in December of 2024.

Section I - The Degree to Which the Chapter's Requirements Have Been Successfully Implemented

As part of the first section of this report, the Commission will provide a summary of the Chapter 14 implementation process by both the Commission and the utilities. It will include a report on verified infractions of Chapter 14 committed by utilities, as determined through a random sampling of informal complaints before the Commission's BCS,[1] and possible violations of Chapter 14 from informal PUC investigations resolved in the last two calendar years. Although these violations represent non-compliance with Chapter 14, the violations are, for the most part, isolated occurrences. As a result, the Commission concludes that overall, the Commonwealth's utilities have implemented and complied with Chapter 14.

Commission Regulations

The Commission revised the "Standards and Billing Practices for Residential Utility Service" regulations at 52 Pa. Code Chapter 56, bringing it into compliance with Chapter 14 (Docket No. L-00060182). The regulations went into effect following publication in the *Pennsylvania Bulletin* on Oct. 8, 2011. The Commission works to implement Chapter 14 fairly and ensure that service remains available to all customers on reasonable terms and conditions.

The PUC's Bureau of Consumer Services (BCS) continues to work in a collaborative manner with utilities and consumer representatives on implementation issues as they arise. This included revising the "Rights and Responsibilities" booklet that offers consumers a plain-language explanation of their basic rights and responsibilities as utility customers under the new regulations. Utilities have made this document available to all of their consumers and it is also available on the Commission's website.

To further facilitate implementation of the Act, Commission staff met with utility companies to address specific concerns and questions. Commission staff provided informal written guidance to the utility companies relating to areas of particular concern, such as winter termination rules and the annual change in the federal poverty guidelines.

The BCS informal compliance process has also facilitated the implementation of the Act by giving utilities specific examples of possible infractions of Chapter 14. The informal compliance process uses consumer complaints to identify, document and notify utilities of possible infractions. A utility that receives notification of a possible infraction has an opportunity to refute the allegation. The utility can use the information to identify and voluntarily correct deficiencies in its customer service operations. Corrective actions may include modifying a computer program; revising the text of a notice, bill, letter or company procedure; or providing additional staff training to ensure the proper use of a procedure. The

[1] The random sampling consists of a statistically valid sample, with a reasonable margin of error, of informal complaints opened within the calendar year. An automated process that sorts through the cases as they are closed and is intended to produce a representative sample of BCS informal complaint activity selects the sample. The selected sample is then reviewed for evaluative and compliance purposes. Utilities whose activity with the BCS is insufficient to produce a valid sample are excluded from sampling.

notification process also allows utilities to receive written clarifications of Chapter 14 and Commission regulations and policies. This is an informal process intended to address compliance deficiencies in a quick, non-punitive manner.

Informal Complaint Infractions

One measure of Chapter 14 compliance that the PUC's BCS uses is the frequency of Chapter 14 infractions that are found and verified during an informal complaint investigation. BCS typically keeps track of Chapter 14 infractions against energy and water utilities, including, but not limited to, infractions related to the collection of security deposits, to defective service termination notices, to unauthorized service terminations, and to untimely reconnections of service.

Upon review of informal complaints filed, the BCS recorded the following verified infractions of Chapter 14. As the data shows, while there are infractions of the Chapter documented, there is no indication of widespread, systemic violations of the Chapter. For the most part, it appears that the utilities have brought their operations into compliance with the requirements of the Chapter.

Table 1 – 2005 Infractions

2005				
Section of Chapter 14	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1403 Definitions	2	5	1	8
§ 1404 Credit and Deposits	10	11		21
§ 1405 Payment Agreements		1		1
§ 1406(a) Authorized Termination	14	32	4	50
§ 1406(b) Notice of Termination	9	6	5	20
§ 1406(c) Grounds for Immediate Termination	1	2		3
§ 1406(e) Winter Termination		1		1
§ 1406 Medical Certificates	1	1		2
§ 1407(a) Reconnection Fee		1		1
§ 1407(b) Reconnection of Service – Timing	11	14		25
§ 1407(c) Reconnection – Payment to Restore Service		1	4	5
§ 1407(d)(e) Payment of Outstanding Balance at Premise	2	2		4
Total	**50**	**77**	**14**	**141**

Table 2 – 2006 Infractions

2006				
Section of Chapter 14	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1403 Definitions	4	13	1	18
§ 1404 Credit and Deposits	2	14		16
§ 1406(a) Authorized Termination	5	25	4	34
§ 1406(b) Notice of Termination	9	2	2	13
§ 1406(c) Grounds for Immediate Termination			1	1
§ 1406 Medical Certificates		1		1
§ 1407(a) Reconnection Fee		2		2
§ 1407(b) Reconnection of Service – Timing	5	13		18
§ 1407(c) Reconnection – Payment to Restore Service	1	3	1	5
§ 1407(d)(e) Payment of Outstanding Balance at Premise	2	11	1	14
Total	**28**	**84**	**10**	**122**

Table 3 – 2007 Infractions

2007				
Section of Chapter 14	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1403 Definitions	4	5		9
§ 1404 Credit and Deposits	6	25		31
§ 1405 Payment Agreements		1	1	2
§ 1406(a) Authorized Termination	7	29	9	45
§ 1406(b) Notice of Termination	4	6	6	16
§ 1406(c) Grounds for Immediate Termination		1	2	3
§ 1407(a) Reconnection Fee	1			1
§ 1407(b) Reconnection of Service – Timing	3	13		16
§ 1407(c) Reconnection – Payment to Restore Service	1	2		3
§ 1407(d)(e) Payment of Outstanding Balance at Premise	5	12	2	19
§ 1417 Nonapplicability - Protection From Abuse	1	1		2
Total	**32**	**95**	**20**	**147**

Table 4 – 2008 Infractions

2008				
Section of Chapter 14	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1403 Definitions	8	8	1	17
§ 1404 Credit and Deposits	7	21	1	29
§ 1406(a) Authorized Termination	8	27	15	50
§ 1406(b) Notice of Termination	2	2	3	7
§ 1406(f) Medical Certificates	1			1
§ 1407(a) Reconnection Fee	2	4		6
§ 1407(b) Reconnection of Service – Timing	4	20		24
§ 1407(c) Reconnection – Payment to Restore Service	6	17	4	27
§ 1407(d)(e) Payment of Outstanding Balance at Premise	5	4	2	11
§ 1410 Complaints			2	2
Total	**43**	**103**	**28**	**174**

Table 5 – 2009 Infractions

2009				
Section of Chapter 14	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1403 Definitions		6	4	10
§ 1404 Credit and Deposits	11	8		19
§ 1405 Payment Agreements	1			1
§ 1406(a) Authorized Termination	13	12	10	35
§ 1406(b) Notice of Termination	1	2	2	5
§ 1406(c) Grounds for Immediate Termination		1		1
§ 1407(a) Reconnection Fee		3	3	6
§ 1407(b) Reconnection of Service – Timing	1	5		6
§ 1407(c) Reconnection – Payment to Restore Service	2			2
§ 1407(d)(e) Payment of Outstanding Balance at Premise	3	7	1	11
§ 1410 Complaints		2		2
Total	**32**	**46**	**20**	**98**

Table 6 – 2010 Infractions

2010				
Section of Chapter 14	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1403 Definitions	1	1	1	3
§ 1404 Credit and Deposits	6	14		20
§ 1406(a) Authorized Termination	9	6	3	18
§ 1406(b) Notice of Termination	1		1	2
§ 1406(c) Grounds for Immediate Termination			1	1
§ 1407(a) Reconnection Fee	1	1	1	3
§ 1407(b) Reconnection of Service – Timing	5	4		9
§ 1407(c) Reconnection – Payment to Restore Service	4			4
§ 1407(d)(e) Payment of Outstanding Balance at Premise	3	2		5
Total	**30**	**28**	**7**	**65**

Table 7 – 2011 Infractions

2011				
Section of Chapter 14	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1403 Definitions	2	2	2	6
§ 1404 Credit and Deposits	8	7		15
§ 1405 Payment Agreements				
§ 1406(a) Authorized Termination	12	6	4	22
§ 1406(b) Notice of Termination	1	1		2
§ 1407(b) Reconnection of Service – Timing	8	5		13
§ 1407(c) Reconnection – Payment to Restore Service	1	1	1	3
§ 1407(d)(e) Payment of Outstanding Balance at Premise	5	4	1	10
§ 1414 Without Grounds Placed Lien on Property		1		1
§ 1417 Nonapplicability - Protection From Abuse	1			1
Total	**38**	**27**	**8**	**73**

Table 8 – 2012 Infractions

2012					
Section of Chapter 14	**Equivalent Section(s) of Chapter 56**	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1402 Declaration of Policy	56.1	1			1
§ 1403 Definitions	56.2 Def. of Customer	1	1		2
§ 1404 Credit and Deposits	56.32-37, 56.41, 56.42, 56.51, and 56.53	30	18	8	56
§ 1406(a) Authorized Termination	56.81 and 56.83	11	8	6	25
§ 1406(b) Notice of Termination	56.91 and 56.93	5	3	8	16
§ 1406(f) Medical Certification	56.114	1			1
§ 1407(b) Reconnection of Service – Timing	56.191(b)	4	4		8
§ 1407(c) Reconnection of Service – Payment to Restore Service	56.191(c)	3	2		5
§ 1407(d)(e) Payment of Outstanding Balance at Premise	56.191(d)(e)	2	5		7
§ 1409 Late Payment Charge Waiver	56.22	1		13	14
§ 1410 Complaints Filed with the Commission	56.181		1		1
§ 1417 Nonapplicability - Protection From Abuse	56.285		1	1	2
Total		**59**	**43**	**36**	**138**

Table 9 – 2013 Infractions

2013					
Section of Chapter 14	**Equivalent Section(s) of Chapter 56**	**Electric Utilities**	**Gas Utilities**	**Water Utilities**	**Total**
§ 1402 Declaration of Policy	56.1	10	13	1	24
§ 1403 Definitions	56.2 Def. of Applicant, 56.2 Def. of Customer	2	1	0	3
§ 1404 Credit and Deposits	56.32-37, 56.41, 56.42, 56.51, and 56.53	24	14	4	42
§ 1406(a) Authorized Termination	56.81 and 56.83	10	21	9	40
§ 1406(b) Notice of Termination	56.91 and 56.93	5	2	9	16
§ 1406(f) Medical Certification	56.114	1	1	0	2
§ 1407(a) Reconnection Fee	56.191(a)	0	0	1	1
§ 1407(b) Reconnection of Service – Timing	56.191(b)	3	6	1	10
§ 1407(c) Reconnection of Service – Payment to Restore Service	56.191(c)	1	1	3	5
§ 1407(d)(e) Payment of Outstanding Balance at Premise	56.191(d)(e)	0	1	0	1
§ 1409 Late Payment Charge Waiver	56.22	0	3	10	13
§ 1410 Complaints Filed with the Commission	56.181	1	1	0	2
Total		**57**	**64**	**38**	**159**

Formal Commission Actions

Pursuant to 66 Pa. C.S. §§ 331(a), 506 and 52 Pa. Code § 3.113, the Commission's Bureau of Investigation & Enforcement (I&E) along with BCS, continues to conduct informal investigations into alleged Chapter 14 infractions. These informal investigations have resulted in the Commission's approval of settlement agreements reached between companies and I&E staff to resolve these matters. It can take six months or longer to bring an informal investigation to settlement. In all of the settlements, each company denied any Chapter 14 violations. The settlements are significant in that they may indicate systemic problems that need to be corrected. They also may involve public health and safety issues that the Commission takes very seriously.

In the First, Second, Third and Fourth Biennial Reports submitted pursuant to Section 1415, the PUC reported on 15 settlements related to alleged Chapter 14 violations.[2] For this reporting period, the Commission acted on the following settlement that involved alleged violations of Chapter 14:

- On April 4, 2013, the Commission finalized a $45,000 settlement with PPL Electric Utilities Corp. (PPL) regarding an informal investigation into a residential termination. (Docket No. M-2012-2264635) I&E staff alleged that PPL violated PUC regulations and the Pennsylvania Public Utility Code during contacts with the customer prior to and after termination of service. Under the settlement, PPL paid a $30,000 civil penalty and $15,000 to its Operation HELP Hardship fund, which helps low-income customers maintain service. The company also committed to retraining some of its customer service personnel; provided copies of its monthly call monitoring reports; and provided for direct monitoring of calls by PUC staff.

[2] (i) Pennsylvania Public Utility Commission Prosecutory Staff v. PECO Energy Company, Public Meeting of Dec. 1, 2005. M-00051904; (ii) PUC Prosecutory Staff Informal Investigation of the Pennsylvania Electric Company Service Terminations in Hastings and Erie, Pennsylvania. Public Meeting of Dec. 15, 2005. M-00051906; (iii) PUC Prosecutory Staff Informal Investigation of the PPL Electric Utilities Corporation Residential Service Terminations. Public Meeting of Aug. 17, 2006. M-00061942; (iv) Settlement Agreement Between PUC Prosecutory Staff and West Penn Power Co., t/d/b/a Allegheny Power, Public Meeting of Oct. 19, 2006. M-00061952; (v) Pennsylvania Public Utility Commission Prosecutory Staff v. PECO Energy Company, Public Meeting of June 24, 2008. M-00072051; (vi) Pennsylvania Public Utility Commission, Prosecutory Staff v. PPL Electric Utilities Corporation, Public Meeting of March 26, 2009, M-2008-2057562; (vii) Pennsylvania Public Utility Commission Law Bureau Prosecutory Staff v. Philadelphia Gas Works, Public Meeting of December 18, 2008, M-00072017; (viii) Pennsylvania Public Utility Commission; (ix) Pennsylvania Public Utility Commission Law Bureau Prosecutory Staff v. Metropolitan Edison Company, Public Meeting held April 22, 2010, M-2009-2035436; (x) Pennsylvania Public Utility Commission Law Bureau Prosecutory Staff v. PPL Electric Utilities Corporation, Public Meeting held November 19, 2009, M-2009-2058182; (xi) Pennsylvania Public Utility Commission Law Bureau Prosecutory Staff, Public Meeting held November 19, 2009, M-2009-2059414; (xii) Pennsylvania Public Utility Commission Prosecutory Staff v. Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company d/b/a FirstEnergy, Public Meeting held December 3, 2009, M-2009-2112849; (xiii) Re: Informal Investigation of Pennsylvania-American Water Company, Public Meeting held March 26, 2009, M-2008-2066530; (xiv) Law Bureau Prosecutory Staff v. Pennsylvania Electric Company, Public Meeting of March 12, 2009, M-2008-2027681; (xv) Pennsylvania Public Utility Commission, Law Bureau Prosecutory Staff v. Peoples Natural Gas Company LLC f/k/a Dominion Peoples Natural Gas Company, Public Meeting held January 27, 2011, M-2010-2147821.

Conclusion: Section I – The Degree to Which the Chapter's Requirements Have Been Successfully Implemented

Chapter 14 has been in effect for ten years. The Commission has taken steps to implement Chapter 14 in a manner that achieves the policy goals of increasing utility account collections and eliminating the subsidization of bad debt costs by paying customers. The Commission revised the Chapter 56 regulations to make them consistent with the mandates of Chapter 14. The Commission works to implement Chapter 14 fairly and ensure that service remains available to all customers on reasonable terms and conditions.

Overall, the utilities have complied with Chapter 14. While some compliance issues are apparent from a review of informal complaints filed with BCS and informal investigations conducted by the Commission's I&E no indication of widespread, systemic violations exist. It appears the utilities have brought their operations into compliance with the requirements of the Chapter, and the Commission is generally satisfied with the level of compliance demonstrated by the utilities to date.

Instances of non-compliance are evident in the number of informally verified infractions found by the Commission relative to the electric, gas and water industries and alleged infractions shown in the list of formal settlements resulting from I&E informal investigations. The Commission continues to be concerned with unlawful or erroneous terminations, which present serious issues of health and safety for both the individuals directly involved and the surrounding community. The Commission notes that many of these infractions are isolated occurrences. However, where a systemic failure is involved, appropriate corrective and, if need be, punitive action has been taken. The Commission further notes that prior to the enactment of Chapter 14, utilities experienced similar compliance issues related to improper service terminations, etc. under the PUC's Chapter 56 billing regulations and/or Section 1501 of the Code (pertaining to reasonable service). Thus, these types of compliance issues are not unique to Chapter 14. In any event, the Commission takes such matters seriously and continues to work diligently to address these issues with utilities on a case-by-case basis.

Section II - The Effect Upon the Cash Working Capital or Cash Flow, Uncollectible Levels and Collections of the Affected Public Utilities

Chapter 14 requires the Commission to report on the effect of Chapter 14 on cash working capital or cash flow, uncollectible levels and residential collections of the affected utilities. The following section will begin with an overview of the collections process followed by a review of the type of collections data that the Commission receives and utilizes to, among other things, assess the impact of Chapter 14 on energy and water utility uncollectible levels and collections, etc. This section concludes with data on the collections impact of Chapter 14 on affected utilities. Based on this data, the overall collections performance for the electric industry is beginning to show some improvement since enactment of Chapter 14, while the overall collections performance for the gas industry continues to improve.

Overview of the Collections Process

The collections process begins when a customer does not pay his/her bill in full and on time. Active account balances are those accounts with service still on. The number of active accounts in debt and the corresponding dollars in debt are included in this report.

Inactive account balances are those accounts that have been terminated or discontinued but not yet written-off by the company. Inactive account balances will either be paid by the customer or written-off as uncollectible by the company. The Commission's Collections Reporting Interim Guidelines require utility reporting of inactive accounts beginning with 2007 data (See Appendix 30). Write-offs are accounts that the company determines to be uncollectible.

Companies move accounts from inactive status to write-offs on differing timelines, varying from two months to one year following termination or discontinuance, according to individual company accounting strategies. Collections Operating Expenses represent the costs to the company for pursuing the dollars owed by customers. Universal Service Program Costs reflect the costs associated with those programs that serve as alternative collections devices for low-income customers. Security Deposits on Hand represent a cash asset for utilities and are treated as an offset to collections costs in the calculation of a company's Distribution Charges (See Appendix 31).

Collections Data Process

The Commission sought comments from the industry and interested parties on collections data issues associated with Chapter 14 reporting requirements, including, but not limited to, the following:

- Applicability of the reporting requirements;
- Content of the list of collections data variables to be included under the reporting requirements;
- Frequency of utility reporting under the requirements;

- Due dates for the utility reporting under the requirements;
- Establishment of the Collaborative Process Working Group;
- Transfer of historical data from the Commission to the utilities;
- Link between the Chapter 56 rulemaking and the Collections Reporting Requirements; and
- Process for making collections data available to the public.

Applicability

Larger Utilities - Electric

By order entered July 24, 2006, at Docket No. M-00041802F0003, the Commission established that larger utilities – those electric, gas and water distribution utilities with annual operating revenues greater than or equal to $200 million – are subject to full reporting pursuant to § 1415. The complete list of collections data variables appears in Appendix 1. The electric distribution utilities subject to the Chapter 14 evaluation collections reporting requirements include: Duquesne Light Co. (Duquesne), Metropolitan Edison Co. (Met-Ed), PECO Energy Company (PECO Electric), Pennsylvania Electric Co. (Penelec), Pennsylvania Power Co. (Penn Power), PPL Electric Utilities Corp. (PPL) and West Penn Power Co. (West Penn).

