



# Report on **2013** Universal Service Programs & Collections Performance

**of the Pennsylvania  
Electric Distribution Companies &  
Natural Gas Distribution Companies**

Pennsylvania Public Utility Commission  
Bureau of Consumer Services



## Table of Contents

1. Introduction .....	3
Universal Service Programs .....	3
LIURP .....	3
CAP .....	3
CARES .....	4
Hardship Fund .....	4
Treatment of PECO Data .....	4
Treatment of the FirstEnergy Companies .....	4
Treatment of Confirmed Low-Income Data Among the Collections Performance Data .....	4
Responsible Utility Customer Protection Act.....	4
CAP Rulemaking and Policy Statement.....	5
2. Collection Performance.....	6
Number of Residential Customers .....	6
Termination and Reconnection of Service.....	8
Number of Customers in Debt .....	10
Percent of Customers in Debt .....	12
Residential Customer Debt in Dollars Owed.....	13
Percent of Total Dollars Owed – on an Agreement Versus Not on an Agreement .....	15
Average Arrearage .....	16
Number of Payment Agreements .....	17
Payment Troubled Customers.....	18
Gross Residential Write-Offs in Dollars.....	19
Percentage of Gross Residential Billings Written Off as Uncollectible .....	21
Annual Collection Operating Expenses .....	22
Selected Tables for Multi-Year Data .....	24
Percent of Revenues (Billings) in Debt.....	29
3. Universal Service Programs.....	30
Demographics .....	30
Source of Income, Average Household Size and Income.....	30
Low Income Usage Reduction Program (LIURP) .....	31
LIURP Spending .....	33
LIURP Production .....	34
LIURP Average Job Costs .....	35

LIURP Energy Savings and Bill Reduction .....	36
Customer Assistance Programs (CAPs) .....	36
CAP Benefits - Bills, Credits & Arrearage Forgiveness .....	38
CAP Costs .....	40
CARES .....	42
CARES Benefits .....	42
Utility Hardship Fund Programs .....	44
Ratepayer and Shareholder Contributions .....	44
Hardship Fund Benefits .....	45
4. Small Utilities' Universal Service Programs.....	47
5. Appendices .....	48
Appendix 1 - Grouping of Collection Data Tables .....	48
Appendix 2 - When is an Account Considered to be Overdue? .....	58
Appendix 3 - When Does an Account Move from Active to Inactive Status?.....	59
Appendix 4 – 2013 and 2014 Federal Poverty Guidelines .....	60
Appendix 5 - Source of Income for Universal Service Participants.....	61
Appendix 6 - Percent of Spending by CAP Component .....	62
Appendix 7 - Instructions to Access Universal Service Plans and Evaluations on PUC Website.....	63
Appendix 8 - Universal Service Programs 2013 Spending Levels & Cost Recovery Mechanisms.....	64

## 1. Introduction

The Pennsylvania Public Utility Commission's (PUC) Annual Report on 2013 Universal Service Programs and Collections Performance of the Pennsylvania electric distribution companies (EDCs) and natural gas distribution companies (NGDCs) includes data and performance measures for the seven major EDCs and the eight major natural gas NGDCs.

The Electricity Generation Customer Choice and Competition Act<sup>1</sup> and the Natural Gas Choice and Competition Act<sup>2</sup> opened the electric generation and natural gas supply markets to competition. In doing so, the General Assembly wanted to ensure that electric and natural gas service remain universally available to all customers in the state. Consequently, both Acts contain provisions relating to universal electric and gas service.

Specifically, both Acts require the Commission to maintain, at a minimum, the protections, policies, and services that assist customers who are low-income to afford electric and gas service.<sup>3</sup> The Acts also require the Commission to ensure that universal service and energy conservation policies are appropriately funded and available in each electric and natural gas distribution territory<sup>4</sup>. To assist the Commission in fulfilling its universal service obligations, the Commission established standard reporting requirements for universal service and energy conservation for both the EDCs and the NGDCs<sup>5</sup>.

The Universal Service and Energy Conservation Reporting Requirements<sup>6</sup> (USRR) became effective Aug. 8, 1998, for EDCs and Dec. 16, 2000, for NGDCs. This data assists the Commission in monitoring the progress of the EDCs and NGDCs in achieving universal service in their respective service territories. The utilities covered by these reporting requirements are Duquesne Light, FirstEnergy companies – Metropolitan Edison, Pennsylvania Electric, PennPower and West Penn Power (formerly Allegheny Power), PECO-Electric, PPL, Columbia, Equitable, NFG, PECO-Gas, Peoples (formerly Dominion Peoples), PGW, UGI Penn Natural, and UGI-Gas.

Each year, the EDCs and NGDCs report the previous year's data on April 1. The PUC then conducts a data-cleaning and error-checking process, including both written and verbal dialogue between the PUC and companies. Uniformity issues are documented in various tables, charts and appendices and also are discussed in more detail in later chapters. The PUC continues to work with the companies to obtain uniform data that fully complies with the regulations.

### Universal Service Programs

**LIURP** — The Low Income Usage Reduction Program (LIURP) is an energy conservation and education program. Qualifying households receive an energy audit to assess household condition and energy usage; free installation of energy conservation and energy efficiency measures such as insulation, air sealing, and appliance installation if cost effective; and, free education on energy conservation and usage reduction.

**CAP** — Customer Assistance Program (CAPs) are payment assistance and debt forgiveness programs for payment-troubled households. CAPs are intended to provide affordable monthly bills based on a set energy burden standard. These lower rates are applied to ongoing usage as long as the household remains current and timely paying its monthly customer assistance payments. CAP rates may take the form of a discounted price on actual usage on either all or a portion of the usage, a percentage of the monthly bill, or a monthly amount that is calculated upon a percentage of the household income. Percentage of income plans are correlated directly to the household's income

---

<sup>1</sup> 66 Pa. C.S. §§ 2801-2812

<sup>2</sup> 66 Pa. C.S. Chapter 22

<sup>3</sup> 66 Pa. C.S. §§ 2203(7), §§ 2802(10)

<sup>4</sup> 66 Pa. C.S. §§ 2203(8), §§ 2804(9)

<sup>5</sup> 52 Pa. Code §§ 54.71–54.78, §§ 62.1-62.8

<sup>6</sup> 52 Pa. Code § 54.75(2)(ii)(C)(III) for EDCs and 52 Pa. Code § 62.5 (2)(ii)(C)(III) for NGDCs

and the Commission-determined allowable energy burden percentage. CAP's debt forgiveness feature freezes a household's unpaid past debt upon entry into the program. As long as the household remains current and timely on their future payments, the past debt is not collected upon and is eventually forgiven in incremental amounts over time.

**CARES** — Customer Assistance and Referral Evaluation Services (CARES) is a social service and referral program for households encountering some form of extenuating circumstance or emergency that results in the household's inability to pay for utility service. Qualifying households may receive counseling and/or direct referrals to community resources that can aid the family in resolving the emergency.

**Hardship Fund** — Hardship funds are programs that make cash grants available to qualifying households, to assist in the payment of outstanding debt owed by the household to the utility company. They are funded through contributions made by the public that are matched by the company and paid directly to the utility.

### **Treatment of PECO Data**

PECO serves three types of customers: those who receive only electric service (electric only); those who receive both electric and gas service (combination/electric and gas); and, those who receive only gas service (gas only). PECO also reports the electric and gas data separately. In order to split the second group (combination/electric and gas) for some of the data variables, PECO used an allocation factor consistent with PECO's gas base rate filing of March 31, 2008. The allocation factor for 2013 splits the combination group into 87 percent electric and 13 percent gas. However, for other data variables, PECO did not apply the allocation method. Instead, PECO includes the combination group in both the electric and gas totals.

### **Treatment of the FirstEnergy Companies**

Beginning with 2003 data, FirstEnergy Corp. requested permission to identify and report separately on the FirstEnergy companies that provide utility service in Pennsylvania. Therefore, this report shows universal service data for the three FirstEnergy companies: Metropolitan Edison (Met-Ed), Pennsylvania Electric (Penelec), and Penn Power. Also, on Feb. 24, 2011, the PUC approved the FirstEnergy acquisition of Allegheny Power. Starting with the 2011 report, we identify the company as West Penn Power.

### **Treatment of Confirmed Low-Income Data Among the Collections Performance Data**

We have included data about confirmed low-income customers in Chapter 1 for only a select number of collections performance measures. The majority of the confirmed low-income collection data tables appear as a grouping of tables in Appendix 1. Also included in this grouping of tables in Appendix 1 is a presentation of company revenues or billings.

**Responsible Utility Customer Protection Act** Act 201 of 2004<sup>7</sup> changed the rules that apply to cash deposits, reconnection of service, termination of service, payment agreements, and the filing of termination complaints by consumers for electric, gas, and water. The goal was to increase timely collections while ensuring that service is available to all customers based on equitable terms and conditions.<sup>8</sup> The law is applicable to EDCs, water distribution companies, and NGDCs with an annual operating income in excess of \$6,000,000.<sup>9</sup> Steam and wastewater utilities are not covered by Chapter 14. The Commission amended Chapter 56 to make these regulations consistent with Chapter 14<sup>10</sup>. Every two years, the Commission reports to the General Assembly on the effectiveness of the Act<sup>11</sup>.

---

<sup>7</sup> 66 Pa.C.S. §§1401-1418

<sup>8</sup> 66 Pa. C.S. §1402

<sup>9</sup> Small natural gas companies may voluntarily "opt in" to Chapter 14. 66 Pa. C.S. §1403.

<sup>10</sup> Docket no. L-00060182, published in Pennsylvania Bulletin Oct. 8, 2011.

<sup>11</sup> Chapter 14 was renewed on Oct.22, 2014. for 10 years. The next Report is due in five years.

## **CAP Rulemaking and Policy Statement**

As the result of an investigation into CAP funding levels and cost recovery mechanisms<sup>12</sup>, the Commission began the process to revise its policy statement<sup>13</sup> and regulations<sup>14</sup> regarding CAPs. In May 2012, the Commission discontinued the rulemaking and the proposed revisions to the CAP policy statement<sup>15</sup> due to developments that occurred since the initiation of these two proceedings. The developments included changes to the application of Low Income Home Energy Assistance Program (LIHEAP) funds in a distribution company's CAP. In addition, stakeholders are studying the treatment of universal service customers in an enhanced competitive retail electricity market and this subgroup may recommend regulatory changes or revisions to the CAP policy statement. The Commission indicated that a new rulemaking and amended policy statement may be initiated in the future.

On April 9, 2010, the PUC suspended portions<sup>16</sup> of the CAP policy statement regarding the application of LIHEAP grants to a distribution company's CAP because the sections were inconsistent with the state Department of Public Welfare's changes to its administration of LIHEAP.<sup>17</sup> The suspension of Sections 69.265(9)(ii-iii) of the Commission's regulations is still in effect.

## **Equitable-Peoples Merger**

On December 18, 2013, Equitable Gas Company was merged into Peoples Natural Gas Company LLC ("Peoples"). The 2013 Universal Services Report reflects separate data for Peoples and Equitable.

---

<sup>12</sup> Final Order entered Dec. 18, 2006 at docket no. M-00051923

<sup>13</sup> 52 Pa. Code §§ 69.261-69.267. Policy statement proposal docket no. M-00072036.

<sup>14</sup> 52 Pa. Code § 54.74 and § 62.4. Proposed rulemaking docket no. L-00070186.

<sup>15</sup> Docket Nos. L-00070186 (Rulemaking) and M-00072036 (Policy Statement)

<sup>16</sup> 52 Pa. Code §§ 69.265(9)(ii-iii)

<sup>17</sup> Set forth in DPW's 2010 Final State Plan

## 2. Collection Performance

The regulations require EDCs and NGDCs to report various residential collection data. The following report content reviews each of the collection measures by presenting the raw data itself and by using the data to arrive at calculated variables that are more useful in analyzing collection performance. All of the data and statistics used in this chapter are drawn from information submitted by the companies.

It is also important to note that we have reflected both the number of confirmed low-income customers and the number of estimated low-income customers in a utility's given service territory. A low-income customer is defined as one whose household income is at or below 150 percent of the federal poverty income guidelines (FPIG)<sup>18</sup>. A confirmed low-income customer is a customer whose gross household income has been verified as meeting the FPIG. Most household incomes are verified through the customer's receipt of a LIHEAP grant or determined during the course of making a payment agreement. The estimated low-income customers represent the company's approximation of its total universe of low-income customers.

### Number of Residential Customers

The number of residential customers represents an average of the 12 months of month-end data reported by the companies. The data includes all residential customers, including universal service program recipients.

