2011 Report on Universal Service Programs & Collections Performance

Pennsylvania Electric Distribution & Natural Gas Distribution Companies

Pennsylvania Public Utility Commission

Bureau of Consumer Services

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1. Introduction

This is the Pennsylvania Public Utility Commission's (Commission) annual Report on 2011 Universal Service Programs and Collections Performance of the Pennsylvania electric distribution companies (EDCs) and natural gas distribution companies (NGDCs). This summary report includes data and performance measures for the seven major EDCs and the eight major natural gas NGDCs. For the eigth time, this report contains performance measures for Philadelphia Gas Works (PGW).[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.

On Dec. 3, 1996, the Electricity Generation Customer Choice and Competition Act (Electric Choice Act), 66 Pa. C.S. §§ 2801-2812, was enacted. The Natural Gas Choice and Competition Act (Natural Gas Choice 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 also was concerned about ensuring that electric and natural gas service remains 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, 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 USRR for EDCs on April 30, 1998, and for NGDCs on June 22, 2000. Upon publication in the Pennsylvania Bulletin, the EDC regulations became effective Aug. 8, 1998, and the NGDC regulations became effective Dec. 16, 2000.

This 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 Duquesne Light, Metropolitan Edison – a FirstEnergy Company, PECO-Electric, Pennsylvania Electric – a FirstEnergy Company, Penn Power – a FirstEnergy Company, PPL, West Penn Power (formerly Allegheny Power) now a FirstEnergy Company, Columbia, Equitable, NFG, PECO-Gas, Peoples (formerly Dominion Peoples), PGW, UGI Penn Natural (formerly PG Energy), 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 this report, the Commission's Bureau of Consumer Services (BCS) conducted a data-cleaning and error-checking process that continued through June 2012. 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 issues also are discussed in more detail in later chapters.

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[1]The PGW restructuring proceedings concluded in 2003, and PGW began collecting the required universal service data in 2004. PGW began reporting universal service data in 2004.

Variations in the data either appear as footnotes to tables and charts, or are referenced and documented in the appropriate appendix. The BCS will continue to work with the companies to obtain uniform data that fully complies with the regulations.

The report is organized into chapters in the following order: Collection Performance, Universal Service Program Demographics, Low Income Usage Reduction Programs (LIURP), Customer Assistance Programs (CAPs), Customer Assistance and Referral Evaluation Services (CARES), Hardship Funds, and Small Utilities' Universal Service Programs.

Each chapter includes an introduction, a discussion of the data elements, definitions where necessary, data tables and charts. Multiple-year analyses are shown in a number of the tables in the collection and programs' chapters where this type of presentation format supports the intended analysis in a meaningful way.

Prior to 2002, the BCS also had been reporting some of the data found in this report in the annual report the BCS prepares, the 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 10th time, this report includes data for both electric and natural gas companies.

Universal Service Programs

LIURP — LIURP is an energy conservation and conservation education program. Qualifying households receive three services. First, the household receives an energy audit to assess household condition and energy usage. Second, where the audit deems it cost effective, the household receives the free installation of energy conservation and energy efficiency measures such as insulation, air sealing, and appliance installation. Finally, the household receives free education on energy conservation and usage reduction.

CAP — CAP is a payment assistance and debt forgiveness program for payment-troubled households. CAP's payment assistance feature is 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, 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 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 — CARES is a social service and referral program for households encountering some form of extenuating circumstances or emergency that result in the households' 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 available to qualifying households cash grants 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.

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. This allocation factor splits the Combination group into 83 percent electric and 17 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.

Treatment of the FirstEnergy Companies

Beginning with 2003 data, FirstEnergy Corp. requested the BCS allow it to identify and report separately on the three 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.

Treatment of West Penn Power (formerly Allegheny Power)

On Feb. 24, 2011, the PUC approved a joint application filed by West Penn (Allegheny Power), Trans-Allegheny Interstate Line Company (TrAILCo) and FirstEnergy to obtain approval for a change of control of Allegheny and TrAILCo. Allegheny and TrAILCo each became a wholly owned subsidiary of FirstEnergy. Subsequent to the approval, Allegheny Power began identifying itself to customers as "West Penn Power, A FirstEnergy Company." Starting with this year's report, we will 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 the body of the report 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

On Nov. 30, 2004, the Governor signed into law Senate Bill 677, or Act 201. This law went into effect on Dec. 14, 2004, and amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§1401-1418), Responsible Utility Customer Protection. Chapter 14 eliminated the opportunities for customers capable of paying to avoid paying their utility bills, and provided utilities with the means to reduce their uncollectible accounts by modifying the procedures for delinquent account collections. The goal was to increase timely collections while ensuring that service is available to all customers based on equitable terms and conditions (66 Pa. C.S. §1402). The legislation is applicable to EDCs, water distribution companies and NGDCs with an annual operating income in excess of $6,000,000.[2] Steam and wastewater utilities are not covered by Chapter 14.

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[2]Small natural gas companies may voluntarily "opt in" to Chapter 14. 66 Pa. C.S. §1403.

Chapter 14 changed regulations 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 Commission amended Chapter 56 to make these regulations consistent with Chapter 14. The revised Chapter 56 regulations were published in the Pennsylvania Bulletin on Oct. 8, 2011 and are now in effect.

Two years after the effective date and every two years thereafter, the Commission must report to the General Assembly regarding the implementation and effectiveness of the Act. The Commission issued the First Biennial Report to the General Assembly and the Governor Pursuant to Section 1415 on Dec. 14, 2006, and released the third report on Jan.14, 2011. Chapter 14 expires on Dec. 31, 2014, unless reenacted.

