Report on 2002

Universal Service Programs & Collections Performance

of the

Pennsylvania

Electric Distribution Companies & Natural Gas Distribution Companies

Pennsylvania Public Utility Commission
Bureau of Consumer Services

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1. Introduction

This report is the Pennsylvania Public Utility Commission's (Commission) third annual summary report on the universal service and collection performance of the six largest electric distribution companies (EDCs). Moreover, for the first time all of the major natural gas distribution companies (NGDCs) serving over 100,000 customers, with the exception of PGW, are included in the report.[1] The report presents the data submitted to the Commission pursuant to 52 Pa. Code Sections 54.75 and 62.5, *Universal Service and Energy Conservation Reporting Requirements* (USRR). This data will assist the Commission in monitoring the progress of the EDCs and NGDCs in achieving universal service in their respective service territories.

By way of background, on December 3, 1996, the Electricity Generation Customer Choice and Competition Act (Act), 66 Pa. C.S. §§ 2801-2812, was enacted. The Natural Gas Choice and Competition Act (Act), 66 Pa. C.S. Chapter 22, was enacted on June 22,1999. In opening up the electric generation and natural gas supply markets to competition, the General Assembly was also concerned about ensuring that electric and natural gas service remains universally available to all customers. Consequently, both Acts contain provisions relating to universal electric and gas service.

Specifically, both Acts require the Commonwealth to maintain, at a minimum, the protections, policies and services that assist customers who are low income to afford electric and gas service, 66 Pa. C.S. §§ 2203(7), 2802(10). 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, 66 Pa. C.S. §§ 2203(8), 2804(9). 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, 52 Pa. Code §§ 54.71 – 54.78, 62.1-62.8. The Commission adopted final rulemakings that established the *Universal Service and Energy Conservation Reporting Requirements* (USRR) for EDCs on April 30, 1998 and for the NGDCs on June 22, 2000. Upon publication in the Pennsylvania Bulletin, the EDC regulations became effective August 8, 1998 and the NGDC regulations became effective December 16, 2000.

[1]The PGW restructuring proceedings concluded in 2003, and PGW will beging collecting the required universal service data in 2004. PGW will then report its 2004 data along with the other major NGDCs by April 1, 2005.

The instant summary report is based primarily on 52 Pa. Code Sections 54.75 and 62.5 relating to annual residential collection and universal service and energy conservation program reporting requirements. The utilities covered by these reporting requirements are Allegheny Power, Duquesne Light, First Energy-GPU, PECO-Electric, First Energy-Penn Power, PPL, Columbia, Dominion Peoples, Equitable, NFG, PG Energy, PECO-Gas and UGI-Gas.

The EDCs began reporting the required data to the Commission on April 1, 2001, for the reporting year 2000. The NGDCs began reporting the data on April 1, 2003, for the reporting year 2002. Upon receipt of the data for the instant report, the Commission's Bureau of Consumer Services (BCS) followed the same procedure as in past years by conducting a data-cleaning and error-checking process that continued through October. This process included both written and verbal dialogue between BCS and the companies. Uniformity issues were uncovered in this process and are documented in various tables, charts, and appendices. These uniformity issues are also discussed in more detail in the appropriate chapters that follow.

Some companies filed petitions for waivers in regard to data that is either unavailable or not in compliance with the regulations. Unavailable data is clearly labeled in all tables and charts in this report. Except for UGI-Gas, which filed a petition for waiver on December 12, 2003 that has not been acted on as of the date of the instant report, the data labeled "unavailable" is the result of the Commission granting the companies a waiver from the requirement to submit that data. Variations in the data either appear as a footnote to tables and charts, or are referenced and documented in the appropriate appendix.

The report is organized into chapters and sections in the following order: Collection, Universal Service Program Demographics, Low Income Usage Reduction Programs (LIURP), Customer Assistance Programs (CAP), Customer Assistance and Referral Evaluation Services (CARES) and Hardship Funds. Each chapter includes an introduction, a discussion of the data elements, definitions where necessary, data tables, charts and narrative highlights. Multi-year analyses are shown in a number of the tables in the programs' chapters where this type of presentation format supports the intended analysis in a meaningful way.

Prior to 2002, the BCS had also been reporting some of the data found in the instant report in the annual report the BCS prepares entitled *Utility Consumer Activities Report and Evaluation* (UCARE). Beginning with 2002 data, the BCS has eliminated universal service data from UCARE for both electric and natural gas distribution companies. Thus, for the first time, the instant report includes data for both electric and natural gas companies.

The BCS has taken the added precaution of sharing the data in this report in advance with the companies for validation. In addition, our representation of the data was verified by the companies to ensure an accurate reflection of the circumstances. The BCS will continue to work with the companies to obtain uniform data that fully complies with the regulations.

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). For the first time, PECO is reporting 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 previously approved by the Commission during PECO's management audit of July 1999. This allocation factor splits the combination group into 89 percent electric and 11 percent gas. However, for other data variables PECO did not apply the allocation method. Instead, PECO chose to include the Combination group in both the electric and gas totals.

2. Collection

The regulations require the EDCs and NGDCs to report various residential collection data including the number of residential customers, the number of accounts in arrears and on a payment arrangement, the number of accounts in arrears and not on a payment arrangement, the dollars owed by these two groups of overdue customers, the number of terminations, the number of reconnections, gross residential write-offs, total annual billings (revenues), and annual collection operating expenses.

The instant summary report reviews each of these collection measures by reporting 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 to the BCS 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 in this chapter. A low income customer is defined as a customer whose household income is at or below 150 percent of the Poverty Guidelines. See Appendix 3 for the 2002 Poverty Guidelines. A confirmed low income customer is a customer whose gross household income has been verified as meeting the stated Poverty Guidelines. This is typically verified through the customer's receipt of a LIHEAP grant or determined during the course of making a payment agreement. On the other hand, the number of estimated low income customers is the company's approximation of its total universe of low income customers.

Number of Residential Customers

The number of residential customers reported in the following table 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
Allegheny	594,576
Duquesne	525,888
GPU	948,492
PECO-Electric	1,369,519
Penn Power	135,666
PPL	1,138,112
Total	**4,712,253**

Number of Residential Natural Gas Customers

Company	Number of Residential Customers
Columbia	348,725
Dominion	322,041
Equitable	239,155
NFG	195,229
PECO-Gas	412,086
PG Energy	138,836
UGI-Gas	255,289
Total	**1,911,361**

Number of Confirmed Low Income Electric Customers

Company	Number of Confirmed Low income Customers	Percent of Customers
Allegheny	15,142	2.5%
Duquesne	22,440	4.3%
GPU	60,858	6.4%
PECO-Electric	188,852	13.8%
Penn Power	7,207	5.3%
PPL	123,839	10.9%
Total	**418,338**	**8.9%**

Number of Confirmed Low Income Natural Gas Customers

Company	Number of Confirmed Low income Customers	Percent of Customers
Columbia	69,855	20.0%
Dominion	54,703	17.0%
Equitable	Not Available	Not Available
NFG	22,612	11.6%
PECO-Gas	30,980	7.5%
PG Energy	12,041	8.7%
UGI-Gas	9,968	3.9%

Number of Estimated Low Income Electric Customers

Company	Number of Estimated Low income Customers	Percent of Customers
Allegheny	125,914	21.2%
Duquesne	100,118	19.0%
GPU	183,022	19.3%
PECO-Electric	261,787	19.1%
Penn Power	27,964	20.6%
PPL	200,250	17.6%
Total	**899,055**	**19.1%**

Number of Estimated Low Income Natural Gas Customers

Company	Number of Estimated Low income Customers	Percent of Customers
Columbia	72,584	20.8%
Dominion	60,000	18.6%
Equitable	47,918	20.0%
NFG	41,338	21.2%
PECO-Gas	77,586	18.8%
PG Energy	25,338	18.3%
UGI-Gas	20,000	7.8%
Total	**344,764**	**18.0%**

Termination and Reconnection of Service

Termination of utility service is the most serious consequence of customer nonpayment. The BCS views termination of utility service as a utility's last resort when customers fail to meet their payment obligations. The termination rate allows the reader to compare the termination activity of utilities with differing numbers of residential customers. The termination rate is calculated by dividing the number of service terminations by the number of residential customers. 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 a customer either pays his/her debt in full or makes a significant up-front payment and agrees to a payment agreement for the balance owed to the company. The ratio of reconnections to terminations is obtained by dividing the number of reconnections by the number of terminations. The result is generally indicative of how successful customers whose service has been terminated are at getting service reconnected.

Terminations and Reconnections – Residential Electric Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Allegheny	594,576	8,777	4,176	1.48%	48%
Duquesne	525,888	9,307	4,461	1.77%	48%
GPU	948,492	9,268	3,205	0.98%	35%
PECO-Electric	1,369,519	45,833	30,035	3.35%	66%
Penn Power	135,666	1,483	550	1.09%	37%
PPL	1,138,112	7,736	3,742	0.68%	48%
Total	**4,712,253**	**82,404**	**46,169**	**1.75%**	**56%**

Terminations and Reconnections – Residential Natural Gas Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	348,725	5,832	4,670	1.67%	80%
Dominion	322,041	5,169	2,384	1.61%	46%
Equitable	239,155	11,012	4,225	4.60%	38%
NFG	195,229	5,880	2,923	3.01%	50%
PECO-Gas	412,086	12,127	8,075	1.69%	67%
PG Energy	138,836	4,041	2,495	2.91%	62%
UGI-Gas	255,731	8,998	3,033	3.52%	34%
Total	**1,911,361**	**53,059**	**27,805**	**2.78%**	**52%**

Terminations and Reconnections – Confirmed Low Income Electric Customers

Company	Number of Confirmed Low Income Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Allegheny	15,142	2,141	2,116	14.14%	99%
Duquesne	22,440	5,105	2,635	22.75%	52%
GPU	60,858	4,292	1,656	7.05%	39%
PECO-Electric	188,852	20,119	13,373	10.65%	66%
Penn Power	7,207	717	292	9.95%	41%
PPL	123,839	3,054	1,991	2.47%	65%
Total	**418,338**	**35,428**	**22,063**	**8.47%**	**62%**

Terminations and Reconnections – Confirmed Low Income Natural Gas Customers

Company	Number of Confirmed Low Income Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	69,855	3,322	1,908	4.76%	57%
Dominion	54,703	3,306	1,547	6.04%	47%
Equitable	Not Available	Not Available	Not Available	Not Available	Not Available
NFG	22,612	3,565	1,775	15.77%	50%
PECO-Gas	30,980	5,157	3,365	16.65%	65%
PG Energy	12,041	2,373	1,475	19.71%	62%
UGI-Gas	9,968	Not Available	Not Available	Not Available	Not Available

Number of Customers in Debt

There are two categories for reporting customers who are overdue or in debt to the companies. The first category includes customers who are on a payment agreement and the second category includes customers who are not on a payment agreement. The first category includes both BCS payment arrangements (PARs) and utility payment arrangements. The number of customers in debt is affected by many factors including customer income level, customer ability to pay, and the size of customer bills.

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

It is important to note that one of the stated purposes of the Chapter 56 regulations at 52 Pa. Code § 56.1 is to "provide functional alternatives to termination." In 52 Pa. Code § 56.97 one of the methods of avoiding termination is to enter into a payment agreement. 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.

There are two factors which affect the uniformity of the data reported regarding the number of overdue customers and the dollars in debt that are associated with these 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. The BCS requested the companies to consider the due date as day zero and to report debt that is at least 30 days overdue.

Duquesne Light, GPU, Columbia, PG Energy and UGI-Gas reported according to the method requested by the BCS. The variance among the other EDCs and NGDCs shows a difference of no more than 20 days from the BCS method. Allegheny Power, Penn Power, PECO Electric and Gas, Dominion Peoples, Equitable and NFG report debt that is only 10 days old instead of 30 days old. Thus, each of these companies is overstating its debt compared to companies that reported debt as 30 days overdue. On the other hand, PPL reports debt that is 40 days old instead of 30 days old. PPL is understating its debt relative to the other companies. See Appendix 1 for company specific information on this issue.