#### *Number of Residential Electric Customers*

Company	Number of Residential Customers
Duquesne	526,817
Met-Ed	488,375
PECO-Electric	1,421,426
Penelec	504,543
Penn Power	141,147
PPL	1,218,734
West Penn	619,531
<b>Total</b>	<b>4,920,573</b>

#### *Number of Residential Natural Gas Customers*

Company	Number of Residential Customers
Columbia	384,213
Peoples	330,123
Peoples-Equitable	242,632
NFG	198,763
PECO-Gas	456,331
PGW	468,943
UGI-Gas	324,576
UGI Penn Natural	149,097
<b>Total</b>	<b>2,554,678</b>

<sup>18</sup> See Appendix 4

**Number of Confirmed Low-Income Electric Customers\***

<b>Company</b>	<b>Number of Confirmed Low-Income Customers</b>	<b>Percent of Customers</b>
Duquesne	58,171	11.0%
Met-Ed	61,672	12.6%
PECO-Electric	163,238	11.5%
Penelec	78,117	15.5%
Penn Power	18,518	13.1%
PPL	166,536	13.7%
West Penn	45,004	7.3%
<b>Total</b>	<b>591,256</b>	<b>12.0%</b>

**Number of Confirmed Low-Income Natural Gas Customers\***

<b>Company</b>	<b>Number of Confirmed Low-Income Customers</b>	<b>Percent of Customers</b>
Columbia	67,711	17.6%
Peoples	59,217	17.9%
Peoples-Equitable	43,201	17.9%
NFG	29,680	14.9%
PECO-Gas	32,170	7.0%
PGW	157,320	33.5%
UGI-Gas	39,571	12.2%
UGI Penn Natural	25,967	17.4%
<b>Total</b>	<b>454,837</b>	<b>17.8%</b>

\*Low-income is defined as household income at or below 150 percent of FPIG.



**Number of Estimated Low-Income Electric Customers\***

<b>Company</b>	<b>Number of Estimated Low-Income Customers</b>	<b>Percent of Customers</b>
Duquesne	132,781	25.2%
Met-Ed	118,937	24.4%
PECO-Electric	370,400	26.1%
Penelec	168,092	33.3%
Penn Power	37,776	26.8%
PPL	322,500	26.5%
West Penn	171,987	27.8%
<b>Total</b>	<b>1,322,473</b>	<b>26.9%</b>

**Number of Estimated Low-Income Natural Gas Customers\***

<b>Company</b>	<b>Number of Estimated Low-Income Customers</b>	<b>Percent of Customers</b>
Columbia	95,543	24.9%
Peoples	85,820	26.0%
Peoples-Equitable	60,753	25.2%
NFG	58,908	29.6%
PECO-Gas	70,433	15.4%
PGW	186,780	39.8%
UGI-Gas	68,043	21.0%
UGI Penn Natural	38,791	26.0%
<b>Total</b>	<b>665,071</b>	<b>26.0%</b>

\* Low-income is defined as household income at or below 150 percent of FPIG.

**Termination and Reconnection of Service**

Termination of utility service is the most serious consequence of customer nonpayment and is viewed as a last resort when customers fail to meet their payment obligations. The termination rate is calculated by dividing the number of service terminations by the number of residential customers, allowing for a comparison of termination activities regardless of the number of residential consumers. Any significant increase in a termination rate would indicate a trend or pattern that the Commission may need to investigate.

Reconnection of service occurs when customers either pay their debt in full or make a significant up-front payment and agree to a payment agreement for the balance owed. The ratio of reconnections to terminations is obtained by dividing the number of reconnections by the number of terminations. The result is generally indicative of the success of a customer, whose service has been terminated, at getting service reconnected.

*Terminations and Reconnections - Residential Electric Customers*

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Duquesne	526,817	25,649	20,355	4.9%	79.4%
Met-Ed	488,375	23,672	19,046	4.8%	80.5%
PECO-Electric	1,421,426	83,185	61,493	5.9%	73.9%
Penelec	504,543	20,544	16,184	4.1%	78.8%
Penn Power	141,147	4,999	4,740	3.5%	94.8%
PPL	1,218,734	47,759	34,910	3.9%	73.1%
West Penn	619,531	13,904	11,089	2.2%	79.8%
<b>Total</b>	<b>4,920,573</b>	<b>219,712</b>	<b>167,817</b>	<b>4.5%</b>	<b>76.4%</b>

*Terminations and Reconnections - Residential Natural Gas Customers*

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	384,213	12,030	6,490	3.1%	53.9%
Peoples	330,123	7,229	5,426	2.2%	75.1%
Peoples-Equitable	242,632	8,507	6,453	3.5%	75.9%
NFG	198,763	9,576	6,453	4.8%	67.4%
PECO-Gas	456,331	22,054	16,565	4.8%	75.1%
PGW	468,943	28,497	19,907	6.1%	69.9%
UGI-Gas	324,576	9,055	4,322	2.8%	47.7%
UGI Penn Natural	149,097	6,214	3,483	4.2%	56.1%
<b>Total</b>	<b>2,554,678</b>	<b>103,162</b>	<b>69,099</b>	<b>4.0%</b>	<b>67.0%</b>

*Terminations and Reconnections - Confirmed Low-Income Electric Customers\**

Company	Number of Confirmed Low-Income Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Duquesne	58,171	12,671	9,932	21.8%	78.4%
Met-Ed	61,672	11,999	8,273	19.5%	68.9%
PECO-Electric	163,238	23,431	21,763	14.4%	92.9%
Penelec	78,117	11,672	8,020	14.9%	68.7%
Penn Power	18,518	2,675	2,048	14.4%	76.6%
PPL	166,536	25,950	21,849	15.6%	84.2%
West Penn	45,004	6,919	4,568	15.4%	66.0%
<b>Total</b>	<b>591,256</b>	<b>95,317</b>	<b>76,453</b>	<b>16.1%</b>	<b>80.2%</b>

**Terminations and Reconnections - Confirmed Low-Income Natural Gas Customers\***

	Number of Confirmed Low-Income Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	67,711	7,030	3,245	10.4%	46.2%
Peoples	59,217	1,373	1,031	2.3%	75.1%
Peoples-Equitable	43,201	5,477	3,969	12.7%	72.5%
NFG	29,680	5,640	3,908	19.0%	69.3%
PECO-Gas	32,170	5,191	4,837	16.1%	93.2%
PGW	157,320	18,672	13,043	11.9%	69.9%
UGI-Gas	39,571	6,674	2,832	16.9%	42.4%
UGI Penn Natural	25,968	4,552	2,051	17.5%	45.1%
<b>Total</b>	<b>454,838</b>	<b>54,609</b>	<b>34,916</b>	<b>12.0%</b>	<b>63.9%</b>

\* Low-income is defined as household income at or below 150 percent of FPIG.

**Number of Customers in Debt**

Two categories exist for reporting customers overdue or in debt. The first includes customers who are on a payment agreement, and the second includes customers who are not on a payment agreement. The first category includes both PUC payment agreements and utility payment agreements. The number of customers in debt is affected by many factors, including customer income level and ability to pay, company collection practices, and the size of customer bills.

The category that a customer in debt falls into depends upon the previous factors as well as the notable addition of company collection policies. These policies include various treatments for different customer income levels.

One of the stated purposes of the Chapter 56 regulations<sup>19</sup> is to “provide functional alternatives to termination.” One method of avoiding termination is to enter into a payment agreement<sup>20</sup>. Also, the fact that a customer has entered into a payment agreement means the customer is aware of the outstanding debt, has acknowledged this to the utility and has agreed to a plan to address the debt.

Two factors affect the uniformity of the data reported regarding the number of overdue customers and the dollars in debt associated with those customers. First, companies use different methods for determining when an account is overdue. Companies consider either the due date of the bill or the transmittal date of the bill to be day zero. The transmittal date is 20 days before the due date. Companies are requested to consider the due date as day zero and to report debt that is at least 30 days overdue.

Duquesne Light, Met-Ed, Penelec, Penn Power, Columbia, Equitable, UGI Penn Natural and UGI-Gas reported according to the method requested. The variance among the other EDCs and NGDCs shows a difference of no more than 20 days from that method. PECO Electric and Gas, PPL, West Penn Power, Peoples and PGW report debt that is 10 days old, meaning these companies are overstating the debt compared to companies that reported debt as 30 days overdue. NFG reports debt that is about 40 days old, meaning NFG is understating its debt relative to the other companies. Appendix 2 contains company specific information.

<sup>19</sup> 52 Pa. Code § 56.1

<sup>20</sup> 52 Pa. Code § 56.97

The second factor affecting the arrearage data uniformity is when a company moves a terminated account or a discontinued account from active status (included in the reporting) to inactive status (excluded from the reporting). Company collection policies and accounting practices affect the timing. Appendix 3 contains company specific information.

CAP recipients are excluded from all data tables referencing the number of customers in debt, the dollars in debt, and gross residential write-offs.

### *Number of Residential Electric Customers in Debt*

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Duquesne	11,193	10,763	21,956
Met-Ed	25,809	19,181	44,990
PECO-Electric	24,855	95,848	120,703
Penelec	24,513	21,476	45,989
Penn Power	5,487	5,219	10,706
PPL	35,667	99,084	134,751
West Penn	17,692	26,073	43,765
<b>Total</b>	<b>145,216</b>	<b>277,644</b>	<b>422,860</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

### *Number of Residential Natural Gas Customers in Debt*

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Columbia	16,394	13,763	30,157
Peoples	11,126	18,973	30,099
Peoples-Equitable	8,087	10,739	18,826
NFG	4,578	5,233	9,811
PECO-Gas	8,885	22,794	31,679
PGW	18,872	58,967	77,839
UGI-Gas	4,923	24,611	29,534
UGI Penn Natural	3,423	11,485	14,908
<b>Total</b>	<b>76,288</b>	<b>166,565</b>	<b>242,853</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

## Percent of Customers in Debt

The percent of customers in debt is a useful statistic that supports the need for universal service programs. A company with a low percent of its residential customers in debt will experience better cash flow and have a better credit rating than one with a high percent of its residential customers in debt. The percent of customers in debt is calculated by dividing the number of customers in debt by the total number of residential customers. This calculation is done for both groups of customers in debt – those on a payment agreement and those not on a payment agreement.

### *Percent of Total Residential Electric Customers in Debt*

Company	Percent of Total Customers in Debt on an Agreement*	Percent of Total Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Duquesne	2.1%	2.0%	4.2%
Met-Ed	5.3%	3.9%	9.2%
PECO-Electric	1.7%	6.7%	8.5%
Penelec	4.9%	4.3%	9.1%
Penn Power	3.9%	3.7%	7.6%
PPL	2.9%	8.1%	11.1%
West Penn	2.9%	4.2%	7.1%
<b>Total</b>	<b>3.0%</b>	<b>5.6%</b>	<b>8.6%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

### *Percent of Total Residential Natural Gas Customers in Debt*

Company	Percent of Total Customers in Debt on an Agreement*	Percent of Total Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Columbia	4.3%	3.6%	7.8%
Peoples	3.4%	5.7%	9.1%
Peoples-Equitable	3.3%	4.4%	7.8%
NFG	2.3%	2.6%	4.9%
PECO-Gas	1.9%	5.0%	6.9%
PGW	4.0%	12.6%	16.6%
UGI-Gas	1.5%	7.6%	9.1%
UGI Penn Natural	2.3%	7.7%	10.0%
<b>Total</b>	<b>3.0%</b>	<b>6.5%</b>	<b>9.5%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

## Residential Customer Debt in Dollars Owed

The amount of money owed has an impact on company expenses, making up part of the company's distribution charge.

### *Dollars in Debt - Residential Electric Customers*

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Duquesne	\$6,881,436	\$4,390,065	\$11,271,501
Met-Ed	\$19,375,229	\$4,365,518	\$23,740,747
PECO-Electric	\$13,362,308	\$39,668,475	\$53,030,783
Penelec	\$16,991,387	\$4,024,969	\$21,016,356
Penn Power	\$4,050,249	\$964,919	\$5,015,168
PPL	\$17,617,784	\$65,872,581	\$83,490,365
West Penn	\$8,218,767	\$4,206,199	\$12,424,966
<b>Total</b>	<b>\$86,497,160</b>	<b>\$123,492,726</b>	<b>\$209,989,886</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

### *Dollars in Debt - Residential Natural Gas Customers*

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Columbia	\$8,774,849	\$1,568,483	\$10,343,332
Peoples	\$5,647,084	\$6,140,079	\$11,787,163
Peoples-Equitable	\$4,763,070	\$1,830,851	\$6,593,921
NFG	\$1,896,601	\$1,592,750	\$3,489,351
PECO-Gas	\$5,672,624	\$13,034,765	\$18,707,389
PGW	\$14,191,562	\$32,775,629	\$46,967,191
UGI-Gas	\$1,885,351	\$5,298,958	\$7,184,309
UGI Penn Natural	\$1,533,592	\$3,448,629	\$4,982,221
<b>Total</b>	<b>\$44,364,733</b>	<b>\$65,690,144</b>	<b>\$110,054,877</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

*Dollars in Debt - Confirmed Low-Income Electric Customers*

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Duquesne	\$1,831,381	\$3,971,232	\$5,802,613
Met-Ed	\$12,491,100	\$1,432,428	\$13,923,528
PECO-Electric	\$2,926,340	\$8,961,442	\$11,887,782
Penelec	\$11,990,862	\$1,630,552	\$13,621,414
Penn Power	\$2,837,341	\$350,002	\$3,187,343
PPL	\$12,622,149	\$45,838,694	\$58,460,843
West Penn	\$5,049,855	\$1,201,202	\$6,251,057
<b>Total</b>	<b>\$49,749,028</b>	<b>\$63,385,552</b>	<b>\$113,134,580</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

*Dollars in Debt- Confirmed Low-Income Natural Gas Customers*

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Columbia	\$5,282,905	\$628,897	\$5,911,802
Peoples	\$3,412,550	\$3,402,725	\$6,815,275
Peoples-Equitable	\$3,268,826	\$875,335	\$4,144,161
NFG	\$1,229,077	\$915,782	\$2,144,859
PECO-Gas	\$1,031,022	\$2,989,994	\$4,021,016
PGW	\$2,288,750	\$6,105,622	\$8,394,372
UGI-Gas	\$1,684,812	\$3,133,749	\$4,818,561
UGI Penn Natural	\$1,348,443	\$2,207,866	\$3,556,309
<b>Total</b>	<b>\$19,546,385</b>	<b>\$20,259,970</b>	<b>\$39,806,355</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

## Percent of Total Dollars Owed – On an Agreement Versus Not on an Agreement

The percent of dollars owed in the two reporting categories is calculated by dividing the total dollars owed in a category by the overall total dollars owed.