Final Investigatory Order in Customer Assistance Programs

On Dec. 18, 2006, the Commission entered a Final Investigatory Order in Customer Assistance Programs: Funding Levels and Cost Recovery Mechanisms, Docket No. M-00051923. As a result of the investigation, the Commission directed the retention and revision of the Policy Statement on Customer Assistance Programs at 52 Pa. Code §§ 69.261-69.267. In addition, the Commission also directed that a rulemaking be instituted to revise its regulations at 52 Pa. Code § 54.74 and § 62.4 and add a new chapter pertaining to Customer Assistance Programs. The purpose of the rulemaking was to establish a unified process by which the level of funding for each natural gas distribution company and electric distribution company could be determined in conjunction with the Commission's triennial review of the company's universal service and energy conservation plan. The new chapter regarding CAP established rules covering the dismissal of customers from CAPs, the coordination of energy assistance benefits, and other CAP design features.

Status of CAP Policy Statement

By Order entered Sept. 5, 2007, at Docket No. M-00072036, the Commission issued proposed revisions to the CAP Policy Statement for comment. The *Pennsylvania Bulletin* published the Order and Proposed Policy Statement on Nov. 10, 2007, with a 60-day comment period. *37Pa.B.45*. Fourteen sets of comments were filed by the January 9, 2008 deadline.

On April 9, 2010, the Commission entered an Order, at Docket No. M-00920345, suspending Sections 69.265(9)(ii-iii) of the Policy Statement, 52 Pa. Code §§ 69.265(9)(ii-iii). These sections pertain to application of Low Income Home Energy Assistance Program (LIHEAP) grants to a distribution company's CAP and were inconsistent with the state Department of Public Welfare's (DPW) changes to its administration of LIHEAP, which were set forth in DPW's 2010 Final State Plan. The Commission's Order was published in the *Pennsylvania Bulletin* on May 8, 2010, at *40 Pa.B. 2443*. The suspension of Sections 69.265(9)(ii-iii) of the Commission's regulations is still in effect.

Status of CAP Rulemaking

The proposed rulemaking order regarding Universal Service and Energy Conservation Reporting Requirements and Customer Assistance Programs was entered on Sept. 4, 2007, at Docket No. L-00070186 and was published in the *Pennsylvania Bulletin* on Feb. 9, 2008. 38 *Pa.B. 776*. Eighteen sets of comments were filed by the April 9, 2008 deadline.

By notice published in the *Pennsylvania Bulletin* on April 3, 2010, at *40 Pa.B. 1764*, the Commission reopened the public comment period on the rulemaking until June 2, 2010. The Commission received further comments on several topics, including the impact of DPW's proposed changes to the application of LIHEAP grants toward a distribution company's CAP, the affordability of CAP costs in conjuction with certain events that have taken place since the issuance of the Final Investigatory Order, whether the cost recovery mechanisms that some utilities have employed are effective, the proposed unified review that takes the form of a tariff filing and addresses CAP funding, a proposed Commission reporting requirement directing all distribution companies to document the rate effect of program modifications in universal service plans, and a proposed comment and reply comment period before Commission approval of a universal service plan.

By Order enetered on May 10, 2012, at Docket Nos. L-00070186 and M-00072036, the Commission discontinued the rulemaking and the proposed revisions to the CAP policy statement due to developments that occurred since the initiation of these two proceedings, such as changes to the application of LIHEAP funds in a distribution company's CAP. In addition, a stakeholder process has commenced that is 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 will be initiated in the future.

2. Collection Performance

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 agreement, the number of accounts in arrears and not on a payment agreement, 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.

This 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 one whose household income is at or below 150 percent of the federal poverty guidelines. See Appendix 4 for the 2012 federal poverty guidelines. A confirmed low-income customer is a customer whose gross household income has been verified as meeting the stated federal poverty guidelines. Most household incomes are verified through the customer's receipt of a Low Income Home Energy Assistance Program (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 tables 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	524,865
Met-Ed	486,796
PECO-Electric	1,413,972
Penelec	505,585
Penn Power	140,338
PPL	1,213,953
West Penn	615,450
Total	**4,900,959**

Number of Residential Natural Gas Customers

Company	Number of Residential Customers
Columbia	374,275
Peoples	329,805
Equitable	240,115
NFG	198,419
PECO-Gas	450,140
PGW	479,284
UGI-Gas	310,453
UGI Penn Natural	145,341
Total	**2,527,832**

*Number of Confirmed Low-Income Electric Customers**

Company	Number of Confirmed Low-Income Customers	Percent of Customers
Duquesne	56,193	10.7
Met-Ed	56,731	11.7
PECO-Electric	179,775	12.7
Penelec	73,860	14.6
Penn Power	18,073	12.9
PPL	153,487	12.6
West Penn	45,462	7.4
Total	**583,581**	**11.9**

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

Company	Number of Confirmed Low-Income Customers	Percent of Customers
Columbia	67,688	18.1
Peoples	62,887	19.1
Equitable	43,271	18.0
NFG	31,586	15.9
PECO-Gas	33,254	7.4
PGW	156,998	32.8
UGI-Gas	39,092	12.6
UGI Penn Natural	25,649	17.6
Total	**460,425**	**18.2**

*Low-income is defined as household income at or below 150 percent of the Federal Poverty Level

*Number of Estimated Low-Income Electric Customers**

Company	Number of Estimated Low-Income Customers	Percent of Customers
Duquesne	132,781	25.3
Met-Ed	88,681	18.2
PECO-Electric	364,116	25.8
Penelec	159,460	31.5
Penn Power	34,459	24.6
PPL	214,760	17.7
West Penn	161,716	26.3
Total	**1,155,973**	**23.6**