The second factor that affects the uniformity of the arrearage data is the determination of 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. The differences in the amount of time it takes each company to move accounts from active status to inactive status is reported in Appendix 2.

Customer Assistance Programs (CAP) recipients are excluded from all data tables that reference 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*
Allegheny	13,938	34,041	47,979
Duquesne	13,385	21,560	34,945
GPU	40,450	66,098	106,548
PECO-Electric	20,468	83,032	103,500
Penn Power	4,367	9,621	13,988
PPL	28,710	85,241	113,951
Total	**121,318**	**299,593**	**420,911**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	14,541	56,312	70,853
Dominion	15,217	28,753	43,970
Equitable	9,697	25,079	34,776
NFG	7,026	6,218	13,244
PECO-Gas	4,662	14,607	19,269
PG Energy	2,360	8,594	10,954
UGI-Gas	4,174	8,835	13,009
Total	**57,677**	**148,398**	**206,075**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.

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*
Allegheny	3,640	1,380	5,020
Duquesne	2,818	3,813	6,631
GPU	28,552	12,038	40,590
PECO-Electric	14,571	30,862	45,433
Penn Power	3,332	1,963	5,295
PPL	17,977	27,909	45,886
Total	**70,890**	**77,965**	**148,855**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	9,710	25,725	35,435
Dominion	10,406	11,252	21,658
Equitable	Not Available	Not Available	Not Available
NFG	3,187	2,085	5,272
PECO-Gas	3,184	5,283	8,467
PG Energy	1,446	3,981	5,427
UGI-Gas	487	3,257	3,744

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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 EDCs and NGDCs to implement 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; that is, for those on a payment agreement and those not on a payment agreement.

Percent of Residential 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*
Allegheny	2%	6%	8%
Duquesne	3%	4%	7%
GPU	4%	7%	11%
PECO-Electric	2%	6%	8%
Penn Power	3%	7%	10%
PPL	3%	7%	10%
Total	**3%**	**6%**	**9%**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.

Percent of Residential 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	4%	16%	20%
Dominion	5%	9%	14%
Equitable	4%	10%	14%
NFG	4%	3%	7%
PECO-Gas	1%	4%	5%
PG Energy	2%	6%	8%
UGI-Gas	2%	3%	5%
Total	**3%**	**8%**	**11%**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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*
Allegheny	24%	9%	33%
Duquesne	13%	17%	30%
GPU	47%	20%	67%
PECO-Electric	8%	16%	24%
Penn Power	46%	27%	73%
PPL	15%	22%	37%
Total	**17%**	**19%**	**36%**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	14%	37%	51%
Dominion	19%	21%	40%
Equitable	Not Available	Not Available	Not Available
NFG	14%	9%	23%
PECO-Gas	10%	17%	27%
PG Energy	12%	33%	45%
UGI-Gas	5%	Not Available	Not Available

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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 in debt has an impact on company expenses. The specific expense category is called Cash-Working-Capital and it is part of a 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*
Allegheny	$7,860,655	$8,708,457	$16,569,112
Duquesne	$10,469,637	$8,128,769	$18,598,406
GPU	$25,963,877	$13,726,409	$39,690,286
PECO-Electric	$8,668,563	$18,814,163	$27,482,726
Penn Power	$3,382,916	$2,348,671	$5,731,587
PPL	$14,280,544	$27,655,090	$41,935,634
Total	**$70,626,192**	**$79,381,559**	**$150,007,751**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	$9,431,811	$16,743,685	$26,175,496
Dominion	$10,609,532	$9,786,959	$20,396,491
Equitable	$8,887,032	$6,742,704	$15,629,736
NFG	$2,237,542	$1,999,545	$4,237,087
PECO-Gas	$2,586,054	$4,416,880	$7,002,934
PG Energy	$1,224,245	$3,895,981	$5,120,226
UGI-Gas	$1,267,813	$486,215	$1,754,028
Total	**$36,244,029**	**$44,071,969**	**$80,315,998**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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*
Allegheny	$4,506,660	$784,939	$5,291,599
Duquesne	$2,751,137	$3,751,948	$6,503,085
GPU	$18,782,093	$5,468,609	$24,250,702
PECO-Electric	$6,227,317	$7,679,857	$13,907,174
Penn Power	$2,655,589	$1,045,159	$3,700,748
PPL	$9,499,640	$12,616,489	$22,116,129
Total	**$44,422,436**	**$31,347,489**	**$75,769,437**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	$6,418,071	$10,917,400	$17,335,471
Dominion	$8,422,633	$6,523,936	$14,946,569
Equitable	Not Available	Not Available	Not Available
NFG	$1,025,623	$845,973	$1,871,596
PECO-Gas	$1,772,779	$1,675,982	$3,448,761
PG Energy-Energy	$769,089	$1,936,274	$2,705,363
UGI-Gas	$184,627	Not Available	Not Available

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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*
Allegheny	47%	53%
Duquesne	56%	44%
GPU	65%	35%
PECO-Electric	32%	68%
Penn Power	59%	41%
PPL	34%	64%
Total	**47%**	**53%**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	36%	64%
Dominion	52%	48%
Equitable	57%	43%
NFG	53%	47%
PECO-Gas	37%	63%
PG Energy	24%	76%
UGI-Gas	72%	28%
Total	**45%**	**55%**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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*
Allegheny	85%	15%
Duquesne	42%	58%
GPU	77%	23%
PECO-Electric	45%	55%
Penn Power	72%	28%
PPL	43%	57%
Total	**59%**	**41%**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	37%	63%
Dominion	56%	44%
Equitable	Not Available	Not Available
NFG	55%	45%
PECO-Gas	51%	49%
PG Energy	28%	72%
UGI-Gas	Not Available	Not Available

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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*
Allegheny	$564	$256	$345
Duquesne	$782	$377	$532
GPU	$642	$208	$373
PECO-Electric	$424	$227	$266
Penn Power	$775	$244	$410
PPL	$497	$324	$368
Total	**$582**	**$265**	**$356**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	$649	$297	$369
Dominion	$697	$340	$464
Equitable	$916	$269	$449
NFG	$318	$322	$320
PECO-Gas	$555	$302	$363
PG Energy	$519	$453	$467
UGI-Gas	$304	$55	$135
Total	**$628**	**$297**	**$390**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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*
Allegheny	$1,238	$569	$1,054
Duquesne	$976	$984	$981
GPU	$658	$454	$597
PECO-Electric	$427	$249	$306
Penn Power	$797	$532	$699
PPL	$528	$452	$482
Total	**$627**	**$402**	**$509**

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining 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	$661	$424	$489
Dominion	$809	$580	$690
Equitable	Not Available	Not Available	Not Available
NFG	$322	$406	$355
PECO-Gas	$557	$317	$407
PG Energy	$532	$486	$499
UGI-Gas	$379	Not Available	Not Available

*See Appendix 1 for an explanation of the different methods for determining when an account is overdue and Appendix 2 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.

Number of Payment Arrangements

A payment arrangement is defined as a mutually satisfactory written or verbal agreement whereby a ratepayer or applicant who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments over a reasonable period of time. In addition to this definition, the method by which utilities determine the total number of payment arrangements for reporting pursuant to §54.75(1)(i) or §62.5(a)(1)(i) takes into consideration the limitations of the utility systems used to document and track payment arrangements. This results in treating a broken payment arrangement that is reinstated due to payment by the customer of the "catch-up" amount as a new payment arrangement. Moreover, BCS Payment Arrangement Requests (PARs) are included in this category. Customer Assistance Program (CAP) payment plans, however, are not included in the count of payment arrangements.

The following tables include both the All Residential and Confirmed Low Income categories to allow for the presentation of the percent of payment arrangements which are Confirmed Low Income.

Electric Payment Arrangements

Company	All Residential	Confirmed Low Income	Percent of Payment Arrangements which are Confirmed Low Income
Allegheny	34,040	20,792	61%
Duquesne	139,119	46,196	33%
GPU	37,038	23,238	63%
PECO-Electric	158,059	103,293	65%
Penn Power	12,403	8,670	70%
PPL	341,577	147,284	43%
Total	**722,236**	**349,473**	**48%**

Natural Gas Payment Arrangements

Company	All Residential	Confirmed Low Income	Percent of Payment Arrangements which are Confirmed Low Income
Columbia	33,392	23,291	70%
Dominion	163,456	38,580	24%
Equitable	19,800	Not Available	Not Available
NFG	16,623	9,579	58%
PECO-Gas	36,422	23,024	63%
PG Energy	15,182	9,001	59%
UGI-Gas	44,618	6,834	15%

Gross Residential Write-Offs in Dollars

The tables below present the gross residential write-offs in dollars for the EDCs and NGDCs in 2002. Write-offs are the final treatment of overdue accounts in the collection process. A residential account is written off after all pre-write-off collections 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*
Allegheny	$7,772,522
Duquesne	$17,390,593
GPU	$19,772,525
PECO-Electric	$37,085,113
Penn Power	$1,844,652
PPL	$19,455,631
Total	**$103,321,036**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs – Residential Natural Gas Customers

Company	Gross Dollars Written Off*
Columbia	$7,285,213
Dominion	$13,941,290
Equitable	$16,153,080
NFG	$6,644,662
PECO-Gas	$4,583,553
PG Energy	$3,235,694
UGI-Gas	$5,949,289
Total	**$57,792,781**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs -- Confirmed Low Income Electric Customers

Company	Gross Dollars Written Off*
Allegheny	$4,647,968
Duquesne	$5,774,720
GPU	$11,594,018
PECO-Electric	$15,802,416
Penn Power	$1,165,820
PPL	$9,471,406
Total	**$48,456,348**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Dollars Written Off*
Columbia	$4,502,183
Dominion	$2,593,079
Equitable	Not Available
NFG	$3,557,060
PECO-Gas	$1,953,107
PG Energy	$2,175,768
UGI-Gas	Not Available

*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 collections system performance. This measure is calculated by dividing the annual total gross dollars written off for residential accounts by the total annual dollars of residential billings. The measure offers an equitable basis for comparison.

Gross Write-Offs Ratio -- Residential Electric Customers

Company	Gross Write-Offs Ratio*
Allegheny	1.65%
Duquesne	5.19%
GPU	2.49%
PECO-Electric	2.53%
Penn Power	1.35%
PPL	1.82%
Total	**2.42%**

* Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio -- Residential Natural Gas Customers

Company	Gross Write-Offs Ratio*
Columbia	3.87%
Dominion	7.70%
Equitable	6.82%
NFG	3.61%
PECO-Gas	1.37%
PG Energy	2.17%
UGI-Gas	2.56%
Total	**3.84%**

* Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Write-Offs Ratio*
Allegheny	Not Available
Duquesne	39.98%
GPU	26.61%
PECO-Electric	Not Available
Penn Power	25.76%
PPL	7.00%

* Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Write-Offs Ratio*
Columbia	16.61%
Dominion	9.90%
Equitable	Not Available
NFG	Not Available
PECO-Gas	Not Available
PG Energy	8.49%
UGI-Gas	Not Available

* Does not include CAP Credits or Arrearage Forgiveness.

Annual Residential Revenues (Billings)

The annual total residential revenues (billings) are presented below. We use the label “Annual Residential Billings” because it is a more accurate description of what is reported by the companies. The table below includes universal service program recipients.