### *Percent of Debt on an Agreement - Residential Electric Customers*

Company	Percent of Dollars Owed – On an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Duquesne	61.1%	38.9%
Met-Ed	81.6%	18.4%
PECO-Electric	25.2%	74.8%
Penelec	80.8%	19.2%
Penn Power	80.8%	19.2%
PPL	21.1%	78.9%
West Penn	66.1%	33.9%
<b>Total</b>	<b>41.2%</b>	<b>58.8%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

### *Percent of Debt on an Agreement - Residential Natural Gas Customers*

Company	Percent of Dollars Owed – On an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Columbia	84.8%	15.2%
Peoples	47.9%	52.1%
Peoples-Equitable	72.2%	27.8%
NFG	54.4%	45.6%
PECO-Gas	30.3%	69.7%
PGW	30.2%	69.8%
UGI-Gas	26.2%	73.8%
UGI Penn Natural	30.8%	69.2%
<b>Total</b>	<b>40.3%</b>	<b>59.7%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.



## Average Arrearage

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 pose more of an uncollectible risk than smaller average arrearages.

### *Average Arrearage – Residential Electric Customers*

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Duquesne	\$614.80	\$407.88	\$513.38
Met-Ed	\$750.72	\$227.60	\$527.69
PECO-Electric	\$537.61	\$413.87	\$439.35
Penelec	\$693.16	\$187.42	\$456.99
Penn Power	\$738.15	\$184.89	\$468.44
PPL	\$493.95	\$664.82	\$619.59
West Penn	\$464.55	\$161.32	\$283.90
<b>Total</b>	<b>\$595.64</b>	<b>\$444.79</b>	<b>\$496.59</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

### *Average Arrearage - Residential Natural Gas Customers*

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Columbia	\$535.25	\$113.96	\$342.98
Peoples	\$507.56	\$323.62	\$391.62
Peoples-Equitable	\$588.98	\$170.49	\$350.26
NFG	\$414.29	\$304.37	\$355.66
PECO-Gas	\$638.45	\$571.85	\$590.53
PGW	\$751.99	\$555.83	\$603.39
UGI-Gas	\$382.97	\$215.31	\$243.26
UGI Penn Natural	\$448.03	\$300.27	\$334.20
<b>Total</b>	<b>\$581.54</b>	<b>\$394.38</b>	<b>\$453.17</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

## Number of Payment Agreements

A payment agreement<sup>21</sup> is an agreement in which a customer who admits liability for billed service is permitted to pay the unpaid balance in one or more payments. The method<sup>22</sup> by which utilities determine the total number of payment agreements for reporting also takes into consideration the limitations in documenting and tracking payment agreements. This results in treating a broken payment agreement that is reinstated due to a “catch-up” payment as a new payment agreement. The PUC payment agreement requests are included in this category. However, CAP payment plans are not included in the count of payment agreements.

The following tables reflect year-end payment agreement totals, and include both all residential and confirmed low-income categories to allow for the presentation of the percent of payment agreements which are confirmed low-income.

### *Electric Payment Agreements*

Company	All Residential	Confirmed Low Income	Percent of Payment Agreements which are Confirmed Low Income
Duquesne	144,169	45,942	31.9%
Met-Ed	49,553	30,953	62.5%
PECO-Electric	66,341	11,010	16.6%
Penelec	45,737	31,731	69.4%
Penn Power	9,171	6,299	68.7%
PPL	186,389	109,043	58.5%
West Penn	41,487	24,556	59.2%
<b>Total</b>	<b>542,847</b>	<b>259,534</b>	<b>47.8%</b>

### *Natural Gas Payment Agreements*

Company	All Residential	Confirmed Low Income	Percent of Payment Agreements which are Confirmed Low Income
Columbia	27,218	18,069	66.4%
Peoples	18,919	9,353	49.4%
Peoples-Equitable	14,929	8,747	58.6%
NFG	22,113	14,219	64.3%
PECO-Gas	23,556	4,114	17.5%
PGW	71,997	37,883	52.6%
UGI-Gas	29,063	24,416	84.0%
UGI Penn Natural	18,789	15,604	83.0%
<b>Total</b>	<b>226,584</b>	<b>132,405</b>	<b>58.4%</b>

<sup>21</sup> 52 Pa. Code, Chapter 56

<sup>22</sup> 52 Pa. Code § 54.75(1)(i) or § 62.5(a)(1)(i)

## Payment Troubled Customers

A payment troubled customer is a customer who has failed to maintain one or more payment arrangements in a 1-year period.<sup>23</sup> The PUC can only offer a payment arrangement to a payment troubled customer when all “catch-up” arrears are paid, or when a previous arrangement has been satisfied. The companies have no restrictions on the number or terms of any payment arrangements they may choose to offer to payment troubled customers.

The following tables reflect an average of the 12 months of month-end data reported by the companies for payment troubled customer totals,<sup>24</sup> and include both all residential and confirmed low-income categories to allow for the presentation of the percent of payment troubled customers which are confirmed low-income.

### *Electric Payment Troubled Customers*

Company	All Residential	Confirmed Low Income	Percent of Payment Troubled Customers which are Confirmed Low Income
Duquesne	10,763	4,942	45.9%
Met-Ed	1,374	923	67.2%
PECO-Electric	4,097	463	11.3%
Penelec	1,279	924	72.2%
Penn Power	278	198	71.2%
PPL	139,761	86,756	62.1%
West Penn	964	613	63.6%
<b>Total</b>	<b>158,516</b>	<b>94,819</b>	<b>59.8%</b>

### *Natural Gas Payment Troubled Customers*

Company	All Residential	Confirmed Low Income	Percent of Payment Troubled Customers which are Confirmed Low Income
Columbia	13,793	8,969	65.0%
Peoples	17,930	7,302	40.7%
Peoples-Equitable	1,250	723	57.8%
NFG	4,874	2,888	59.3%
PECO-Gas	1,269	97	7.6%
PGW	27,366	15,695	57.4%
UGI-Gas	10,256	9,007	87.8%
UGI Penn Natural	6,375	5,620	88.2%
<b>Total</b>	<b>83,113</b>	<b>50,301</b>	<b>60.5%</b>

<sup>23</sup> 52 Pa. Code § 54.72 or § 62.2

<sup>24</sup> 52 Pa. Code § 54.75(1)(vii) or § 62.5(a)(1)(x)

## Gross Residential Write-Offs in Dollars

The tables below represent the gross residential write-offs in dollars for EDCs and NGDCs in 2013. Write-offs are the final treatment of overdue accounts. A residential account is written off after all pre-write-off collection actions are taken and the customer fails to make payment on the balance owed. Generally, a company writes off accounts on either a monthly or annual basis.

### *Gross Write-Offs - Residential Electric Customers*

Company	Gross Dollars Written Off*
Duquesne	\$5,258,566
Met-Ed	\$10,760,304
PECO-Electric	\$38,006,588
Penelec	\$8,990,906
Penn Power	\$1,873,734
PPL	\$53,609,736
West Penn	\$6,072,775
<b>Total</b>	<b>\$124,572,609</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

### *Gross Write-Offs - Residential Natural Gas Customers*

Company	Gross Dollars Written Off*
Columbia	\$6,630,827
Peoples	\$10,678,789
Peoples-Equitable	\$4,786,037
NFG	\$3,458,420
PECO-Gas	\$2,268,138
PGW	\$49,563,281
UGI-Gas	\$4,756,334
UGI Penn Natural	\$2,664,482
<b>Total</b>	<b>\$84,806,308</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Gross Write-Offs - Confirmed Low-Income Electric Customers**

<b>Company</b>	<b>Gross Dollars Written Off*</b>
Duquesne	\$1,581,456
Met-Ed	\$7,821,228
PECO-Electric	\$6,313,898
Penelec	\$6,886,109
Penn Power	\$1,440,982
PPL	\$36,879,386
West Penn	\$4,006,308
<b>Total</b>	<b>\$64,929,367</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Gross Write-Offs - Confirmed Low-Income Natural Gas Customers**

<b>Company</b>	<b>Gross Dollars Written Off*</b>
Columbia	\$4,297,201
Peoples	\$2,028,969
Peoples-Equitable	\$3,780,969
NFG	\$2,426,706
PECO-Gas	\$1,981,652
PGW	\$30,120,027
UGI-Gas	\$3,685,628
UGI Penn Natural	\$2,444,972
<b>Total</b>	<b>\$50,766,124</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

## Percentage of Gross Residential Billings Written Off as Uncollectible

The percentage of residential billings written off as uncollectible is the most commonly used long-term measure of collection 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. The measure offers an equitable basis for comparison of gross residential dollars written-off to the annual total dollars of residential billings.

### *Gross Write-Offs Ratio - Residential Electric Customers*

Company	Gross Write-Offs Ratio*
Duquesne	1.3%
Met-Ed	1.9%
PECO-Electric	1.9%
Penelec	1.9%
Penn Power	1.3%
PPL	3.1%
West Penn	1.2%
<b>Total</b>	<b>2.1%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

### *Gross Write-Offs Ratio - Residential Natural Gas Customers*

Company	Gross Write-Offs Ratio*
Columbia	2.0%
Peoples	3.6%
Peoples-Equitable	1.9%
NFG	2.2%
PECO-Gas	0.5%
PGW	10.4%
UGI-Gas	2.2%
UGI Penn Natural	1.6%
<b>Total</b>	<b>3.7%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Gross Write-Offs Ratio - Confirmed Low-Income Electric Customers**

Company	Gross Write-Offs Ratio*
Duquesne	2.6%
Met-Ed	9.3%
PECO-Electric	5.5%
Penelec	7.7%
Penn Power	6.7%
PPL	12.4%
West Penn	7.9%
<b>Total</b>	<b>9.0%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Gross Write-Offs Ratio - Confirmed Low-Income Natural Gas Customers**

Company	Gross Write-Offs Ratio*
Columbia	7.7%
Peoples	2.6%
Peoples-Equitable	10.0%
NFG	12.5%
PECO-Gas	11.6%
PGW	24.8%
UGI-Gas	11.6%
UGI Penn Natural	8.3%
<b>Total</b>	<b>13.0%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Annual Collection Operating Expenses**

Annual collection operating expenses include administrative expenses associated with termination activity; negotiating payment agreements; budget counseling; investigation and resolution of informal and formal complaints associated with payment agreements; securing and maintaining deposits; tracking delinquent accounts; collection agencies' expenses; litigation expenses other than Commission-related; dunning expenses<sup>25</sup>; and, winter survey expense. CAP recipient collection expenses are excluded.

The tables below include both the All Residential and Confirmed Low-Income categories to allow for the presentation of the percent of annual collection operating expenses which are attributed to confirmed low-income.

<sup>25</sup> Dunning, in the business context, refers to the collections process, whereby a business communicates with customers who have fallen behind in paying their bills.

**Annual Electric Collection Operating Expenses**

<b>Company</b>	<b>All Residential</b>	<b>Confirmed Low Income</b>	<b>Percent of Collection Operating Expenses which are for Confirmed Low-Income Customers</b>
Duquesne	\$12,918,873	\$10,141,497	78.5%
Met-Ed	\$14,174,470	\$9,364,711	66.1%
PECO-Electric	\$14,834,072	\$1,849,114	12.5%
Penelec	\$12,431,170	\$8,631,392	69.4%
Penn Power	\$2,860,186	\$1,926,158	67.3%
PPL	\$15,414,244	\$8,169,549	53.0%
West Penn	\$8,464,260	\$4,875,850	57.6%
<b>Total</b>	<b>\$81,097,275</b>	<b>\$44,958,271</b>	<b>55.4%</b>

**Annual Natural Gas Collection Operating Expenses**

<b>Company</b>	<b>All Residential</b>	<b>Confirmed Low Income</b>	<b>Percent of Collection Operating Expenses which are for Confirmed Low-Income Customers</b>
Columbia	\$2,300,518	\$1,306,451	56.8%
Peoples	\$2,880,864	\$749,024	26.0%
Peoples-Equitable	\$2,409,090	\$431,322	17.9%
NFG	\$596,785	\$251,793	42.2%
PECO-Gas	\$1,833,425	\$124,205	6.8%
PGW	\$1,249,782	\$419,274	33.5%
UGI-Gas	\$2,264,783	\$1,902,417	84.0%
UGI Penn Natural	\$831,413	\$690,477	83.0%
<b>Total</b>	<b>\$14,366,660</b>	<b>\$5,874,963</b>	<b>40.9%</b>



## Selected Tables for Multi-Year Data

### *Terminations - Residential Electric Customers*

Company	2012 Terminations	2013 Terminations	Change 2012-13	2012 Termination Rate	2013 Termination Rate
Duquesne	23,533	25,649	9.0%	4.5%	4.9%
Met-Ed	17,995	23,672	31.5%	3.7%	4.8%
PECO-Electric	73,344	83,185	13.4%	5.2%	5.9%
Penelec	13,747	20,544	49.4%	2.7%	4.1%
Penn Power	3,514	4,999	42.3%	2.5%	3.5%
PPL	38,303	47,759	24.7%	3.2%	3.9%
West Penn	11,092	13,904	25.4%	1.8%	2.2%
<b>Total</b>	<b>181,528</b>	<b>219,712</b>	<b>21.0%</b>	<b>3.7%</b>	<b>4.5%</b>

### *Terminations - Residential Natural Gas Customers*

Company	2012 Terminations	2013 Terminations	Change 2012-13	2012 Termination Rate	2013 Termination Rate
Columbia	11,321	12,030	6.3%	3.0%	3.1%
Peoples	6,601	7,229	9.5%	2.0%	2.2%
Peoples-Equitable	8,394	8,507	1.3%	3.5%	3.5%
NFG	8,347	9,576	14.7%	4.2%	4.8%
PECO-Gas	20,411	22,054	8.0%	4.5%	4.8%
PGW	25,507	28,497	11.7%	5.3%	6.1%
UGI-Gas	8,434	9,055	7.4%	2.7%	2.8%
UGI Penn Natural	5,403	6,214	15.0%	3.7%	4.2%
<b>Total</b>	<b>94,418</b>	<b>103,162</b>	<b>9.3%</b>	<b>3.7%</b>	<b>4.0%</b>

**Number of Residential Electric Customers in Debt**

Company	2012 Total Number of Customers in Debt*	2013 Total Number of Customers in Debt*	Change 2012-13
Duquesne	21,965	21,956	0.0%
Met-Ed	46,622	44,990	-3.5%
PECO-Electric**	118,675	120,703	1.7%
Penelec	46,649	45,989	-1.4%
Penn Power	10,575	10,706	1.2%
PPL	134,823	134,751	-0.1%
West Penn	51,529	43,765	-15.1%
<b>Total</b>	<b>430,838</b>	<b>422,860</b>	<b>-1.9%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of 142,434 has been revised to exclude CAP, consistent with reporting requirements.