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

Company	Number of Estimated Low-Income Customers	Percent of Customers
Columbia	94,619	25.3
Peoples	85,820	26.0
Equitable	60,613	25.2
NFG	58,773	29.6
PECO-Gas	69,343	15.4
PGW	163,836	34.2
UGI-Gas	68,043	21.9
UGI Penn Natural	38,791	26.7
Total	**639,838**	**25.3**

*Low-income is defined as household income at or below 150 percent of the Federal Poverty Level

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 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	524,865	22,927	16,846	4.37%	73%
Met-Ed	486,796	18,169	14,696	3.73%	81%
PECO-Electric	1,413,972	80,967	58,182	5.73%	72%
Penelec	505,585	17,513	14,209	3.46%	81%
Penn Power	140,338	3,622	3,316	2.58%	92%
PPL	1,213,953	33,641	22,727	2.77%	68%
West Penn	615,450	15,351	9,914	2.49%	65%
Total	**4,900,959**	**192,190**	**139,890**	**3.92%**	**73%**

Terminations and Reconnections - Residential Natural Gas Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	374,275	9,650	4,958	2.58%	51%
Peoples	329,805	3,696	2,660	1.12%	72%
Equitable	240,115	10,471	7,587	4.36%	72%
NFG	198,419	9,472	6,449	4.77%	68%
PECO-Gas	450,140	23,630	17,232	5.25%	73%
PGW	479,284	28,868	26,011	6.02%	90%
UGI-Gas	310,453	11,206	5,426	3.61%	48%
UGI Penn Natural	145,341	6,967	4,276	4.79%	61%
Total	**2,527,832**	**103,960**	**74,599**	**4.11%**	**72%**

*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	56,193	11,510	11,281	20.48%	98%
Met-Ed	56,731	8,568	6,101	15.10%	71%
PECO-Electric	179,775	17,060	15,942	9.49%	93%
Penelec	73,860	9,490	7,011	12.85%	74%
Penn Power	18,073	1,817	1,397	10.05%	77%
PPL	153,487	17,660	13,531	11.51%	77%
West Penn	45,462	2,219	1,434	4.88%	65%
Total	**583,581**	**68,324**	**56,697**	**11.71%**	**83%**

*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	67,688	5,432	2,303	8.03%	42%
Peoples	62,887	1,915	1,461	3.05%	76%
Equitable	43,271	6,240	4,495	14.42%	72%
NFG	31,586	5,477	3,809	17.34%	70%
PECO-Gas	33,254	4,587	4,168	13.79%	91%
PGW	156,998	18,386	12,337	11.71%	67%
UGI-Gas	39,092	8,091	3,385	20.70%	42%
UGI Penn Natural	25,649	4,955	2,454	19.32%	50%
Total	**460,425**	**55,083**	**34,412**	**11.96%**	**62%**

*Low-income is defined as household income at or below 150 percent of the Federal Poverty Level

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 the BCS payment agreements (PARs) 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 factors listed above as well as the notable addition of company collection 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 that 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, Met-Ed, Penelec, Penn Power, Columbia, Equitable, UGI Penn Natural and UGI-Gas reported according to the method requested by BCS. The variance among the other EDCs and NGDCs shows a difference of no more than 20 days from the BCS method. PECO Electric and Gas, PPL, West Penn, Peoples and PGW 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, NFG reports debt that is about 40 days old instead of 30 days old. Thus, NFG is understating their debt relative to the other companies. See Appendix 2 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 3.

Customer Assistance Program (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*
Duquesne	11,224	10,365	21,589
Met-Ed	27,360	26,704	54,064
PECO-Electric	18,672	94,663	113,335
Penelec	25,051	29,319	54,370
Penn Power	6,549	6,469	13,018
PPL	40,471	104,368	144,839
West Penn	3,970	74,320	78,290
Total	**133,297**	**346,208**	**479,505**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	8,915	13,705	22,620
Peoples	12,330	24,257	36,587
Equitable	7,169	9,680	16,849
NFG	4,579	4,902	9,481
PECO-Gas	7,442	22,867	30,309
PGW	11,697	74,716	86,413
UGI-Gas	4,983	20,072	25,055
UGI Penn Natural	3,639	9,264	12,903
Total	**60,754**	**179,463**	**240,217**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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 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 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	2	4
Met-Ed	6	5	11
PECO-Electric	1	7	8
Penelec	5	6	11
Penn Power	5	5	9
PPL	3	9	12
West Penn	1	12	13
Total	**3**	**7**	**10**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	2	4	6
Peoples	4	7	11
Equitable	3	4	7
NFG	2	2	5
PECO-Gas	2	5	7
PGW	2	16	18
UGI-Gas	2	6	8
UGI Penn Natural	3	6	9
Total	**2**	**6**	**10**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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. The specific expense category is called Cash-Working-Capital and 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*
Duquesne	$7,127,012	$3,868,565	$10,995,577
Met-Ed	$22,472,648	$7,740,575	$30,213,223
PECO-Electric	$11,813,449	$39,710,413	$51,523,862
Penelec	$17,443,918	$6,703,999	$24,147,917
Penn Power	$5,764,208	$1,561,124	$7,325,332
PPL	$18,836,553	$63,034,028	$81,870,581
West Penn	$786,830	$8,280,718	$9,067,548
Total	**$84,244,618**	**$130,899,422**	**$215,144,040**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	$6,778,055	$2,196,740	$8,974,795
Peoples	$9,767,398	$5,613,513	$15,380,911
Equitable	$5,033,467	$1,914,025	$6,947,492
NFG	$2,142,199	$1,549,516	$3,691,715
PECO-Gas	$5,835,288	$15,420,003	$21,255,291
PGW	$11,974,073	$36,152,815	$48,126,888
UGI-Gas	$2,090,330	$4,705,527	$6,795,857
UGI Penn Natural	$1,735,630	$3,065,071	$4,800,701
Total	**$45,356,440**	**$70,617,210**	**$115,973,650**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	$1,422,018	$3,454,240	$4,876,258
Met-Ed	$12,896,197	$3,112,441	$16,008,638
PECO-Electric	$2,687,076	$8,977,477	$11,664,553
Penelec	$11,106,499	$3,190,611	$14,297,110
Penn Power	$3,490,594	$642,528	$4,133,122
PPL	$12,923,435	$40,485,707	$53,769,142
West Penn	$634,904	$3,357,897	$3,992,801
Total	**$45,160,723**	**$63,580,901**	**$108,741,624**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	$3,770,689	$878,519	$4,649,208
Peoples	$7,028,045	$2,832,795	$9,860,840
Equitable	$3,000,622	$810,343	$3,810,965
NFG	$1,314,188	$785,749	$2,099,937
PECO-Gas	$1,177,199	$4,045,787	$5,222,986
PGW	$7,647,393	$22,705,274	$30,352,667
UGI-Gas	$1,725,507	$2,498,567	$4,224,074
UGI Penn Natural	$1,402,850	$1,760,304	$3,163,154
Total	**$27,066,493**	**$36,317,338**	**$63,383,831**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	65	35
Met-Ed	74	26
PECO-Electric	23	77
Penelec	72	28
Penn Power	79	21
PPL	23	77
West Penn	9	91
Total	**39**	**61**