Residential Revenues (Billings) -- Residential Electric Customers

Company	Annual Residential Billings
Allegheny	$472,083,703
Duquesne	$335,199,000
GPU	$794,398,727
PECO-Electric	$1,468,279,644
Penn Power	$136,838,296
PPL	$1,066,109,848
Total	**$4,272,909,218**

Residential Revenues (Billings) -- Residential Natural Gas Customers

Company	Annual Residential Billings
Columbia	$188,343,042
Dominion	$181,078,432
Equitable	$236,698,963
NFG	$184,074,895
PECO-Gas	$333,499,975
PG Energy	$149,164,424
UGI-Gas	$232,474,943
Total	**$1,505,334,674**

Residential Revenues (Billings) –
Confirmed Low Income Electric Customers

Company	Annual Residential Billings
Allegheny	Not Available
Duquesne	$14,445,791
GPU	$43,562,100
PECO-Electric	Not Available
Penn Power	$4,525,080
PPL	$135,226,675

Residential Revenues (Billings) –
Confirmed Low Income Natural Gas Customers

Company	Annual Residential Billings
Columbia	$27,102,813
Dominion	$26,196,000
Equitable	Not Available
NFG	Not Available
PECO-Gas	Not Available
PG Energy	$25,621,109
UGI-Gas	Not Available

Annual Collection Operating Expenses

Annual collection operating expenses include administrative expenses associated with termination activity, negotiating payment arrangements, budget counseling, investigation and resolution of informal and formal complaints associated with payment arrangements, securing and maintaining deposits, tracking delinquent accounts, collection agencies' expenses, litigation expenses other than Commission related, dunning expenses 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.

Annual Electric Collections Operating Expenses

Company	All Residential	Confirmed Low Income	Percent of Collections Operating Expenses which are for Confirmed Low Income Customers
Allegheny	$14,287,272	$1,408,725	10%
Duquesne	$28,100,000	$9,330,000	33%
GPU	$26,489,856	$14,239,026	54%
PECO-Electric	$27,744,633	$6,787,902	24%
Penn Power	$2,529,787	$1,367,003	54%
PPL	$3,372,022	$1,454,016	43%
Total	**$102,523,570**	**$34,586,672**	**34%**

Annual Natural Gas Collections Operating Expenses

Company	All Residential	Confirmed Low Income	Percent of Collections Operating Expenses which are for Confirmed Low Income Customers
Columbia	$1,523,315	$648,136	43%
Dominion	$1,963,339	$510,468	26%
Equitable	$3,817,120	Not Available	Not Available
NFG	Not Available	Not Available	Not Available
PECO-Gas	$3,429,112	$838,954	24%
PG Energy	$1,967,380	$1,064,384	54%
UGI-Gas	$3,108,658	Not Available	Not Available

3. Universal Service Programs

Demographics

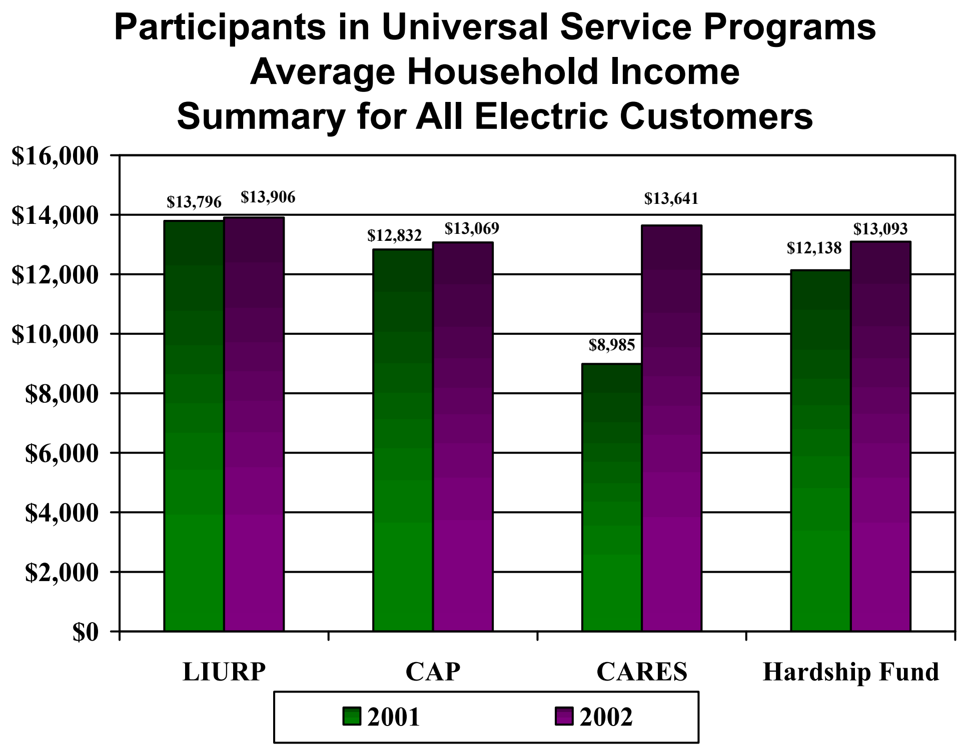
In conformance with the *Universal Service and Energy Conservation Reporting Requirements*, the EDCs and the NGDCs are to report to the Commission the demographics of their program recipients, including the number of household members under age 18 and over age 62, household size, income and source of income. The regulation defines a low-income customer as a residential utility customer whose gross household income is at or below 150 percent of the federal poverty guidelines (poverty guidelines). Households that receive public assistance have incomes below 35 percent of the federal poverty guidelines, while households with employment at minimum wage have incomes below 75 percent of the federal poverty guidelines. BCS Level 1 Income Level Guidelines for payment arrangements are tied to incomes below 110 percent of the Poverty Guidelines while Level 2 incomes must be below 150 percent of the Poverty Guidelines. Appendix 3 shows poverty levels in relation to household size and income, as well as BCS Income Level Guidelines.

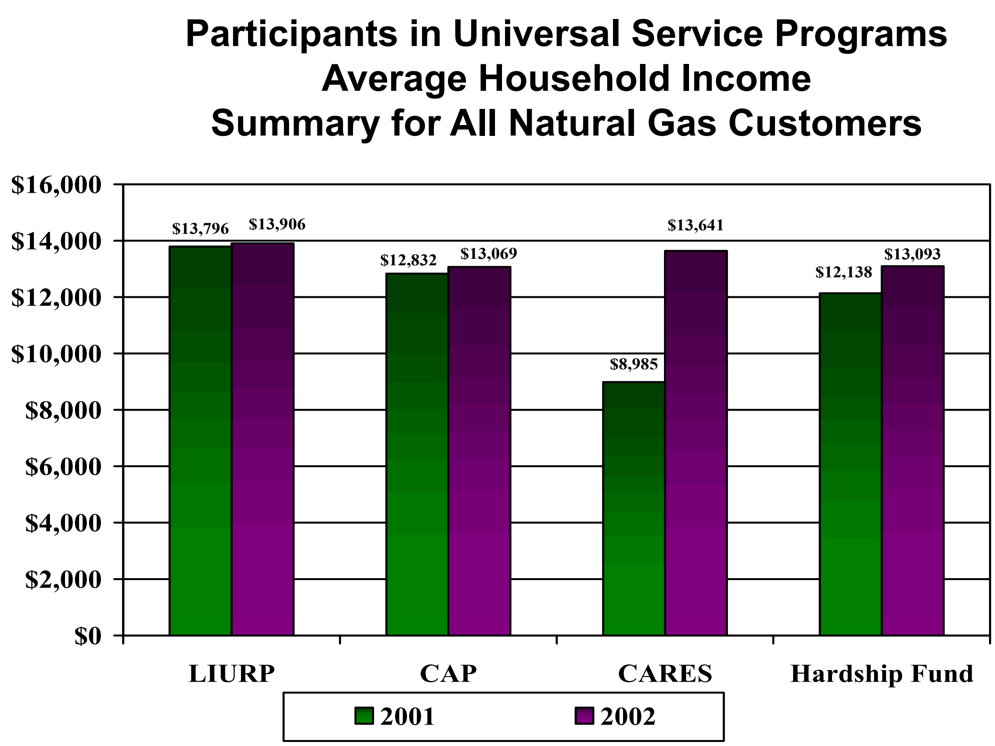
Source of Income, Average Household Size and Income

Generally, both electric and natural gas households that receive CAP, CARES or Hardship Fund benefits have average incomes that are less than $13,000 a year. Natural gas customers who receive Low Income Usage Reduction Program (LIURP) have average yearly incomes below $15,000 compared with electric customers whose annual incomes are below $14,000. CAP customers average incomes are slightly less than LIURP customers. Electric CAP customers have average annual incomes that are less than $13,000 compared with $11,000 for natural gas CAP customers. These households average three persons, with almost two members under 18 years old. Average household incomes for universal service and energy conservation program participants are well below 150 percent of the 2002 federal poverty guidelines of $22,536 for three persons.

Less than 15 percent of customers who receive universal service benefits derive their incomes from public assistance. The majority of customers participating in universal service programs have incomes from employment, disability benefits or unemployment benefits. See Appendix 4 for a summary of the source of income data.

The most recently published data from the 2002 Census reports that 2.48 persons live in an average size household in Pennsylvania compared with an average household size of three-person households for universal service participants. The Census also reports that the mean income in Pennsylvania is $53,644 compared with a mean income of $14,000 for universal service participants.





LIURP

The Pennsylvania Low Income Usage Reduction Program (LIURP) is a statewide, utility-sponsored, residential usage reduction program mandated by Pennsylvania Public Utility Commission regulations at 52 Pa. Code, Chapter 58. 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 the federal poverty level. However, beginning in 1998, the LIURP regulations permit companies to spend up to 20 percent of their annual LIURP budgets on customers with incomes between 150 percent and 200 percent of the federal poverty level. LIURP places priority on the highest energy users who offer the greatest opportunities for bill reductions. Generally, the EDCs target customers with annual usage of at least 6,000 kWhs and the 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 that is passed on to all residential customers. The current LIURP funding levels for each utility were set in the most recently filed Universal Service Plans for a period of three years. These plans 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 data 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 LIURP funds are disbursed directly to program contractors, usually on a monthly basis. The various program costs and installed usage reduction measures are agreed to in contracts between contractors and the utilities.

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

The list of customer benefits includes: 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; impact on homelessness; and less housing abandonment.

The data presented in the instant report reflect the Universal Service Reporting Requirements (USRR) regulations at § 54.75 and § 62.5. These provisions require the reporting of 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, the report also includes data on completed jobs provided to us by the EDCs in accordance with the LIURP Codebook, which is originally based in the LIURP regulations at 52 Pa. Code § 58.15 and incorporated in the USRR regulations.

LIURP Spending

As a rule, companies try to spend all of the LIURP funds that are 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. Thus, the actual spending for the program year 2002 and the projected spending for the program year 2003 that is reported below may contain unspent funds that the EDC or NGDC is obligated to spend.

LIURP Spending -- Electric Utilities

Company	2002 Actual Spending	2003 Projected Spending*
Allegheny	$2,217,965	$2,547,669
Duquesne	$2,365,834	$3,225,000
GPU	$3,508,105	$3,989,249
PECO-Electric	$5,600,000	$5,600,000
Penn Power	$599,649	$645,250
PPL	$5,406,590	$5,700,000
Total	**$19,698,143**	**$21,707,168**

*Includes carryover of unspent funds.

LIURP Spending -- Natural Gas Utilities

Company	2002 Actual Spending	2003 Projected Spending*
Columbia	$1,376,403	$1,369,203
Dominion	$610,856	$610,000
Equitable	$393,834	$635,700
NFG	$943,743	$1,271,703
PECO-Gas	$883,171	$875,000
PG Energy	$335,481	$409,151
UGI-Gas	$460,208	$787,146
Total	**$5,003,696**	**$5,957,903**

*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 characteristics such as the type, size and condition of the housing stock, contractor capability, contractor capacity and, to a lesser extent, customer demographics and customer behavior.