**Number of Residential Natural Gas Customers in Debt**

Company	2012 Total Number of Customers in Debt*	2013 Total Number of Customers in Debt*	Change 2012-13
Columbia	36,940	30,157	-18.4%
Peoples	32,701	30,099	-8.0%
Peoples-Equitable	17,468	18,826	7.8%
NFG	9,744	9,811	0.7%
PECO-Gas**	30,988	31,679	2.2%
PGW	61,640	77,839	26.3%
UGI-Gas	25,903	29,534	14.0%
UGI Penn Natural	13,209	14,908	12.9%
<b>Total</b>	<b>228,593</b>	<b>242,853</b>	<b>6.2%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of 35,039 has been revised to exclude CAP, consistent with reporting requirements.

**Dollars in Debt - Residential Electric Customers**

<b>Company</b>	<b>2012 Total Dollars in Debt*</b>	<b>2013 Total Dollars in Debt*</b>	<b>Change 2012-13</b>
Duquesne	\$11,004,856	\$11,271,501	2.4%
Met-Ed	\$27,405,440	\$23,740,747	-13.4%
PECO-Electric**	\$51,297,270	\$53,030,783	3.4%
Penelec	\$23,715,969	\$21,016,356	-11.4%
Penn Power	\$5,899,156	\$5,015,168	-15.0%
PPL	\$79,988,700	\$83,490,365	4.4%
West Penn	\$10,589,845	\$12,424,966	17.3%
<b>Total</b>	<b>\$209,901,235</b>	<b>\$209,989,886</b>	<b>0.0%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of \$76,791,682 has been revised to exclude CAP, consistent with reporting requirements.

**Dollars in Debt - Residential Natural Gas Customers**

<b>Company</b>	<b>2012 Total Dollars in Debt*</b>	<b>2013 Total Dollars in Debt*</b>	<b>Change 2012-13</b>
Columbia	\$8,569,783	\$10,343,332	20.7%
Peoples	\$15,012,948	\$11,787,163	-21.5%
Peoples-Equitable	\$6,047,220	\$6,593,921	9.0%
NFG	\$3,759,476	\$3,489,351	-7.2%
PECO-Gas**	\$18,670,937	\$18,707,389	0.2%
PGW	\$36,314,051	\$46,967,191	29.3%
UGI-Gas	\$5,595,669	\$7,184,309	28.4%
UGI Penn Natural	\$3,925,932	\$4,982,221	26.9%
<b>Total</b>	<b>\$97,896,015</b>	<b>\$110,054,877</b>	<b>12.4%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of \$21,441,745 has been revised to exclude CAP, consistent with reporting requirements.

**Gross Write-Offs - Residential Electric Customers**

<b>Company</b>	<b>2012 Gross Dollars Written Off*</b>	<b>2013 Gross Dollars Written Off*</b>	<b>Change 2012-13</b>
Duquesne	\$6,650,626	\$5,258,566	-20.9%
Met-Ed	\$14,247,722	\$10,760,304	-24.5%
PECO-Electric	\$39,759,812	\$38,006,588	-4.4%
Penelec	\$10,884,926	\$8,990,906	-17.4%
Penn Power	\$2,562,389	\$1,873,734	-26.9%
PPL	\$50,505,800	\$53,609,736	6.1%
West Penn	\$6,545,769	\$6,072,775	-7.2%
<b>Total</b>	<b>\$131,157,044</b>	<b>\$124,572,609</b>	<b>-5.0%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Gross Write-Offs - Residential Natural Gas Customers**

<b>Company</b>	<b>2012 Gross Dollars Written Off*</b>	<b>2013 Gross Dollars Written Off*</b>	<b>Change 2012-13</b>
Columbia	\$7,585,766	\$6,630,828	-12.6%
Peoples**	\$691,264	\$10,678,789	1,444.8%
Peoples-Equitable	\$3,967,617	\$4,786,037	20.6%
NFG	\$3,844,868	\$3,458,420	-10.1%
PECO-Gas	\$2,620,174	\$2,268,138	-13.4%
PGW	\$39,102,990	\$49,563,281	26.8%
UGI-Gas	\$4,485,688	\$4,756,334	6.0%
UGI Penn Natural	\$2,637,351	\$2,664,482	1.0%
<b>Total</b>	<b>\$64,935,718</b>	<b>\$84,806,309</b>	<b>30.6%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

\*\* Peoples' write offs were minimal in 2012 due to the conversion to a new billing system.

**Gross Write-Offs Ratio - Residential Electric Customers**

<b>Company</b>	<b>2012 Gross Write-Offs Ratio*</b>	<b>2013 Gross Write-Offs Ratio*</b>	<b>Change 2012-13</b>
Duquesne	1.4%	1.3%	-7.1%
Met-Ed	2.4%	1.9%	-20.8%
PECO-Electric	2.0%	1.9%	-5.0%
Penelec	2.1%	1.9%	-9.5%
Penn Power	1.7%	1.3%	-23.5%
PPL	3.2%	3.1%	-3.1%
West Penn	1.3%	1.2%	-7.7%
<b>Total</b>	<b>2.2%</b>	<b>2.1%</b>	<b>-4.5%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Gross Write-Offs Ratio - Residential Natural Gas Customers**

<b>Company</b>	<b>2012 Gross Write-Offs Ratio*</b>	<b>2013 Gross Write-Offs Ratio*</b>	<b>Change 2012-13</b>
Columbia	2.8%	2.0%	-28.6%
Peoples**	0.3%	3.6%	1,200.0%
Peoples-Equitable	1.9%	1.9%	0.0%
NFG	2.6%	2.2%	-15.4%
PECO-Gas	0.7%	0.5%	-28.6%
PGW	9.1%	10.4%	14.3%
UGI-Gas	2.3%	2.2%	-4.3%
UGI Penn Natural	1.8%	1.6%	-11.1%
<b>Total</b>	<b>3.2%</b>	<b>3.7%</b>	<b>15.6%</b>

\* Does not include CAP Credits or Arrearage Forgiveness.

\*\* Peoples' write offs were minimal in 2012 due to the conversion to a new billing system.

## Percent of Revenues (Billings) in Debt

The percent of revenues (billings) in debt is calculated by dividing the total annual revenues (billings) by the total monthly average dollars in debt. This calculated variable provides another way to measure the extent of customer debt. In the following two tables, the higher the percentage, the greater the potential collection risk.

### *Percent of Revenues (Billings) in Debt - Residential Electric Customers*

Company	2012	2013	Change 2012-13
Duquesne	2.3%	2.8%	21.7%
Met-Ed	4.6%	4.2%	-8.7%
PECO-Electric**	2.5%	2.6%	4.0%
Penelec	4.6%	4.4%	-4.3%
Penn Power	3.9%	3.6%	-7.7%
PPL	5.0%	4.8%	-4.0%
West Penn	2.0%	2.5%	25.0%
<b>Total</b>	<b>3.6%</b>	<b>3.6%</b>	<b>0.0%</b>

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of 3.8% has been revised to exclude CAP, consistent with reporting requirements.

### *Percent of Revenues (Billings) in Debt - Residential Natural Gas Customers*

Company	2012	2013	Change 2012-13
Columbia	3.2%	3.1%	-3.1%
Peoples	6.0%	3.9%	-35.0%
Peoples-Equitable	2.9%	2.7%	-6.9%
NFG	2.5%	2.2%	-12.0%
PECO-Gas**	5.0%	4.4%	-12.0%
PGW	8.4%	9.9%	17.9%
UGI-Gas	2.8%	3.3%	17.9%
UGI Penn Natural	2.7%	3.0%	11.1%
<b>Total</b>	<b>4.8%</b>	<b>4.7%</b>	<b>-2.0%</b>

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of 5.7% has been revised to exclude CAP, consistent with reporting requirements.

### 3. Universal Service Programs

#### Demographics

The USRR requires EDCs and NGDCs to report the demographics of program recipients, including the number of household members under age 18 and over age 62, household size, income, and source of income. A low-income customer is defined<sup>26</sup> as a residential utility customer whose household income is at or below 150 percent of FPIG. Appendix 4 shows poverty levels in relation to household size and income.

#### Source of Income, Average Household Size and Income

For all 2013 universal service program customers (both electric and gas), average household incomes are below \$16,526. Electric and natural gas households receiving CAP benefits in 2013 have average household incomes that are less than \$12,914 per year. Electric customers who receive LIURP service have average yearly household incomes at \$16,455, while gas customers average \$16,629. These households average three persons, with at least one member under 18 years old. Average household incomes for universal service and energy conservation program participants are well below 150 percent of FPIG for three persons (\$29,295 in 2013; \$29,685 in 2014). See Appendix 4.

The majority of electric and gas customers participating in universal service programs have incomes from employment, disability benefits or pension benefits. See Appendix 5 for a summary of the source of income data.

“Working poor” households do not always have incomes that exceed 150 percent of FPIG. A definition of a “working poor” household begins with a wage-earner who works full time at a minimum-wage job. In 2013, minimum wage was \$7.25 per hour, the same as it was in 2011 and 2012.<sup>27</sup> Annual income for a wage earner who works at a minimum-wage job is \$15,080. A typical 2013 CAP customer (household) has an income of approximately \$12,900, which places these households’ incomes at about 66 percent of FPIG (for three persons) for 2013, and 65 percent for 2014.

Finally, it is important to understand the relationship between household income and the percent of income a household spends on energy. Energy burden was defined in 2002 as the percentage of household income that a household spends on total home energy needs.<sup>28</sup> In most instances without CAP programs, calculations made using the 2012 median income for Pennsylvania<sup>29</sup> show CAP eligible households would pay about 15 percent of their household income for energy compared with a typical Pennsylvania household that pays about 3.8 percent of its income for home energy needs.

---

<sup>26</sup> 52 Pa. Code § 54.72

<sup>27</sup> <http://www.dol.gov/whd/minwage/america.htm> The Pennsylvania state minimum wage law adopts the federal minimum wage rate by reference.

<sup>28</sup> U.S. Department of Health & Human Services, LIHEAP Home Energy Notebook for FY 2002: Appendix A Home energy estimates, p.45, 2004.

<sup>29</sup> <http://www.deptofnumbers.com/income/pennsylvania/> Derived from Census ACS 1-yr survey.

**Participants in Universal Service Programs  
Average Household Income – Summary for All Electric Customers**

	2012	2013
LIURP	\$16,685	\$16,455
CAP	\$14,350	\$13,524
CARES	\$18,441	\$16,088
Hardship Fund	\$20,825	\$24,464

**Participants in Universal Service Programs  
Average Household Income – Summary for All Natural Gas Customers**

	2012	2013
LIURP	\$16,104	\$16,629
CAP	\$12,061	\$12,304
CARES	\$15,207	\$15,988
Hardship Fund	\$16,322	\$16,755

**Low Income Usage Reduction Program (LIURP)**

LIURP is a statewide, utility-sponsored, residential usage-reduction program mandated by the PUC<sup>30</sup>. The primary goal of LIURP is to assist low-income residential customers to reduce energy bills through usage reduction (energy conservation) and, as a result, to make bills more affordable.

LIURP is targeted toward customers with annual incomes at or below 150 percent of FPIG. However, companies are permitted to spend up to 20 percent of their annual LIURP budgets on customers with incomes between 150 percent and 200 percent of FPIG. LIURP places priority on the highest energy users who offer the greatest opportunities for bill reductions. Generally, EDCs target customers with annual usage of at least 6,000 kWhs, and NGDCs target customers with annual usage of at least 120 Mcfs. When feasible, the program targets customers with payment problems (arrearages). The program is available to both homeowners and renters. LIURP services all housing types, including single family homes, mobile homes, and small and large multi-family residences.