*See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 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	76	24
Peoples	64	36
Equitable	72	28
NFG	58	42
PECO-Gas	27	73
PGW	25	75
UGI-Gas	31	69
UGI Penn Natural	36	64
Total	**39**	**61**

*See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 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*
Duquesne	$635	$373	$509
Met-Ed	$821	$290	$559
PECO-Electric	$633	$419	$455
Penelec	$696	$229	$444
Penn Power	$880	$241	$563
PPL	$465	$604	$565
West Penn	$198	$111	$116
Total	**$632**	**$378**	**$449**

*See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 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	$760	$160	$397
Peoples	$792	$231	$420
Equitable	$702	$198	$412
NFG	$468	$316	$389
PECO-Gas	$784	$674	$701
PGW	$1,024	$484	$557
UGI-Gas	$419	$234	$271
UGI Penn Natural	$477	$331	$372
Total	**$747**	**$393**	**$483**

*See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 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 Agreements

A payment agreement is defined in 52 PA Code Chapter 56 as, "An agreement in which a customer 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." In addition to this definition, the method by which utilities determine the total number of payment agreements 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 agreements. This results in treating a broken payment agreement that is reinstated due to payment by the customer of the "catch-up" amount as a new payment agreement. The BCS payment agreement requests are included in this category. However, CAP payment plans are not included in the count of payment agreements.

The following tables 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	128,965	35,601	28
Met-Ed	55,627	31,869	57
PECO-Electric	46,649	6,970	15
Penelec	51,570	32,578	63
Penn Power	11,364	6,949	61
PPL	163,160	96,862	59
West Penn	27,063	15,748	58
Total	**484,398**	**353,507**	**73**

Natural Gas Payment Agreements

Company	All Residential	Confirmed Low-Income	Percent of Payment Agreements which are Confirmed Low-Income
Columbia	26,629	16,014	60
Peoples	17,410	8,076	46
Equitable	12,866	6,621	51
NFG	19,730	11,876	60
PECO-Gas	16,402	2,074	13
PGW	66,869	27,391	41
UGI-Gas	29,874	20,710	69
UGI Penn Natural	21,372	14,579	68
Total	**211,152**	**107,341**	**51**

Gross Residential Write-Offs in Dollars

The tables below represent the gross residential write-offs in dollars for the EDCs and NGDCs in 2011. Write-offs are the final treatment of overdue accounts in the collection process. 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	$6,452,062
Met-Ed	$14,257,828
PECO-Electric	$32,575,956
Penelec	$10,718,918
Penn Power	$3,192,700
PPL	$49,731,802
West Penn	$7,016,809
Total	**$123,946,075**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Residential Natural Gas Customers

Company	Gross Dollars Written Off*
Columbia	$9,761,318
Peoples	$4,526,442
Equitable	$5,371,481
NFG	$3,649,936
PECO-Gas	$4,232,960
PGW	$39,957,380
UGI-Gas	$5,704,577
UGI Penn Natural	$3,624,732
Total	**$76,828,826**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Confirmed Low-Income Electric Customers

Company	Gross Dollars Written Off*
Duquesne	$8,131,351
Met-Ed	$9,412,218
PECO-Electric	$4,363,105
Penelec	$7,581,836
Penn Power	$2,309,100
PPL	$31,450,597
West Penn	$4,448,064
Total	**$67,696,271**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Dollars Written Off*
Columbia	$4,753,490
Peoples	$2,676,139
Equitable	$3,921,181
NFG	$2,319,707
PECO-Gas	$1,964,188
PGW	$21,956,491
UGI-Gas	$4,866,699
UGI Penn Natural	$3,401,095
Total	**$45,858,990**