LIURP Electric Production

Company	2002 Actual Production			2003 Projected Production		
	Heating Jobs	Water Heating Jobs	Baseload Jobs*	Heating Jobs	Water Heating Jobs	Baseload Jobs*
Allegheny	331	901	41	385	1,060	75
Duquesne	14	3	1,756	25	25	1,750
GPU	567	1,375	913	570	1,410	920
PECO-Electric	1,396	0	6,221	1,265	0	6,500
Penn Power	88	371	361	90	420	420
PPL	1,525	145	885	1,850	145	885
Total	**3,921**	**2,795**	**10,177**	**4,185**	**3,060**	**10,550**

* Baseload jobs do not contain heating or water heating program measures

LIURP Natural Gas Production

Company	2002 Actual Production Heating Jobs	2003 Projected Production Heating Jobs
Columbia	227	220
Dominion	218	206
Equitable	107	150
NFG	193	250
PECO-Gas	572	653
PG Energy	111	133
UGI-Gas	175	200
Total	**1,603**	**1,812**

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 of the gas jobs are classified as heating. On the other hand, for electric jobs the determination of the job type first depends on whether or not 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. Next, 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 Job Costs

Company	2002 Heating Jobs	2002 Water Heating Jobs	2002 Baseload Jobs
Allegheny	$2,464	$566	$420
Duquesne	$1,170	$130	$610
GPU	$1,605	$682	$684
PECO-Electric	$1,835	Not Applicable	$329
Penn Power	$1,502	$621	$597
PPL	$1,763	$1,108	$653

LIURP Natural Gas Job Costs

Company	2002 Heating Jobs
Columbia	$5,335
Dominion	$2,255
Equitable	$2,835
NFG	$3,480
PECO-Gas	$1,515
PG Energy	$2,554
UGI-Gas	$2,350

LIURP Energy Savings and Bill Reduction

LIURP energy savings are calculated by subtracting the customer’s usage during the 12 months following the provision of program measures from the usage during the 12 months preceding the treatments. The energy savings reported below 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 the post-treatment period. Companies voluntarily report this information to BCS on an annual basis. The estimated annual bill reductions that are presented below are based on the average of the company results. LIURP energy savings and estimated bill reductions are consistent with the results from past years.

LIURP Energy Savings and Bill Reductions

Job Type	2001 Energy Savings	2001 Estimated Annual Bill Reduction*
Electric Heating	12.6%	$232
Electric Water Heating	7.2%	$72
Electric Baseload	7.9%	$78
Gas Heating	20.4%	$314

Customer Assistance Programs

Customer Assistance Programs (CAPs) provide an alternative to traditional collection methods for low-income, payment troubled utility customers. Customers make regular monthly payments, which may be for an amount that is less than the current bill for utility service. Most payments are based on a percentage of a customer's income. Some payments are based on a rate discount, while others are based on a percentage of the bill or historical payments. However, household size and income generally determine the size of any discount. Besides regular monthly payments, customers need to comply with certain responsibilities and restrictions to remain eligible for continued participation. This section presents a progress report on the implementation of the Commission's CAP Policy Statement and 66 Pa. C.S. § 2802(10), § 2804(9), § 2203(7) and § 2203(8) by the six largest EDCs and by the NGDCs serving over 100,000 customers, with the exception of PGW.

CAP Participation

In conformance with the *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code §54.75(2)(i)(C) for the EDCs and 52 Pa. Code §62.5(2)(i)(C) for the NGDCs, the companies are to report to the Commission 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. In conformance with the Reporting Requirements for Universal Service and Energy Conservation at 52 Pa. Code § 54.74 for the EDCs and 52 Pa. Code § 2.4 for the NGDCs, each company is to submit to the Commission for approval a three-year universal service plan.

The regulations at 52 Pa. Code §§ 54.74(b)(3)&(4) for the EDCs and 52 Pa. Code §§ 62(4) (b)(3)&(4) require the companies to submit a projected needs assessment and projected enrollment level for its universal service programs. As part of their universal service plans at section 54.74, PECO and PPL proposed and the Commission accepted the enrollment numbers shown below in the Phase-In column.

The 2002 results compare actual CAP enrollment with program phase-in size. The results also show a CAP Participation Rate, defined as the number of participants enrolled as of Dec. 31, divided by the number of confirmed low-income customers. The CAP participation rate would be much lower if the rate reflected estimated rather than confirmed low income customers.

Allegheny Power's 100% participation is inflated because they have included only CAP customers in their count of confirmed low-income customers. Other companies include non-CAP customers who receive LIHEAP benefits and also low income customers who have payment arrangements. Next year, Allegheny will include these additional categories.

CAP Participation – Electric Utilities

EDC	Participants Enrolled as of 12/31/01	CAP Participation Rate	2002 Program Phase-In Size	Participants Enrolled as of 12/31/02	CAP Participation Rate
	2001		2002		
Allegheny	7,632	65%	16,800	15,142	100%
Duquesne	11,547	63%	15,000	15,075	67%
GPU	11,113	18%	14,000	13,338	22%
PECO	73,107	37%	93,000	86,535	46%
Penn Power	3,657	59%	3,400	3,991	55%
PPL	9,099	8%	17,000	10,919	9%
Total	**116,155**		**159,200**	**145,000**	
Weighted Avg.		28%			35%

CAP Participation – Natural Gas Utilities

NGDC	2002 Program Phase-In Size	Participants Enrolled as of 12/31/02	CAP Participation Rate
	2002		
Columbia	13,000	11,922	16%
Dominion Peoples	6,000	6,864	13%
Equitable	9,000	8,364	N/A
NFG	8,500	6,033	27%
PECO	17,500	12,624	41%
PG Energy	2,500	1,002	10%
UGI	2,666	982	16%
Total	**59,166**	**47,791**	
Weighted Avg.			24%

N/A – Not available

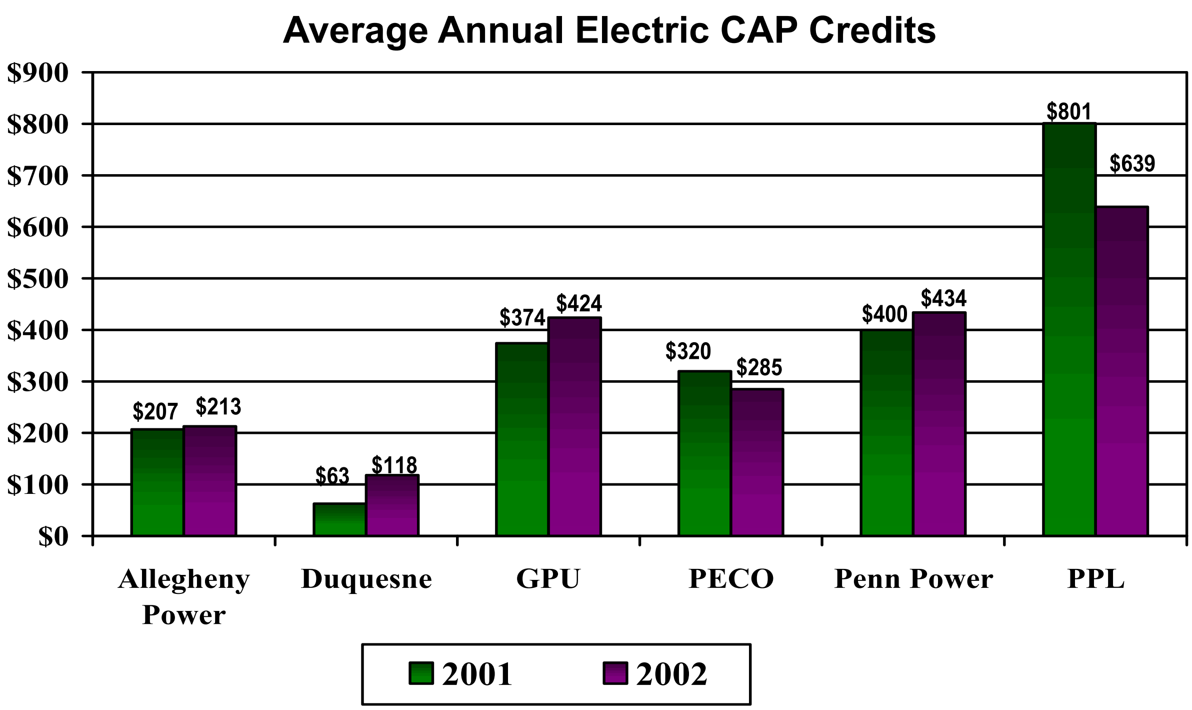
CAP Benefits – Bills, Credits & Arrearage Forgiveness

In conformance with the *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code § 54.75(2)(ii)(B)(IV) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(B)(IV) for the NGDCs, the companies are to report to the Commission on CAP benefits. The regulation defines CAP benefits as the average CAP bill, average CAP credits, and average arrearage forgiveness. 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.

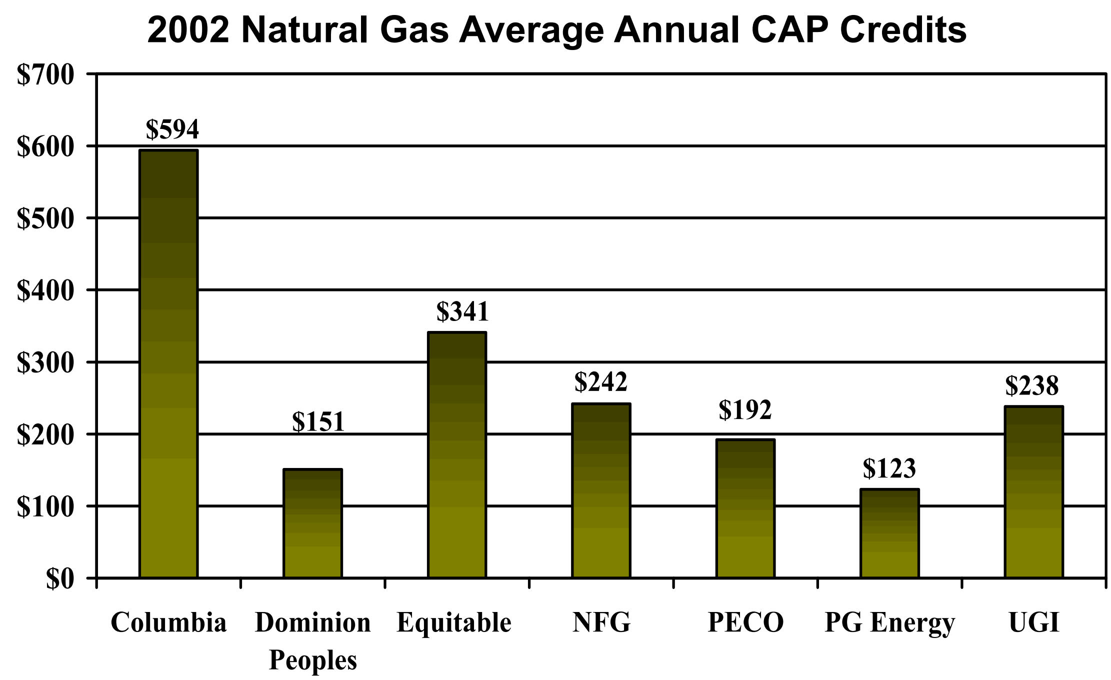
The Commission has further defined the three components of CAP benefits. The Commission defines average CAP bill as the total CAP billed (total of the expected monthly CAP payment) amount divided by total number of CAP bills rendered. The Commission defines average CAP credits as the total amount of the difference between the standard billed amount and the CAP billed amount divided by the average monthly number of CAP participants. The Commission defines average arrearage forgiveness as 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 below show average monthly CAP bill and CAP benefits.