The LIURP funds are included in utility rates as part of the distribution cost passed on to all residential customers. The current LIURP funding levels were set for three years in the company's most recently filed universal service plans, which are to be filed every three years. The utility is required to develop a funding level based upon a needs assessment, which, in turn, will likely be based on census and utility data.

The PUC has regulatory oversight of LIURP, and the utilities administer the program using both non-profit and for-profit contractors. The various program costs and installed usage reduction measures are agreed to in contracts between the contractors and the utilities.

Program measures are installed on a simple payback recovery basis of seven years or less for most program measures. Some exceptions must meet a 12-year simple payback recovery. The exceptions include sidewall insulation, attic insulation, furnace replacement, water heater replacement and refrigerator replacement. Recovery is

<sup>30</sup> 52 Pa. Code, Chapter 58



the time it takes to recover the cost of the installed program measure through projected energy savings. Examples of the program measures include: air infiltration measures using the blower door air sealing techniques, all types of insulation such as attic and sidewall, heating system treatments and replacements, water heating tank and pipe wraps, water heater replacements, compact fluorescent lighting, refrigerator replacement, water bed replacement with a form-fitted foam mattress, incidental repairs (not home rehabilitation), and conservation education.

The factors impacting energy savings are: the level of pre-weatherization usage, occupant energy behavior, housing type and size, age of the dwelling, condition of the dwelling, end uses such as heating, cooling, and water heating, and contractor capabilities.

LIURP benefits include: bill reduction, improved health, safety and comfort levels, LIHEAP leveraging (Pennsylvania receives additional funds due to the LIURP resources that supplement LIHEAP funds), arrearage reduction, reduced collection activity, improved bill payment behavior, reduced use of supplemental fuels and secondary heating devices, more affordable low-income housing, reduction in homelessness, and less housing abandonment.

The USRR provisions require reporting various LIURP data, including: annual program costs for the reporting year, number of family members under 18 years of age, number of family members over 62 years of age, family size, household income, source of income, participation levels for the reporting year, projected annual spending for the current year, projected annual participation levels for the current year, and average job costs.

In addition, this report also includes data on completed jobs provided by EDCs and NGDCs in accordance with the LIURP Codebook<sup>31</sup>.

---

<sup>31</sup> Originally based in the LIURP regulations at 52 Pa. Code § 58.15 and incorporated in the Universal Service Reporting Requirements regulations

## LIURP Spending

As a rule, companies try to spend all LIURP funds budgeted each year, but this is not always possible. In most cases, unspent funds are carried over from one program year to the next on an ongoing basis.

### *LIURP Spending - Electric Utilities*

Company	2013 Actual Spending	2014 Projected Spending*
Duquesne	\$1,707,828	\$1,364,600
Met-Ed	\$3,360,707	\$4,008,418
PECO-Electric	\$5,600,000	\$5,600,000
Penelec	\$4,004,785	\$4,845,570
Penn Power	\$1,534,568	\$2,348,152
PPL	\$8,233,448	\$9,500,000
West Penn	\$2,676,644	\$3,432,305
<b>Total</b>	<b>\$27,117,980</b>	<b>\$31,099,045</b>

\*Includes carryover of unspent funds.

### *LIURP Spending - Natural Gas Utilities*

Company	2013 Actual Spending	2014 Projected Spending*
Columbia	\$4,363,318	\$4,511,758
Peoples	\$1,100,000	\$1,250,000
Peoples-Equitable	\$926,319	\$801,551
NFG	\$1,533,989	\$1,232,230
PECO-Gas	\$2,250,000	\$2,250,000
PGW	\$8,054,404	\$7,458,722
UGI-Gas	\$438,032	\$660,224
UGI Penn Natural	\$957,294	\$921,605
<b>Total</b>	<b>\$19,623,356</b>	<b>\$19,086,090</b>

\* Includes carryover of unspent funds.

## LIURP Production

LIURP production levels are influenced by many factors including: the size of the company's LIURP program budget; the heating saturation among the company's customer population; housing-stock characteristics such as the type, size, and condition; contractor capability; contractor capacity; and to a lesser extent, customer demographics and customer behavior.

### LIURP Electric Production

Company	2013 Actual Production			2014 Projected Production		
	Heating Jobs	Water Heating Jobs	Baseload Jobs*	Heating Jobs	Water Heating Jobs	Baseload Jobs*
Duquesne	161	0	3,305	100	3	2,452
Met-Ed	704	423	363	686	414	360
PECO-Electric	1,155	0	8,320	1,060	0	8,210
Penelec	420	926	877	425	1,087	728
Penn Power	228	259	303	241	274	310
PPL	1,340	665	1,284	1,900	800	400
West Penn	333	310	166	375	373	152
<b>Total</b>	<b>4,341</b>	<b>2,583</b>	<b>14,618</b>	<b>4,787</b>	<b>2,951</b>	<b>12,612</b>

\*Baseload jobs contain very few or no heating or water heating program measures.

### LIURP Natural Gas Production

Company	2013 Actual Production Heating Jobs	2014 Projected Production Heating Jobs
Columbia	574	594
Peoples	230	254
Peoples-Equitable	152	160
NFG	227	215
PECO-Gas	1,345	1,050
PGW	2,391	2,214
UGI-Gas	78	94
UGI Penn Natural	159	132
<b>Total</b>	<b>5,156</b>	<b>4,713</b>

## LIURP Average Job Costs

Customer usage profiles are typically highest for heating jobs followed by water heating jobs and baseload jobs. Average job costs are based on the total number of completed jobs in the job-type category and the total costs associated with those jobs. Specifically, the average job cost is calculated by dividing the total dollars spent on a type of job by the number of jobs completed.

All LIURP gas jobs are classified as heating. For electric jobs, the determination of the job type depends on whether the customer heats with electricity. If most of the dollars spent on the completed job are on heating-related program measures, then the job is classified as a heating job. If the customer does not heat with electricity but uses electricity for water heating, and most of the dollars spent on the completed job are on water-heating measures, then the job is classified as a water-heating job. If the customer does not use electricity for either heating or water heating, the completed job is automatically classified as a baseload job. This is a simplistic model for classifying the type of job, and this model is easy to apply to the vast majority of electric jobs in LIURP.

### *LIURP Electric Average Job Costs*

Company	2013 Heating Jobs	2013 Water Heating Jobs	2013 Baseload Jobs
Duquesne	\$3,784	\$0	\$454
Met-Ed	\$2,042	\$1,511	\$1,364
PECO-Electric	\$1,563	\$0	\$380
Penelec	\$1,680	\$1,558	\$1,098
Penn Power	\$1,984	\$1,343	\$809
PPL	\$3,441	\$1,619	\$1,028
West Penn	\$2,784	\$2,280	\$1,761

### *LIURP Natural Gas Average Job Cost*

Company	2013 Heating Jobs
Columbia	\$6,792
Peoples	\$3,828
Peoples-Equitable	\$5,012
NFG	\$4,718
PECO-Gas	\$1,618
PGW	\$2,567
UGI-Gas	\$4,330
UGI Penn Natural	\$5,282

## LIURP Energy Savings and Bill Reduction

LIURP energy savings are determined by calculating the difference in a customer's usage during the 12 months following the installation of the LIURP measures, from the usage during the 12 preceding months. The energy savings reported are based on weather-normalized data and represent an average of the company results.

The estimated annual bill reduction is calculated by multiplying the average number of kWhs or Mcfs saved during the post-treatment period by the average price per kWh or Mcf during that period. Companies voluntarily report pricing information annually. The estimated annual bill reductions presented are based on the average of the company results.

### *LIURP Energy Savings and Bill Reductions*

Job Type	2011 Energy Savings	2011 Estimated Annual Bill Reduction
Electric Heating	10.9%	\$267
Electric Water Heating	10.8%	\$216
Electric Baseload	8.7%	\$144
Gas Heating	17.5%	\$394

## Customer Assistance Programs (CAPs)

The PUC monitors implementation of the Commission's CAP Policy Statement and regulations<sup>32</sup> by the seven largest EDCs and NGDCs serving more than 100,000 customers. The USRR requires the companies to report the number of customers enrolled in CAP. The Commission defines participation as those participants enrolled in CAP at the end of the program year. As part of each company's restructuring proceeding, a program phase-in size was established. Under the USRR, each company submits for approval a three-year universal service plan. PUC regulations<sup>33</sup> require the companies to submit a projected needs assessment and projected enrollment level for its universal service programs. Universal Service Plans and Evaluations are posted on the Commission's website (Appendix 7 contains viewing instructions).

The CAP Participation Rate is defined as the number of participants enrolled as of Dec. 31, 2013, divided by the number of confirmed low-income customers served by the EDC or NGDC. The Commission expects a utility to maintain open enrollment to meet the need in each utility's service territory. The CAP participation rate would be much lower if the rate reflected estimated rather than confirmed low-income customers.

<sup>32</sup> 66 Pa. C.S. §§ 2802(10), §§ 2804(9), §§ 2203(7) and §§ 2203(8)

<sup>33</sup> 52 Pa. Code § 54.74 for EDCs and 52 Pa. Code §62.4 for NGDCs

**CAP Participation - Electric Utilities**

Company	2012		2013	
	Participants Enrolled as of 12/31/12	CAP Participation Rate	Participants Enrolled as of 12/31/13	CAP Participant Rate
Duquesne	36,156	63%	35,568	61%
Met-Ed	28,773	48%	17,517	28%
PECO-Electric	136,529	81%	139,677	86%
Penelec	36,848	48%	24,244	31%
Penn Power	9,246	50%	5,590	30%
PPL	31,657	20%	37,204	22%
West Penn	21,120	47%	20,607	46%
<b>Total</b>	<b>300,329</b>		<b>280,407</b>	
<b>Weighted Avg.*</b>		<b>52%</b>		<b>47%</b>

\*Weighted Average is based on industry totals and does not represent an average of the participation rates shown in the table.

**CAP Participation - Natural Gas Utilities**

Company	2012		2013	
	Participants Enrolled as of 12/31/12	CAP Participation Rate	Participants Enrolled as of 12/31/13	CAP Participant Rate
Columbia	20,026	30%	20,103	30%
Peoples	15,612	25%	19,887	34%
Peoples-Equitable	11,534	27%	11,263	26%
NFG	10,627	35%	9,833	33%
PECO-Gas	23,284	78%	24,301	76%
PGW	75,224	50%	68,458	44%
UGI-Gas	5,041	13%	4,491	11%
UGI-Penn Natural	3,703	14%	3,588	14%
<b>Total</b>	<b>165,051</b>		<b>161,924</b>	
<b>Weighted Avg.*</b>		<b>37%</b>		<b>36%</b>

\*Weighted Average is based on industry totals and does not represent an average of the participation rates shown in the table.

## CAP Benefits - Bills, Credits & Arrearage Forgiveness

The USRR requires companies to report data on CAP benefits. Companies report by month the number of participants enrolled in CAP. Because CAP enrollment fluctuates during the year, the Commission bases average CAP credits and arrearage forgiveness benefits on the average monthly number of CAP participants rather than the number of CAP participants enrolled at the end of the year.

The PUC has identified the three components of CAP benefits as the average CAP bill, average CAP credits, and average arrearage forgiveness. The average CAP bill is the total CAP amount billed (total of the expected monthly CAP payment) divided by the total number of CAP bills rendered. The average CAP credit is the total amount of the difference between the standard billed amount and the CAP billed amount divided by the average monthly number of CAP participants. The average arrearage forgiveness is the total preprogram arrearages forgiven as a result of customers making agreed upon CAP payments divided by the average monthly number of CAP participants. The tables show average monthly CAP bills and CAP benefits.

Average CAP bills and CAP credits fluctuate due to several factors: CAP customers may have different payment plans based on their type of usage (heating or non-heating); change in rates; and the distribution of income levels among program participants. Consumption and weather also will affect NFG and PECO's CAP bills and credits, in particular, because the payment plan rate discounts are tied to usage.

### *Average Monthly Electric CAP Bill*

Company	2012	2013
Duquesne	\$78	\$77
Met-Ed	\$82	\$57
PECO-Electric	\$68	\$69
Penelec	\$71	\$46
Penn Power	\$46	\$39
PPL	\$81	\$79
West Penn	\$86	\$85

### *Average Monthly Natural Gas CAP Bill*

Company	2012	2013
Columbia	\$51	\$53
Peoples	\$64	\$64
Peoples-Equitable	\$81	\$75
NFG	\$66	\$74
PECO-Gas	\$54	\$59
PGW	\$84	\$82
UGI-Gas	\$84	\$76
UGI Penn Natural	\$94	\$83

**Average Annual Electric CAP Credits**

<b>Company</b>	<b>2012</b>	<b>2013</b>
Duquesne	\$358	\$343
Met-Ed	\$780	\$768
PECO-Electric	\$578	\$565
Penelec	\$641	\$653
Penn Power	\$739	\$655
PPL	\$811	\$1,034
West Penn	\$227	\$336

**Average Annual Natural Gas CAP Credits**

<b>Company</b>	<b>2012</b>	<b>2013</b>
Columbia	\$323	\$597
Peoples	\$255	\$308
Peoples-Equitable	\$392	\$550
NFG	\$126	\$133
PECO-Gas	\$140	\$174
PGW	\$799	\$922
UGI-Gas	\$324	\$461
UGI Penn Natural	\$513	\$519

Arrearage forgiveness credits fluctuate due to the following factors: the length of time over which forgiveness occurs; the length of time a customer is enrolled in CAP; and the amount of arrearage brought to the CAP program.