Treatment of West Penn Power (formerly Allegheny Power)

On Feb. 24, 2011, the PUC approved a joint application where Allegheny and TrAILCo each became a wholly owned subsidiary of FirstEnergy Co. Subsequent to the approval, Allegheny Power began identifying itself to customers as "West Penn Power, A FirstEnergy Company". Starting with the fourth biennial report, we identify the company as West Penn Power.

Larger Utilities – Natural Gas

The natural gas distribution utilities include: Columbia Gas of Pennsylvania (Columbia), Equitable Gas Co. (Equitable), National Fuel Gas Distribution Corp. (NFG), Peoples Natural Gas Co. (Peoples), PECO Energy Company (PECO Gas), PGW, UGI Utilities, Inc. (UGI-Gas) and UGI Penn Natural Gas (UGI Penn Natural).

Larger Utilities – Water

The water utilities include: Aqua Pennsylvania, Inc. (Aqua) and Pennsylvania American Water Co. (PAWC).

Smaller Utilities

The Commission established that smaller utilities covered by Chapter 14 are required to report only a limited number of residential collections data variables beginning with 2007 data. This abbreviated list of collections variables includes the number of residential customers, annual residential billings, annual gross residential write-offs, the number of terminations and the number of reconnections.

Number of Years to be Included in the Biennial Report

The historical reporting period for the residential collections data in the Commission's Fifth Biennial Report is 2002, 2004 and 2008 through 2013. Data for the years 2003, 2005, 2006 and 2007 are excluded from this report but can be found in the four previously issued reports. Under Commission regulations at 52 Pa. Code § 56.202 (Record Maintenance), utilities are required to maintain a minimum of four years written or recorded disputes and complaints.

Chapter 56 Rulemaking and the Collections Reporting Requirements/ Frequency of Utility Reporting

In 2011 the Commission revised the "Standards and Billing Practices for Residential Utility Service" regulations at 52 Pa. Code Chapter 56 to bring them into compliance with Chapter 14. In the Chapter 56 rulemaking, the Commission revised § 56.231 to incorporate the Interim Guidelines for collections data reporting. Utilities are to report data on an annual basis. This reporting frequency is sufficient.

Utility Reporting Due Dates

The Commission set Sept. 1, 2006, as the initial reporting deadline. For subsequent reporting, the Commission established April 1 as the due date for the previous year's information (*i.e.* 2013 data was due April 1, 2014). The annual reporting will continue through April 1, 2024, which will cover the year 2023.

Making Collections Data Available to the Public

The Commission received comments asking that collections data be made available on the PUC website www.puc.pa.gov. The Commission agreed and placed the initial historical data submission covering the period 2002-05 on its website in December 2006. The Commission continues to post annual data submissions to the PUC website by May 31 of each year. Data for the period 2002-13 is now on our website and can be found at: http://www.puc.state.pa.us/filing_resources/biennial_report_pursuant_to_section_1415.aspx

Collections Data

Residential Collections Data 2002–13

All residential collections data tables presented in this report are based on data previously submitted to the Commission by the affected companies and subsequently validated by the companies. The validation process was set forth in the Commission's Final Order at Docket No. M-00041802F0003. The historical data set for this report covers 2002-13 and was recently validated and updated by the utilities during 2014 for this report. In some cases, data has been revised since its prior publication in the first two reports and the corrected data is contained herein.

Treatment of Electric and Gas Industry Totals and Averages

All electric and gas industry totals shown throughout the tables in this report are based on industry totals and do not represent an average of the company scores. This rule applies to all tables, regardless of whether the table shows total lines that are simple additions or whether the table shows totals that are derived from calculated variables, which are based on equations using at least two input variables.

Gas industry totals in the report tables include PGW beginning in 2004, since the Commission does not have PGW data prior to the implementation of Chapter 14. However, the narrative descriptive highlights below the gas industry tables are based on industry totals excluding PGW. In this way, PGW can better be compared to its industry peers.

Collections Performance Measures and Data

The Commission believes that specific collections performance measures such as the percent of customers in debt, the percent of billings in debt, the weighted arrearage and the percent of billings written-off provide a comprehensive picture of collections performance. These primary collections measures appear in Section II, along with annual residential billings and annual Universal Service Program costs. Billings are included because billings are used to calculate the percentage of billings in debt and the percentage of billings written-off. In addition, the amount of billings shows the magnitude of the dollars involved in residential collections. Universal Service costs are included because Universal Service Programs provide a safety net for low-income customers and, as such, represent a significant part of the utilities' overall collections strategy.

Other collections data appear in the appendices of this report. While the Commission views this data as secondary to the performance measures presented in Section II, the Commission considers the data important enough to include in this report. In all cases, the additional data presented in the appendices offers significant supporting and summary data. The Commission's goal is to provide a comprehensive view of collections performance and the appendices allow us to do so. The appendices include: the dollars in gross write-offs; the number of active accounts in debt; the total dollars in debt for active accounts; average arrearages; annual utility collections operating expenses; collections costs as a percentage of billings; Universal Service Program costs as a percentage of billings; Customer Assistance Program (CAP) Costs; Low Income Usage Reduction Program (LIURP) costs; summaries of select collections and Universal Service costs; monthly average bills; the number of accounts and dollars in debt for inactive accounts; and the number of accounts and total dollars in security deposits on hand.

Definitions for each collections performance measure and data variable are provided prior to all data tables in Section II and in the various appendices that provide additional supporting collections data.

Collections Trend Analysis of Pre-Chapter 14 Data versus Post-Chapter 14 Data

The data presented in Tables 10-30 illustrate the Pre-Chapter 14 versus Post-Chapter 14 collections trends. These tables show collections data from 2002 and 2004 for the pre-Chapter 14 period and data from 2008-13 for the post-Chapter 14 period. The line graphs in this section present collections data from 2002, 2004 and 2008 to 2013.

The annual residential billings shown below represent the total amount of the residential billings for calendar years 2002-13. This includes normal tariff billings and late payment fees.

Table 10 – Annual Residential Billings ($) – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	335,199,000	314,096,238	469,775,020	466,507,432	511,240,918	523,025,310	479,278,393	409,064,999	-6.3	30.3
GPU*	794,398,727									
Met-Ed		459,899,488	585,043,618	626,478,569	690,183,918	741,983,813	601,225,368	566,265,092	3.5***	23.1
PECO**	1,801,779,619	1,957,092,865	2,429,827,312	2,366,957,059	2,530,246,332	2,576,470,996	2,400,752,570	2,453,433,203	8.6	25.4
Penelec		375,076,999	467,879,472	472,113,272	503,077,503	599,475,621	515,036,892	472,447,505	0.5***	26.0
Penn Power	136,838,297	139,365,836	184,277,941	183,328,312	179,027,401	172,679,614	150,753,706	139,707,141	1.8	0.2
PPL	1,066,109,848	1,119,311,100	1,450,626,903	1,487,538,825	1,856,148,702	1,858,691,507	1,585,101,665	1,749,163,222	5.0	56.3
West Penn	472,083,703	461,441,708	554,454,172	599,340,971	682,938,695	679,101,765	519,068,601	499,171,103	-2.3	8.2
Total	**4,606,409,194**	**4,826,284,234**	**6,141,884,438**	**6,202,264,440**	**6,952,863,469**	**7,151,428,626**	**6,251,217,195**	**6,289,252,265**	**4.8**	**30.3**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO's data includes electric and gas.
***Percent change from 2003-04.

Table 11 – Annual Residential Billings ($) – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	188,343,042	334,443,294	481,827,700	387,454,010	359,493,889	346,316,467	268,796,602	329,063,560	77.6	-1.6
Equitable	217,196,523	283,893,176	363,574,586	308,905,022	282,496,294	251,683,545	205,980,780	246,031,060	30.7	-13.3
NFG	184,074,895	244,711,222	292,267,922	259,746,550	183,821,950	182,111,890	148,524,000	158,170,597	32.9	-35.4
Peoples	181,078,432	290,778,050	331,893,654	259,501,732	215,310,143	249,251,788	249,666,628	299,632,543	60.6	3.0
UGI-Gas	232,474,943	260,933,261	343,459,192	311,515,001	280,090,582	251,635,022	196,428,979	219,614,215	12.2	-15.8
UGI Penn Natural	149,164,424	184,696,814	233,511,186	239,555,679	186,321,235	172,666,044	147,367,114	166,532,193	23.8	-9.8
Total w/ out PGW	***1,152,332,259***	***1,599,455,817***	***2,046,534,240***	***1,766,677,994***	***1,507,534,093***	***1,453,664,756***	***1,216,764,103***	***1,419,044,168***	***38.8***	***-11.3***
PGW*		572,312,071	649,689,318	629,654,666	553,513,141	499,921,332	431,198,290	474,805,698	*	-17.0
Total w/ PGW	**1,152,332,259**	**2,171,767,888**	**2,696,223,558**	**2,396,332,660**	**2,061,047,234**	**1,953,586,088**	**1,647,962,393**	**1,893,849,866**	*****	**-12.8**

*PGW did not come under reporting requirements until 2004.

The following tables show the percentage of customers in debt for electric and gas utilities from 2002 through 2013. The percentage of customers in debt is calculated by dividing the number of residential customers in debt by the total number of residential customers. A company with a low percentage of its residential customers in debt will experience better cash flow than one with a higher percentage.[3]

Table 12 – Percentage of Residential Customers in Debt[3] – Active Accounts – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	15.85	11.78	9.50	9.41	9.73	7.67	7.64	7.57	-25.7	-35.7
GPU*	20.52									
Met-Ed		18.79	19.12	19.88	20.90	21.91	17.80	17.87	-3.9***	-4.9
PECO**	19.78	19.77	23.80	23.71	22.56	22.86	22.48	22.52	0.0	13.9
Penelec		19.88	19.24	19.46	19.99	21.41	16.58	16.40	-3.5***	-17.5
Penn Power	21.44	19.23	18.76	19.31	19.36	18.41	14.15	14.42	-10.3	-25.0
PPL	15.62	15.97	17.28	17.56	17.94	18.58	17.58	17.45	2.2	9.3
West Penn	18.68	17.54	15.89	16.83	17.24	17.68	16.68	16.28	-6.1	-7.2
Total	**18.40**	**17.59**	**18.59**	**18.85**	**18.86**	**19.16**	**17.65**	**17.57**	**-4.4**	**-0.1**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO statistics include electric and gas.
***Percent change from 2003-04.

The percentage of residential customers in debt for the electric industry declined by 4.4 percent in the pre-Chapter 14 period from 2002-04 but has since decreased by only 0.1 percent in the post-Chapter 14 period from 2004-13.

[3] These are customers with utility account arrearages.

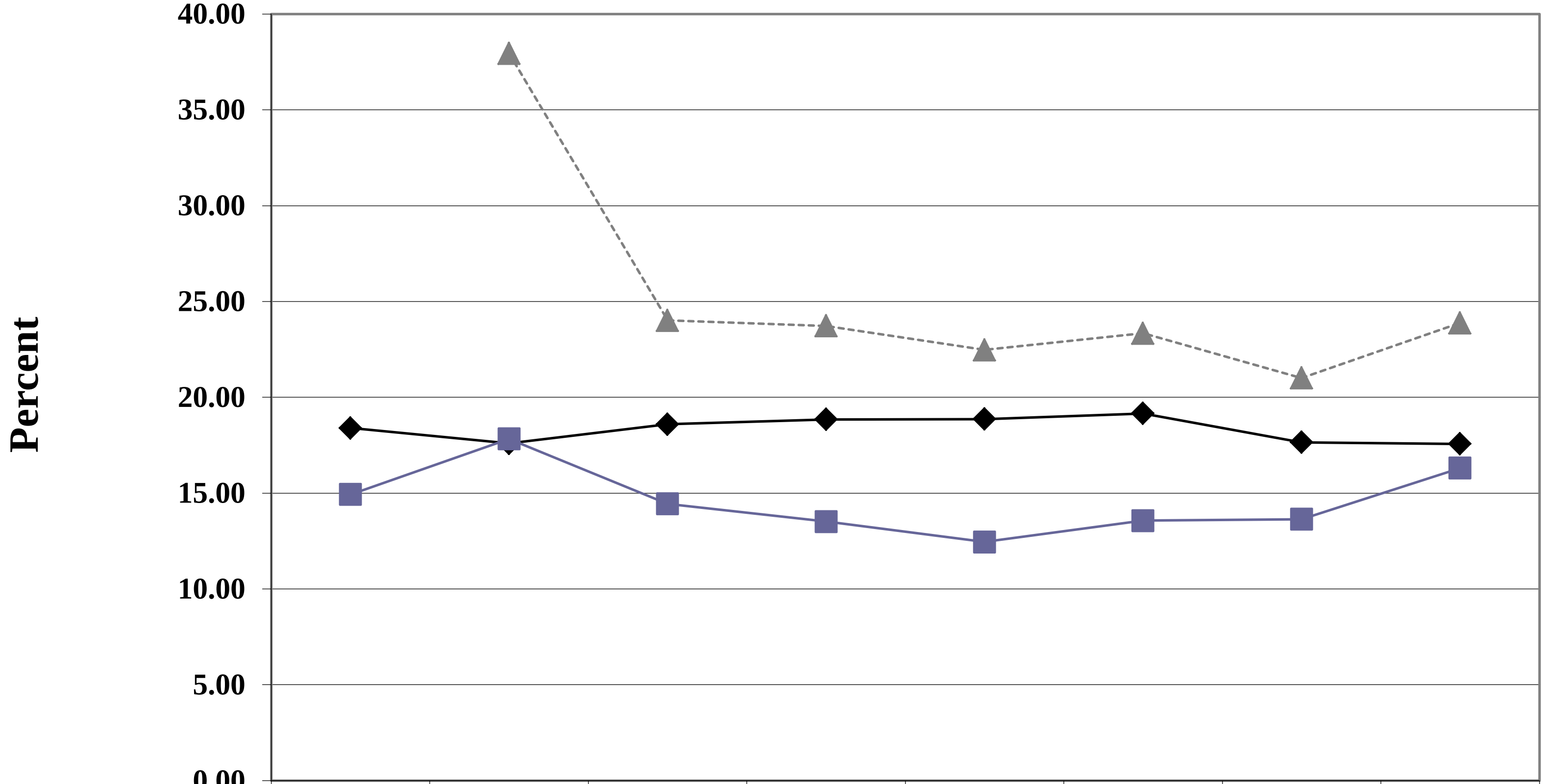
Table 13 – Percentage of Residential Customers in Debt – Active Accounts – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	10.44	14.14	13.34	11.49	11.09	12.04	11.40	12.13	35.4	-14.2
Equitable	16.99	27.44	12.31	11.84	11.95	12.27	12.00	12.87	61.5	-53.1
NFG	15.03	16.54	12.33	12.07	10.66	11.54	12.23	13.02	10.0	-21.3
Peoples	18.10	18.03	14.19	12.76	10.05	12.60	12.92	21.42	-0.4	18.8
UGI-Gas	14.15	15.22	17.52	16.39	15.79	16.78	17.01	18.82	7.6	23.7
UGI Penn Natural	16.66	17.52	17.92	19.20	17.54	17.75	18.42	20.26	5.2	15.6
Total w/out PGW	***14.93***	***17.83***	***14.44***	***13.52***	***12.45***	***13.57***	***13.64***	***16.31***	***19.4***	***-8.5***
PGW*		37.95	24.01	23.73	22.47	23.34	21.01	23.88	*	-37.1
Total w/ PGW		**22.63**	**16.68**	**15.90**	**14.77**	**15.82**	**15.33**	**18.00**	*****	**-20.5**

*PGW did not come under reporting requirements until 2004.

The percentage of residential customer in debt for the gas industry, excluding PGW, increased by 19.4 percent in the pre-Chapter 14 period from 2002-04 but declined by 8.5 percent during the period from 2004-13. Equitable's improvement since the passage of Chapter 14 was more dramatic than most of its industry peers as the percent of customers in debt declined overall by 53.1 percent from 2004-13. See page 25 for additional data included in this analysis.

Percentage of Customers in Debt - Active Accounts



	2002	2004	2008	2009	2010	2011	2012	2013
Electric	18.40	17.59	18.59	18.85	18.86	19.16	17.65	17.57
Gas Exluding PGW*	14.93	17.83	14.44	13.52	12.45	13.57	13.64	16.31
PGW		37.95	24.01	23.73	22.47	23.34	21.01	23.88

*PGW did not come under reporting requirements until 2004

Electric — Gas Exluding PGW* — PGW

The following tables show the percentage of billings in debt for electric and gas utilities from 2002 through 2013. The percentage of billings in debt is calculated by dividing the total annual billings by the total monthly average dollars in debt. This calculated variable provides another way to measure the extent of customer debt. In the two tables that follow, the higher the percentage, the greater the potential collections risk.

Table 14 – Percentage of Billings in Debt – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	11.75	7.13	3.99	4.22	4.22	3.46	3.73	4.45	-39.3	-37.6
GPU*	5.74									
Met-Ed		5.44	4.85	4.81	5.10	5.62	6.26	6.48	-2.9***	19.1
PECO**	4.92	6.32	8.11	7.39	4.91	5.05	4.49	4.58	28.5	-27.5
Penelec		6.62	5.31	5.27	5.27	5.59	6.17	6.65	3.0***	0.5
Penn Power	3.90	5.76	5.29	5.63	5.91	5.86	5.52	5.51	47.7	-4.3
PPL	4.58	5.15	5.94	6.08	5.30	6.15	6.71	6.35	12.4	23.3
West Penn	3.60	3.38	2.04	2.20	2.24	2.45	3.48	4.42	-6.1	30.8
Total	**5.31**	**5.74**	**6.12**	**5.86**	**4.77**	**5.10**	**5.25**	**5.40**	**8.1**	**-5.9**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO statistics include electric and gas.
***Percent change from 2003-04.

The percentage of billings in debt was worsening for the electric industry prior to the passage of Chapter 14, as evidenced by the 8.1 percent increase from 2002-04. Since the passage of Chapter 14, the electric industry showed an overall decrease of 5.9 percent. However, there has been a steady increase in percent of billings in debt since 2010.