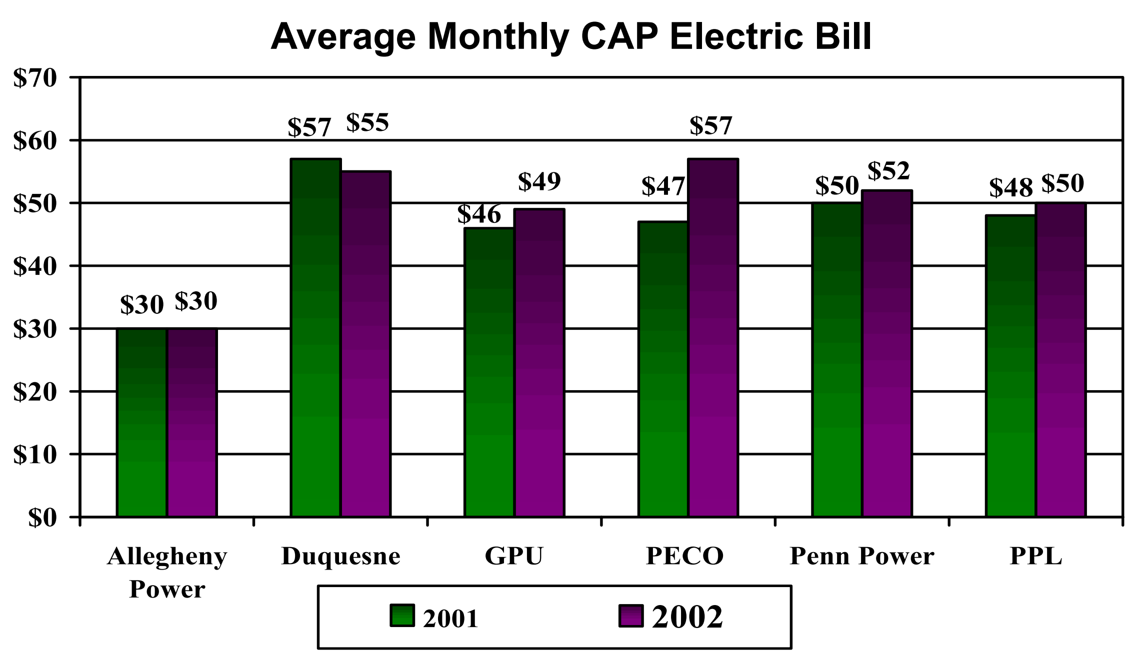
Average CAP bills and CAP credits will fluctuate due to several factors: CAP customers may have different payment plans based on their type of usage (heating, water heating or baseload); change in rates, and the distribution of income levels among program participants. Consumption and weather will also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

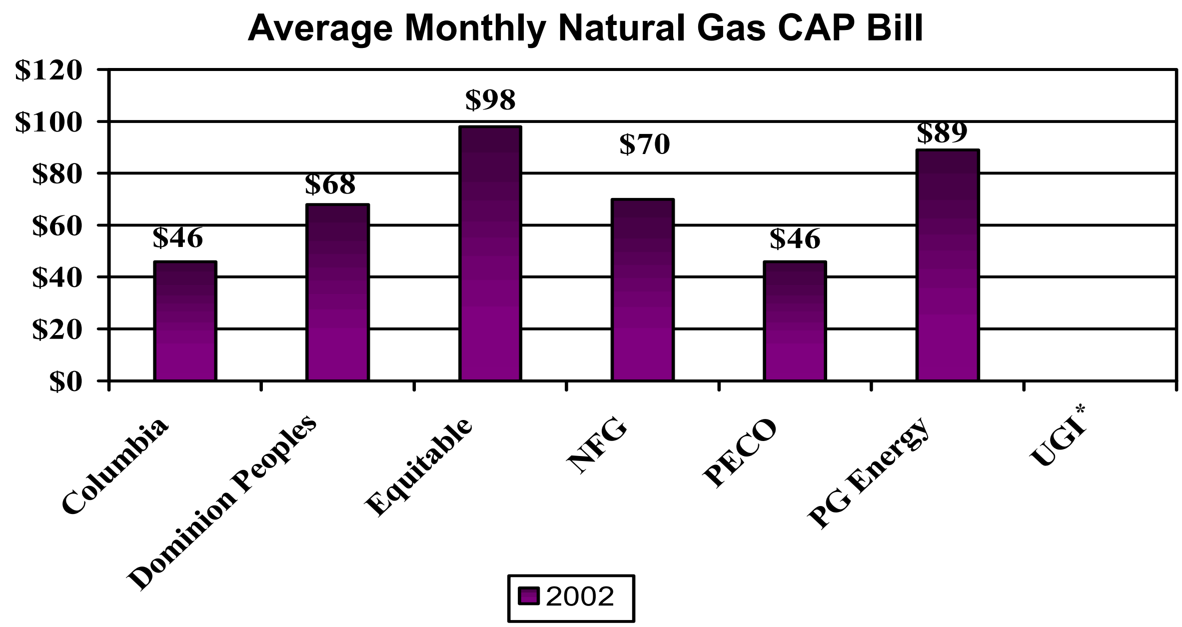
PPL explains that one reason for its higher than industry average for CAP credits is that 40% of CAP participants heat with electricity. Because a high proportion of CAP customers heat with electricity, CAP credits will be higher for PPL.



Columbia's CAP credits are higher than the industry average. This can be attributed, in part, to its monthly average CAP bill, which is significantly lower than the industry average. Columbia's average CAP bill, at $46, is intended to conform with the intent expressed at 66 Pa. C.S. § 2203(8) that universal service programs assist low-income retail gas customers afford natural gas service.

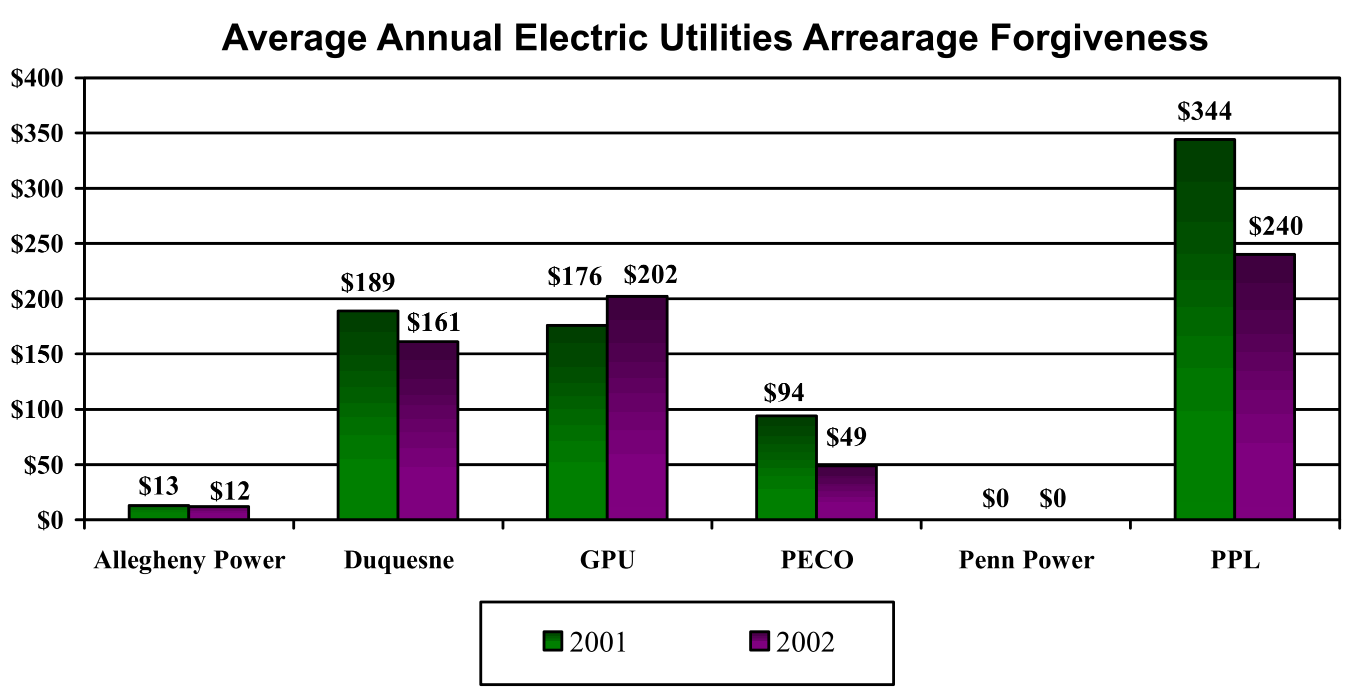

2002 Natural Gas Average Annual CAP Credits
$700
$600
$500
$400
$300
$200
$100
$0
$594
$151
$341
$242
$192
$123
$238
Columbia
Dominion Peoples
Equitable
NFG
PECO
PG Energy
UGI


Average Monthly CAP Electric Bill
$70
$60
$50
$40
$30
$20
$10
$0
$30 $30
$57 $55
$46 $49
$47 $57
$50 $52
$48 $50
Allegheny Power
Duquesne
GPU
PECO
Penn Power
PPL
2001
2002



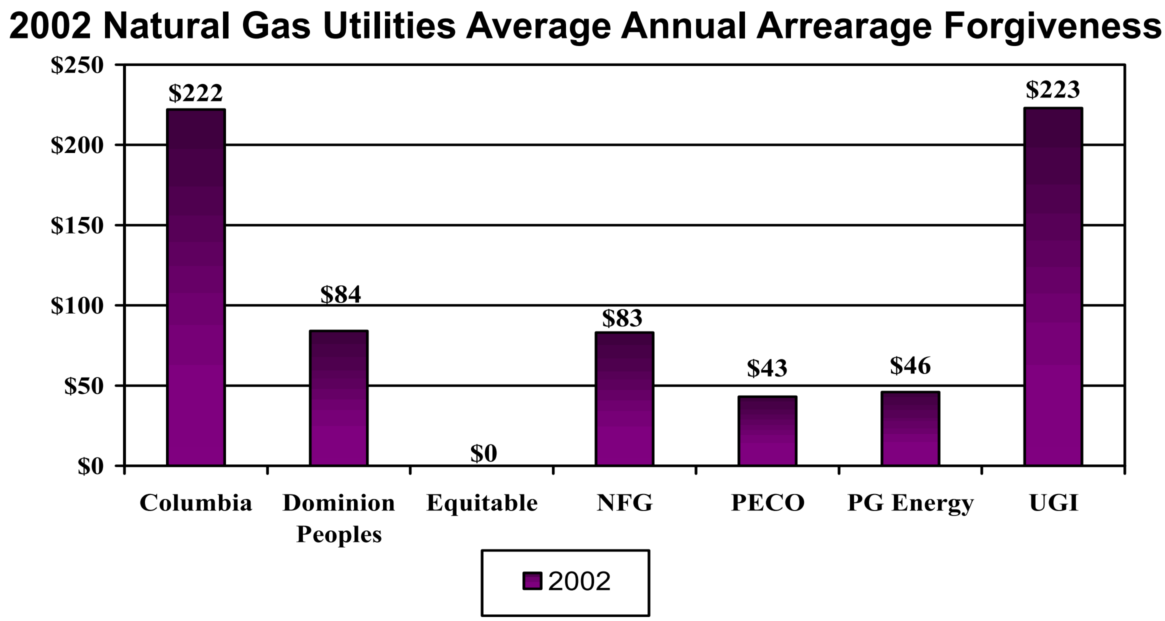
*Not available

Arrearage forgiveness credits will also fluctuate due to the following factors: the length of time over which forgiveness occurs; the length of time a customer is enrolled in CAP; how often forgiveness occurs (monthly or yearly), and the amount of arrearage brought to the CAP program. As programs become established, it should be rare that a customer comes to a program with a large arrearage because a utility should enroll a customer into CAP at the initial signs that a low income customer is payment troubled.