**Average Annual Electric Utilities Arrearage Forgiveness**

<b>Company</b>	<b>2012</b>	<b>2013</b>
Duquesne	\$71	\$75
Met-Ed	\$127	\$125
PECO-Electric	\$87	\$77
Penelec	\$85	\$85
Penn Power	\$114	\$94
PPL	\$491	\$468
West Penn	\$130	\$159



***Average Annual Natural Gas Utilities Arrearage Forgiveness***

Company	2012	2013
Columbia	\$4	\$28
Peoples	\$86	\$98
Peoples-Equitable	\$27	\$29
NFG	\$32	\$27
PECO-Gas	\$34	\$28
PGW	\$97	\$89
UGI-Gas	\$78	\$155
UGI Penn Natural	\$106	\$194

**CAP Costs**

The USRR requires the companies to report data on CAP program costs. The companies and the PUC developed mutually satisfactory guidelines for reporting CAP costs, which include costs for administration, CAP credits, and arrearage forgiveness. Administrative costs include: contract and utility staffing, account monitoring, intake, outreach, consumer education and conservation training, maintaining telephone lines, recertification, computer programming, evaluation, and other fixed overhead costs. Account monitoring costs include collection expenses, as well as other operation and maintenance expenses. Appendix 6 contains the percentage of CAP spending by program component.

Costs are gross costs and do not reflect any potential savings to traditional collection expenses, cash-working-capital expenses and bad debt expenses that may result from enrolling low-income customers in CAP. Appendix 8 shows total universal service costs, universal service funding mechanisms, and average annual universal service costs per residential customer.

**CAP Electric Gross Costs**

Company	2012			2013		
	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
Duquesne	\$16,680,684	36,085	\$462	\$16,549,705	36,544	\$453
Met-Ed	\$28,356,979	29,574	\$959	\$22,984,906	23,290	\$987
PECO-Electric	\$94,760,602	138,691	\$683	\$91,708,724	138,086	\$663
Penelec	\$30,152,302	38,962	\$774	\$25,303,288	30,687	\$825
Penn Power	\$8,861,651	9,830	\$901	\$6,116,965	7,262	\$842
PPL	\$47,106,215	34,462	\$1,337	\$55,223,019	35,197	\$1,569
West Penn	\$8,495,135	21,965	\$387	\$10,768,235	20,627	\$522
<b>Total</b>	<b>\$234,413,568</b>	<b>309,570</b>		<b>\$228,654,842</b>	<b>291,693</b>	
<b>Weighted Avg.*</b>			<b>\$757</b>			<b>\$784</b>

**CAP Natural Gas Gross Costs**

Company	2012			2013		
	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
Columbia	\$8,167,972	21,137	\$386	\$13,272,158	19,803	\$670
Peoples	\$6,022,673	15,009	\$401	\$8,227,588	18,170	\$453
Peoples-Equitable	\$6,055,041	13,122	\$461	\$7,090,722	11,280	\$629
NFG	\$1,958,376	11,208	\$175	\$1,838,472	9,961	\$185
PECO-Gas	\$4,555,567	23,847	\$191	\$5,219,029	23,744	\$220
PGW	\$73,059,396	80,343	\$909	\$77,281,237	74,507	\$1,037
UGI-Gas	\$2,662,779	6,135	\$434	\$3,176,112	4,859	\$654
UGI Penn Natural	\$2,782,805	4,214	\$660	\$2,852,339	3,760	\$759
<b>Total</b>	<b>\$105,264,609</b>	<b>175,015</b>		<b>\$118,957,657</b>	<b>166,084</b>	
<b>Weighted Avg.*</b>			<b>\$601</b>			<b>\$716</b>

\*Weighted Averages are based on industry totals and do not represent an average of the participation rates shown in the tables.

## CARES

The primary purpose of a CARES program is to provide a cost-effective service that helps payment troubled customers maximize their ability to pay utility bills. CARES staff provide three primary services: case management; maintaining a network of service providers; and making referrals to services that provide assistance.

As utilities have expanded their CAP programs, the focus of CARES has changed. For most utilities, CARES has become a component of CAP. The Commission has not objected to some of the functions of CARES changing over time because the expansion of CAP has reduced the number of customers who may need case management services. The utility often places those customers with unresolved hardship into CAP, where they would receive more affordable payments once enrolled.

A utility CARES representative also performs the task of strengthening and maintaining a network of community organizations and government agencies that can provide services to the program clients. By securing these services, including energy assistance funds, customers can maintain safe and adequate utility service. LIHEAP outreach and networking are vital pieces of CARES. A CARES program continues to address the important health and safety concerns relating to utility service. Finally, CARES staff conduct outreach and make referrals to programs that provide energy assistance grants, such as LIHEAP, hardship funds, and other agencies that provide cash assistance.

## CARES Benefits

USSR requires companies report data on CARES benefits, defined as the total number and dollar amount of LIHEAP benefits applied to all low-income customer accounts. LIHEAP benefits include both LIHEAP cash and LIHEAP crisis grants. Typically, households that receive LIHEAP crisis grants also receive cash grants. Therefore, to avoid double counting the benefits, the table shows the number of households receiving LIHEAP cash grants. The dollar amount of LIHEAP benefits includes both cash and crisis LIHEAP benefits. The total amount of LIHEAP dollars each utility receives depends primarily on the amount of the LIHEAP appropriation to the state and the number of low-income customers in each company's service territory.

The regulations define<sup>34</sup> direct dollars as those applied to a CARES customer's utility account, including all sources of energy assistance such as LIHEAP, hardship fund grants, and local agencies' grants. The column "Direct Dollars in Addition to LIHEAP Grants for CARES Participants" subtracts LIHEAP benefits from total CARES benefits to show the total dollar benefits not related to LIHEAP. Net CARES benefits include LIHEAP cash and crisis grants plus direct dollars in addition to LIHEAP grants. The administrative costs of CARES are deducted from the total CARES benefits to equal net CARES benefits. Because the number of participants who receive the case management services of CARES is small, the direct dollars not related to LIHEAP grants will be a smaller number than the total LIHEAP dollars for all low-income customers.

---

<sup>34</sup> 52 Pa. Code § 54.72. Definitions.

**2013 Electric CARES Benefits**

Company	CARES Costs	Total LIHEAP Grants for Low-Income Customers*	Low-Income Households who Received LIHEAP Cash Grants	Direct Dollars in Addition to LIHEAP Grants for CARES Participants	Net CARES Benefits
Duquesne	\$125,000	\$4,366,719	14,391	\$294,330	\$4,536,049
Met-Ed**	\$0	\$2,088,990	7,511	\$0	\$2,088,990
PECO-Electric	\$1,239,254	\$12,673,475	37,091	\$183,260	\$11,617,481
Penelec**	\$0	\$2,913,452	9,378	\$0	\$2,913,452
Penn Power**	\$0	\$716,042	2,228	\$0	\$716,042
PPL	\$0	\$7,548,901	25,479	\$77,224	\$7,626,125
West Penn	\$0	\$3,528,148	11,657	\$0	\$3,528,148
<b>Total</b>	<b>\$1,364,254</b>	<b>\$33,835,727</b>	<b>107,735</b>	<b>\$554,814</b>	<b>\$33,026,287</b>

\*Total LIHEAP grants include both LIHEAP cash and crisis grants. Typically, customers who receive crisis grants also receive cash grants.

\*\*Met-Ed, Penelec and Penn Power enroll and monitor all CARES participants in CAP rather than separately monitoring these accounts. PPL includes the costs of CARES in its OnTrack costs. The CARES representatives in each of these companies perform the functions of both CAP and CARES.

**2013 Natural Gas CARES Benefits**

Company	CARES Costs	Total LIHEAP Grants for Low-Income Customers*	Low-Income Households who Received LIHEAP Cash Grants	Direct Dollars in Addition to LIHEAP Grants for CARES Participants	Net CARES Benefits
Columbia	\$395,733	\$6,361,015	23,286	\$53,571	\$6,018,853
Peoples	\$157,244	\$4,749,723	21,424	\$7,901	\$4,600,380
Peoples-Equitable	\$226,294	\$4,472,601	14,477	\$80,541	\$4,326,848
NFG	\$3,211	\$6,276,711	20,177	\$184	\$6,273,684
PECO-Gas	\$185,176	\$1,893,738	5,542	\$27,383	\$1,735,945
PGW	\$668,031	\$19,582,009	65,690	\$0	\$19,582,009
UGI-Gas	\$74,041	\$3,495,052	15,851	\$782	\$3,421,793
UGI Penn Natural	\$33,766	\$3,467,198	13,692	\$2,040	\$3,435,472
<b>Total</b>	<b>\$1,743,496</b>	<b>\$50,298,047</b>	<b>180,139</b>	<b>\$172,402</b>	<b>\$49,394,984</b>

\*Total LIHEAP grants include both LIHEAP cash and crisis grants. Typically, customers who receive crisis grants also receive cash grants.

## Utility Hardship Fund Programs

Utility company hardship funds provide cash assistance to utility residential customers who need help in paying their utility bills or to those who still have a critical need for assistance after other resources have been exhausted. The funds make payments directly to companies on behalf of eligible customers.

## Ratepayer and Shareholder Contributions

The USSR requires companies to report data on the amount of ratepayer and utility contributions to hardship funds. Shareholders contribute the bulk of utility contributions. The Commission considers ratepayer contributions as contributions from utility employees, ratepayers, and special contributions. Special contributions include monies from formal complaint settlements, overcharge settlements, off-system sales, and special solicitations of business corporations. However, the average voluntary ratepayer contribution per customer does not include special contributions – only voluntary ratepayer contributions. The Commission defines utility contributions as shareholder or utility grants for program administration, outright grants to the funds, and grants that match contributions of ratepayers.

### 2012-13 Electric Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Duquesne	\$246,018	\$0.47	\$450,000
Met-Ed	\$126,341	\$0.26	\$116,522
PECO-Electric	\$185,218	\$0.10	\$400,889
Penelec	\$83,248	\$0.16	\$72,254
Penn Power	\$38,950	\$0.28	\$35,803
PPL	\$433,404	\$0.36	\$815,000
West Penn	\$167,985	\$0.27	\$109,000
<b>Total</b>	<b>\$1,281,164</b>		<b>\$1,999,468</b>
<b>Weighted Avg.*</b>		<b>\$0.26</b>	

\*Weighted Average is based on industry totals and does not represent an average of the participation rates shown in the table.

**2012-13 Natural Gas Hardship Fund Contributions**

<b>Company</b>	<b>Voluntary Ratepayer Contributions</b>	<b>Average Voluntary Ratepayer Contribution per Customer</b>	<b>Utility &amp; Shareholder Contributions</b>
Columbia	\$931,645	\$0.51	\$195,000
Peoples	\$172,223	\$0.52	\$358,954
Peoples-Equitable	\$86,128	\$0.35	\$200,000
NFG	\$44,429	\$0.22	\$67,000
PECO-Gas	\$34,053	\$0.05	\$59,903
PGW	\$742	\$0.00	\$620,846
UGI-Gas	\$72,705	\$0.22	\$62,540
UGI Penn Natural	\$12,263	\$0.08	\$45,000
<b>Total</b>	<b>\$1,354,188</b>		<b>\$1,609,243</b>
<b>Weighted Avg.*</b>		<b>\$0.53</b>	

\*Weighted Average is based on industry totals and does not represent an average of the participation rates shown in the table.

**Hardship Fund Benefits**

The USSR requires companies to report data on hardship fund benefits. The Commission defines hardship fund benefits<sup>35</sup> as, "The total number and dollar amount of cash benefits or bill credits." The cumulative total number and dollar amount of the grants disbursed for the program year are reported as of the end of the program year.

**Electric Utility Hardship Fund Grant Benefits**

<b>Company</b>	<b>Ratepayers Receiving Grants</b>		<b>Average Grant</b>		<b>Total Benefits Disbursed</b>	
	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>
Duquesne	1,353	2,779	\$441	\$270	\$597,250	\$750,000
Met-Ed	434	727	\$332	\$321	\$144,000	\$233,672
PECO-Electric	858	734	\$383	\$499	\$328,989	\$366,519
Penelec	250	436	\$343	\$336	\$85,662	\$146,338
Penn Power	171	183	\$337	\$320	\$57,550	\$58,522
PPL	3,600	3,259	\$276	\$320	\$994,996	\$1,044,197
West Penn	502	505	\$304	\$338	\$152,454	\$170,888
<b>Total</b>	<b>7,168</b>	<b>8,623</b>			<b>\$2,360,901</b>	<b>\$2,770,136</b>
<b>Weighted Avg.*</b>			<b>\$329</b>	<b>\$321</b>		

\*Weighted Average is based on industry totals and does not represent an average of the participation rates shown in the table.

<sup>35</sup> 52 Pa. Code § 54.72 and § 62.5

*Natural Gas Utility Hardship Fund Grant Benefits*

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
Columbia	2,884	3,205	\$391	\$379	\$1,127,223	\$1,214,215
Peoples	1,674	1,493	\$428	\$402	\$715,654	\$600,000
Peoples-Equitable	883	1,028	\$393	\$389	\$347,225	\$400,000
NFG	362	389	\$229	\$235	\$82,743	\$91,593
PECO-Gas	140	111	\$383	\$493	\$53,556	\$54,767
PGW	1,676	1,184	\$1,003	\$1,076	\$1,681,218	\$1,273,999
UGI-Gas	833	656	\$307	\$272	\$255,977	\$178,752
UGI Penn Natural	1,052	978	\$427	\$383	\$448,885	\$375,007
<b>Total</b>	<b>9,504</b>	<b>9,044</b>			<b>\$4,712,481</b>	<b>\$4,188,333</b>
Weighted Avg.*			\$496	\$463		

\*Weighted Average is based on industry totals and does not represent an average of the participation rates shown in the table.