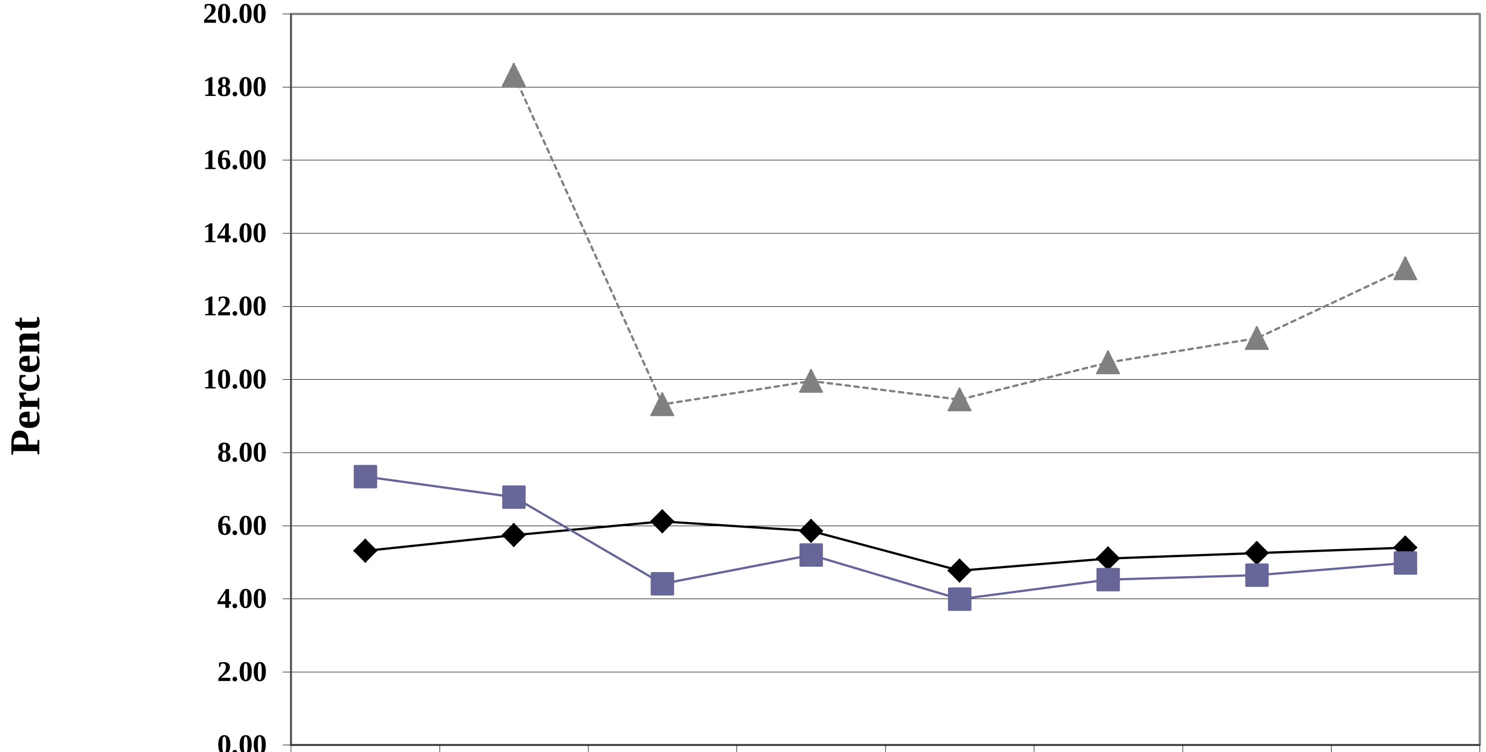
Table 15 – Percentage of Billings in Debt – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	5.61	4.78	3.53	5.12	3.61	4.56	4.21	3.86	-14.8	-19.2
Equitable	8.50	9.44	3.23	3.99	3.86	3.88	3.94	3.46	11.1	-63.3
NFG	3.09	3.54	2.31	2.76	2.56	2.81	4.08	3.65	14.6	3.1
Peoples	21.99	14.48	10.36	12.18	7.15	7.62	6.52	8.41	-34.2	-41.9
UGI-Gas	2.17	3.04	4.06	3.52	3.20	3.84	4.60	5.00	40.1	64.5
UGI Penn Natural	3.38	3.76	3.68	4.18	3.90	3.74	3.93	4.51	11.2	19.9
Total w/out PGW	***7.34***	***6.78***	***4.41***	***5.20***	***3.99***	***4.53***	***4.65***	***4.98***	***-7.6***	***-26.5***
PGW*		18.33	9.32	9.96	9.45	10.47	11.13	13.04	*	-28.9
Total w/ PGW		**9.82**	**5.67**	**6.45**	**5.46**	**6.05**	**6.35**	**7.00**	*****	**-28.7**

*PGW did not come under reporting requirements until 2004.

The percentage of billings in debt for the gas industry, excluding PGW, decreased by 7.6 percent prior to the passage of Chapter 14 from 2002-04 and showed a more significant decrease of 26.5 percent from 2004-13. Equitable showed the most improvement since the passage of Chapter 14, based on the 63.3 percent decrease in the percentage of billings in debt. See page 28 for additional data included in this analysis.

Percentage of Billings in Debt



	2002	2004	2008	2009	2010	2011	2012	2013
Electric	5.31	5.74	6.12	5.86	4.77	5.10	5.25	5.40
Gas-Excluding PGW*	7.34	6.78	4.41	5.20	3.99	4.53	4.65	4.98
PGW		18.33	9.32	9.96	9.45	10.47	11.13	13.04

*PGW did not come under reporting requirements until 2004

Electric   Gas-Excluding PGW*   PGW

The following tables show the weighted average of arrearages compared to bills for electric and gas utilities from 2002 through 2013. The weighted arrearage is calculated by dividing the average arrearage by the average bill. It represents the number of average bills in an average arrearage. The larger the number, the greater the collections risk.

Table 16 – Weighted Arrearage – Active Accounts – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	8.81	7.29	5.07	5.96	5.84	6.23	6.77	8.47	-17.3	16.2
GPU*	3.35									
Met-Ed		3.17	3.04	2.93	2.94	3.08	4.21	4.36	-7.6***	37.5
PECO**	2.98	3.83	4.09	3.74	3.39	3.77	3.15	3.20	28.5	-16.4
Penelec		3.99	3.32	3.25	3.16	3.13	4.45	4.89	18.8***	22.6
Penn Power	3.53	3.16	3.38	3.51	3.68	3.80	4.68	4.57	-10.5	44.6
PPL	3.58	3.96	4.09	4.20	4.44	5.58	6.39	4.22	10.6	6.6
West Penn	2.48	2.33	1.51	1.51	1.55	1.67	2.51	3.25	-6.0	39.5
Total	**3.99**	**4.13**	**4.24**	**4.02**	**3.65**	**3.93**	**4.42**	**4.49**	**3.5**	**8.7**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO statistics include electric and gas.
***Percent change from 2003-04.

From 2002 to 2004, the weighted arrearage for the electric industry increased by 3.5 percent. By 2010, there was some improvement, but there has been a noticeable increase in collections risk over the past several years.

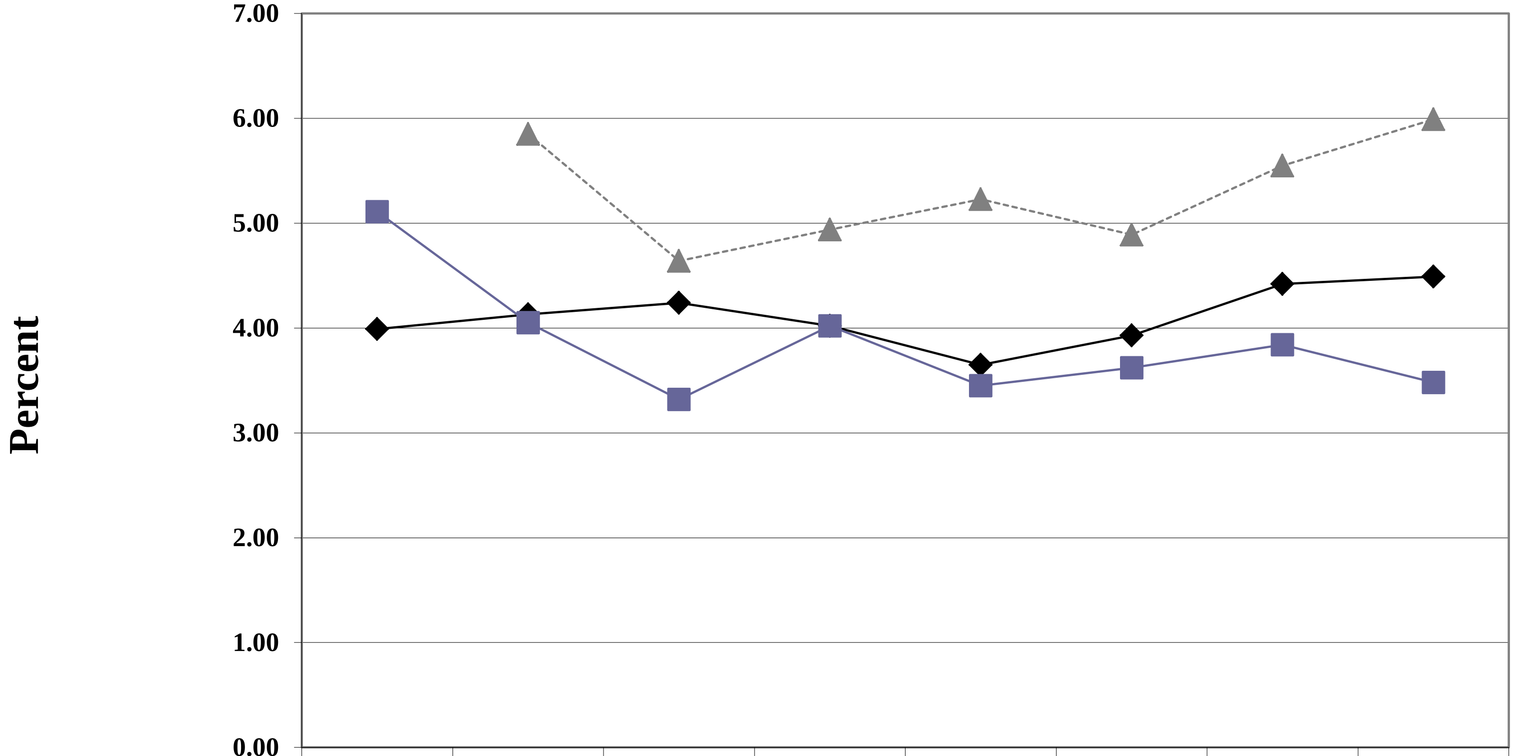
Table 17 – Weighted Arrearage – Active Accounts – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	4.73	3.48	3.04	5.53	3.74	4.45	4.46	3.94	-26.4	13.2
Equitable	5.32	3.84	2.91	3.39	3.60	3.47	3.78	3.15	-27.8	-18.0
NFG	2.50	2.63	2.24	2.75	2.87	2.82	3.81	3.14	5.2	19.4
Peoples	10.15	7.21	6.33	7.94	6.37	6.34	6.08	4.71	-29.0	-34.7
UGI-Gas	2.20	2.33	2.43	2.48	2.35	2.50	2.95	2.83	5.9	21.5
UGI Penn Natural	2.46	2.61	2.52	2.66	2.59	2.43	2.55	2.69	6.1	3.1
Total w/out PGW	***5.11***	***4.05***	***3.32***	***4.02***	***3.45***	***3.62***	***3.84***	***3.48***	***-20.7***	***-14.1***
PGW*		5.85	4.64	4.94	5.23	4.89	5.55	5.99	*	2.4
Total w/ PGW		**4.77**	**3.71**	**4.38**	**4.14**	**4.20**	**4.68**	**4.46**	*****	**-6.5**

*PGW did not come under reporting requirements until 2004.

The weighted arrearage for the gas industry, excluding PGW, improved significantly, decreasing by 20.7 percent from 2002-04 and showed a slight improvement following the passage of Chapter 14, as the decline measured 14.1 percent from 2004-13. People's weighted arrearage improved more dramatically than that of its industry peers since the passage of Chapter 14 as the weighted arrearage declined by 34.7 percent from 2004-13. See page 31 for additional data included in this analysis.

Weighted Arrearage - Active Accounts



	2002	2004	2008	2009	2010	2011	2012	2013
Electric	3.99	4.13	4.24	4.02	3.65	3.93	4.42	4.49
Gas-Excluding PGW	5.11	4.05	3.32	4.02	3.45	3.62	3.84	3.48
PGW		5.85	4.64	4.94	5.23	4.89	5.55	5.99

*PGW did not come under reporting requirements until 2004

Electric Gas-Excluding PGW PGW

The following tables show the gross residential write-offs ratio for electric and gas utilities from 2002 through 2013. The gross residential write-off ratio is the percentage of billings written-off as uncollectible. The percentage of residential billings written off as uncollectible is the most commonly used long-term measure of collections system performance. This measure is calculated by dividing the annual total gross dollars written off for residential accounts by the annual total dollars of residential billings.

Table 18 – Percentage of Gross Residential Write-Offs Ratio – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	5.19	3.15	1.26	1.76	1.14	1.23	1.39	1.29	-39.3	-59.0
GPU*	2.49									
Met-Ed		2.11	1.91	1.71	1.68	1.92	2.37	1.90	17.2***	-10.0
PECO**	2.31	2.12	2.11	2.22	1.84	1.43	1.77	1.64	-8.2	-22.6
Penelec		2.33	2.00	1.76	1.67	1.79	2.11	1.90	7.9***	-18.5
Penn Power	1.35	1.69	1.81	1.82	1.61	1.85	1.70	1.34	25.2	-20.7
PPL	1.51	1.99	1.78	2.36	2.13	2.68	3.19	3.06	31.8	53.8
West Penn	1.65	1.86	1.01	0.93	0.93	1.03	1.26	1.22	12.7	-34.4
Total	**2.27**	**2.14**	**1.83**	**2.00**	**1.74**	**1.79**	**2.14**	**2.02**	**-5.7**	**-5.6**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO statistics include electric and gas.
***Percent change from 2003-04.

The percentage of gross residential write-offs ratio for the electric industry declined by 5.7 percent prior to the passage of Chapter 14. The residential write-offs ratio continued to decline slightly after the passage of Chapter 14, as indicated by the 5.6 percent decrease from 2004-13. PPL showed an increase of 53.8 percent in the gross write-offs ratio during the period of 2004-13. Duquesne showed the most improvement with a decrease of 59 percent from 2004-13.

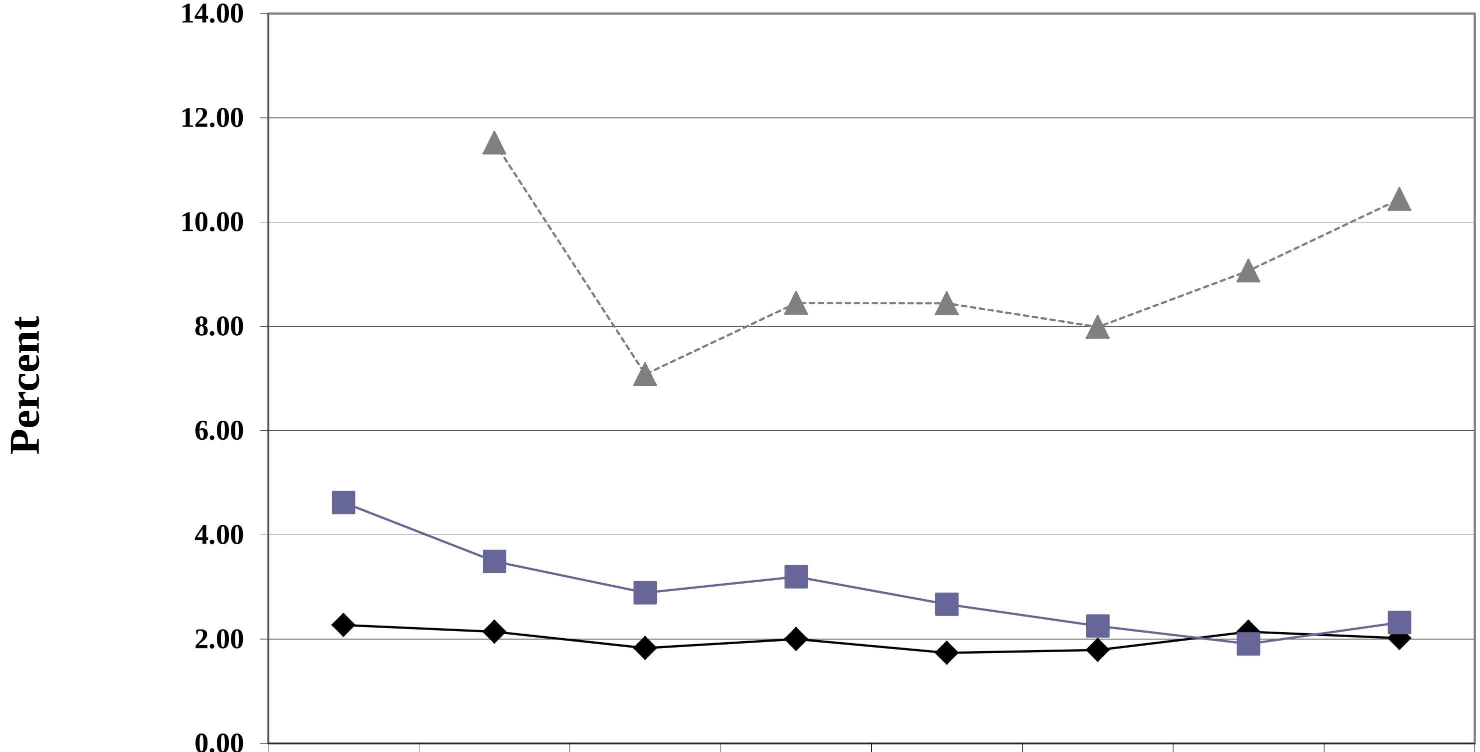
Table 19 – Percentage of Gross Residential Write-Offs Ratio – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	3.87	4.81	2.26	3.11	2.27	2.82	2.82	2.02	24.3	-58.0
Equitable	7.44	2.79	3.46	2.97	2.19	2.13	1.93	1.95	-62.5	-30.1
NFG	3.61	2.45	2.09	2.33	3.39	2.00	2.59	2.19	-32.1	-10.6
Peoples	7.70	4.79	2.87	4.06	3.59	1.82	0.28	3.56	-37.8	-25.7
UGI-Gas	2.56	2.60	3.39	3.08	2.43	2.27	2.28	2.17	1.6	-16.5
UGI Penn Natural	2.17	2.79	3.57	3.83	2.75	2.10	1.79	1.60	28.6	-42.7
Total w/out PGW	***4.62***	***3.49***	***2.89***	***3.20***	***2.67***	***2.25***	***1.91***	***2.32***	***-24.5***	***-33.5***
PGW*		11.52	7.08	8.45	8.44	7.99	9.07	10.44	*	-9.4
Total w/ PGW		**5.61**	**3.90**	**4.58**	**4.22**	**3.72**	**3.78**	**4.36**	*****	**-22.3**

*PGW did not come under reporting requirements until 2004.

The percentage of gross residential write-offs ratio for the gas industry, excluding PGW, declined by 24.5 percent prior to the passage of Chapter 14 and continued to decline after the passage of Chapter 14, as indicated by the 33.5 percent decrease from 2004-13. Columbia did better than all of its industry peers following the passage of Chapter 14 as indicated by the decline of 58.0 percent. See page 34 for additional data included in this analysis.

Percentage of Gross Residential Write-Off Ratio



	2002	2004	2008	2009	2010	2011	2012	2013
Electric	2.27	2.14	1.83	2.00	1.74	1.79	2.14	2.02
Gas-Excluding PGW	4.62	3.49	2.89	3.20	2.67	2.25	1.91	2.32
PGW		11.52	7.08	8.45	8.44	7.99	9.07	10.44

*PGW did not come under reporting requirements until 2004

Electric — Gas-Excluding PGW — PGW

The following tables show Total Universal Service Costs for electric and gas utilities from 2002 through 2013. Universal Service Programs are targeted to low-income customers and include the Customer Assistance Program (CAP), the Low Income Usage Reduction Program (LIURP), Customer Assistance and Referral Evaluation Services (CARES) and Hardship Funds. Universal Service Programs offer an alternative payment strategy for low-income customers aimed at making bills more affordable. Customers who participate in CAP are removed from mainstream collections data and are tracked under Universal Service Program Costs, consistent with the Commission's treatment of such costs for ratemaking purposes. Consistent with reporting in the Commission's annual Universal Service Report, the total Universal Service Program Costs include CAP, LIURP and CARES.