*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	1.23%
Met-Ed	1.92%
PECO-Electric	1.52%
Penelec	1.79%
Penn Power	1.85%
PPL	2.68%
West Penn	1.03%
Total	**1.85%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	Gross Write-Offs Ratio*
Columbia	2.82%
Peoples	1.82%
Equitable	2.13%
NFG	2.00%
PECO-Gas	0.97%
PGW	7.99%
UGI-Gas	2.27%
UGI Penn Natural	2.10%
Total	**3.21%**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Write-Offs Ratio*
Duquesne	13.50%
Met-Ed	8.98%
PECO-Electric	3.51%
Penelec	6.66%
Penn Power	8.57%
PPL	10.10%
West Penn	6.76%
Total	**8.39%**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Write-Offs Ratio*
Columbia	7.58%
Peoples	4.44%
Equitable	10.71%
NFG	10.78%
PECO-Gas	10.73%
PGW	15.92%
UGI-Gas	12.28%
UGI Penn Natural	10.33%
Total	**11.19%**

*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, 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 Collection Operating Expenses

Company	All Residential	Confirmed Low-Income	Percent of Collection Operating Expenses which are for Confirmed Low-Income Customers
Duquesne	$13,156,923	$7,252,207	55
Met-Ed	$17,837,820	$10,932,641	61
PECO-Electric	$15,875,073	$2,006,463	13
Penelec	$14,451,221	$9,425,593	65
Penn Power	$4,349,207	$2,839,474	65
PPL	$13,235,587	$7,014,861	53
West Penn	$16,327,452	$8,181,008	50
Total	**$91,796,150**	**$52,649,615**	**57**

Annual Natural Gas Collection Operating Expenses

Company	All Residential	Confirmed Low-Income	Percent of Collection Operating Expenses which are for Confirmed Low-Income Customers
Columbia	$2,920,498	$1,714,052	59
Peoples	$801,057	$200,692	25
Equitable	$2,756,402	$496,152	18
NFG	$625,590	$281,118	45
PECO-Gas	$1,962,083	$144,948	7
PGW	$2,517,589	$824,682	33
UGI-Gas	$2,898,253	$1,999,795	69
UGI Penn Natural	$842,229	$572,716	68
Total	**$15,323,701**	**$6,234,155**	**41**

Selected Tables for Multi-Year Data

Terminations - Residential Electric Customers

Company	2010 Terminations	2011 Terminations	Change 2010-11	2010 Termination Rate	2011 Termination Rate
Duquesne	21,915	22,927	5%	4.18%	4.37%
Met-Ed	10,676	18,169	70%	2.20%	3.73%
PECO-Electric	77,674	80,967	4%	5.52%	5.73%
Penelec	6,750	17,513	159%	1.34%	3.46%
Penn Power	1,705	3,622	112%	1.22%	2.58%
PPL	33,534	33,641	<1%	2.77%	2.77%
West Penn	16,803	15,351	-9%	2.73%	2.49%
Total	**169,057**	**192,190**	**14%**	**3.46%**	**3.92%**

Terminations - Residential Natural Gas Customers

Company	2010 Terminations	2011 Terminations	Change 2010-11	2010 Termination Rate	2011 Termination Rate
Columbia	9,878	9,650	-2%	2.65%	2.58%
Peoples	7,135	3,696	-48%	2.18%	1.12%
Equitable	10,967	10,471	-5%	4.61%	4.36%
NFG	9,296	9,472	2%	4.70%	4.77%
PECO-Gas	23,637	23,630	-<1%	5.29%	5.25%
PGW	29,865	28,868	-3%	6.23%	6.02%
UGI-Gas	11,885	11,206	-6%	3.89%	3.61%
UGI Penn Natural	8,569	6,967	-19%	5.93%	4.79%
Total	**111,232**	**103,960**	**-7%**	**4.43%**	**4.11%**

Number of Residential Electric Customers in Debt

Company	2010 Total Number of Customers in Debt*	2011 Total Number of Customers in Debt*	Change 2010-11
Duquesne	22,685	21,589	-5%
Met-Ed	52,968	54,064	2%
PECO-Electric	106,883	113,335	6%
Penelec	53,496	54,370	2%
Penn Power	14,068	13,018	-7%
PPL	138,857	144,839	4%
West Penn	77,713	78,290	1%
Total	**466,670**	**479,505**	**3%**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	2010 Total Number of Customers in Debt*	2011 Total Number of Customers in Debt*	Change 2010-11
Columbia	20,920	22,620	8%
Peoples	26,740	36,587	37%
Equitable	16,162	16,849	4%
NFG	8,430	9,481	12%
PECO-Gas	29,616	30,309	2%
PGW	94,928	86,413	-9%
UGI-Gas	21,991	25,055	14%
UGI Penn Natural	12,733	12,903	1%
Total	**231,520**	**240,217**	**4%**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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 Electric Customers

Company	2010 Total Dollars in Debt*	2011 Total Dollars in Debt*	Change 2010-11
Duquesne	$12,233,979	$10,995,577	-10%
Met-Ed	$25,850,553	$30,213,223	17%
PECO-Electric	$47,990,936	$51,523,862	7%
Penelec	$19,773,600	$24,147,917	22%
Penn Power	$7,865,105	$7,325,332	-7%
PPL	$66,589,533	$81,870,581	23%
West Penn	$8,674,666	$9,067,548	5%
Total	**$188,978,372**	**$215,144,040**	**14%**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	2010 Total Dollars in Debt*	2011 Total Dollars in Debt*	Change 2010-11
Columbia	$7,724,506	$8,974,795	16%
Peoples	$13,240,714	$15,380,911	16%
Equitable	$7,777,224	$6,947,492	-11%
NFG	$3,400,468	$3,691,715	9%
PECO-Gas	$22,418,932	$21,255,291	-5%
PGW	$43,281,880	$48,126,888	11%
UGI-Gas	$6,070,447	$6,795,857	12%
UGI Penn Natural	$5,438,788	$4,800,701	-12%
Total	**$109,352,959**	**$115,973,650**	**6%**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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.