Allegheny Power attributes the low amount of dollars it spent for arrearage forgiveness to the aggressive and successful outreach it conducts to refer CAP customers to their hardship fund program and other agencies that provide cash assistance to pay utility bills. The outreach efforts result in energy assistance grants that reduce the total preprogram arrearages. In addition, a CAP customer must make at least ten full, on-time payments to be eligible for arrearage forgiveness.

At this time, Penn Power's CAP design does not include an arrearage forgiveness component. The company cites funding considerations, computer programming costs, and rate caps as reasons to continue to delay the implementation of this component. By order entered May 14, 2002, the Commission apprised Penn Power that it expects Penn Power to implement an arrearage forgiveness component within its SAP system consistent with the CAP Policy Statement. 52 Pa. Code § 69.265(6)(ix).



In 2002, Equitable's CAP did not include an arrearage forgiveness component. However, under the terms of Equitable's restructuring case at Docket No. R-00994784, Equitable agreed to design an arrearage forgiveness component. By the Order entered on July 18, 2002, the Commission approved Equitable's arrearage forgiveness component. Equitable implemented the component in March 2003.

CAP Payment Rate

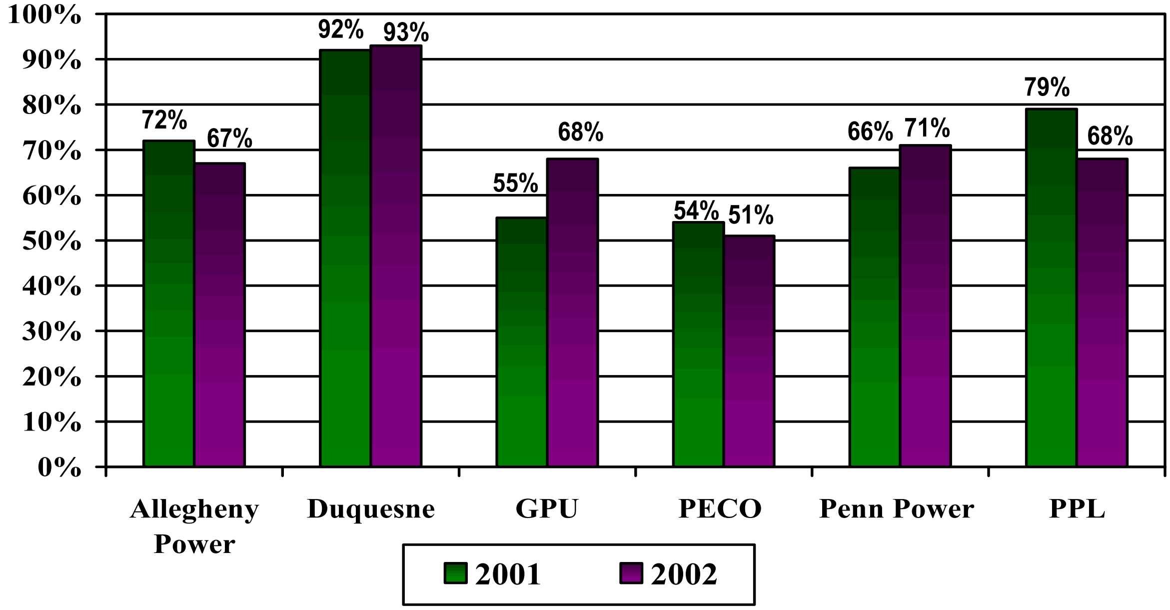
In conformance with the *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code § 54.75(2)(ii)(B)(III) for the EDCs and 52 Pa. Code § 62.5 (2)(ii)(B)(III) for the NGDCs, the companies are to report to the Commission on CAP payment rate. The regulation defines payment rate as the total number of full CAP monthly payments received from participants in a given period divided by the total number of monthly bills issued to CAP participants in the same period. The Commission has defined a given period as a calendar year. In addition to utility bills, low income households experience other financial stress such as housing and medical emergencies. Because these households have low incomes, CAP customers are often unable to make twelve full CAP payments in twelve months. However, many customers catch-up those missed payments in a twelve month period. Timely collection activity and affordability of CAP bills influences CAP payment rate.

CAP payment rate viewed along with the percentage of CAP bill paid by customers provides a more accurate picture of performance than CAP payment rate alone. CAP payment rate may be low due to customers catching-up missed payments. For example, if a customer misses a payment and makes two payments in one month, that payment will count as one full payment not two. However, the percentage of bill paid reflects payment of the missed CAP amounts.

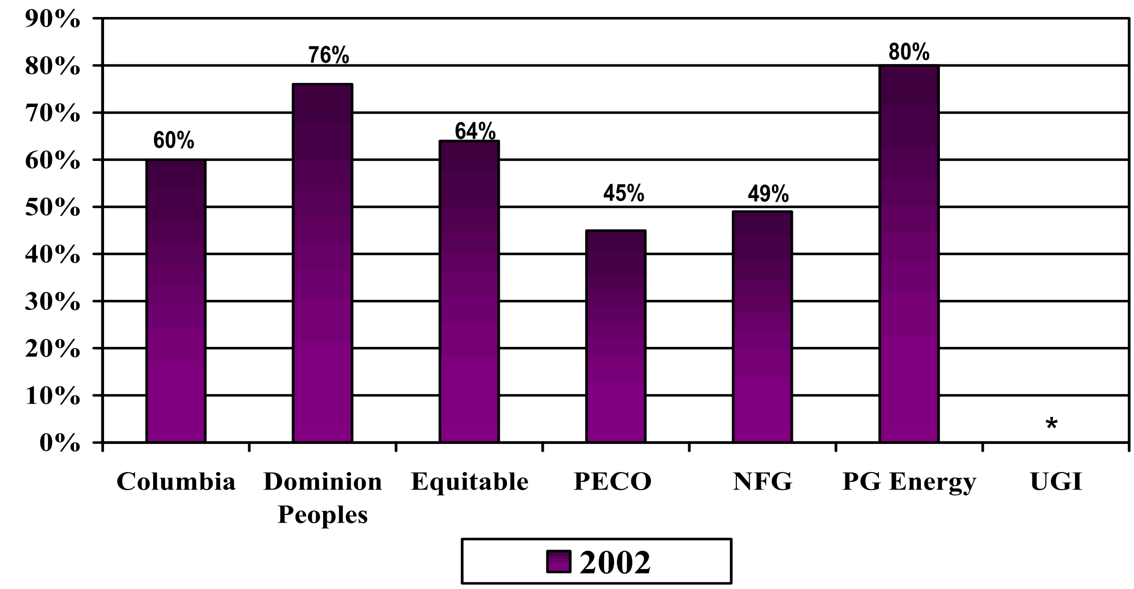
GPU's data understates CAP payment rate. GPU is unable to identify accurately all full CAP payments made by their CAP customers. GPU cannot identify CAP payments when the CAP payment is equal to or greater than the actual bill. This may occur on summer bills for electric heating customers. In addition, GPU cannot identify CAP payments for customers who have no arrearages. This understatement gives the incorrect appearance that customers are not complying with their responsibilities. More importantly, this understated data results in an inaccurate low payment rate and percentage of bill paid.

For 2002, UGI is unable to provide the number of customers who made full payments. The company attributes this inability to computer system capabilities and has filed a petition for waiver on December 12, 2003. Therefore, the Commission cannot calculate a payment rate for UGI.

CAP Electric Payment Rate



CAP Natural Gas Payment Rate



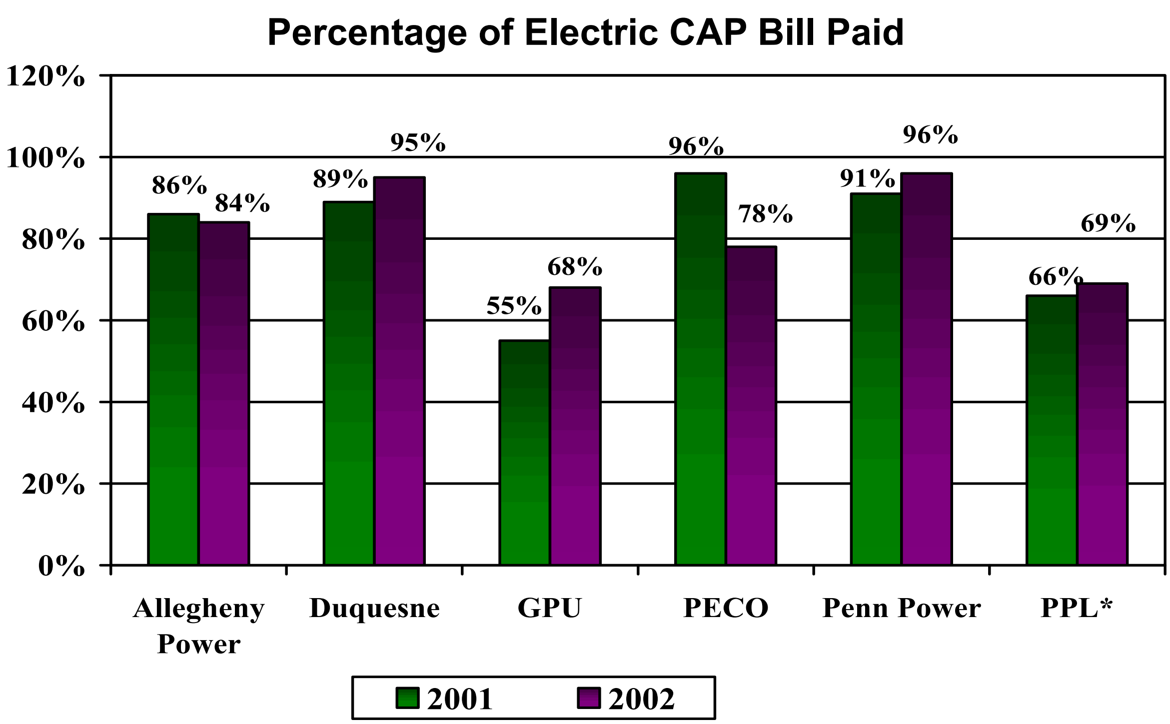
* Data is not available.