Table 20 – Total Universal Service Program Costs – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	$7,740,834	$6,396,250	$14,816,236	$17,508,094	$19,464,980	$20,275,094	$18,366,304	$18,382,533	-17.4	187.4
GPU*	$12,965,640									
Met-Ed		$6,686,226	$16,144,867	$22,015,084	$26,884,978	$31,294,913	$31,681,662	$26,345,613	3.0***	294.0
PECO**	$66,179,850	$86,102,371	$120,605,511	$115,914,246	$109,598,048	$117,318,571	$108,835,204	$106,202,183	30.1	23.3
Penelec		$8,571,959	$21,988,893	$27,570,954	$30,436,815	$32,726,847	$34,178,213	$29,308,073	9.8***	241.9
Penn Power	$2,498,900	$2,353,117	$6,183,737	$9,725,640	$11,109,118	$11,164,436	$10,298,669	$7,651,533	-5.8	225.2
PPL	$16,235,685	$20,334,191	$31,868,731	$37,859,371	$55,095,434	$60,937,485	$55,133,444	$63,456,467	25.2	212.1
West Penn	$5,464,748	$7,109,745	$9,529,798	$9,252,313	$11,416,768	$13,376,386	$11,042,186	$13,444,879	30.1	89.1
Total	**$111,085,657**	**$137,553,859**	**$221,137,773**	**$239,845,702**	**$264,006,141**	**$287,093,732**	**$269,535,682**	**$264,791,281**	**23.8**	**92.5**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO data includes electric and gas.
***Percent change from 2003-04.

Spending on Universal Service programs increased prior to the passage of Chapter 14, and generally, this trend continued after the passage of Chapter 14 as the electric companies continued to expand these programs for low-income customers.

Table 21 – Total Universal Service Program Costs – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	$10,408,791	$16,344,747	$25,879,596	$31,551,847	$21,875,493	$21,567,265	$12,588,324	$18,031,209	57.0	10.3
Equitable	$2,717,462	$6,596,751	$16,675,577	$30,380,400	$15,964,898	$13,072,242	$6,950,357	$8,243,335	142.8	25.0
NFG	$3,098,569	$5,833,965	$9,420,781	$8,119,399	$4,298,336	$3,870,753	$3,363,272	$3,375,672	88.3	-42.1
Peoples	$2,214,685	$6,161,196	$9,448,364	$11,046,754	$6,710,862	$8,718,959	$7,179,917	$9,484,832	178.2	53.9
UGI-Gas	$1,097,623	$2,615,634	$5,749,679	$6,781,836	$4,931,486	$5,100,032	$3,518,621	$3,688,185	138.3	41.0
UGI Penn Natural	$686,930	$1,036,120	$2,963,411	$4,450,767	$3,187,398	$4,197,023	$3,404,363	$3,843,399	50.8	270.9
Total w/ out PGW	***$20,224,060***	***$38,588,413***	***$70,137,408***	***$92,331,003***	***$56,968,473***	***$56,526,274***	***$37,004,854***	***$46,666,632***	***90.8***	***20.9***
PGW*		$59,808,697	$105,892,522	$108,636,123	$96,192,935	$102,964,829	$78,961,802	$86,003,672	*	43.8
Total w/ PGW	**$20,224,060**	**$98,397,110**	**$176,029,930**	**$200,967,126**	**$153,161,408**	**$159,491,103**	**$115,966,656**	**$132,670,304**	*****	**34.8**

*PGW did not come under reporting requirements until 2004.

Spending on Universal Service programs increased prior to the enactment of Chapter 14, and generally, this trend continued after the passage of Chapter 14 as gas companies expanded these programs for low-income customers.

The following table is a summary of various significant collections data variables and collections data performance measures that appear in Section II, Section III and in various appendices in this report. For both the electric and gas industries, the pre-Chapter 14 trend is shown in the columns indicating the change from 2002-04 and the post-Chapter 14 analysis is shown in the columns indicating the change from 2004-13.

Table 22 – Summary of Collections Measures – Percent Change 2002-04 and Percent Change 2004-13

Collections Measure	Electric Industry 2002-04	Electric Industry 2004-13	Gas Industry 2002-04*	Gas Industry 2004-13*	PGW 2004-13
Billings	4.8	30.3	38.8	-11.3	-17.0
Gross Write-Offs Ratio	-5.7	-5.6	-24.5	-33.5	-9.4
Percent of Billings in Debt	8.1	-5.9	-7.6	-26.5	-28.9
Percent of Customers in Debt**	-4.4	-0.1	19.4	-8.5	-37.1
Weighted Arrearage	3.5	8.7	-20.7	-14.1	2.4
Universal Service Programs Costs	23.8	92.5	90.8	20.9	43.8

*Excludes PGW – PGW did not come under reporting requirements until 2004.
**See Appendix 2 for the explanation of variability among the companies for reporting when they consider an account to be overdue and see Appendix 3 for the explanation of variability of when they move an account from active status to inactive status following a termination or discontinuance of service.

<u>Conclusion: Section II – The Effect Upon the Cash Working Capital or Cash Flow, Uncollectible Levels and Collections of the Affected Public Utilities</u>

As shown above, analysis of the impact on residential collections continues to be more developed since our initial report in 2006. Due to the economic downturn and the implementation of Chapter 14, there has been a significant increase in the number of low-income, payment-troubled customers since 2004. Evidence of the economic downturn can be seen in the increase in the percentage of Pennsylvania households at or below 150 percent of the Federal Poverty Level, from 19 percent in 2000 to over 26 percent in 2012.

The overall collections performance for the electric industry is showing some improvement since the passage of Chapter 14, despite the recent upward trend of several key cost components. The electric industry has experienced a 30.3 percent increase in residential revenues since 2004. The gross residential write-offs ratio, which is the percentage of billings written off as uncollectible, has only declined from 2.1 percent in 2004 to 2.0 percent in 2013, but the percent of billings in debt declined 5.9 percent for the same period.

The overall collections performance for the gas industry improved from 2004-13. This improvement reflects the continuation of a trend that had already begun in the pre-Chapter 14 period from 2002-04. During the post-Chapter 14 years, the percentage of customers in debt declined from 22.63 percent in 2004 to a low of 14.77 percent in 2010, but has recently risen to 18.00 percent in 2013. The total dollars in debt declined by 37.9 percent for the period between 2004-13. The gross residential write-offs ratio declined by 22.3 percent since the passage of Chapter 14, going from 5.61 percent in 2004 to a low of 3.72 in 2011, and then rising to 4.36 percent in 2013.

The analysis of the various collections data continues to show a pattern of overall improvement for PGW since the passage of Chapter 14. Fewer customers owe money to PGW, as the percent of customers in debt decreased by 37.1 percent from 2004-13. The amount of billings in debt declined 28.9 percent overall since 2004. PGW had an overall 9.4 percent decrease in its gross residential write-offs ratio between 2004-13.

Enrollment in Universal Service programs has increased significantly, resulting in higher Universal Service costs. These costs are recoverable for the utilities and represent a pre-emptive alternative to the traditional costs associated with collections by helping utilities manage customer debt. The combination of total collections and Universal Service costs as a percentage of gross revenues for the electric industry have increased slightly from 7.1 percent in 2004 to 7.6 percent in 2013, and have remained steady for the gas industry at approximately 12 percent.

The collections data presented in this report do not include CAP accounts, consistent with the Commission's historical treatment of CAP accounts. For ratemaking purposes, CAP costs are recovered as a Universal Service Program Cost and not as a collections expense. The increase in the enrollment in CAP since the passage of Chapter 14 is, however, a factor in the overall collections trend line. The net effect in the growth of the CAP programs is that the customer arrearages are removed from the amount of current arrearages. Therefore, reductions in those collection costs have partially offset the increase in CAP costs.

The electric industry increased CAP spending by 98.6 percent from 2004-13, while the gas industry increased CAP spending 25.5 percent over the same period. CAP enrollments increased for the combined industries by 53 percent overall from 2004-13. The electric industry CAP enrollment peaked in 2012 with 309,570 customers. The gas industry reached a record high enrollment in CAP in 2009, with 192,924 customers.

Section III - The Level of Access to Utility Services by Residential Customers, Including Low-Income Customers

This report, in part, is designed to measure the impact of Chapter 14 on access to utility services by residential customers, including low-income customers.

To help measure access, the PUC uses monthly termination and reconnection data received from the electric and gas distribution companies. The Commission also uses limited information on terminated households through the annual Cold Weather Survey (CWS). The electric and natural gas distribution companies gather CWS data annually during the fall months. The utilities survey residential properties where heat-related service was terminated during the calendar year and not reconnected. Survey results are reported to the Commission and categorized according to income status. The CWS does not provide any indication as to how long the household has been without utility service. A further limitation of the CWS is that customers whose service was terminated and not reconnected in a prior year will not be in the pool of customers to be surveyed in the current year.

Termination of utility service is the most serious consequence of customer nonpayment. The termination of utility service is a last resort when customers fail to meet their payment obligations. The following tables contain information on the number of terminations for electric and gas utilities from 2002 through 2013.

Table 23 – Terminations – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	9,307	10,694	22,081	23,143	21,915	22,927	23,533	25,649	14.9	139.8
GPU*	9,268									
Met-Ed		4,506	16,359	12,915	10,676	18,169	17,995	23,672	26.9***	425.3
PECO**	46,040	55,098	84,323	76,862	78,180	81,408	73,887	84,235	19.7	52.9
Penelec		5,881	13,442	9,878	6,750	17,513	13,747	20,544	12.1***	249.3
Penn Power	1,483	1,446	4,030	3,196	1,705	3,622	3,514	4,999	-2.5	245.7
PPL	7,736	9,061	38,917	33,247	33,536	33,641	38,303	47,759	17.1	427.1
West Penn	8,777	12,007	19,650	17,057	16,803	15,351	11,092	13,904	36.8	15.8
Total	**82,611**	**98,693**	**198,802**	**176,298**	**169,565**	**192,631**	**182,071**	**220,762**	**19.5**	**123.7**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO statistics include electric and gas.
***Percent change from 2003-04.

Terminations for the electric industry were on the rise prior to the passage of Chapter 14. For example, terminations increased by 19.5 percent from 2002-04. Since 2004, terminations have reached record levels, increasing 123.7 percent during the period from 2004 to 2013.

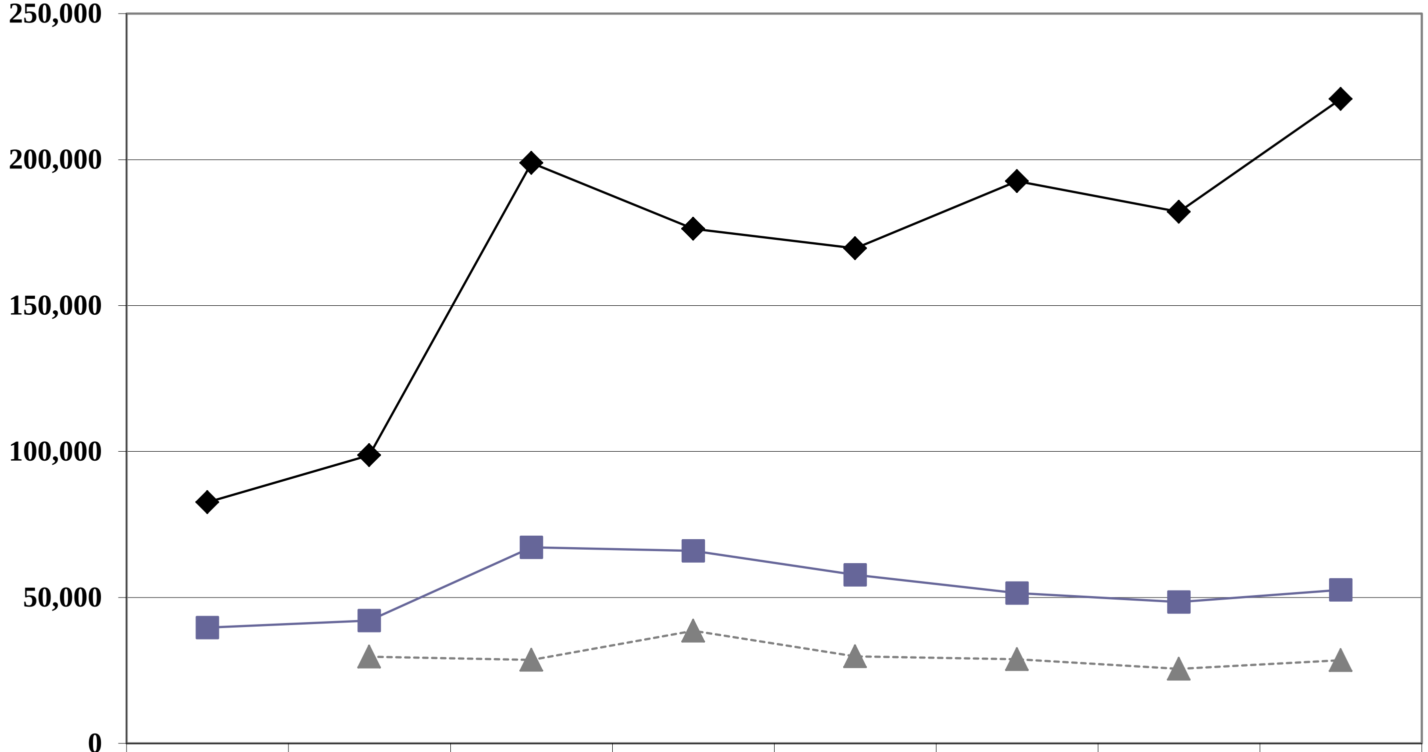
Table 24 – Terminations – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	5,832	7,545	12,188	11,662	9,878	9,650	11,321	12,030	29.4	59.4
Equitable	11,012	7,023	11,979	10,836	10,967	10,471	8,394	8,507	-36.2	21.1
NFG	5,880	7,422	11,022	12,290	9,296	9,472	8,347	9,576	26.2	29.0
Peoples	5,131	6,054	7,867	7,640	7,135	3,696	6,601	7,229	18.0	19.4
UGI-Gas	7,824	8,911	16,415	14,891	11,885	11,206	8,434	9,055	13.9	1.6
UGI Penn Natural	4,041	5,169	7,735	8,672	8,569	6,967	5,403	6,214	27.9	20.2
Total w/out PGW	***39,720***	***42,124***	***67,206***	***65,991***	***57,730***	***51,462***	***48,500***	***52,611***	***6.1***	***24.9***
PGW*		29,695	28,674	38,536	29,865	28,868	25,507	28,497	*	-4.0
Total w/ PGW		**71,819**	**95,880**	**104,527**	**87,595**	**80,330**	**74,007**	**81,108**	*****	**12.9**

*PGW did not come under reporting requirements until 2004.

Terminations for the gas industry, excluding PGW, show a modest increase of 6.1 percent prior to the passage of Chapter 14 from 2002-04, and show a marked overall increase of 24.9 percent from 2004-13. PGW has shown a 4.0 percent decline in terminations since 2004. See page 42 for additional data included in this analysis.

Terminations



	2002	2004	2008	2009	2010	2011	2012	2013
Electric	82,611	98,693	198,802	176,298	169,565	192,631	182,071	220,762
Gas-Excluding PGW	39,720	42,124	67,206	65,991	57,730	51,462	48,500	52,611
PGW		29,695	28,674	38,536	29,865	28,868	25,507	28,497

*PGW did not come under reporting requirements until 2004

Electric — Gas-Excluding PGW — PGW

The following tables show termination rates for electric and gas utilities from 2002 through 2013. The termination rate is calculated by dividing the number of terminations by the number of customers.

Table 25 – Termination Rate – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	1.77	2.03	4.21	4.41	4.18	4.37	4.48	4.87	14.7	139.9
GPU*	0.98									
Met-Ed		0.98	3.39	2.67	2.20	3.73	3.69	4.85	24.1***	394.9
PECO**	3.32	3.95	5.95	5.43	5.51	5.71	5.16	5.87	19.0	48.6
Penelec		1.17	2.66	1.96	1.34	3.46	2.72	4.07	12.5***	247.9
Penn Power	1.10	1.05	2.88	2.29	1.22	2.58	2.50	3.54	-4.5	237.1
PPL	0.68	0.78	3.23	2.75	2.77	2.77	3.15	3.92	14.7	402.6
West Penn	1.48	2.00	3.21	2.78	2.73	2.49	1.79	2.24	35.1	12.0
Total	**1.75**	**2.06**	**4.07**	**3.60**	**3.46**	**3.92**	**3.70**	**4.47**	**17.7**	**117.0**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO statistics include electric and gas
***Percent change from 2003-04.

Terminations for the electric industry have risen to record high levels since the passage of Chapter 14, increasing from 2.06 to 4.47 from 2004-13. Overall, the termination rate has increased by 117.0 percent from 2004-13.