Gross Write-Offs - Residential Electric Customers

Company	2010 Gross Dollars Written Off*	2011 Gross Dollars Written Off*	Change 2010-11
Duquesne	$5,824,162	$6,452,062	11%
Met-Ed	$11,592,188	$14,257,828	23%
PECO-Electric	$41,095,151	$32,575,956	-21%
Penelec	$8,390,194	$10,718,918	28%
Penn Power	$2,889,882	$3,192,700	10%
PPL	$39,598,997	$49,731,802	26%
West Penn	$6,355,180	$7,016,809	10%
Total	**$115,745,754**	**$123,946,075**	**7%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Residential Natural Gas Customers

Company	2010 Gross Dollars Written Off*	2011 Gross Dollars Written Off*	Change 2010-11
Columbia	$8,162,827	$9,761,318	20%
Peoples	$7,733,999	$4,526,442	-41%
Equitable	$6,176,012	$5,371,481	-13%
NFG	$6,228,075	$3,649,936	-41%
PECO-Gas	$5,416,591	$4,232,960	-22%
PGW	$46,724,536	$39,957,380	-14%
UGI-Gas	$6,810,703	$5,704,577	-16%
UGI Penn Natural	$5,122,162	$3,624,732	-29%
Total	**92,374,905**	**$76,828,826**	**-17%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Electric Customers

Company	2010 Gross Write-Offs Ratio*	2011 Gross Write-Offs Ratio*	Change 2010-11
Duquesne	1.14%	1.23%	8%
Met-Ed	1.68%	1.92%	14%
PECO-Electric	1.99%	1.52%	-24%
Penelec	1.67%	1.79%	7%
Penn Power	1.61%	1.85%	15%
PPL	2.13%	2.68%	26%
West Penn	0.93%	1.03%	11%
Total	**1.78%**	**1.85%**	**4%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2010 Gross Write-Offs Ratio*	2011 Gross Write-Offs Ratio*	Change 2010-11
Columbia	2.27%	2.82%	24%
Peoples	3.59%	1.82%	-49%
Equitable	2.19%	2.13%	-3%
NFG	3.39%	2.00%	-41%
PECO-Gas	1.17%	0.97%	-17%
PGW	8.44%	7.99%	-5%
UGI-Gas	2.43%	2.27%	-7%
UGI Penn Natural	2.75%	2.10%	-24%
Total	**3.66%**	**3.21%**	**-12%**

*Does not include CAP Credits or Arrearage Forgiveness.

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 two tables that follow immediately below, the higher the percentage, the greater the potential collection risk.

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

Company	2010	2011	Change 2010-11
Duquesne	2.4%	2.10%	-12%
Met-Ed	3.8%	4.07%	7%
PECO-Electric	2.3%	2.41%	5%
Penelec	3.9%	4.03%	3%
Penn Power	4.4%	4.24%	-4%
PPL	3.6%	4.40%	22%
West Penn	1.3%	1.34%	3%
Total	**2.9%**	**3.20%**	**10%**

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

Company	2010	2011	Change 2010-11
Columbia	2.2%	2.59%	18%
Peoples	6.2%	6.17%	-<1%
Equitable	2.8%	2.76%	-1%
NFG	1.9%	2.03%	7%
PECO-Gas	4.8%	4.86%	1%
PGW	7.8%	9.63%	23%
UGI-Gas	2.2%	2.70%	23%
UGI Penn Natural	2.9%	2.78%	-4%
Total	**4.3%**	**4.85%**	**13%**

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 at § 54.72 defines a low-income customer as, "A residential utility customer whose household income is at or below 150% of the Federal poverty guidelines." Appendix 4 shows poverty levels in relation to household size and income.

Source of Income, Average Household Size and Income

For customers of all universal service programs, average household incomes are below $15,287. Both electric and natural gas households that receive CAP benefits have average household incomes that are less than $13,367 per year. Electric customers who receive Low Income Usage Reduction Program (LIURP) service have average yearly household incomes at $16,519, while gas customers average $15,725. 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 the 2012 federal poverty guidelines of $28,635 for three persons.

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 the federal poverty guidelines. A definition of a "working poor" household begins with a wage-earner who works full time at a minimum-wage job. Minimum wage during 2011 was $7.25 per hour, the same as it was in 2010.[3] Annual income for a wage earner who works at a minimum-wage job is $15,080. A typical CAP customer has an income of approximately $13,400, which places these households' incomes at about 70 percent of the federal poverty guidelines.

Finally, it is important to understand the relationship between household income and the percent of that income that a household spends on energy. Energy burden is defined as the percentage of household income that a household spends on total home energy needs.[4] In most instances, without CAP programs, CAP eligible households would be required to pay about 16 percent of their household income for energy compared with a typical Pennsylvania household that pays about 4 percent of its income for home energy needs.

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[3] http://www.dol.gov/whd/minwage/america.htm The Pennsylvania state minimum wage law adopts the federal minimum wage rate by reference.

[4] U.S. Department of Health & Human Services, LIHEAP Home Energy Notebook for FY 2002: Appendix A Home energy estimates, p.45, 2004.

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

	2010	2011
LIURP	$16,344	$16,519
CAP	$13,540	$13,958
CARES	$14,761	$13,812
Hardship Fund	$17,840	$17,101

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

	2010	2011
LIURP	$15,687	$15,725
CAP	$13,009	$12,776
CARES	$15,740	$16,163
Hardship Fund	$17,149	$16,240

LIURP

The Pennsylvania Low Income Usage Reduction Program (LIURP) is a statewide, utility-sponsored, residential usage-reduction program mandated by the PUC 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 for a period of three years in the most recently filed universal service plans. 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 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 the contractors and the utilities.