#### 4. Small Utilities' Universal Service Programs

The USSR has fewer data requirements<sup>36</sup> for small utilities. EDCs with fewer than 60,000 residential customers and NGDCs with fewer than 100,000 residential customers must file universal service plans every three years, but the plans are not subject to the Commission's formal approval process. Instead, the plans are informally reviewed by the Bureau of Consumer Services. In addition to filing their plans with the Commission, small utilities must describe the level of services provided by their plans as well as the expenses associated with the programs.

As a result of the Electricity Generation Customer Choice and Competition Act and the Natural Gas Choice and Competition Act, seven small utilities now have various universal service programs for their low-income customers.

Citizens' Electric (Citizens), Peoples TWP, formerly T.W. Phillips Gas and Oil Company, Valley Energy (Valley), and Wellsboro Electric (Wellsboro) operate hardship funds through the Dollar Energy Fund.

Pike County Power & Light (Pike) administers a variation of a CAP program (New Start) and operates its own hardship fund program (Neighbor Fund Program).

Peoples TWP offers a full-scale CAP program serving approximately 1,113 customers as of Dec. 31, 2013. The company also operates a LIURP program, which completed 46 jobs in 2013.

UGI-Central Penn Gas offers a full-scale CAP program. As of December 2013, the program enrollment was approximately 1,740 customers. UGI-Central Penn Gas also administers a LIURP program, completing 88 jobs in 2013.

UGI Utilites Inc. (UGI-Electric) offers a full-scale CAP program with an enrollment of approximately 1,615 customers. The company operates its own hardship fund and also administers a LIURP program, completing 34 jobs in 2013.

UGI-Central Penn Gas and UGI Utilites Inc. also operate CARES and Hardship Funds (Operation Share).

The small utilities also differ significantly from each other in the total number of residential customers each serves. For example, UGI-Central Penn Gas, UGI Utilities Inc., and Peoples TWP each serve more than 50,000 residential customers. Meanwhile, Citizens', Pike, Wellsboro, and Valley each serve fewer than 6,000 residential customers.

In addition to the utility-sponsored programs, LIHEAP benefits will be available to all low-income households who meet the income guidelines for LIHEAP eligibility.

---

<sup>36</sup> 52 Pa. Code, Chapter 54, § 54.77 for EDCs and at 52 Pa. Code, Chapter 62, § 62.7 for NGDCs



## 5. Appendices

### Appendix 1 - Grouping of Collection Data Tables

#### *Number of Confirmed Low-Income Electric Customers in Debt*

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Duquesne	2,921	4,942	7,863
Met-Ed	15,331	5,008	20,339
PECO-Electric	4,499	11,403	15,902
Penelec	16,250	7,081	23,331
Penn Power	3,648	1,618	5,266
PPL	22,885	46,817	69,702
West Penn	10,269	5,644	15,913
<b>Total</b>	<b>75,803</b>	<b>82,513</b>	<b>158,316</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

#### *Number of Confirmed Low-Income Natural Gas Customers in Debt*

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Columbia	9,224	4,131	13,355
Peoples	5,767	6,052	11,819
Peoples-Equitable	5,000	3,373	8,373
NFG	2,657	1,948	4,605
PECO-Gas	1,288	2,469	3,757
PGW	2,796	6,396	9,192
UGI-Gas	4,255	10,493	14,748
UGI Penn Natural	2,925	5,803	8,728
<b>Total</b>	<b>33,912</b>	<b>40,665</b>	<b>74,577</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

*Percent of Confirmed Low-Income Electric Customers in Debt*

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Duquesne	5.0%	8.5%	13.5%
Met-Ed	24.9%	8.1%	33.0%
PECO-Electric	2.8%	7.0%	9.7%
Penelec	20.8%	9.1%	29.9%
Penn Power	19.7%	8.7%	28.4%
PPL	13.7%	28.1%	41.9%
West Penn	22.8%	12.5%	35.4%
<b>Total</b>	<b>12.8%</b>	<b>14.0%</b>	<b>26.8%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

*Percent of Confirmed Low-Income Natural Gas Customers in Debt*

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Columbia	13.6%	6.1%	19.7%
Peoples	9.7%	10.2%	20.0%
Peoples-Equitable	11.6%	7.8%	19.4%
NFG	9.0%	6.6%	15.6%
PECO-Gas	4.0%	7.7%	11.7%
PGW	1.8%	4.1%	5.9%
UGI-Gas	10.8%	26.5%	37.3%
UGI Penn Natural	11.3%	22.3%	33.6%
<b>Total</b>	<b>7.5%</b>	<b>8.9%</b>	<b>17.0%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

**Percent of Debt on an Agreement -  
Confirmed Low-Income Electric Customers**

Company	Percent of Dollars Owed – on an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Duquesne	31.6%	68.4%
Met-Ed	89.7%	10.3%
PECO-Electric	24.6%	75.4%
Penelec	88.0%	12.0%
Penn Power	89.0%	11.0%
PPL	21.6%	78.4%
West Penn	80.8%	19.2%
<b>Total</b>	<b>44.0%</b>	<b>56.0%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

**Percent of Debt on an Agreement -  
Confirmed Low-Income Natural Gas Customers**

Company	Percent of Dollars Owed – on an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Columbia	89.4%	10.6%
Peoples	50.1%	49.9%
Peoples-Equitable	78.9%	21.1%
NFG	57.3%	42.7%
PECO-Gas	25.6%	74.4%
PGW	27.3%	72.7%
UGI-Gas	35.0%	65.0%
UGI Penn Natural	37.9%	62.1%
<b>Total</b>	<b>49.1%</b>	<b>50.9%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

**Average Arrearage - Confirmed Low-Income Electric Customers**

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Duquesne	\$626.97	\$803.57	\$737.96
Met-Ed	\$814.76	\$286.03	\$684.57
PECO-Electric	\$650.44	\$785.88	\$747.57
Penelec	\$737.90	\$230.27	\$583.83
Penn Power	\$777.78	\$216.32	\$605.27
PPL	\$551.55	\$979.10	\$838.73
West Penn	\$491.76	\$212.83	\$392.83
<b>Total</b>	<b>\$656.29</b>	<b>\$768.19</b>	<b>\$714.61</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

**Average Arrearage - Confirmed Low-Income Natural Gas Customers**

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Columbia	\$572.73	\$152.24	\$442.67
Peoples	\$591.74	\$562.25	\$576.63
Peoples-Equitable	\$653.77	\$259.51	\$494.94
NFG	\$462.58	\$470.11	\$522.96
PECO-Gas	\$800.48	\$1,211.01	\$1,070.27
PGW	\$818.58	\$954.60	\$913.23
UGI-Gas	\$395.96	\$298.65	\$326.73
UGI Penn Natural	\$461.01	\$380.47	\$407.46
<b>Total</b>	<b>\$576.39</b>	<b>\$498.22</b>	<b>\$533.76</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

**Residential Revenues (Billings) - Electric Customers**

Company	Annual Residential Billings
Duquesne	\$409,064,999
Met-Ed	\$566,265,092
PECO-Electric	\$2,024,075,323
Penelec	\$472,447,505
Penn Power	\$139,707,141
PPL	\$1,749,163,222
West Penn	\$499,171,103
<b>Total</b>	<b>\$5,859,894,385</b>

**Residential Revenues (Billings) - Natural Gas Customers**

<b>Company</b>	<b>Annual Residential Billings</b>
Columbia	\$329,063,560
Peoples	\$299,632,543
Peoples-Equitable	\$246,031,060
NFG	\$158,170,597
PECO-Gas	\$429,357,880
PGW	\$474,805,698
UGI-Gas	\$219,614,215
UGI Penn Natural	\$166,532,193
<b>Total</b>	<b>\$2,323,207,746</b>

**Residential Revenues (Billings) - Confirmed Low-Income Electric Customers**

<b>Company</b>	<b>Annual Residential Billings</b>
Duquesne	\$61,238,026
Met-Ed	\$84,314,156
PECO-Electric	\$114,994,197
Penelec	\$89,379,373
Penn Power	\$21,402,507
PPL	\$297,086,798
West Penn	\$51,024,384
<b>Total</b>	<b>\$719,439,441</b>

**Residential Revenues (Billings) - Confirmed Low-Income Natural Gas Customers**

<b>Company</b>	<b>Annual Residential Billings</b>
Columbia	\$55,816,737
Peoples	\$77,904,461
Peoples-Equitable	\$37,712,551
NFG	\$19,421,951
PECO-Gas	\$17,108,246
PGW	\$121,666,621
UGI-Gas	\$31,883,003
UGI Penn Natural	\$29,288,114
<b>Total</b>	<b>\$390,801,684</b>

*Terminations - Residential Electric Customers*

Company	2011 Terminations	2012 Terminations	2013 Terminations	Change 2011-13
Duquesne	22,927	23,533	25,649	11.9%
Met-Ed	18,169	17,995	23,672	30.3%
PECO-Electric	80,967	73,344	83,185	2.7%
Penelec	17,513	13,747	20,544	17.3%
Penn Power	3,622	3,514	4,999	38.0%
PPL	33,641	38,303	47,759	42.0%
West Penn	15,351	11,092	13,904	-9.4%
<b>Total</b>	<b>192,190</b>	<b>181,528</b>	<b>219,712</b>	<b>14.3%</b>

*Terminations - Residential Natural Gas Customers*

Company	2011 Terminations	2012 Terminations	2013 Terminations	Change 2011-13
Columbia	9,650	11,321	12,030	24.7%
Peoples	3,696	6,601	7,229	95.6%
Peoples-Equitable	10,471	8,394	8,507	-18.8%
NFG	9,472	8,347	9,576	1.1%
PECO-Gas	23,630	20,411	22,054	-6.7%
PGW	28,868	25,507	28,497	-1.3%
UGI-Gas	11,206	8,434	9,055	-19.2%
UGI Penn Natural	6,967	5,403	6,214	-10.8%
<b>Total</b>	<b>103,960</b>	<b>94,418</b>	<b>103,162</b>	<b>-0.8%</b>

**Number of Residential Electric Customers in Debt**

Company	2011 Total Number of Customers in Debt*	2012 Total Number of Customers in Debt*	2013 Total Number of Customers in Debt*	Change 2011-13
Duquesne	21,589	21,965	21,956	1.7%
Met-Ed	54,064	46,622	44,990	-16.8%
PECO-Electric**	113,335	118,675	120,703	6.5%
Penelec	54,370	46,649	45,989	-15.4%
Penn Power	13,018	10,575	10,706	-17.8%
PPL	144,839	134,823	134,751	-7.0%
West Penn	78,290	51,529	43,765	-44.1%
<b>Total</b>	<b>479,505</b>	<b>430,838</b>	<b>422,860</b>	<b>11.8%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of 142,434 has been revised to exclude CAP, consistent with reporting requirements.

**Number of Residential Natural Gas Customers in Debt**

Company	2011 Total Number of Customers in Debt*	2012 Total Number of Customers in Debt*	2013 Total Number of Customers in Debt*	Change 2011-13
Columbia	22,620	36,940	30,157	33.3%
Peoples	36,587	32,701	30,099	-17.7%
Peoples-Equitable	16,849	17,468	18,826	11.7%
NFG	9,481	9,744	9,811	3.5%
PECO-Gas**	30,309	30,988	31,679	4.5%
PGW	86,413	61,640	77,839	-9.9%
UGI-Gas	25,055	25,903	29,534	17.9%
UGI Penn Natural	12,903	13,209	14,908	15.5%
<b>Total</b>	<b>240,217</b>	<b>228,593</b>	<b>242,853</b>	<b>1.1%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of 35,039 has been revised to exclude CAP, consistent with reporting requirements.

*Dollars in Debt - Residential Electric Customers*

Company	2011 Total Dollars in Debt*	2012 Total Dollars in Debt*	2013 Total Dollars in Debt*	Change 2011-13
Duquesne	\$10,995,577	\$11,004,856	\$11,271,501	2.5%
Met-Ed	\$30,213,223	\$27,405,440	\$23,740,747	-21.4%
PECO-Electric**	\$51,523,862	\$51,297,270	\$53,030,783	2.9%
Penelec	\$24,147,917	\$23,715,969	\$21,016,356	-13.0%
Penn Power	\$7,325,332	\$5,899,155	\$5,015,168	-31.5%
PPL	\$81,870,581	\$79,988,700	\$83,490,365	2.0%
West Penn	\$9,067,548	\$10,589,845	\$12,424,966	37.0%
<b>Total</b>	<b>\$215,144,040</b>	<b>\$209,901,235</b>	<b>\$209,989,886</b>	<b>-2.4%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of \$76,791,682 has been revised to exclude CAP, consistent with reporting requirements.