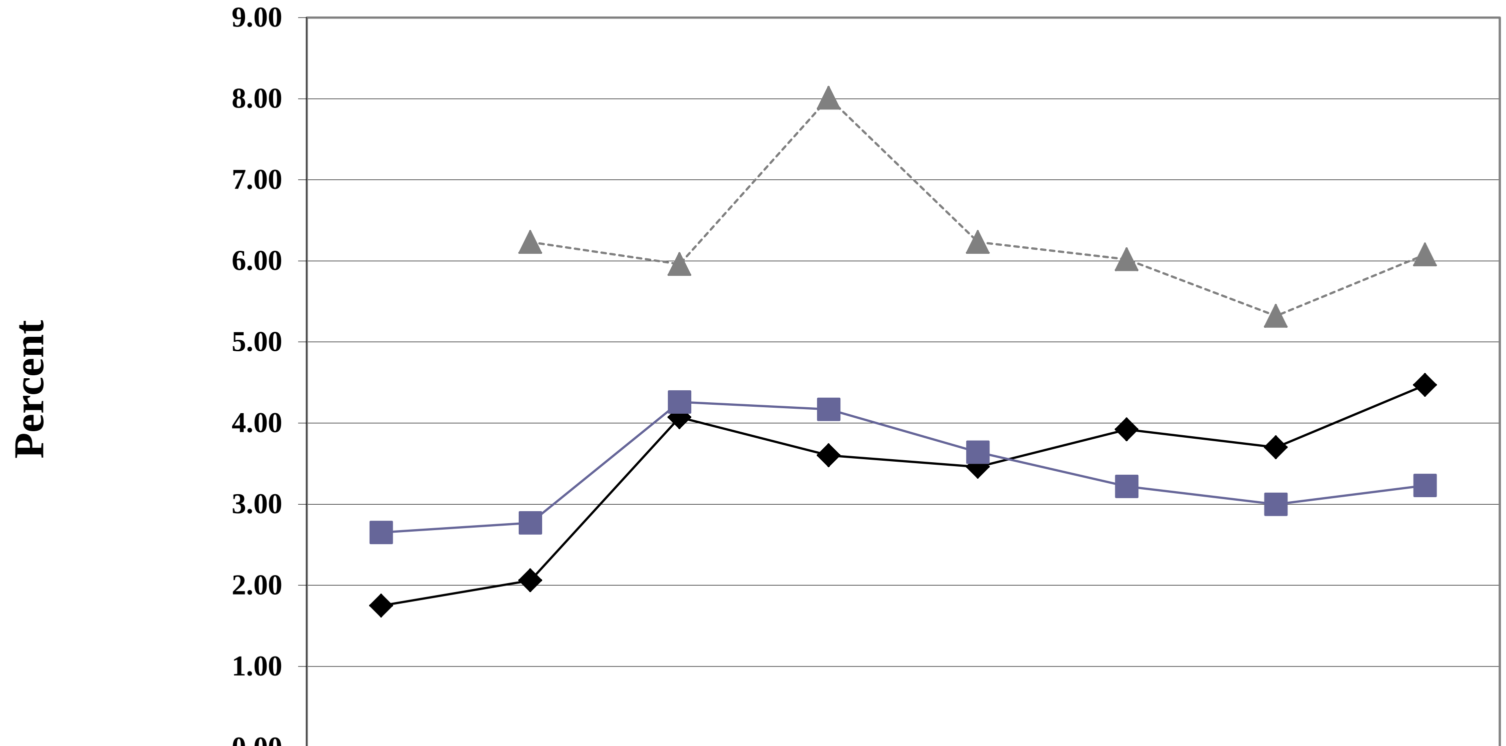
Table 26 – Termination Rate – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	1.67	2.11	3.29	3.14	2.65	2.58	2.96	3.13	26.3	48.3
Equitable	4.66	3.00	5.01	4.52	4.61	4.36	3.47	3.51	-35.6	17.0
NFG	3.01	3.81	5.57	6.22	4.70	4.77	4.20	4.82	26.6	26.5
Peoples	1.59	1.87	2.41	2.34	2.18	1.12	2.00	2.19	17.6	17.1
UGI-Gas	3.06	3.30	5.50	4.92	3.89	3.61	2.66	2.79	7.8	-15.5
UGI Penn Natural	2.91	3.69	5.38	5.99	5.93	4.79	3.67	4.17	26.8	13.0
Total w/out PGW	***2.65***	***2.77***	***4.26***	***4.17***	***3.64***	***3.22***	***3.00***	***3.23***	***4.5***	***16.6***
PGW*		6.23	5.96	8.01	6.23	6.02	5.32	6.08	*	-2.4
Total w/PGW		**3.60**	**4.66**	**5.07**	**4.24**	**3.87**	**3.53**	**3.87**	*****	**7.5**

*PGW did not come under reporting requirements until 2004.

The termination rate for the gas industry, excluding PGW, increased slightly by 4.5 percent prior to Chapter 14 during 2002-04, and increased by 16.6 percent from 2004-13. PGW's termination rate was 6.23 in 2004, peaked at 8.01 in 2009, and declined to 6.08 in 2013. See page 45 for additional data included in this analysis.

Termination Rate



	2002	2004	2008	2009	2010	2011	2012	2013
Electric	1.75	2.06	4.07	3.60	3.46	3.92	3.70	4.47
Gas-Excluding PGW*	2.65	2.77	4.26	4.17	3.64	3.22	3.00	3.23
PGW		6.23	5.96	8.01	6.23	6.02	5.32	6.08

*PGW did not come under reporting requirements until 2004

Electric Gas-Excluding PGW* PGW

Reconnection of service occurs when a customer pays his/her debt in full or makes a significant up-front payment and agrees to a payment agreement for the balance owed to the company. The following tables contain information on the number of reconnections for electric and gas utilities from 2002 through 2013.

Table 27 – Reconnections – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	4,461	6,182	16,443	16,877	15,946	16,846	18,179	20,355	38.6	229.3
GPU*	3,205									
Met-Ed		1,953	14,002	10,279	7,650	14,696	14,651	19,046	43.7***	875.2
PECO**	30,118	35,469	58,296	52,281	55,863	58,323	52,512	61,858	17.8	74.4
Penelec		2,558	10,754	7,603	4,111	14,209	10,989	16,184	36.9***	532.7
Penn Power	550	589	3,687	2,739	1,104	3,316	3,208	4,740	7.1	704.8
PPL	3,742	3,681	29,053	23,424	22,158	22,727	26,326	34,910	-1.6	848.4
West Penn	4,176	6,084	12,308	10,500	10,121	9,914	9,082	11,089	45.7	82.3
Total	**46,252**	**56,516**	**144,543**	**123,703**	**116,953**	**140,031**	**134,947**	**168,182**	**22.2**	**197.6**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO statistics include electric and gas
***Percent change from 2003-04.

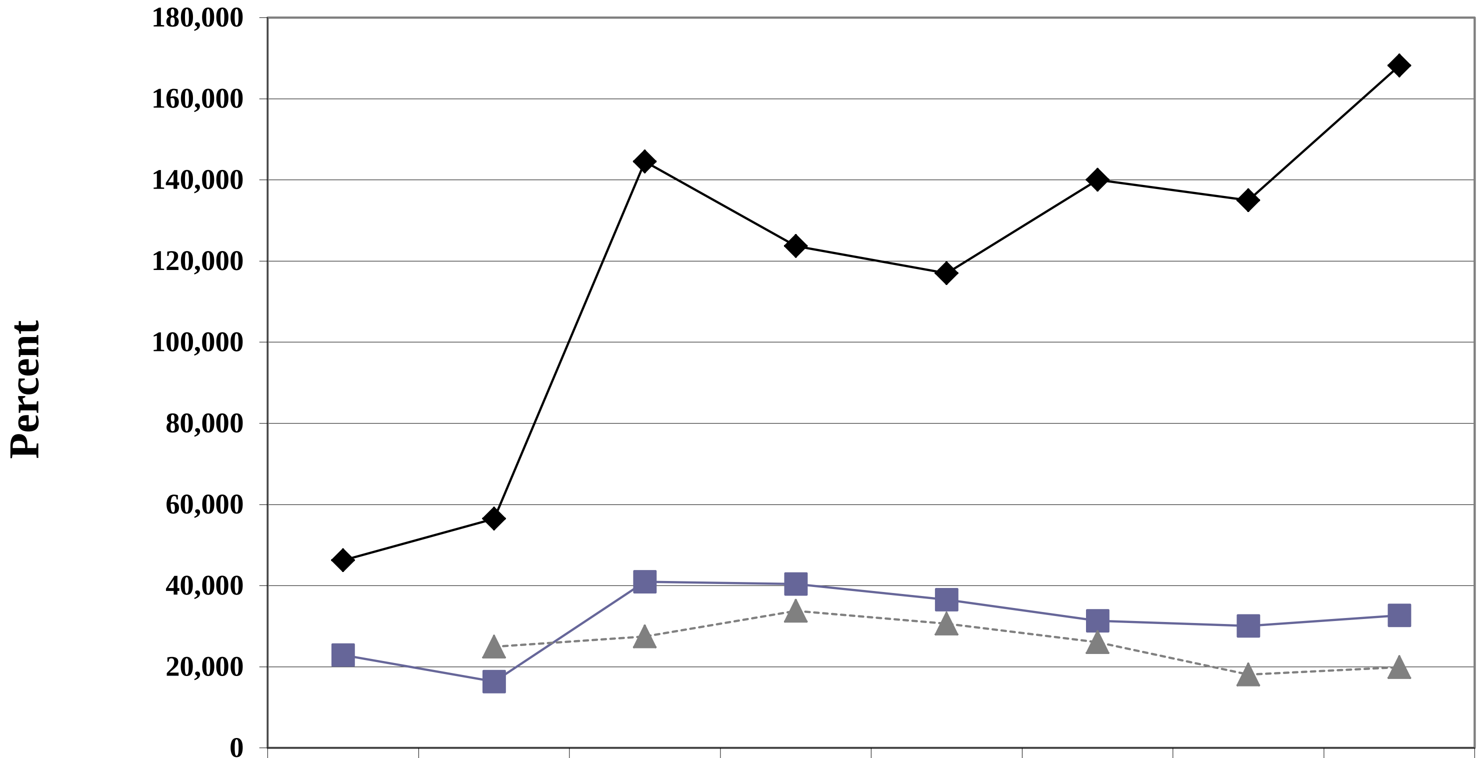
Reconnections for the electric industry were on the rise prior to the passage of Chapter 14, by 22.2 percent. Since 2004, electric reconnections have increased dramatically, 197.6 percent from 2004-13.

Table 28 – Reconnections – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	4,670	2,797	7,212	6,559	5,336	4,958	6,310	6,490	-40.1	132.0
Equitable	4,225	1,964	7,988	7,392	7,873	7,587	6,221	6,453	-53.5	228.6
NFG	2,923	3,304	7,192	8,249	6,445	6,449	5,458	6,453	13.0	95.3
Peoples	2,384	2,320	4,048	4,597	4,602	2,660	4,654	5,426	-2.7	133.9
UGI-Gas	6,235	2,819	10,018	8,752	6,703	5,426	3,990	4,332	-54.8	53.7
UGI Penn Natural	2,495	3,131	4,524	4,871	5,548	4,276	3,453	3,483	25.5	11.2
Total w/out PGW	***22,932***	***16,335***	***40,982***	***40,420***	***36,507***	***31,356***	***30,086***	***32,637***	***-28.8***	***99.8***
PGW		24,937	27,434	33,815	30,626	26,011	18,114	19,907	*	-20.2
Total w/ PGW	**22,932**	**41,272**	**68,416**	**74,235**	**67,133**	**57,367**	**48,200**	**52,544**	*****	**27.3**

As with terminations, reconnections for the gas industry, excluding PGW, rose to record levels immediately after the passage of Chapter 14, but have since declined and ended with an overall increase of 99.8 percent from 2004-13. PGW showed a decrease of 20.2 percent in reconnections during this same period. See page 48 for additional data included in this analysis.

Reconnections



	2002	2004	2008	2009	2010	2011	2012	2013
Electric	46,252	56,516	144,543	123,703	116,953	140,031	134,947	168,182
Gas-Excluding PGW	22,932	16,335	40,982	40,420	36,507	31,356	30,086	32,637
PGW		24,937	27,434	33,815	30,626	26,011	18,114	19,907

*PGW did not come under reporting requirements until 2004

Electric   Gas-Excluding PGW   PGW

The following tables show the reconnection ratios of electric and gas utilities from 2002 through 2013. The reconnect ratio is calculated by dividing the number of reconnections by the number of terminations in a calendar year.

Table 29 – Reconnect Ratio – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	47.9	57.8	74.5	72.9	72.8	73.5	77.3	79.4	20.7	37.4
GPU*	34.6									
Met-Ed		43.3	85.6	79.6	71.7	80.9	81.4	80.5	13.1***	85.9
PECO**	65.4	64.4	69.1	68.0	71.5	71.6	71.1	73.4	-1.5	14.0
Penelec		43.5	80.0	77.0	60.9	81.1	79.9	78.8	22.2***	81.1
Penn Power	37.1	40.7	91.5	85.7	64.8	91.6	91.3	94.8	9.7	132.9
PPL	48.4	40.6	74.7	70.5	66.1	67.6	68.7	73.1	-16.1	80.0
West Penn	47.6	50.7	62.6	61.6	60.2	64.6	81.9	79.8	6.5	57.4
Total	**56.0**	**57.3**	**72.7**	**70.2**	**69.0**	**72.7**	**74.1**	**76.2**	**2.3**	**33.0**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO statistics include electric and gas.
**Percent change from 2003-04.

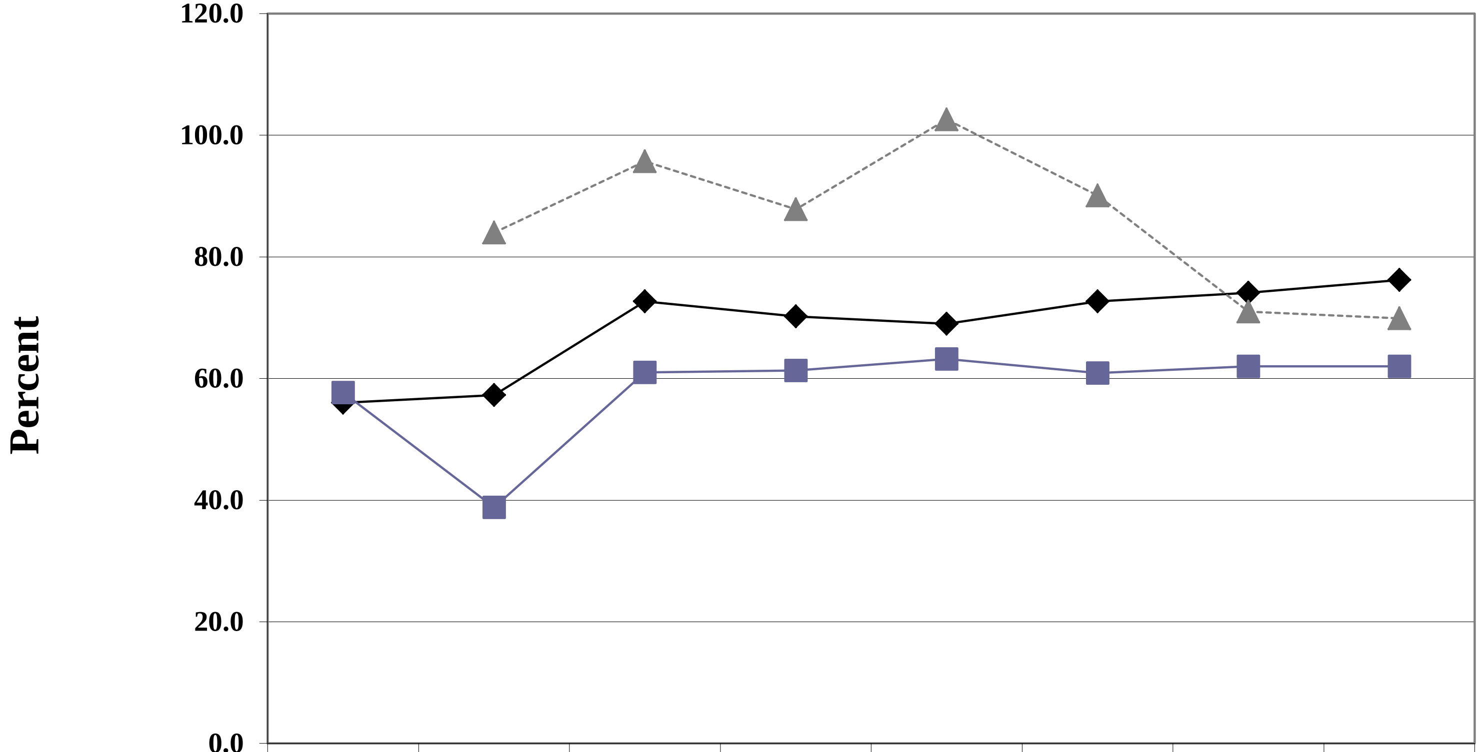
The electric industry's reconnect ratio showed little improvement prior to the passage of Chapter 14. The overall reconnection ratio for the electric industry improved with a 33.0 percent increase from 2004-13.

Table 30 – Reconnect Ratio – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	80.1	37.1	59.2	56.2	54.0	51.4	55.7	54.0	-53.7	45.6
Equitable	38.4	28.0	66.7	68.2	71.8	72.5	74.1	75.9	-27.1	171.1
NFG	49.7	44.5	65.3	67.1	69.3	68.1	65.4	67.4	-10.5	51.5
Peoples	46.5	38.3	51.5	60.2	64.5	72.0	70.5	75.1	-17.6	96.1
UGI-Gas	79.7	31.6	61.0	58.8	56.4	48.4	47.3	47.8	-60.4	51.3
UGI Penn Natural	61.7	60.6	58.5	56.2	64.8	61.4	63.9	56.1	-1.8	-7.4
Total w/out PGW	***57.7***	***38.8***	***61.0***	***61.3***	***63.2***	***60.9***	***62.0***	***62.0***	***-32.8***	***59.8***
PGW		84.0	95.7	87.8	102.6	90.1	71.0	69.9	*	-16.8
Total w/ PGW	**57.7**	**57.5**	**71.4**	**71.0**	**76.6**	**71.4**	**65.1**	**64.8**	*****	**12.7**

From 2002 to 2004, the reconnection ratio for the gas industry, excluding PGW, declined by 32.8 percent. The reconnection ratio for the gas industry, excluding PGW, increased 59.8 percent since the passage of Chapter 14. PGW's reconnection ratio decreased 16.8 percent during this time. See page 51 for additional data included in this analysis.

Reconnect Ratio



	2002	2004	2008	2009	2010	2011	2012	2013
Electric	56.0	57.3	72.7	70.2	69.0	72.7	74.1	76.2
Gas-Excluding PGW	57.7	38.8	61.0	61.3	63.2	60.9	62.0	62.0
PGW		84.0	95.7	87.8	102.6	90.1	71.0	69.9

*PGW did not come under reporting requirements until 2004

Electric   Gas-Excluding PGW   PGW

Cold Weather Survey (CWS)

Every December, the PUC releases its CWS results, which assess the number of households without heat-related service entering the winter months. As part of the survey, the PUC requires natural gas and electric utilities to check residential properties where service has been shut off. Contact is attempted through mail, telephone calls and in-person visits to the homes. In the pre-Chapter 14 period of 2001-04, there was an average of 12,049 households that entered the winter heating season without heat-related utility service. This number peaked in 2013 at a record high 19,653 households.

Homes using potentially unsafe heating sources also are counted because the home is not relying on a central heating system. According to the National Fire Protection Association, potentially unsafe sources of heat include kerosene heaters, kitchen stoves or ovens, electric space heaters, fireplaces and connecting extension cords to neighbors' homes. According to the 2013 survey, 1,628 residences were using potentially unsafe heating sources, bringing the total homes not using a central heating system to 21,281. The total number of homes not using a central heating system continues to be considerably higher than the pre-Chapter 14 average of 14,979.

The 2013 survey results also show that as of Dec. 23, 2013:

- 6,716 residential households were without electric service; 12,693 residences where service was terminated now appear to be vacant; and 99 households are heating with potentially unsafe heating sources. The total electric residences without safe heating are 6,815.

- 12,937 residential households that heat with natural gas are without service; 6,070 residences where service was terminated now appear to be vacant; and 1,529 households are heating with potentially unsafe heating sources. The total natural gas residences without safe heating are 14,466.

- PGW reported that 9,049 households that heat with natural gas are without service - the highest number of all utilities. A total of 13,508 or 63 percent of the total off accounts that have no service live in the Philadelphia area.

The Commission urges customers to call their utility and the PUC for help in getting their service restored.

The CWS Charts that follow show the number of residential properties without service for each of the major, regulated electric and natural gas distribution companies in the Commonwealth. The charts show only post-Chapter 14 results, which include the average of the years 2008-2011 and individual results for 2012 and 2013. The years 2012 and 2013, as shown in Tables 31 and 32, represent the two most recent years of available data.