Percentage of Bill Paid

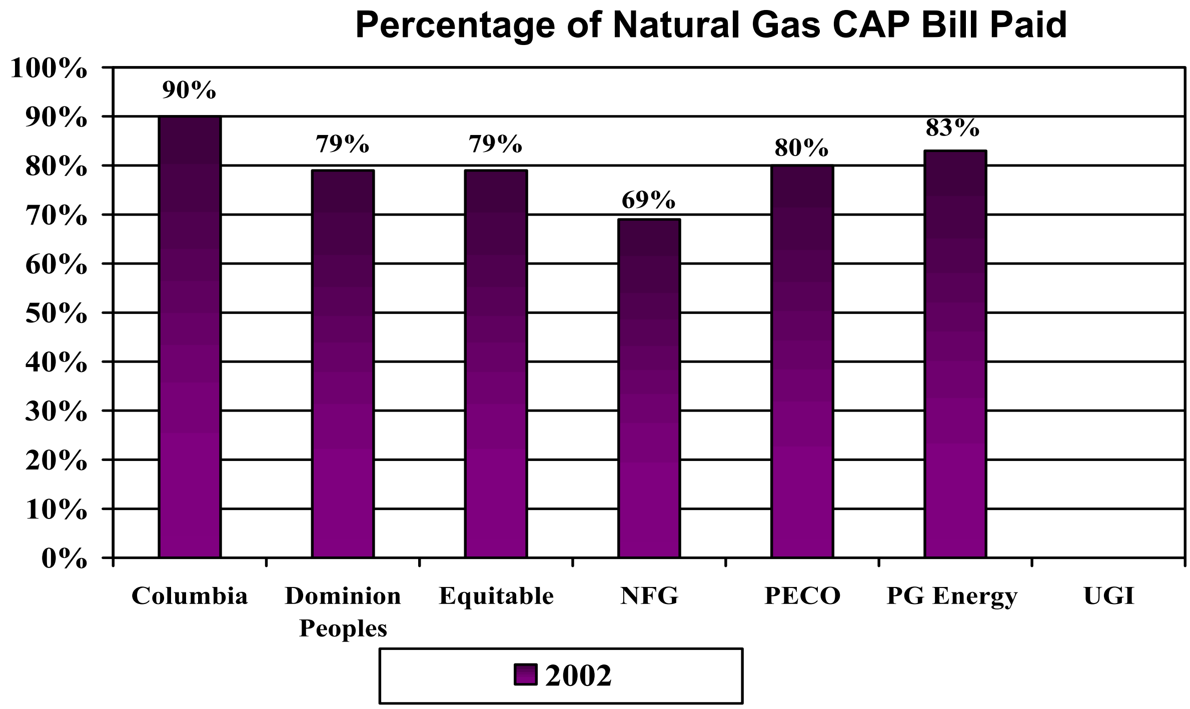
In conformance with the *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code § 54.75(2)(ii)(B)(VII) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(B)(VII) for the NGDCs, the companies are to report to the Commission on the percentage of CAP billed. "CAP billed" is the annual total of the expected monthly CAP payment. This amount includes the amount that companies bill CAP customers rather than the tariffed rate amount. The companies report on the annual total amount of payments by CAP customers. The Commission defines percentage of CAP bill paid as the total amount of payments by CAP customers divided by the total dollar amount of CAP billed. The table below shows percentage of CAP bill paid by CAP customers.

For the reasons previously described above, GPU's data is understated.

For 2002, UGI is unable to provide both the total amount billed to CAP customers and the total amount paid by CAP customers. The company attributes this inability to computer system capabilities and has filed a petition for waiver on December 12, 2003.



*Revised 2001 data.



* Data not available

CAP Costs

In conformance with the *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code § 54.74(2)(i)(A) for the EDCs and 52 Pa. Code § 62.4(2)(i)(A) for the NGDCs, the companies are to report to the Commission on CAP program costs. The companies and the Bureau developed mutually satisfactory guidelines for reporting CAP costs. CAP costs include costs for administration, CAP credits, and arrearage forgiveness. Administrative costs include the following costs: 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 includes collection expenses as well as other operation and maintenance expenses. See Appendix 5 for the percentage of CAP spending by program component: administration, CAP credits, and arrearage forgiveness. The data below show a need for improvement in the percentage of CAP spending on administration. CAP spending for administrative purposes should not exceed twenty percent. 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.

CAP Electric Gross Costs

EDC	Total Gross CAP Costs	Average CAP Enroll-ment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enroll-ment	Average Gross Program Costs per CAP Customer
	2001			2002		
Allegheny	$1,703,273	6,132	$278	$3,069,116	11,006	$279
Duquesne	$3,850,000	8,696	$443	$5,275,000	13,087	$403
GPU	$7,212,919	10,843	$665	$9,457,535	12,914	$732
PECO	$43,398,809	71,647	$606	$53,051,221	81,753	$649
Penn Power	$1,617,602	3,080	$525	$1,882,134	3,785	$497
PPL	$9,504,095	6,749	$1,408	$10,829,095	9,760	$1,110
Total	**$67,286,698**	**107,147**		**$83,564,101**	**132,305**	
Weighted Average			$628			$632

CAP Natural Gas Gross Costs

NGDC	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
	2002		
Columbia	$8,894,938	10,101	$881
Dominion Peoples	$1,399,490	4,989	$281
Equitable	$3,365,432	8,195	$411
PECO	$6,027,222	12,123	$497
NFG	$2,137,966	5,452	$392
PG Energy	$271,454	1,060	$256
UGI	$555,482	874	$636
Total	**$22,651,984**	**42,794**	
Weighted Average			$529

CARES

The purpose of a CARES program is to provide a cost-effective service that helps payment troubled customers maximize their ability to pay utility bills. A CARES program helps address health and safety concerns relating to utility service by providing important benefits. CARES staff provides 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. CARES representatives provide case management services to a limited number of customers with special needs. Most customers receive the case management services of CARES for no more than six months. If a customer's hardship is not resolved within that time, a utility will transfer a customer from the CARES program to their CAP. The number of customers who receive case management services has decreased because these customers now receive the benefits of more affordable payments as part of CAP enrollment.

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.

Finally, CARES staff conduct outreach and make referrals to programs that provide energy assistance grants. CARES staff also make referrals to LIHEAP (the federal program that provides energy assistance grants), hardship funds, and other agencies that provide cash assistance.

CARES Benefits

In conformance with the *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code § 54.75(2)(ii)(C)(III) for the EDCs and 52 Pa. Code § 62.5 (2)(ii)(C)(III) for the NGDCs, the companies are to report to the Commission on CARES benefits. The Commission defines CARES benefits as the total number and dollar amount of LIHEAP benefits applied to all low-income customers' accounts. LIHEAP benefits include both LIHEAP cash and LIHEAP crisis grants. Typically, households that receive crisis grants also receive cash grants. Therefore, to avoid double counting the number of benefits, the table below shows number of households that received LIHEAP cash grants. The dollar amount of LIHEAP benefits includes *both* cash and crisis LIHEAP benefits. The total amount of LIHEAP dollars that each utility receives is dependant primarily on the amount of the federal LIHEAP appropriation and the number of poor customers in each company's service territory. The regulation defines direct dollars as dollars that are applied to a CARES customer's electric utility account, including all sources of energy assistance applied to utility bills such as LIHEAP, hardship fund grants and local agencies' grants. Because the number of participants who receive the case management services of CARES are small, the direct dollars not related to LIHEAP grants will be a smaller number than the total LIHEAP dollars for all low income customers.

2002 Electric CARES Benefits

EDC	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
Allegheny	$177,667	$1,915,264	6,726	$41,745	$1,779,342
Duquesne	$100,000	$1,810,283	4,907	$511,400	$2,221,683
GPU		$2,307,186	7,247		$2,307,186
PECO	$557,502	$5,388,396	19,545	$345	$4,831,239
Penn Power	$17,117	$508,598	1,445		$491,481
PPL		$3,175,385	11,299	$43,871	$3,219,256
Total	**$852,286**	**$15,105,112**	**51,169**	**$597,361**	**$14,850,187**

*GPU and Penn Power enroll and monitor all CARES participants in its CAP rather than separately monitoring these accounts. PPL includes the costs of CARES in its OnTrack costs. The CARES representatives in both companies perform the functions of both CAP and CARES.

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

2002 Natural Gas CARES Benefits

NGDC	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	$137,450	$3,434,552	13,435	$1,800	$3,298,902
Dominion	$204,339	$4,811,830	17,227	$161,134	$4,768,625
Equitable	$225,557	$4,262,559	13,744	$51,131	$4,088,113
NFG	$16,860	$4,532,085	14,910	$5,151	$4,520,376
PECO	$68,905	$665,981	2,921	$43	$597,119
PG Energy	$79,995	$3,210,376	9,733	$7,748	$3,138,129
UGI	$81,861	$2,305,384	8,954	$51,256	$2,274,779
Total	**$814,967**	**$23,222,767**	**80,924**	**$278,263**	**$2,274,779**

*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 customers who “fall through the cracks” of other financial programs, 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. Contributions from shareholders, utility employees, and customers are the primary sources of funding for these programs.

Ratepayer and Shareholder Contributions

In conformance with the *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code § 54.75(2)(ii)(D)(I)&(III) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(D)(I)&(III) for the NGDCs, the companies are to report to the Commission on the amount of ratepayer and utility contributions to their hardship funds. Utility shareholders contribute the bulk of utility contributions. The Commission defines 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. 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. Columbia’s ratepayer contributions include a $330,000 contribution from Citizens Energy Corp. In prior reports, the Commission included this contribution as a shareholder contribution. Utility and ratepayer contributions are shown in the tables below.

2001-02 Electric Hardship Fund Contributions

EDC	Ratepayer Contributions	Average Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Allegheny	$204,569	$0.34	$180,000
Duquesne	$248,285	$0.47	$390,000
GPU	$144,400	$0.15	$300,000
PECO	$276,013	$0.20	$1,652,242
Penn Power	$54,381	$0.40	$132,300
PPL	$436,307	$0.38	$448,000
Total	**$1,363,955**		**$3,102,542**
Weighted Average		$0.32	

2001-02 Natural Gas Hardship Fund Contributions

NGDC	Ratepayer Contributions	Average Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Columbia*	$404,034	$1.16	$170,274
Dominion Peoples	$161,082	$0.50	$420,000
Equitable	$93,873	$0.39	$240,000
NFG	$46,245	$0.24	$33,333
PECO	$34,114	$0.08	$204,209
PG Energy	$22,697	$0.16	$44,624
UGI	$13,283	$0.06	$45,403
Total	**$775,328**		**$1,158,843**
Weighted Average		$0.41	

Hardship Fund Benefits

In conformance with the *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code § 54.75(2)(ii)(D)(V) for the EDCs and 52 Pa. Code § 62.5 (2)(ii)(D)(V) for the NGDC's the companies are to report to the Commission on hardship fund benefits. The Commission defines hardship fund benefits as the cumulative total number and dollar amount of grants disbursed for the program year as of the end of the program year.

In 2001-02, PECO made a special $1.3 million contribution to its hardship fund administering agencies as a result of PECO's restructuring settlement agreement at Docket No. A-110550F0147.

Electric Utility Hardship Fund Grant Benefits

EDC	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2000-1	2001-2	2000-1	2001-2	2000-1	2001-2
Allegheny	1,578	1,477	$190	$203	$300,000	$300,000
Duquesne	3,124	2,646	$216	$246	$675,134	$650,000
GPU	2,278	1,708	$276	$276	$629,040	$470,940
PECO	3,436	3,094	$378	$565	$1,297,180	$1,747,767
Penn Power	646	655	$309	$360	$199,831	$235,844
PPL	2,314	2,515	$283	$174	$655,458	$438,148
EDC Total	**13,376**	**12,095**			**$3,756,643**	**$3,842,699**
Weighted Average			$281	$318		

Natural Gas Utility Hardship Fund Grant Benefits

NGDC	Ratepayers Receiving Grants	Average Grant	Total Benefits Disbursed
	2001-2	2001-2	2001-2
Columbia	2,289	$246	$563,190
Dominion Peoples	2,071	$320	$663,120
Equitable	1,312	$305	$400,000
NFG	295	$217	$64,066
PECO-Gas	463	$467	$216,016
PG Energy	549	$121	$66,571
UGI-Gas	493	$140	$68,816
NGDC Total	**7,472**		**$2,041,779**
Weighted Average		$273	

4. Small Utilities' Universal Service Programs

The universal service reporting requirements for small utilities are considerably less than for the major utilities. The *Reporting Requirements for Universal Service and Energy Conservation Programs* at 52 Pa. Code, Chapter 62, Section 62.7 define small utilities as those NGDCs serving fewer than 100,000 residential customers. The corresponding reporting requirement at 52 Pa. Code, Chapter 54, Section 54.77 defines small utilities as those EDCs serving fewer than 60,000 residential customers. Two major differences are that these small utilities do not fall under the plan submission and approval process at Section 54.74 for EDCs and Section 62.4 for NGDCs and the submission of collection and program data at Section 54.75 for EDCs and Section 62.5 for NGDCs.