Program measures are installed on a simple payback recovery basis of seven years or less for most program measures. There are exceptions that must meet a 12-year simple payback recovery. 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, utility and community 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; reduction in 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 by the EDCs and NGDCs 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.

LIURP Spending - Electric Utilities

Company	2011 Actual Spending	2012 Projected Spending*
Duquesne	$1,584,272	$1,361,600
Met-Ed	$3,219,822	$3,405,622
PECO-Electric	$5,600,000	$5,600,000
Penelec	$3,646,126	$4,116,882
Penn Power	$1,301,151	$1,995,031
PPL	$7,789,441	$8,210,599
West Penn	$2,457,707	$2,552,000
Total	**$25,598,519**	**$27,241,734**

*Includes carryover of unspent funds.

LIURP Spending - Natural Gas Utilities

Company	2011 Actual Spending	2012 Projected Spending*
Columbia	$3,057,749	$4,192,251
Peoples	$884,000	$1,000,000
Equitable	$623,379	$862,420
NFG	$1,087,765	$1,565,582
PECO-Gas	$2,250,000	$2,250,000
PGW	$5,889,212	$6,103,706
UGI-Gas	$1,068,201	$732,082
UGI Penn Natural	$928,115	$775,056
Total	**$15,788,421**	**$17,481,097**

*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	2011 Actual Production			2012 Projected Production		
	Heating Jobs	Water Heating Jobs	Baseload Jobs*	Heating Jobs	Water Heating Jobs	Baseload Jobs*
Duquesne	3	1	3,227	80	2	2423
Met-Ed	479	608	480	509	480	466
PECO-Electric	1,327	-	5,926	850	-	6,152
Penelec	274	1,120	622	371	1,180	634
Penn Power	177	326	377	205	287	328
PPL	1,397	528	1,431	1,400	500	1,450
West Penn	310	422	140	391	532	177
Total	**3,967**	**3,005**	**12,203**	**3,806**	**2,981**	**11,630**

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

LIURP Natural Gas Production

Company	2011 Actual Production Heating Jobs	2012 Projected Production Heating Jobs
Columbia	527	724
Peoples	163	181
Equitable	115	159
NFG	190	313
PECO-Gas	1,137	917
PGW	793	2,028
UGI-Gas	215	105
UGI Penn Natural	207	111
Total	**3,575**	**4,641**

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 LIURP gas jobs are classified as heating. On the other hand, for electric jobs, the determination of the job type first 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. 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	2011 Heating Jobs	2011 Water Heating Jobs	2011 Baseload Jobs
Duquesne	$2,325	$976	$842
Met-Ed	$2,135	$1,251	$1,169
PECO-Electric	$2,117	$0	$398
Penelec	$2,155	$1,335	$1,064
Penn Power	$1,867	$1,139	$851
PPL	$2,916	$1,759	$844
West Penn	$2,639	$2,696	$2,574

LIURP Natural Gas Job Costs

Company	2011 Heating Jobs
Columbia	$5,077
Peoples	$3,900
Equitable	$4,448
NFG	$3,244
PECO-Gas	$1,968
PGW	$2,588
UGI-Gas	$4,189
UGI Penn Natural	$3,880

LIURP Energy Savings and Bill Reduction

LIURP energy savings are determined by calculating the difference in 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 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 the post-treatment period. Companies voluntarily report this pricing 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 Bill Reductions

Job Type	2009 Energy Savings	2009 Estimated Annual Bill Reduction
Electric Heating	10.1%	$237
Electric Water Heating	8.0%	$173
Electric Baseload	6.8%	$124
Gas Heating	15.6%	$356

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 seven largest EDCs and by the NGDCs serving more than 100,000 customers. Universal Service Plans and Evaluations are posted on the Commission's website (see Appendix 7 for viewing instructions).

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 §62.4 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) for the NGDCs, require the companies to submit a projected needs assessment and projected enrollment level for its universal service programs.

The 2011 results below show a CAP Participation Rate, defined as the number of participants enrolled as of Dec. 31, 2011, 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.

CAP Participation - Electric Utilities

Company	2010		2011	
	Participants Enrolled as of 12/31/10	CAP Participation Rate	Participants Enrolled as of 12/31/11	CAP Participant Rate
Duquesne	35,981	68%	37,893	67%
Met-Ed	26,023	50%	29,496	52%
PECO-Electric	141,247	83%	138,421	77%
Penelec	35,554	50%	39,161	53%
Penn Power	9,991	57%	10,104	56%
PPL	32,446	23%	34,308	22%
West Penn	21,291	49%	21,617	48%
Total	**302,533**		**311,000**	
Weighted Avg.*		**55%**		**53%**

CAP Participation - Natural Gas Utilities

Company	2010		2011	
	Participants Enrolled as of 12/31/10	CAP Participation Rate	Participants Enrolled as of 12/31/11	CAP Participant Rate
Columbia	22,606	34%	22,314	33%
Peoples	16,575	26%	17,240	27%
Equitable	17,596	40%	15,101	35%
NFG	12,511	37%	11,815	37%
PECO-Gas	25,750	66%	23,943	72%
PGW	82,544	53%	80,298	51%
UGI-Gas	7,281	21%	6,741	17%
UGI-Penn Natural	5,158	22%	4,534	18%
Total	**190,021**		**181,986**	
Weighted Avg.*		**41%**		**40%**

*Weighted Avg. 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

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 for residential electric customers as, "The average CAP bill, average CAP credits and average arrearage forgiveness" and § 62.2 defines CAP benefits for residential natural gas customers as, "The average CAP bill, average CAP credits and average arrearage forgiveness, as applicable." 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 identified the three components of CAP benefits to CAP recipients as the average CAP bill, average CAP credits, and average arrearage forgiveness. The Commission considers the average CAP bill to be the total CAP amount billed (total of the expected monthly CAP payment) divided by the total number of CAP bills rendered. The Commission considers 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 considers 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 bills 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 also will affect NFG and PECO's CAP bills and credits, because their payment plans are based on rate discounts tied to usage.