Table 31
4-Year Average, 2012 & 2013 Cold Weather Survey Results – Electric

<table>
<thead>
<tr><th>Survey Outcome</th><th>Duquesne</th><th>Met-Ed</th><th>PECO[1]</th><th>Penelec</th><th>Penn Power</th><th>PPL</th><th>UGI-Electric</th><th>West Penn</th><th>Total</th><th>Percent Change from Avg. of 2008-2011 to 2012</th><th>Percent Change from Avg. of 2008-2011 to 2013</th><th>Percent Change 2012 to 2013</th></tr>
</thead>
<tbody>
<tr><td colspan="13">Total Vacant Residences</td></tr>
<tr><td>Avg. of 2008-2011</td><td>1,205</td><td>1,540</td><td>3,360</td><td>1,305</td><td>535</td><td>3,540</td><td>108</td><td>1,938</td><td>13,531</td><td></td><td></td><td></td></tr>
<tr><td>2012</td><td>603</td><td>1,304</td><td>2,896</td><td>1,150</td><td>364</td><td>3,941</td><td>100</td><td>845</td><td>11,203</td><td>-17%</td><td></td><td></td></tr>
<tr><td>2013</td><td>852</td><td>1,385</td><td>3,029</td><td>1,315</td><td>345</td><td>4,703</td><td>59</td><td>1,005</td><td>12,693</td><td></td><td>-6%</td><td>13%</td></tr>
<tr><td colspan="13">Total Households Using Potentially Unsafe Heating Sources[2]</td></tr>
<tr><td>Avg. of 2008-2011</td><td>3</td><td>7</td><td>58</td><td>7</td><td>3</td><td>0</td><td>2</td><td>39</td><td>119</td><td></td><td></td><td></td></tr>
<tr><td>2012</td><td>2</td><td>5</td><td>186</td><td>20</td><td>1</td><td>0</td><td>5</td><td>7</td><td>226</td><td>90%</td><td></td><td></td></tr>
<tr><td>2013</td><td>0</td><td>3</td><td>80</td><td>6</td><td>1</td><td>1</td><td>1</td><td>7</td><td>99</td><td></td><td>-17%</td><td>-56%</td></tr>
<tr><td colspan="13">Total Households Without Service After Completion of the Survey
(Excludes Households Using Potentially Unsafe Heating Sources, Other Central Heating Sources and Vacant)</td></tr>
<tr><td>Avg. of 2008-2011</td><td>1,089</td><td>279</td><td>2,290</td><td>323</td><td>35</td><td>0</td><td>74</td><td>227</td><td>4,317</td><td></td><td></td><td></td></tr>
<tr><td>2012</td><td>1,274</td><td>426</td><td>2,487</td><td>397</td><td>68</td><td>1</td><td>81</td><td>252</td><td>4,986</td><td>15%</td><td></td><td></td></tr>
<tr><td>2013</td><td>703</td><td>508</td><td>4,379</td><td>580</td><td>97</td><td>2</td><td>109</td><td>338</td><td>6,716</td><td></td><td>56%</td><td>35%</td></tr>
<tr><td colspan="13">Total Households Without a Central Heating Source Due to Termination of Utility Service
(Includes Households Using Potentially Unsafe Heating Sources and Excludes Other Central Heating Sources and Vacant Residences)</td></tr>
<tr><td>Avg. of 2008-2011</td><td>1,092</td><td>286</td><td>2,348</td><td>330</td><td>38</td><td>0</td><td>76</td><td>266</td><td>4,436</td><td></td><td></td><td></td></tr>
<tr><td>2012</td><td>1,276</td><td>431</td><td>2,673</td><td>417</td><td>69</td><td>1</td><td>86</td><td>259</td><td>5,212</td><td>17%</td><td></td><td></td></tr>
<tr><td>2013</td><td>703</td><td>511</td><td>4,459</td><td>586</td><td>98</td><td>3</td><td>110</td><td>345</td><td>6,815</td><td></td><td>54%</td><td>31%</td></tr>
</tbody>
</table>

[1] PECO statistics include electric and gas.
[2] Potentially Unsafe Heating Sources include kerosene heaters, electric space heaters, oil-filled space heaters, fireplaces, kitchen stoves or ovens, and use of extension cords to neighbor's service.

Table 32
4-Year Average, 2012 & 2013 Cold Weather Survey Results – Gas

Survey Outcome	Columbia	Equitable	NFG	Peoples	Peoples TWP	PGW[1]	UGI Central Penn	UGI-Gas	UGI Penn Natural	Total	Percent Change from Avg. of 2008-2011 to 2012	Percent Change from Avg. of 2008-2011 to 2013	Percent Change 2012 to 2013
Total Vacant Residences													
Avg. of 2008-2011	912	667	761	828	142	1,891	195	713	423	6,532			
2012	1,005	481	599	629	145	2,010	162	471	209	5,711	-13%		
2013	1,005	459	566	763	103	2,376	127	454	217	6,070		-7%	6%
Total Households Using Potentially Unsafe Heating Sources[2]													
Avg. of 2008-2011	354	316	419	109	53	907	177	354	264	2,953			
2012	356	197	284	64	70	542	64	235	103	1,915	-35%		
2013	348	241	299	58	26	259	60	142	96	1,529		-48%	-20%
Total Households Without Service After Completion of the Survey (Excludes Households Using Potentially Unsafe Heating Sources, Other Central Heating Sources and Vacant)													
Avg. of 2008-2011	874	935	436	791	103	7,001	263	1,199	628	12,230			
2012	473	706	339	648	89	7,200	173	829	532	10,989	-10%		
2013	625	746	445	656	91	8,790	201	809	574	12,937		6%	18%
Total Households Without a Central Heating Source Due to Termination of Utility Service (Includes Households Using Potentially Unsafe Heating Sources and Excludes Other Central Heating Sources and Vacant Residences)													
Avg. of 2008-2011	1,228	1,251	855	900	156	7,908	440	1,553	892	15,183			
2012	829	903	623	712	159	7,742	237	1,064	635	12,904	-15%		
2013	973	987	744	714	117	9,049	261	951	670	14,466		-5%	12%

[1] PGW did not come under reporting requirements until 2004.
[2] Potentially Unsafe Heating Sources include kerosene heaters, electric space heaters, oil-filled space heaters, fireplaces, kitchen stoves or ovens, and use of extension cords to a neighbor's service.

Media Reported Incidents Related to Lack of Utility Service

Historically, through media reports, when alerted to a possible utility-related tragedy, the Commission investigates the incident by contacting the utilities involved, and, if necessary, health and safety officials in the municipality. If it appears that a lack of utility service was involved, staff initiates a preliminary investigation into possible compliance issues. If possible compliance issues are identified, staff refers the matter to the appropriate bureau for possible enforcement action. The Commission tracks the incidents as well as subsequent informal and formal investigations and settlements or other outcomes.

To make the investigating and reporting of these incidents more consistent and comprehensive, on Jan. 16, 2009, the Commission issued a Secretarial Letter instituting an interim reporting requirement. Electric and gas utilities were directed to report to the Commission when, in the normal course of business, they become aware of a household fire, incident of hypothermia, carbon monoxide poisoning or another event that resulted in a death at a residence where the utility service was off at the time of the event. Additionally, the Commission's revisions to the Chapter 56 regulations require utilities to report to the Commission anytime they become aware of a death at a residence lacking utility service.

Conclusion: Section III – The Level of Access to Utility Services by Residential Customers, Including Low-Income Customers

For gauging access to utility service, the CWS data is the most important indicator of the level of access to utility service because the survey verifies service status. The companies reported as of Dec. 23, 2013, a record high number of 19,653 households entered the winter season without heat-related service. This total is 13 percent higher than the 2005 level, which was 17,400 households. Those figures include homes that are using potentially unsafe heating sources.

Terminations increased by 123.7 percent from 2004-13 for the electric industry and by 12.9 percent for the natural gas industry. Reconnections increased by 197.6 percent for the electric industry during this same time and by 27.3 percent for the natural gas industry. The corresponding increase in reconnections has helped maintain reasonable access to utility service. Overall analysis of these results show that more Pennsylvanians are without electric and gas service since the passage of Chapter 14.

Low-income consumers placed into CAP programs who successfully manage to pay their CAP bills represent the success of the safety net in place for our poorest customers. Thus, it is essential that utilities design CAP programs to be reasonably affordable. CAP customers paid 83 percent of their bills in 2013. The Commission will examine and focus on CAP affordability on a case-by-case basis as utilities submit their triennial Universal Service Plans to the Commission.

Lastly, the Commission continues to promote energy efficiency and conservation education through programs such as LIURP, which not only provides weatherization services, but also emphasizes customer responsibility as a tool for maintaining access to utility service.

Through increased efforts by utilities to coordinate weatherization across multiple programs and agencies, a unique opportunity is emerging to address the residence as a whole and remedy many of the barriers that contribute to higher termination rates.

Section IV - The Effect Upon the Level of Consumer Complaints and Mediations Filed with and Adjudicated by the Commission

The Commission measures the effect of Chapter 14 on the level of consumer complaints and payment agreement requests filed with and adjudicated by the Commission.

Generally, customer contacts to BCS fall into three categories: consumer complaints, payment agreement requests (PARs) and inquiries. BCS classifies contacts regarding complaints about utilities' actions - including those related to billing, service delivery and repairs - as consumer complaints. Contacts involving payment negotiations for unpaid utility service are PARs. Consumer complaints and PARs collectively are informal complaints.

Inquiries include information requests and opinions from consumers and most do not require investigation by BCS. Also, since the passage of Chapter 14, PARs that are ineligible for BCS assistance per Section 1405(d) and payment agreement requests from active CAP customers are categorized as inquiries.

The fourth section of this report includes a comparison of the number of consumer complaints and PARs received pre-Chapter 14 from 2002 and 2004 versus post-Chapter 14 from 2008-13. This report also includes data on the number of non-CAP customers denied a PAR by the Commission for eligibility or other reasons, beginning in 2005. As the data shows, the number of consumer complaints and PARs received has decreased significantly since the passage of Chapter 14.

Consumer Complaints

The following represents the number of residential consumer complaints to BCS from 2002-14. As shown by the table, the number of residential customer complaints referred to BCS since the passage of Chapter 14 has declined.

Table 33 – Consumer Complaints

	2002	2004	2008	2009	2010	2011	2012	2013	2014*
Electric	4,680	5,330	5,214	4,825	4,872	5,956	6,334	4,955	5,904
Gas	4,346	5,992	4,150	3,945	2,301	2,233	2,488	2,165	2,061
Water	1,064	1,189	1,233	1,073	934	787	724	544	511
Totals	**10,090**	**12,511**	**10,597**	**9,843**	**8,107**	**8,976**	**9,546**	**7,664**	**8,476**

*The 2014 data is based on data as of Oct. 3, 2014. It is included in this report because it provides the most current and comprehensive data as possible.

PARs

PARs primarily include contacts to BCS or to utilities involving requests for payment terms in one of the following situations:

- Termination of service is pending;
- Service has been terminated and the customer needs payment terms to have service restored; and
- The customer wants to retire an arrearage.

The table below represents the number of PARs to BCS from 2002-14. As with residential customer complaints, the number of PARs to BCS has declined since the passage of Chapter 14.

Table 34 – Payment Agreement Requests

	2002	2004	2008	2009	2010	2011	2012	2013	2014*
Electric	41,735	45,758	38,661	34,950	37,338	42,577	36,091	39,872	33,392
Gas	29,612	40,378	16,537	14,777	11,948	11,159	11,581	13,712	12,479
Water	3,073	3,805	4,027	4,546	5,059	4,569	4,608	3,896	3,396
Totals	**74,420**	**89,941**	**59,225**	**54,273**	**54,345**	**58,305**	**52,280**	**57,480**	**49,267**

*The 2014 data is based on data as of Oct. 3, 2014. It is included in this report because it provides the most current and comprehensive data as possible.

Number of Non-Cap Customers Denied a Payment Agreement by the Commission

Beginning in 2005, BCS started tracking the number of customers calling the Commission's termination hotline seeking assistance to avoid termination, but were turned away because the customer was not eligible for assistance. Section 1405(d) of Chapter 14 prohibits the Commission from establishing a second payment agreement if the customer has defaulted on a previous payment agreement. The only permitted exception is when the customer has experienced a *change in income* since the previous agreement as defined in Section 1403: "A decrease in household income of 20 percent or more if the customer's household income level exceeds 200 percent of the federal poverty level or a decrease in household income of 10 percent or more if the customer's household income level is 200 percent or less of the federal poverty level."

The table below represents the number of customers turned away by the Commission because it was determined that the customer was not eligible for a payment agreement per the above mentioned section of Chapter 14. These customers are not participating in the utility's CAP.

Table 35

Non-CAP Customers Turned Away by Call Center Because of Ineligibility									
	2005	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014***	**TOTAL**
Service is on	23,326	5,597	6,679	6,107	7,362	5,993	6,801	3,417	**65,282**
Service is off	4,760	274	221	199	106	122	66	63	**5,811**
Totals	**28,086**	**5,871**	**6,900**	**6,306**	**7,468**	**6,115**	**6,867**	**3,480**	**71,093**

*The 2014 data is based on data as of Sept. 26, 2014. It is included in this report because it provides the most current and comprehensive data possible.

In addition to the above noted restrictions, Section 1405(c) forbids the Commission from establishing a payment agreement for customers who participate in a utility's CAP. The table below represents the number of customers turned away by the Commission because it was determined the customer was not eligible for a payment agreement because they were a participant in the utility's CAP.

Table 36

CAP Customers Turned Away by Call Center Because of Ineligibility									
	2005	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014***	**TOTAL**
CAP Customers	5,403	7,861	13,888	13,379	12,288	10,033	11,445	6,362	**80,659**

*The 2014 data is based on data as of Sept. 26, 2014. It is included in this report because it provides the most current and comprehensive data possible.

PARs Dismissed Without a Decision

In addition to those already described as ineligible for a PUC payment agreement, occasions also exist where a PAR will be opened with BCS but will be subsequently dismissed because the customer is not eligible for a new payment agreement. This normally occurs for the reasons previously discussed, namely the customer has previously defaulted on a payment agreement and is not eligible for a second agreement.

The table below represents the number of customers that had their BCS case dismissed because it was determined they were not eligible for a subsequent payment agreement.

Table 37

Payment Agreement Requests Dismissed Without a Decision									
	2005	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014***	**TOTAL**
Cases Dismissed	14,225	6,411	5,969	6,347	6,572	6,890	8,425	3,705	**58,544**

*The 2014 data is based on data as of Sept. 26, 2014. It is included in this report because it provides the most current and comprehensive data possible.

Customers Under a Protection From Abuse (PFA) Order Who Received a Payment Agreement from the PUC

Section 1417 of Chapter 14 specifies that the chapter "shall not apply to victims under a PFA Order as provided by 23 Pa. C.S. Ch. 61 (relating to protection from abuse)." In May 2005, BCS modified its complaint tracking system to allow the tracking of complaints that involve customers with PFA orders. The table below represents the number of such complaints.

Table 38

Complaints From Customers With PFA Order									
	2005*	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014****	**TOTAL**
Number of Complaints	2	10	5	5	100	219	220	172	**733**

*The Bureau of Consumer Services started tracking PFA cases in mid-2005.
**The 2014 data is based on data as of Sept. 26, 2014. It is included in this report because it provides the most current and comprehensive data possible.

Conclusion: Section IV – The Effect Upon the Level of Consumer Complaints and Mediations Filed with and Adjudicated by the Commission (Mediations are Currently Known as Payment Agreement Requests Under § 1415)

Chapter 14 has had an impact on the number of PARs. PARs decreased 36.1 percent from 2004-13 and remain well below the 2004 level. The Commission turned away 18,312 callers in 2013 due to the restrictions on its ability to grant payment agreements. Since the passage of Chapter 14 through the end of 2013, the Commission has turned away 168,678 customers seeking PARs.

In late 2005, the Commission revised its interpretation of Section 1405(d) to permit the issuance of at least one payment agreement for all customers (except those participating in CAP), including those whose service was terminated. While the Commission continues to issue payment terms for customers whose service has been terminated, this authority is exercised judiciously and only in instances where the customer has made a good-faith effort to pay the bill.

In addition, annual informal consumer complaint volume to the Commission has declined by 38.7 percent from 2004-13.

Appendices

Appendix 1 – Collections Data Variables

Collections data variables include the total:

1. Number of residential customers;
2. Dollar amount of annual collections operating expenses;
3. Dollar amount of annual residential billings;
4. Dollar amount of gross residential write-offs;
5. Number of active residential accounts in arrears and not on a payment agreement;
6. Dollar amount in arrears for active residential accounts in arrears and not on a payment agreement;
7. Number of active residential accounts in arrears and on a payment agreement;
8. Dollar amount in arrears for active residential accounts in arrears and on a payment agreement;
9. Number of inactive residential accounts in arrears;
10. Dollar amount in arrears for inactive residential accounts in arrears;
11. Number of terminations for non-payment as defined at § 1406(a)(1) or § 1406(a)(2) or § 1406(a)(3);

    Number of terminations for other reasons including failure to permit access, unauthorized use of service, fraud, meter tampering and safety as defined at § 1406(a)(4), § 1406(c)(1)(i), § 1406(c)(1)(ii), § 1406(c)(1)(iii) and § 1406(c)(1)(iv);
12. Number of reconnections for customer payment by income level;
13. Number of reconnections for medical certification by income level;
14. Number of reconnections for reasons other than customer payment or medical certification;
15. Number of applicants that are billed a security deposit;
16. Dollar amount of security deposits billed to applicants;

17. Number of customers that are billed a security deposit;

18. Dollar amount of security deposits billed to customers;

19. Number of security deposits on-hand;

20. Dollar amount of security deposits on-hand;

21. Dollar amount of actual LIURP spending for the previous year;

22. Dollar amount of CAP administrative costs for the previous year;

23. Dollar amount of CAP credits for the previous year;

24. Dollar amount of CAP pre-program arrearage forgiveness for the previous year;

25. Dollar amount of Customer Assistance and Referral Evaluation Services (CARES) program costs for the previous year; and

26. Dollar amount of hardship fund administrative costs assessed to ratepayers for the year just completed.

The BCS has advocated that the bill due date is equal to day zero, the starting point for determining when an account should be considered overdue, and this position is clarified in the Collections Data Dictionary filed at the Docket M-00041802F0003. The table below shows the individual company variations for the historical data set presented in this report and applies to all tables that show overdue customers or overdue dollars.

Appendix 2 – When is an Account Considered to be Overdue?

Company	When is Day Zero (0)	How Many Days Overdue	Days of Variance from BCS Interpretation
Duquesne	Bill Due Date	30 Days	0 Days
Met-Ed and Penelec	Bill Due Date	30 Days	0 Days
PECO-Electric	Bill Transmittal Date	30 Days	20 Days Sooner
Penn Power	Bill Due Date	30 Days	0 Days
PPL	Bill Transmittal Date	30 Days	20 Days Sooner
West Penn	Bill Due Date	30 Days	0 Days
Columbia	Bill Due Date	30 Days	0 Days
Equitable	Bill Due Date	30 Days	0 Days
NFG	Bill Rendition Date*	60 Days	9 Days Later
PECO-Gas	Bill Transmittal Date	30 Days	20 Days Sooner
Peoples	Bill Transmittal Date	30 Days	20 Days Sooner
PGW	Bill Transmittal Date	30 Days	20 Days Sooner
UGI-Gas	Bill Due Date	30 Days	0 Days
UGI Penn Natural	Bill Due Date	30 Days	0 Days

*Bill Rendition Date is one day prior to the Bill Transmittal Date.