*Dollars in Debt - Residential Natural Gas Customers*

Company	2011 Total Dollars in Debt*	2012 Total Dollars in Debt*	2013 Total Dollars in Debt*	Change 2011-13
Columbia	\$8,974,795	\$8,569,783	\$10,343,332	15.2%
Peoples	\$15,380,911	\$15,012,948	\$11,787,163	-23.4%
Peoples-Equitable	\$6,947,492	\$6,047,220	\$6,593,921	-5.1%
NFG	\$3,691,715	\$3,759,477	\$3,489,351	-5.5%
PECO-Gas**	\$21,255,291	\$18,670,937	\$18,707,389	-12.0%
PGW	\$48,126,888	\$36,314,051	\$46,967,191	-2.4%
UGI-Gas	\$6,795,857	\$5,595,669	\$7,184,309	5.7%
UGI Penn Natural	\$4,800,701	\$3,925,932	\$4,982,221	3.8%
<b>Total</b>	<b>\$115,973,650</b>	<b>\$97,896,015</b>	<b>\$110,054,877</b>	<b>-5.1%</b>

\* See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of \$21,441,745 has been revised to exclude CAP, consistent with reporting requirements.



**Gross Write-Offs Ratio - Residential Electric Customers**

<b>Company</b>	<b>2011 Gross Write-Offs Ratio*</b>	<b>2012 Gross Write-Offs Ratio*</b>	<b>2013 Gross Write-Offs Ratio*</b>	<b>Change 2011-13</b>
Duquesne	1.2%	1.4%	1.3%	8.3%
Met-Ed	1.9%	2.4%	1.9%	0.0%
PECO-Electric	1.5%	2.0%	1.9%	26.7%
Penelec	1.8%	2.1%	1.9%	5.6%
Penn Power	1.8%	1.7%	1.3%	-27.8%
PPL	2.7%	3.2%	3.1%	14.8%
West Penn	1.0%	1.3%	1.2%	20.0%
<b>Total</b>	<b>1.8%</b>	<b>2.2%</b>	<b>2.1%</b>	<b>16.7%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Gross Write-Offs Ratio - Residential Natural Gas Customers**

<b>Company</b>	<b>2011 Gross Write-Offs Ratio*</b>	<b>2012 Gross Write-Offs Ratio*</b>	<b>2013 Gross Write-Offs Ratio*</b>	<b>Change 2011-13</b>
Columbia	2.8%	2.8%	2.0%	-28.6%
Peoples	1.8%	0.3%	3.6%	100.0%
Peoples-Equitable	2.1%	1.9%	1.9%	-9.5%
NFG	2.0%	2.6%	2.2%	10.0%
PECO-Gas	1.0%	0.7%	0.5%	-50.0%
PGW	8.0%	9.1%	10.4%	30.0%
UGI-Gas	2.3%	2.3%	2.2%	-4.3%
UGI Penn Natural	2.1%	1.8%	1.6%	-23.8%
<b>Total</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.7%</b>	<b>15.6%</b>

\*Does not include CAP Credits or Arrearage Forgiveness.

**Percent of Revenues (Billings) in Debt - Residential Electric Customers**

<b>Company</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Change 2011-13</b>
Duquesne	2.1%	2.3%	2.8%	33.3%
Met-Ed	4.1%	4.6%	4.2%	2.4%
PECO-Electric**	2.4%	2.5%	2.6%	8.3%
Penelec	4.0%	4.6%	4.4%	10.0%
Penn Power	4.2%	3.9%	3.6%	-14.3%
PPL	4.4%	5.0%	4.8%	9.1%
West Penn	1.3%	2.0%	2.5%	92.3%
<b>Total</b>	<b>3.2%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>12.5%</b>

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of 3.8% has been revised to exclude CAP, consistent with reporting requirements.

**Percent of Revenues (Billings) in Debt - Residential Natural Gas Customers**

<b>Company</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Change 2011-13</b>
Columbia	2.6%	3.2%	3.1%	19.2%
Peoples	6.2%	6.0%	3.9%	-37.1%
Peoples-Equitale	2.8%	2.9%	2.7%	-3.6%
NFG	2.0%	2.5%	2.2%	10.0%
PECO-Gas**	4.9%	5.0%	4.4%	-10.2%
PGW	9.6%	8.4%	9.9%	3.1%
UGI-Gas	2.7%	2.8%	3.3%	22.2%
UGI Penn Natural	2.8%	2.7%	3.0%	7.1%
<b>Total</b>	<b>4.9%</b>	<b>4.8%</b>	<b>4.7%</b>	<b>-4.1%</b>

\*\* PECO data in the 2012 Universal Service Program & Collections Performance report included CAP customers. The previous 2012 figure of 5.7% has been revised to exclude CAP, consistent with reporting requirements.

## 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	10 Days	20 Days Sooner
Columbia	Bill Due Date	30 Days	0 Days
Peoples	Bill Transmittal Date	30 Days	20 Days Sooner
Peoples-Equitale	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
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

\*The PUC considers day zero to be the bill due date and the applicable regulations require companies to report arrearages beginning at 30 days overdue.

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

### 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	5 to 8 Days after Termination Date	Bill Transmittal Date
West Penn	10 Days after Termination Date	0 to 1 Day after Final Bill Transmittal Date
Columbia	5 to 7 Days after Termination Date	Same Day as Discontinuance
Peoples	10 Days after Termination Date	10 Days after Discontinuance
Peoples-Equitable	3 Days after Termination Date	3 Days after Discontinuance
NFG	Same Day as Termination Date	Same Day as Discontinuance
PECO-Gas	30 to 32 Days after Termination Date	Same Day as 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

## Appendix 4 – 2013 and 2014 Federal Poverty Guidelines

2013 Annual Federal Poverty Income Guidelines*				
Size of Household	0-50 percent of Poverty	51-100 percent of Poverty	101-150 percent of Poverty	151-200 percent of Poverty
1	\$5,745	\$11,490	\$17,235	\$22,980
2	\$7,755	\$15,510	\$23,265	\$31,020
3	\$9,765	\$19,530	\$29,295	\$39,060
4	\$11,775	\$23,550	\$35,325	\$47,100
5	\$13,785	\$27,570	\$41,355	\$55,140
6	\$15,795	\$31,590	\$47,385	\$63,180
7	\$17,805	\$35,610	\$53,415	\$71,220
8	\$19,815	\$39,630	\$59,445	\$79,260
For each additional person, add	\$2,010	\$4,020	\$6,030	\$8,040

\* Income reflects upper limit of the poverty guideline for each column.

Effective: January 24, 2013. SOURCE: Federal Register, Vol. 78, January 24, 2013, pp. 5182-5183.

2014 Annual Federal Poverty Income Guidelines*				
Size of Household	0-50 percent of Poverty	51-100 percent of Poverty	101-150 percent of Poverty	151-200 percent of Poverty
1	\$5,835	\$11,670	\$17,505	\$23,340
2	\$7,865	\$15,730	\$23,595	\$31,460
3	\$9,895	\$19,790	\$29,685	\$39,580
4	\$11,925	\$23,850	\$35,775	\$47,700
5	\$13,955	\$27,910	\$41,865	\$55,820
6	\$15,985	\$31,970	\$47,955	\$63,940
7	\$18,015	\$36,030	\$54,045	\$72,060
8	\$20,045	\$40,090	\$60,135	\$80,180
For each additional person, add	\$2,030	\$4,060	\$6,090	\$8,120

\* Income reflects upper limit of the poverty guideline for each column.

Effective: January 22, 2014. SOURCE: Federal Register, Vol. 79, January 22, 2014, pp. 3593-3594.

**Appendix 5 - Source of Income for Universal Service Participants***Source of Income for Electric Universal Service Participants*

	LIURP	CAP	Hardship Fund
Employment	34.4%	24.3%	40.4%
Public Assistance	3.6%	5.5%	4.3%
Pension or Retirement	11.0%	18.3%	13.8%
Unemployment Compensation	21.7%	4.8%	5.7%
Disability	16.8%	18.7%	13.8%
Other	12.5%	28.4%	22.0%

*Source of Income for Natural Gas Universal Service Participants*

	LIURP	CAP	Hardship Fund
Employment	27.1%	28.6%	45.0%
Public Assistance	4.4%	7.4%	3.0%
Pension or Retirement	28.8%	24.9%	12.5%
Unemployment Compensation	12.4%	5.0%	6.2%
Disability	21.4%	23.3%	20.5%
Other	6.0%	10.8%	13.0%

## Appendix 6 - Percent of Spending by CAP Component

### Percent of Electric Total CAP Spending by CAP Component

Company	2012			2013		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Duquesne	7%	77%	15%	8%	76%	17%
Met-Ed	5%	81%	13%	10%	78%	13%
PECO-Electric	3%	85%	13%	3%	85%	12%
Penelec	6%	83%	11%	11%	79%	10%
Penn Power	5%	82%	13%	11%	78%	11%
PPL	5%	59%	36%	4%	66%	30%
West Penn	8%	59%	34%	5%	64%	31%
<b>Weighted Avg.*</b>	<b>4%</b>	<b>77%</b>	<b>18%</b>	<b>6%</b>	<b>77%</b>	<b>17%</b>

\*Weighted Average is based on industry totals and does not represent an average of the participation rates shown in the table.

### Percent of Natural Gas Total CAP Spending by CAP Component

Company	2012			2013		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Columbia	15%	84%	1%	7%	89%	4%
Peoples	15%	64%	21%	10%	68%	22%
Peoples-Equitable	9%	85%	6%	8%	87%	5%
NFG	9%	72%	19%	13%	72%	15%
PECO-Gas	9%	73%	18%	8%	79%	13%
PGW	1%	88%	11%	2%	89%	9%
UGI-Gas	7%	75%	18%	6%	70%	24%
UGI Penn Natural	6%	78%	16%	6%	68%	26%
<b>Weighted Avg.*</b>	<b>5%</b>	<b>84%</b>	<b>11%</b>	<b>4%</b>	<b>86%</b>	<b>10%</b>

\*Weighted Average is based on industry totals and does not represent an average of the participation rates shown in the table.

## Appendix 7 - Instructions to Access Universal Service Plans and Evaluations on PUC Website

- Go to the PUC website at: [www.puc.pa.gov](http://www.puc.pa.gov). On the PUC's website, locate and click on the "Consumer Info" tab on the headings bar.
- On the right side of the page, locate and click on "Consumer Information on Energy Efficiency, Assistance Programs, Safety, Shopping, & More" in the column of options. Click "Read More" to access the page.
- Under the header titled "Energy Assistance Information," click on "Energy Assistance" to access the Energy Assistance Programs page.
- Under the header "Universal Service Plans & Evaluations" you will find the most current Universal Service Plan and Evaluation for each major EDC and NGDC.



## Appendix 8 - Universal Service Programs 2013 Spending Levels & Cost Recovery Mechanisms

Company	Cost Recovery Mechanism <sup>1</sup>	Annual CAP Spending	Annual Total Universal Service Spending <sup>2</sup>	Universal Service Spending Assessed on Residential Customers	Average Number of Residential Customers	Average Annual Universal Service Spending per Residential Customer
Duquesne	Base Rates	\$16,549,705	\$18,382,533	100%	526,817	\$34.89
Met-Ed	USC Rider-Annual	\$22,984,906	\$26,345,613	100%	488,375	\$53.95
PECO-Electric	Base Rates & Univ. Service Fund Charge	\$91,708,724	\$98,547,978	100%	1,421,426	\$69.33
Penelec	USC Rider-Annual	\$25,303,288	\$29,308,073	100%	504,543	\$58.09
Penn Power	USC Rider-Annual	\$6,116,965	\$7,651,533	100%	141,147	\$54.21
PPL	US Rider-Annual	\$55,223,019	\$63,456,467	100%	1,218,734	\$52.07
West Penn	Base Rates	\$10,768,235	\$13,444,879	100%	619,531	\$21.70
<b>EDC Total</b>		<b>\$228,654,842</b>	<b>\$257,137,076</b>		<b>4,920,573</b>	
<b>EDC Weighted Avg.*</b>						<b>\$52.26</b>
Columbia	USP Rider	\$13,272,158	\$18,031,209	100%	384,213	\$46.93
Peoples	Rider F	\$8,227,588	\$9,484,832	100%	330,123	\$28.73
Peoples-Equitable	Rider D	\$7,090,722	\$8,243,335	100%	242,632	\$33.97
NFG	Rider F	\$1,838,472	\$3,375,672	100%	198,763	\$16.98
PECO-Gas	Base Rates & Univ. Service Fund Charge	\$5,219,029	\$7,654,205	100%	456,331	\$16.77
PGW	USEC Surcharge	\$77,281,237	\$86,003,672 <sup>3</sup>	75% <sup>4</sup>	468,943	\$183.40
UGI-Gas	Rider LISHP	\$3,176,112	\$3,688,185	100%	324,576	\$11.36
UGI Penn Natural	Rider E	\$2,852,339	\$3,843,399	100%	149,097	\$25.78
<b>NGDC Total</b>		<b>\$118,957,657</b>	<b>\$140,324,509</b>		<b>2,554,678</b>	
<b>NGDC Weighted Avg.*</b>						<b>\$54.93</b>

\*Weighted Averages are based on industry totals and do not represent an average of the participation rates shown in the tables.

<sup>1</sup>Riders and USEC/USFM Surcharge are charges for CAP costs, in addition to base rates, that are adjusted quarterly or annually.

<sup>2</sup>Universal Service costs include CAP costs, LIURP costs and CARES costs.

<sup>3</sup> PGW universal service costs do not include Senior Citizen Discount (SCD) costs. Because income is not an eligibility criterion, the SCD does not meet the definition of universal service.

<sup>4</sup> PGW CAP and LIURP 2013 costs were assessed in the following manner: residential (74 percent), commercial (21 percent), industrial (2 percent), municipal service (2 percent) and Philadelphia Housing Authority (PHA) (1 percent).