As a result of the *Electricity Generation Customer Choice and Competition Act* and the *Natural Gas Choice and Competition Act* (the Acts), the following seven small utilities now have various universal service programs:

- Citizens Electric Company, (Citizens)
- Pike County Power & Light (Pike)
- UGI Utilities, Inc. (UGI)
- Wellsboro Electric Company (Wellsboro)
- Valley Energy (formerly NUI Valley Cities Gas)
- PPL Gas Utilities Corporation (PPL Gas)
- TW Phillips Gas and Oil Company (TW Phillips)

The universal service programs implemented by these companies vary considerably in size and scope of services. For example, Citizens and Pike participate with the Dollar Energy Fund in a hardship fund program. Pike administers a variation of a CAP program and participates in a hardship fund program. Valley Energy administers a CAP rate discount program. UGI, PPL Gas, and TW Phillips all administer CAP programs and participate in hardship funds. Both UGI – Electric and TW Phillips administer LIURP programs.

The small utilities also differ significantly in the total number of residential customers each serves. UGI, PPL Gas and TW Phillips, for example, each serve between 40,000 – 55,000 customers. Citizens, Pike, Wellsboro, and Valley Energy each serve less than 5,000 customers.

In addition to the utility-sponsored programs, LIHEAP benefits will be available to all low income households whose incomes are below 135 percent of the federal poverty guidelines.

In 2002, small utilities who administer CAPs enrolled 1,616 customers in their programs. In 2002, the small utilities that participate with hardship fund programs provided a total of $107,165 in hardship fund benefits to 582 customers. Finally, UGI and TW Phillips completed 132 LIURP jobs.

Appendix 1-When is an Account Considered to be Overdue?

Company	When is Day Zero (0)	How Many Days Overdue	Days of Variance from BCS Interpretation
Allegheny	Bill Due Date	10 Days	20 Days Sooner
Duquesne	Bill Due Date	30 Days	0 Days
GPU	Bill Due Date	30 Days	0 Days
PECO-Electric	Bill Transmittal Date	30 Days	20 Days Sooner
Penn Power	Bill Transmittal Date	30 Days	20 Days Sooner
PPL	Bill Transmittal Date	60 Days	10 Days Later
Columbia	Bill Due Date	30 Days	0 Days
Dominion	Bill Transmittal Date	30 Days	20 Days Sooner
Equitable	Bill Transmittal Date	30 Days	20 Days Sooner
NFG	Bill Rendition Date*	60 Days	9 Days Later
PECO-Gas	Bill Transmittal Date	30 Days	20 Days Sooner
PG Energy	Bill Due Date	30 Days	0 Days
UGI-Gas	Bill Due Date	30 Days	0 Days

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

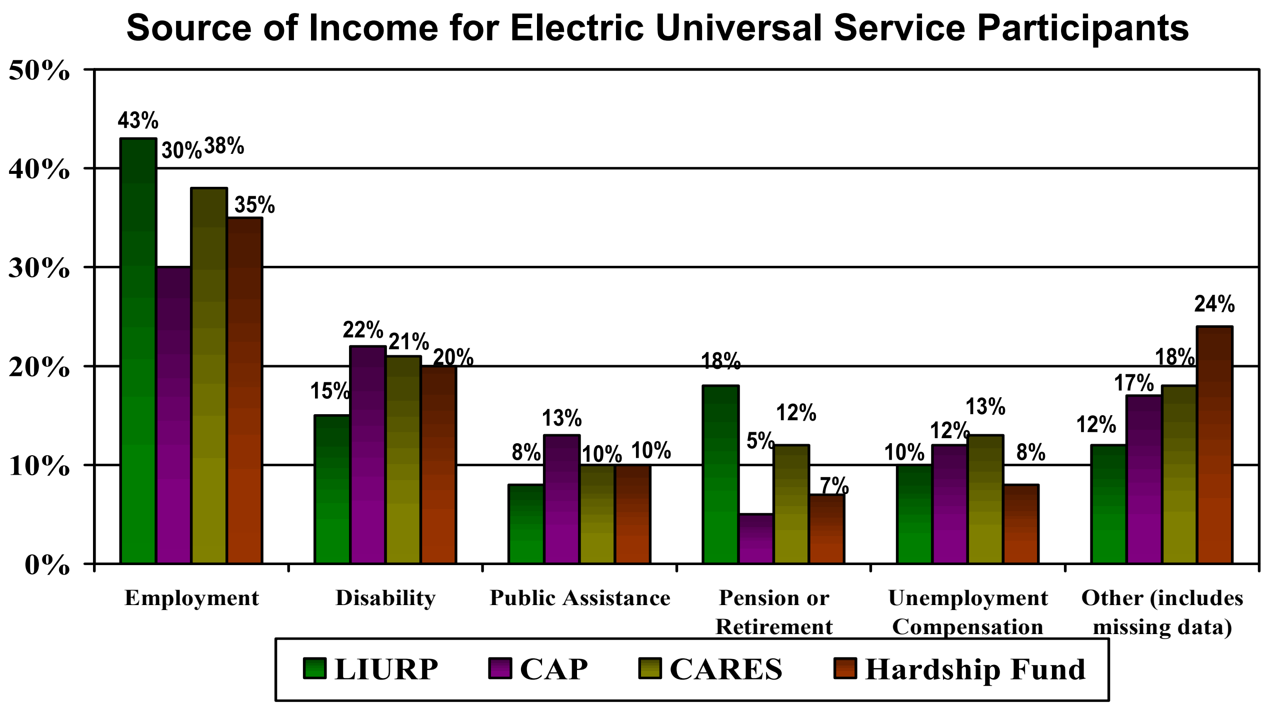
Appendix 2 -When Does an Account Move from Active to Inactive Status?

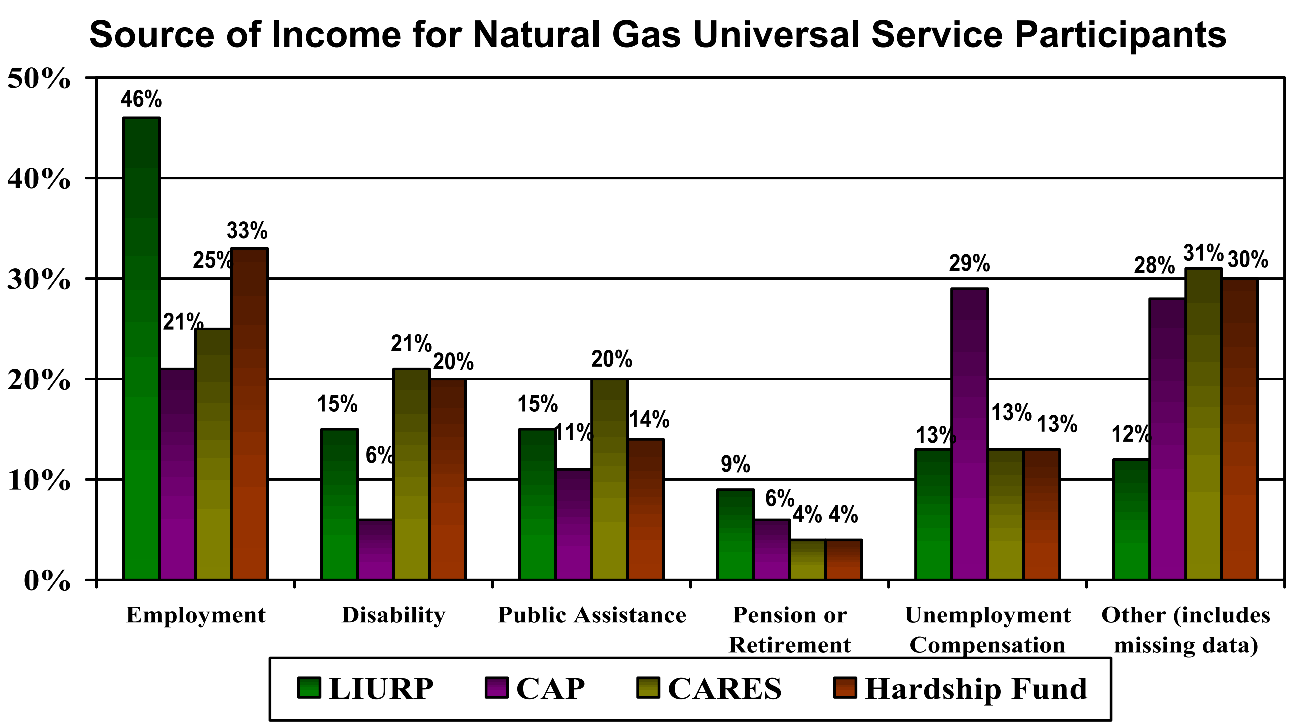
Company	After an Account is Terminated	After an Account is Discontinued
Allegheny	15 Days after Termination Date	0 to 1 Days after Final Bill Transmittal Date
Duquesne	7 Days after Termination Date	3 to 5 Days after Discontinuance
GPU	65 Days after Termination Date	Final Bill Due Date
PECO	5 to 7 Days after Termination Date	2 to 3 Days after Final Bill Transmittal Date
Penn Power	75 Days after Final Bill Transmittal Date	75 Days after Final Bill Transmittal Date
PPL	5 to 8 Days after Termination Date	Bill Transmittal Date
Columbia	5 to 7 Days after Termination Date	Same Day as Discontinuance
Dominion	10 Days after Termination Date	10 Days after Discontinuance
Equitable	3 Days after Termination Date	3 Days after Discontinuance Date
NFG	Same Day as Termination Date	Same Day as Discontinuance Date
PECO-Gas	5 to 7 Days after Termination Date	2 to 3 Days after Final Bill Transmittal Date
PG Energy	0 to 30 Days after Termination Date	0 to 1 Day after the Final Bill Transmittal Date
UGI-Gas	Same Day as Termination Date	Same Day as Discontinuance Date

Appendix 3 –2002 Poverty Guidelines

2002 Poverty Income Guidelines					
Size of Household	0-50% of Poverty	51-100% of Poverty	110% of Poverty (BCS Level 1)	101-150% of Poverty (BCS Level 2)	151-200% of Poverty
1	$4,430	$8,860	$9,746	$13,290	$17,720
2	$5,970	$11,940	$13,134	$17,910	$23,880
3	$7,510	$15,020	$16,522	$22,530	$30,040
4	$9,050	$18,100	$19,910	$27,150	$36,200
5	$10,590	$21,180	$23,298	$31,770	$42,360
6	$12,130	$24,260	$26,686	$36,390	$48,520
7	$13,670	$27,340	$30,074	$41,010	$54,680
8	$15,210	$30,420	$33,462	$45,630	$60,840
For each additional person, add	$1,540	$3,080	$3,388	$4,620	$6,160

Appendix 4 – Source of Income for Universal Service Participants





Appendix 5 – Percent of Spending by CAP Component

Percent of EDC Spending by CAP Component

	Percent of Total CAP Spending			Percent of Total CAP Spending		
EDC	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage
	2001			2002		
Allegheny	21.0%	74.5%	4.5%	19.5%	76.2%	4.3%
Duquesne	43.1%	14.3%	42.6%	30.7%	29.3%	40.0%
GPU	17.3%	56.2%	26.5%	14.4%	58.0%	27.6%
PECO	31.7%	52.8%	15.6%	48.5%	43.9%	7.6%
Penn Power	23.8%	76.2%	0.0%	12.7%	87.3%	0.0%
PPL	18.7%	56.9%	24.4%	20.8%	57.6%	21.6%
Weighted Avg.	28.5%	52.6%	18.9%	38.0%	48.5%	13.4%

Percent of NGDC Spending by CAP Component

NGDC	Admin Costs	CAP Credits	Arrearage Forgiveness
2002			
Columbia	7%	68%	25%
Dominion Peoples	16%	54%	30%
Equitable	17%	83%	0%
PECO-Gas	17%	62%	21%
NFG	38%	51%	12%
PG Energy	34%	48%	18%
UGI	27%	37%	35%
Weighted Avg.	23%	64%	18%

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265
http://puc.paonline.com