After an account is terminated or discontinued, it is no longer considered to be an active account. These accounts then become "inactive" accounts. Ultimately, these accounts are either paid or written-off according to each company's accounting or write-off procedures. The Commission began to quantify the number of inactive accounts and corresponding arrearages beginning with 2007 collections data.

Appendix 3 – When Does an Account Move from Active to Inactive Status?

Company	After an Account is Terminated	After an Account is Discontinued
Duquesne	7 Days after Termination Date	3 to 5 Days after Discontinuance
Met-Ed and Penelec	10 Days after Termination Date	Same Day as Discontinuance
PECO-Electric	30 to 32 Days after Termination Date	Same Day as Discontinuance
Penn Power	10 Days after Termination Date	Same Day as Discontinuance
PPL	10 Days after Termination Date	Bill Transmittal Date
West Penn	10 Days after Termination Date	Same Day as Discontinuance
Columbia	5 to 7 Days after Termination Date	Same Day as Discontinuance
Equitable	3 Days after Termination Date	Same Day as Discontinuance
NFG	Same Day as Termination Date	Same Day as Discontinuance
PECO-Gas	30 to 32 Days after Termination Date	Same Day as Discontinuance
Peoples	10 Days after Termination Date	10 Days after Discontinuance
PGW	0 to 30 Days after Termination Date	0 to 1 Day after Final Bill Transmittal Date
UGI-Gas	Same Day as Termination Date	Same Day as Discontinuance
UGI Penn Natural	Same Day as Termination Date	Same Day as Discontinuance

Gross Residential Write-Offs that are reported below represent the cumulative total dollar amount written off as of the end of the calendar year. CAP Preprogram Arrearage Forgiveness dollars are excluded.

Appendix 4 – Gross Residential Write-Offs – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	$17,390,593	$9,909,654	$5,931,737	$8,233,551	$5,824,162	$6,452,062	$6,650,626	$5,258,566	-43.0	-46.9
GPU*	$19,772,525									
Met-Ed		$9,690,456	$11,169,498	$10,684,730	$11,592,188	$14,257,828	$14,247,722	$10,760,304	21.1***	11.0
PECO**	$41,668,666	$41,562,593	$51,306,178	$52,491,564	$46,511,742	$36,808,916	$42,379,986	$40,274,726	-0.3	-3.1
Penelec		$8,748,857	$9,374,695	$8,313,201	$8,390,194	$10,718,918	$10,884,926	$8,990,906	8.7***	2.8
Penn Power	$1,844,651	$2,361,062	$3,342,208	$3,335,176	$2,889,882	$3,192,700	$2,562,389	$1,873,734	28.0	-20.6
PPL	$16,149,965	$22,326,252	$25,774,438	$35,132,218	$39,598,997	$49,731,802	$50,505,800	$53,609,736	38.2	140.1
West Penn	$7,772,522	$8,571,821	$5,616,484	$5,561,835	$6,355,180	$7,016,809	$6,545,769	$6,072,775	10.3	-29.2
Total	**$104,598,922**	**$103,170,695**	**$112,515,238**	**$123,752,275**	**$121,162,345**	**$128,179,035**	**$133,777,218**	**$126,840,747**	**-1.4**	**22.9**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO data includes electric and gas.
***Percent change from 2003-04.

Appendix 5 – Gross Residential Write-Offs – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	$7,285,213	$16,079,652	$10,874,843	$12,039,187	$8,162,827	$9,761,318	$7,585,766	$6,630,828	120.7	-58.8
Equitable	$16,153,080	$7,922,823	$12,591,877	$9,187,767	$6,176,012	$5,371,481	$3,967,617	$4,786,037	-51.0	-39.6
NFG	$6,644,662	$6,001,579	$6,116,105	$6,040,660	$6,228,075	$3,649,936	$3,844,868	$3,458,420	-9.7	-42.4
Peoples	$13,941,290	$13,926,284	$9,514,663	$10,537,331	$7,733,999	$4,526,442	$691,264	$10,678,789	-0.1	-23.3
PGW*		$65,949,043	$45,999,914	$53,230,377	$46,724,536	$39,957,380	$39,102,990	$49,563,281	*	-24.8
UGI-Gas	$5,949,289	$6,790,705	$11,659,360	$9,595,433	$6,810,703	$5,704,577	$4,485,688	$4,756,334	14.1	-30.0
UGI Penn Natural	$3,235,694	$5,157,851	$8,329,440	$9,181,367	$5,122,162	$3,624,732	$2,637,351	$2,664,482	59.4	-48.3
Total	**$53,209,228**	**$121,827,937**	**$105,086,202**	**$109,812,122**	**$86,958,314**	**$72,595,866**	**$62,315,544**	**$82,538,171**	*****	**-32.3**

*PGW did not come under reporting requirements until 2004.

The number of customers in debt as reported below is a combination of customers in arrears who are on a payment agreement with customers in arrears who are not on a payment agreement. The Commission considers these customers to represent active accounts, i.e., accounts that have not been either discontinued or terminated (the service is still on).

Appendix 6 – Number of Customers in Debt – Active Accounts – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	83,376	61,960	49,812	49,326	51,033	40,265	40,182	39,859	-25.7	-35.7
GPU*	194,607									
Met-Ed		86,297	92,292	96,298	101,577	106,648	86,735	87,272	-2.4***	1.1
PECO**	274,073	275,634	337,267	336,140	320,269	325,775	321,932	323,213	0.6	17.3
Penelec		100,221	97,151	98,246	101,040	108,249	83,752	82,748	-3.3***	-17.4
Penn Power	28,943	26,442	26,202	26,998	27,120	25,841	19,899	20,353	-8.6	-23.0
PPL	177,723	185,375	208,037	212,255	217,394	225,563	213,793	212,713	4.3	14.7
West Penn	111,052	105,331	97,390	103,346	106,013	108,795	103,090	100,860	-5.2	-4.2
Total	**869,774**	**841,260**	**908,151**	**922,609**	**924,446**	**941,136**	**869,383**	**867,018**	**-3.3**	**3.1**

*Met-Ed and Penelec reported combined under GPU in 2002.
**PECO data includes electric and gas.
***Percent change from 2003-04.

Appendix 7 – Number of Customers in Debt – Active Accounts – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	36,396	50,485	49,365	42,606	41,356	45,078	43,641	46,600	38.7	-7.7
Equitable	40,177	64,152	29,445	28,398	28,393	29,462	29,020	31,237	59.7	-51.3
NFG	29,337	32,266	24,389	23,837	21,085	22,891	24,292	25,877	10.0	-19.8
Peoples	58,298	58,319	46,357	41,708	32,845	41,551	42,601	70,698	0.0	21.2
PGW*		180,908	115,559	114,115	107,779	111,848	100,818	111,999	*	-38.1
UGI-Gas	36,113	41,142	52,292	49,602	48,304	52,098	53,961	61,097	13.9	48.5
UGI Penn Natural	23,137	24,524	25,755	27,781	25,357	25,797	27,080	30,205	6.0	23.2
Total	**223,458**	**451,796**	**343,162**	**328,047**	**305,119**	**328,725**	**321,413**	**377,713**	*****	**-16.4**

*PGW did not come under reporting requirements until 2004.

The total amount of money in debt has an impact on a company's expenses. The specific expense category is called Cash Working Capital and is part of a company's distribution charge.

Appendix 8 – Dollars in Debt – Active Accounts – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	$39,381,306	$22,386,725	$18,753,698	$19,688,979	$21,578,760	$18,087,200	$17,883,147	$18,219,023	-43.2	-18.6
GPU*	$45,600,237									
Met-Ed		$24,996,155	$28,352,528	$30,141,424	$35,223,159	$41,730,249	$37,631,860	$36,715,701	0.4***	46.9
PECO**	$88,648,050	$123,606,844	$196,946,691	$174,966,336	$124,264,918	$130,098,817	$107,896,818	$112,421,080	39.4	-9.0
Penelec		$24,821,329	$24,843,496	$24,874,089	$26,517,340	$33,515,100	$31,768,486	$31,424,846	3.4***	26.6
Penn Power	$5,339,438	$8,023,260	$9,742,309	$10,319,699	$10,584,312	$10,121,363	$8,328,102	$7,700,981	50.3	-4.0
PPL	$48,804,828	$57,647,458	$86,117,707	$90,442,588	$98,431,119	$114,230,430	$106,369,637	$111,024,790	18.1	92.6
West Penn	$16,994,925	$15,613,294	$11,292,516	$13,215,351	$15,296,743	$16,613,700	$18,063,349	$22,041,207	-8.1	41.2
Total	**$244,768,784**	**$277,095,065**	**$376,048,945**	**$363,648,466**	**$331,896,351**	**$364,396,859**	**$327,941,399**	**$339,547,628**	**13.2**	**22.5**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO data includes electric and gas.
***Percent change from 2003-04.

Appendix 9 – Dollars in Debt – Active Accounts – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	$10,573,365	$15,990,488	$17,009,255	$19,839,351	$12,964,497	$15,799,448	$11,304,812	$12,695,482	51.2	-20.6
Equitable	$18,457,221	$26,808,380	$11,760,342	$12,335,719	$10,908,470	$9,756,950	$8,119,519	$8,504,801	45.2	-68.3
NFG	$5,679,036	$8,664,869	$6,746,330	$7,176,682	$4,710,086	$5,119,383	$6,056,454	$5,765,958	52.6	-33.5
Peoples	$39,827,219	$42,105,099	$34,394,910	$31,599,923	$15,392,195	$18,997,672	$16,281,657	$25,193,506	5.7	-40.2
PGW*		$104,917,102	$60,523,636	$62,740,950	$52,281,264	$52,357,938	$47,995,503	$61,903,825	*	-41.0
UGI-Gas	$5,036,542	$7,927,107	$11,801,753	$10,968,226	$8,972,801	$9,651,339	$9,044,910	$10,987,998	57.4	38.6
UGI Penn Natural	$5,040,940	$6,952,897	$8,588,592	$10,007,648	$7,257,657	$6,463,851	$5,794,610	$7,518,838	37.9	8.1
Total	**$84,614,323**	**$213,365,942**	**$150,824,818**	**$154,668,499**	**$112,486,970**	**$118,146,581**	**$104,597,465**	**$132,570,408**	*****	**-37.9**

*PGW did not come under reporting requirements until 2004.

Average arrearage is calculated by dividing the total dollars in debt by the number of customers in debt. Larger average arrearages may take more time for customers to pay off and, as such, pose more of an uncollectible risk than smaller arrearages.

Appendix 10 – Average Arrearage – Active Accounts – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	$472.33	$361.31	$376.49	$399.16	$422.84	$449.20	$445.05	$457.09	-23.5	26.5
GPU*	$234.32									
Met-Ed		$289.65	$307.20	$313.00	$346.76	$391.29	$433.87	$420.70	2.9***	45.2
PECO**	$323.45	$448.45	$583.95	$520.52	$388.00	$399.35	$335.15	$347.82	38.6	-22.4
Penelec		$247.67	$255.72	$253.18	$262.44	$309.61	$379.32	$379.77	7.0***	53.3
Penn Power	$184.48	$303.43	$371.82	$382.24	$390.28	$391.68	$418.52	$378.37	64.5	24.7
PPL	$274.61	$310.98	$413.95	$426.10	$452.78	$506.42	$497.54	$521.95	13.2	67.8
West Penn	$153.04	$148.23	$115.95	$127.87	$144.29	$152.71	$175.22	$218.53	-3.1	47.4
Total	**$281.42**	**$329.38**	**$414.08**	**$394.15**	**$359.05**	**$387.19**	**$377.21**	**$391.63**	**17.0**	**18.9**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO data includes electric and gas.
***Percent change from 2003-04.

Appendix 11 – Average Arrearage – Active Accounts – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	$290.51	$316.74	$344.56	$465.65	$313.49	$350.49	$259.04	$272.44	9.0	-14.0
Equitable	$459.40	$417.89	$399.40	$434.39	$384.20	$331.17	$279.79	$272.27	-9.0	-34.8
NFG	$193.58	$268.54	$276.61	$301.07	$223.39	$223.64	$249.32	$222.82	38.7	-17.0
Peoples	$683.17	$721.98	$741.96	$757.65	$468.63	$457.21	$382.19	$356.35	5.7	-50.6
PGW*		$579.95	$523.75	$549.80	$485.08	$468.12	$476.06	$552.72	*	-4.7
UGI-Gas	$139.47	$192.68	$225.69	$221.12	$185.76	$185.25	$167.62	$179.85	38.2	-6.7
UGI Penn Natural	$217.87	$283.51	$333.47	$360.23	$286.22	$250.57	$213.98	$248.93	30.1	-12.2
Total	**$378.66**	**$472.26**	**$439.51**	**$471.48**	**$368.67**	**$359.41**	**$325.43**	**$350.98**	*****	**-25.7**

*PGW did not come under reporting requirements until 2004.

Annual collections operating expenses include administrative expenses associated with termination activity, field visits, negotiation of payment agreements, budget counseling, investigation and resolution of informal and formal complaints associated with payment agreements, the securing and maintenance of security deposits, the tracking of delinquent accounts, collection agencies' expenses, litigation expenses other than those already included, dunning expenses and winter survey expenses.

Appendix 12 – Annual Collections Operating Expenses – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	$28,100,000	$16,164,612	$16,384,435	$21,347,215	$12,136,755	$13,156,923	$16,378,863	$12,918,873	-42.5	-20.1
GPU*	$26,489,856									
Met-Ed		$13,567,289	$14,927,475	$13,874,375	$14,840,980	$17,837,820	$17,248,839	$14,174,470	21.7***	4.5
PECO**	$31,173,745	$9,576,151	$16,112,191	$15,056,392	$16,615,043	$17,837,156	$16,801,286	$16,667,497	-69.3	74.1
Penelec		$13,526,387	$13,490,269	$11,592,885	$11,726,539	$14,451,221	$13,868,156	$12,431,170	11.2***	-8.1
Penn Power	$2,529,787	$3,619,639	$4,804,770	$4,450,336	$3,998,266	$4,349,207	$3,419,333	$2,860,186	43.1	-21.0
PPL	$3,372,022	$4,878,365	$9,202,775	$9,455,645	$13,514,027	$13,235,587	$14,042,378	$15,414,244	44.7	216.0
West Penn	$14,287,272	$14,313,568	$13,140,612	$13,872,516	$16,115,403	$16,327,452	$8,723,023	$8,464,260	0.2	-40.9
Total	**$105,952,682**	**$75,646,011**	**$88,062,527**	**$89,649,364**	**$88,947,013**	**$97,195,366**	**$90,481,878**	**$82,930,700**	**-28.6**	**9.6**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO data includes electric and gas.
***Percent change from 2003-04.

Appendix 13 – Annual Collections Operating Expenses – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	$1,523,315	$2,463,992	$3,597,442	$3,271,167	$2,424,579	$2,920,498	$2,787,467	$2,300,518	61.8	-6.6
Equitable	$3,817,120	$3,950,187	$3,317,026	$2,999,286	$2,789,079	$2,756,402	$452,180	$2,409,090	3.5	-39.0
NFG	Not Available	$1,154,535	$910,088	$662,580	$721,655	$625,590	$740,822	$596,785	-1.0*	-48.3
Peoples	$1,963,339	$3,224,084	$1,125,826	$1,083,342	$1,200,898	$801,057	$2,206,676	$2,880,864	64.2	-10.6
PGW**		$10,102,014	$9,821,543	$8,884,858	$4,687,640	$2,517,589	$2,104,239	$1,249,782	**	-87.6
UGI-Gas	$3,108,658	$3,349,562	$3,035,334	$2,549,522	$2,972,628	$2,898,253	$2,734,654	$2,264,783	7.7	-32.4
UGI Penn Natural	$1,967,380	$2,403,614	$3,094,913	$2,483,722	$838,274	$842,229	$951,932	$831,413	22.2	-65.4
Total	**$12,379,812**	**$26,647,988**	**$24,902,172**	**$21,934,477**	**$15,634,753**	**$13,361,618**	**$13,977,970**	**$12,533,235**	**	**-53.0**

*Percent change from 2003-04.
**PGW did not come under reporting requirements until 2004.

Collections operating expenses as a percentage of billings is calculated by dividing the collections operating expenses by the annual residential billings. The higher the percentage the more a company is spending on collections operating expenses. Appendices 14 and 15 show the percentage for the year 2013, which is the most current data available.

Appendix 14 – 2013 Collections Operating Expenses as a Percentage of Residential Billings – Electric

Company	2013 Billings	2013 Collections Operating Expenses	Collections Operating Expenses as a Percent of Billings
Duquesne	$409,064,999	$12,918,873	3.2
Met-Ed	$566,265,092	$14,174,470	2.5
PECO*	$2,453,433,203	$16,667,497	0.7
Penelec	$472,447,505	$12,431,170	2.6
Penn Power	$139,707,141	$2,860,186	2.1
PPL	$1,749,163,222	$15,414,244	0.9
West Penn	$499,171,103	$8,464,260	1.7
Total	**$6,289,252,265**	**$82,930,700**	**1.3**

*PECO data includes electric and gas.

Appendix 15 – 2013 Collections Operating Expenses as a Percentage of Residential Billings – Gas

Company	2013 Billings	2013 Collections Operating Expenses	Collections Operating Expenses as a Percent of Billings
Columbia	$329,063,560	$2,300,518	0.7
Equitable	$246,031,060	$2,409,090	1.0
NFG	$158,170,597	$596,785	0.4
Peoples	$299,632,543	$2,880,864	1.0
PGW	$474,805,698	$1,249,782	0.3
UGI-Gas	$219,614,215	$2,264,783	1.0
UGI Penn Natural	$166,532,193	$831,413	0.5
Total	**$1,893,849,866**	**$12,533,235**	**0.7**

The aggregate spending for Universal Service Programs is shown in Appendices 16 and 17 for the year 2013 and that spending also is shown as a percentage of residential billings for 2013.

Appendix 16 – 2013 Universal Service Program Costs* as a Percentage of Residential Billings – Electric

Company	2013 Billings	2013 Universal Service Costs*	Universal Service Costs as a Percent of Billings
Duquesne	$409,064,999	$18,382,533	4.5
Met-Ed	$566,265,092	$26,345,613	4.7
PECO**	$2,453,433,203	$106,202,183	4.3
Penelec	$472,447,505	$29,308,073	6.2
Penn Power	$139,707,141	$7,651,533	5.5
PPL	$1,749,163,222	$63,456,467	3.6
West Penn	$499,171,103	$13,444,879	2.7
Total	**$6,289,252,265**	**$264,791,281**	**4.2**

*Includes CAP, LIURP, and CARES.

**PECO data includes electric and gas.

Appendix 17– 2013 Universal Service Program Costs* as a Percentage of Residential Billings – Gas

Company	2013 Billings	2013 Universal Service Costs*	Universal Service Costs as a Percent of Billings
Columbia	$329,063,560	$18,031,209	5.5
Equitable	$246,031,060	$8,243,335	3.4
NFG	$158,170,597	$3,375,672	2.1
Peoples	$299,632,543	$9,484,832	3.2
PGW	$474,805,698	$86,003,672	18.1
UGI-Gas	$219,614,215	$3,688,185	1.7
UGI Penn Natural	$166,532,193	$3,843,399	2.3
Total	**$1,893,849,866**	**$132,670,304**	**7.0**

*Includes CAP, LIURP, and CARES.

Customer Assistance Programs (CAPs) provide an alternative to traditional collections methods for low-income, payment-troubled customers. Customers make regular monthly payments, which may be for an amount that is less than the current bill for utility service.

Appendix 18 – Annual Total CAP Costs – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	$5,275,000	$5,275,000	$13,460,999	$14,977,956	$17,074,234	$18,565,822	$16,680,684	$16,549,705	0.0	213.7
GPU*	$9,457,535									
Met-Ed		$4,966,221	$14,167,515	$19,321,710	$24,391,452	$28,075,091	$28,356,979	$22,984,906	1.4***	362.8
PECO**	$59,078,443	$79,088,439	$113,300,164	$106,871,181	$100,218,942	$107,947,486	$99,316,169	$96,927,753	33.9	22.6
Penelec		$6,914,194	$19,470,323	$24,480,070	$27,498,718	$29,080,721	$30,152,302	$25,303,288	13.3***	266.0
Penn Power	$1,882,134	$1,825,678	$5,346,829	$8,964,942	$10,151,973	$9,863,285	$8,861,651	$6,116,965	-3.0	235.1
PPL	$10,829,095	$14,691,811	$24,149,702	$28,929,342	$47,255,396	$53,148,044	$47,106,215	$55,223,019	35.7	275.9
West Penn	$3,069,116	$4,987,081	$7,680,209	$7,922,756	$9,586,776	$10,916,940	$8,495,135	$10,768,235	62.5	115.9
Total	**$89,591,323**	**$117,748,424**	**$197,575,741**	**$211,467,957**	**$236,177,491**	**$257,597,389**	**$238,969,135**	**$233,873,871**	**31.4**	**98.6**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO data includes electric and gas.
***Percent change from 2003-04.

Appendix 19 – Annual Total CAP Costs – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	$8,894,938	$14,708,222	$24,358,427	$28,084,379	$18,260,343	$18,141,003	$8,167,972	$13,272,158	65.4	-9.8
Equitable	$2,098,071	$5,694,802	$15,735,516	$29,451,600	$14,810,218	$12,162,295	$6,055,041	$7,090,722	171.4	24.5
NFG	$2,137,966	$4,613,226	$8,118,056	$6,743,167	$2,992,877	$2,778,028	$1,958,376	$1,838,472	115.8	-60.1
Peoples	$1,399,490	$5,358,196	$8,645,396	$10,266,754	$5,772,862	$7,664,959	$6,022,673	$8,227,588	282.9	53.6
PGW*		$57,800,000	$102,525,112	$105,782,371	$93,023,754	$96,254,993	$73,059,396	$77,281,237	*	33.7
UGI-Gas	$555,482	$1,898,609	$4,721,569	$5,051,419	$4,076,933	$3,996,287	$2,662,779	$3,176,112	241.8	67.3
UGI Penn Natural	$271,454	$590,454	$1,989,428	$3,520,853	$2,291,790	$3,243,172	$2,782,805	$2,852,339	117.5	383.1
Total	**$15,357,401**	**$90,663,509**	**$166,093,504**	**$188,900,543**	**$141,228,777**	**$144,240,737**	**$100,709,042**	**$113,738,628**	*****	**25.5**

*PGW did not come under reporting requirements until 2004.

The LIURP is a statewide, utility-sponsored, residential usage reduction program mandated by PUC regulations at 52 Pa. Code, Chapter 58. The primary goal of LIURP is to assist low-income residential customers in lowering energy bills through usage reduction (energy conservation) and thereby making bills more affordable.

Appendix 20 – Annual Total LIURP Costs – Electric

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Duquesne	$2,365,834	$1,021,250	$1,230,237	$2,405,138	$2,265,746	$1,584,272	$1,560,620	$1,707,828	-56.8	67.2
GPU*	$3,508,105									
Met-Ed		$1,720,005	$1,977,352	$2,693,374	$2,493,526	$3,219,822	$3,324,683	$3,360,707	7.7***	95.4
PECO**	$6,475,000	$6,475,000	$6,475,000	$7,825,001	$7,850,000	$7,850,000	$7,850,000	$7,850,000	0.0	21.2
Penelec		$1,657,765	$2,518,570	$3,090,884	$2,938,097	$3,646,126	$4,025,911	$4,004,785	-2.7***	141.6
Penn Power	$599,649	$527,439	$836,908	$760,698	$957,145	$1,301,151	$1,437,018	$1,534,568	-12.0	190.9
PPL	$5,406,590	$5,642,380	$7,719,029	$8,930,029	$7,840,038	$7,789,441	$8,027,229	$8,233,448	4.4	45.9
West Penn	$2,217,965	$2,053,981	$1,752,070	$1,278,715	$1,812,314	$2,457,707	$2,547,051	$2,676,644	-7.4	30.3
Total	**$20,573,143**	**$19,097,820**	**$22,509,166**	**$26,983,839**	**$26,156,866**	**$27,848,519**	**$28,772,512**	**$29,367,980**	**-7.2**	**53.8**

*Met-Ed and Penelec reported jointly under GPU in 2002.
**PECO data includes electric and gas.
***Percent change from 2003-04.

Appendix 21 – Annual Total LIURP Costs – Gas

Company	2002	2004	2008	2009	2010	2011	2012	2013	Percent Change 2002-04	Percent Change 2004-13
Columbia	$1,376,403	$1,399,634	$1,127,535	$3,148,334	$3,235,040	$3,057,749	$4,067,175	$4,363,318	1.7	211.7
Equitable	$393,834	$602,699	$542,207	$548,056	$832,697	$623,379	$630,827	$926,319	53.0	53.7
NFG	$943,743	$1,199,392	$1,285,326	$1,364,323	$1,293,934	$1,087,765	$1,399,364	$1,533,989	27.1	27.9
Peoples	$610,856	$610,000	$609,968	$610,000	$768,000	$884,000	$1,000,000	$1,100,000	-0.1	80.3
PGW*		$2,008,697	$2,578,214	$2,046,452	$2,341,176	$5,889,212	$5,232,758	$8,054,404	*	301.0
UGI-Gas	$460,280	$648,025	$989,233	$1,682,262	$755,161	$1,068,201	$792,306	$438,032	40.8	-32.4
UGI Penn Natural	$335,481	$365,191	$911,409	$917,614	$851,297	$928,115	$596,157	$957,294	8.9	162.1
Total	**$4,120,597**	**$6,833,638**	**$8,043,892**	**$10,317,041**	**$10,077,305**	**$13,538,421**	**$13,718,587**	**$17,373,356**	*****	**154.2**

*PGW did not come under reporting requirements until 2004.

The following two appendices show the three major collections cost categories and the Universal Service Program Costs for the year 2013. The corresponding residential billings are also shown as a basis for comparison against the four cost categories in the tables. Please note that only a fraction of the total dollars in debt is recovered in rates, perhaps up to 10 percent of the total dollars in debt.

Appendix 22 – Summary of 2013 Collections and Universal Service Program Costs* – Electric

Company	2013 Residential Billings	2013 Collections Operating Expenses	2013 Gross Write-Offs	2013 Total Dollars in Debt	2013 Universal Service Programs*
Duquesne	$409,064,999	$12,918,873	$5,258,566	$18,219,023	$18,382,533
Met-Ed	$566,265,092	$14,174,470	$10,760,304	$36,715,701	$26,345,613
PECO**	$2,453,433,203	$16,667,497	$40,274,726	$112,421,080	$106,202,183
Penelec	$472,447,505	$12,431,170	$8,990,906	$31,424,846	$29,308,073
Penn Power	$139,707,141	$2,860,186	$1,873,734	$7,700,981	$7,651,533
PPL	$1,749,163,222	$15,414,244	$53,609,736	$111,024,790	$63,456,467
West Penn	$499,171,103	$8,464,260	$6,072,775	$22,041,207	$13,444,879
Total	**$6,289,252,265**	**$82,930,700**	**$126,840,747**	**$339,547,628**	**$264,791,281**

*Includes CAP, LIURP, and CARES.

** PECO data includes electric and gas.

Appendix 23 – Summary of 2013 Collections and Universal Service Program Costs* – Gas

Company	2013 Residential Billings	2013 Collections Operating Expenses	2013 Gross Write-Offs	2013 Total Dollars in Debt	2013 Universal Service Programs*
Columbia	$329,063,560	$2,300,518	$6,630,828	$12,695,482	$18,031,209
Equitable	$246,031,060	$2,409,090	$4,786,037	$8,504,801	$8,243,335
NFG	$158,170,597	$596,785	$3,458,420	$5,765,958	$3,375,672
Peoples	$299,632,543	$2,880,864	$10,678,789	$25,193,506	$9,484,832
PGW	$474,805,698	$1,249,782	$49,563,281	$61,903,825	$86,003,672
UGI-Gas	$219,614,215	$2,264,783	$4,756,334	$10,987,998	$3,688,185
UGI Penn Natural	$166,532,193	$831,413	$2,664,482	$7,518,838	$3,843,399
Total	**$1,893,849,866**	**$12,533,235**	**$82,538,171**	**$132,570,408**	**$132,670,304**

*Includes CAP, LIURP, and CARES.

For the purpose of showing individual company variations and differences in collections costs, collections operating expenses, gross write-offs and Universal Service Program Costs are added together and shown as a percentage of the residential billings.

Appendix 24 – 2013 Collections Costs* as a Percentage of Billings – Electric

Company	2013 Billings	2013 Collections Operating Expenses	2013 Gross Write-Offs	2013 Universal Service Programs	2013 Total Collections Costs*	Collections Costs* as a Percent of Billings
Duquesne	$409,064,999	$12,918,873	$5,258,566	$18,382,533	$36,559,972	8.9
Met-Ed	$566,265,092	$14,174,470	$10,760,304	$26,345,613	$51,280,387	9.1
PECO**	$2,453,433,203	$16,667,497	$40,274,726	$106,202,183	$163,144,406	6.7
Penelec	$472,447,505	$12,431,170	$8,990,906	$29,308,073	$50,730,149	10.7
Penn Power	$139,707,141	$2,860,186	$1,873,734	$7,651,533	$12,385,453	8.9
PPL	$1,749,163,222	$15,414,244	$53,609,736	$63,456,467	$132,480,447	7.6
West Penn	$499,171,103	$8,464,260	$6,072,775	$13,444,879	$27,981,914	5.6
Total	**$6,289,252,265**	**$82,930,700**	**$126,840,747**	**$264,791,281**	**$474,562,728**	**7.6**

*Includes collections operating expenses, gross write-offs and Universal Service program costs.

** PECO data includes electric and gas.

Appendix 25 – 2013 Collections Costs* as a Percentage of Billings – Gas

Company	2013 Billings	2013 Collections Operating Expenses	2013 Gross Write-Offs	2013 Universal Service Programs	2013 Total Collections Costs*	Collections Costs* as a Percent of Billings
Columbia	$329,063,560	$2,300,518	$6,630,828	$18,031,209	$26,962,555	8.2
Equitable	$246,031,060	$2,409,090	$4,786,037	$8,243,335	$15,438,462	6.3
NFG	$158,170,597	$596,785	$3,458,420	$3,375,672	$7,430,877	4.7
Peoples	$299,632,543	$2,880,864	$10,678,789	$9,484,832	$23,044,485	7.7
PGW	$474,805,698	$1,249,782	$49,563,281	$86,003,672	$136,816,735	28.8
UGI-Gas	$219,614,215	$2,264,783	$4,756,334	$3,688,185	$10,709,302	4.9
UGI Penn Natural	$166,532,193	$831,413	$2,664,482	$3,843,399	$7,339,294	4.4
Total	**$1,893,849,866**	**$12,533,235**	**$82,538,171**	**$132,670,304**	**$227,741,710**	**12.0**

*Includes collections operating expenses, gross write-offs and Universal Service program costs.

Appendices 26 and 27 show the percentage of billings for collections operating expenses, gross residential write-offs and Universal Service Program Costs. These two tables, though similar to Appendices 28 and 29, differ in that they show the individual contributions to the overall collections costs for the three specific expenses, rather than showing the dollar amounts of each expense category.

Appendix 26 – 2013 Individual Expense Categories as a Percentage of Billings – Electric

Company	2013 Billings	2013 Collections Operating Expenses as a Percent of Billings	2013 Gross Write-Offs as a Percent of Billings	2013 Universal Service Programs as a Percent of Billings	2013 Total Collections Costs*	2013 Collections Costs* as a Percent of Billings
Duquesne	$409,064,999	3.2	1.3	4.5	$36,559,972	8.9
Met-Ed	$566,265,092	2.5	1.9	4.7	$51,280,387	9.1
PECO**	$2,453,433,203	0.7	1.6	4.3	$163,144,406	6.7
Penelec	$472,447,505	2.6	1.9	6.2	$50,730,149	10.7
Penn Power	$139,707,141	2.1	1.3	5.5	$12,385,453	8.9
PPL	$1,749,163,222	0.9	3.1	3.6	$132,480,447	7.6
West Penn	$499,171,103	1.7	1.2	2.7	$27,981,914	5.6
Total	**$6,289,252,265**	**1.3**	**2.0**	**4.2**	**$474,562,728**	**7.6**

*Includes collections operating expenses, gross write-offs and Universal Service program costs.
**PECO data includes electric and gas.

Appendix 27 – 2013 Individual Expense Categories as a Percentage of Billings – Gas

Company	2013 Billings	2013 Collections Operating Expenses as a Percent of Billings	2013 Gross Write-Offs as a Percent of Billings	2013 Universal Service Programs as a Percent of Billings	2013 Total Collections Costs*	2013 Collections Costs* as a Percent of Billings
Columbia	$329,063,560	0.7	2.0	5.5	$26,962,555	8.2
Equitable	$246,031,060	1.0	2.0	3.4	$15,438,462	6.3
NFG	$158,170,597	0.4	2.2	2.1	$7,430,877	4.7
Peoples	$299,632,543	1.0	3.6	3.2	$23,044,485	7.7
PGW	$474,805,698	0.3	10.4	18.1	$136,816,735	28.8
UGI-Gas	$219,614,215	1.0	2.2	1.7	$10,709,302	4.9
UGI Penn Natural	$166,532,193	0.5	1.6	2.3	$7,339,294	4.4
Total	**$1,893,849,866**	**0.7**	**4.4**	**7.0**	**$227,741,710**	**12.0**

*Includes collections operating expenses, gross write-offs and Universal Service program costs.

Customers are classified as either heating or non-heating. Heating and non-heating bills are shown for the beginning (2002) and end (2011) of the historical collections data period for this report. The size of customer bills is impacted by both company rates and customer usage levels. Appendices 28 and 29 also show the percent change in bills from 2002-13.

Appendix 28 – Monthly Average Bill: Heating vs. Non-Heating Accounts 2002-13 – Electric

Company	2002 Average Bill – Heating Customers	2013 Average Bill – Heating Customers	Percent Change 2002-13	2002 Average Bill – Non Heating Customers	2013 Average Bill – Non Heating Customers	Percent Change 2002-13
Duquesne	$95.33	$82.00	-14.0	$51.45	$52.00	1.1
Met-Ed*	$111.00	$129.00	16.2	$63.00	$87.00	38.1
PECO**	$137.86	$111.75	-18.9	$110.87	$107.48	-3.1
Penelec*	$111.00	$110.00	-0.9	$63.00	$73.00	15.9
Penn Power	$87.72	$126.00	43.6	$47.66	$75.00	57.4
PPL	$110.42	$159.53	44.5	$61.08	$104.55	71.2
West Penn	$94.67	$94.00	-0.7	$55.61	$61.00	9.7

*In 2002 Met-Ed and Penelec were reported jointly under GPU and the 2002 data shown in this table was reported by GPU. This data does not reflect the actual bills for either Met-Ed or Penelec, but rather reflects a combination of the bills for these two companies.
**PECO data includes electric and gas.

Appendix 29 - Monthly Average Bill: Heating vs. Non-Heating Accounts 2002-13 – Gas

Company	2002 Average Bill – Heating Customers	2013 Average Bill – Heating Customers	Percent Change 2002-13	2002 Average Bill – Non Heating Customers	2013 Average Bill – Non Heating Customers	Percent Change 2002-13
Columbia	$62.39	$69.69	11.7	$21.93	$32.04	46.1
Equitable	$86.88	$86.79	-0.1	$27.12	$27.34	0.8
NFG	$78.54	$71.48	-9.0	$40.15	$28.24	-29.7
Peoples	$68.25	$75.95	11.3	$22.32	$38.82	73.9
PGW*	*	$95.57	*	*	$36.83	*
UGI-Gas	$72.89	$68.00	-6.7	$21.90	$24.00	9.6
UGI Penn Natural	$94.17	$96.00	1.9	$23.17	$29.00	25.2

*PGW did not come under reporting requirements until 2004.

Appendix 30 – 2013 Inactive Accounts

Company	Number of Inactive Accounts	Dollars in Debt	Average Debt
Duquesne	11,266	$2,800,222	$248.56
Met-Ed	8,808	$4,077,739	$462.96
PECO*	18,998	$17,486,922	$920.46
Penelec	8,571	$3,284,068	$383.16
Penn Power	1,706	$564,095	$330.65
PPL	18,870	$17,968,350	$952.22
West Penn	6,911	$1,509,961	$218.49
Electric – Total	**75,130**	**$47,691,357**	**$634.78**
Columbia	2,408	$956,898	$397.38
Equitable	859	$330,366	$384.59
NFG	10,220	$4,144,269	$405.51
Peoples	19,323	$11,487,420	$594.49
PGW	12,410	$16,344,174	$1,317.02
UGI-Gas	4,426	$1,428,366	$322.72
UGI Penn Natural	2,014	$908,147	$450.92
Gas – Total	**51,660**	**$35,599,640**	**$689.11**

*PECO data includes electric and gas.

Appendix 31 – 2013 Security Deposits on Hand

Company	Number of Security Deposits	Dollars on Hand	Average Deposit on Hand
Duquesne	26,757	$3,438,412	$128.51
Met-Ed	90,140	$10,146,469	$112.56
PECO*	83,524	$15,178,331	$181.72
Penelec	77,616	$7,847,037	$101.10
Penn Power	19,110	$1,831,658	$95.85
PPL	29,165	$5,384,033	$184.61
West Penn	94,710	$8,967,413	$94.68
Electric – Total	**421,022**	**$52,793,353**	**$125.39**
Columbia	15,901	$1,715,026	$107.86
Equitable	7,853	$1,342,844	$171.00
NFG	245	$46,429	$189.51
Peoples	10,667	$1,267,152	$118.79
PGW	15,488	$2,374,761	$153.33
UGI-Gas	28,630	$4,118,172	$143.84
UGI Penn Natural	15,706	$2,844,183	$181.09
Gas – Total	**94,490**	**$13,708,567**	**$145.08**

*PECO data includes electric and gas.