Average Monthly CAP Electric Bill

Company	2010	2011
Duquesne	$65	$76
Met-Ed	$57	$75
PECO-Electric	$74	$71
Penelec	$41	$55
Penn Power	$49	$49
PPL	$77	$81
West Penn	$83	$86

Average Monthly Natural Gas CAP Bill

Company	2010	2011
Columbia	$49	$58
Peoples	$73	$65
Equitable	$75	$75
NFG	$75	$79
PECO-Gas	$57	$62
PGW	$89	$86
UGI-Gas	$100	$93
UGI Penn Natural	$112	$105

Average Annual Electric CAP Credits

Company	2010	2011
Duquesne	$400	$401
Met-Ed	$734	$793
PECO-Electric	$553	$622
Penelec	$603	$620
Penn Power	$796	$793
PPL	$1,098	$1,079
West Penn	$349	$389

Average Annual Natural Gas CAP Credits

Company	2010	2011
Columbia	$634	$602
Peoples	$273	$353
Equitable	$738	$674
NFG	$161	$169
PECO-Gas	$275	$194
PGW	$976	$1,010
UGI-Gas	$367	$414
UGI Penn Natural	$205	$453

Arrearage forgiveness credits will 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.

Average Annual Electric Utilities Arrearage Forgiveness

Company	2010	2011
Duquesne	$68	$68
Met-Ed	$178	$160
PECO-Electric	$93	$87
Penelec	$140	$116
Penn Power	$219	$167
PPL	$351	$441
West Penn	$80	$91

Average Annual Natural Gas Utilities Arrearage Forgiveness

Company	2010	2011
Columbia	$82	$133
Peoples	$39	$45
Equitable	$28	$30
NFG	$61	$46
PECO-Gas	$90	$92
PGW	$124	$116
UGI-Gas	$88	$85
UGI Penn Natural	$181	$136

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 6 for the percentage of CAP spending by program component: administration, CAP credits and arrearage forgiveness.

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 customers.

CAP Electric Gross Costs

Company	2010			2011		
	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	$17,074,234	34,390	$496	$18,565,822	37,183	$499
Met-Ed	$24,391,452	25,563	$954	$28,075,091	28,349	$990
PECO-Electric	$90,851,613	136,499	$666	$100,472,307	137,940	$728
Penelec	$27,498,718	35,374	$777	$29,080,721	37,570	$774
Penn Power	$10,151,973	9,670	$1,050	$9,863,285	9,945	$992
PPL	$47,255,396	31,138	$1,518	$53,148,044	33,735	$1,575
West Penn	$9,586,776	20,802	$461	$10,916,940	21,491	$508
Total	**$226,810,162**	**293,436**		**$250,122,210**	**306,213**	
Weighted Avg.			**$773**			**$817**

CAP Natural Gas Gross Costs

Company	2010			2011		
	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	$18,260,343	23,833	$766	$18,141,003	23,170	$783
Peoples	$5,772,862	16,602	$348	$7,664,959	17,170	$446
Equitable	$14,810,218	18,363	$807	$12,162,295	16,326	$745
NFG	$2,992,877	12,594	$238	$2,778,028	12,117	$229
PECO-Gas	$9,367,329	24,281	$386	$7,475,179	24,319	$307
PGW	$93,023,754	82,459	$1,128	$96,254,993	83,924	$1147
UGI-Gas	$4,076,933	8,394	$486	$3,996,287	7,517	$532
UGI Penn Natural	$2,291,790	5,366	$427	$3,243,172	5,147	$630
Total	**$150,596,106**	**191,891**		**$151,715,916**	**189,690**	
Weighted Avg.			**$785**			**$800**

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. A CARES program helps address health and safety concerns relating to utility service by providing important benefits. 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.

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. LIHEAP outreach and networking are vital pieces of CARES that should not be neglected. A CARES program continues to address the important health and safety concerns relating to utility service. As Chapter 14 implementation occurs, it is imperative that each utility be able to identify its customers so that it does not jeopardize the health and safety of a household that has special conditions.

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 the 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 dependent primarily on the amount of the federal LIHEAP appropriation and the number of poor customers in each company's service territory. The regulations define direct dollars as dollars that are applied to a CARES customer's utility account, including all sources of energy assistance applied to utility bills 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 that are not LIHEAP related. 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.

2011 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	$4,905,898	20,360	$325,656	$5,106,554
Met-Ed*	$0	$4,315,660	8,797	$0	$4,315,660
PECO-Electric	$1,277,712	$19,711,705	84,206	$289,802	$18,723,795
Penelec*	$0	$4,173,155	8,997	$0	$4,173,155
Penn Power*	$0	$1,336,604	2,514	$0	$1,336,604
PPL	$0	$15,485,144	50,076	$33,316	$15,518,460
West Penn	$1,739	$7,097,788	31,155	$238	$7,096,287
Total	**$1,404,451**	**$57,025,954**	**206,105**	**$649,012**	**$56,270,515**

*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.

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

2011 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	$368,513	$13,611,572	26,489	$41,858	$13,284,917
Peoples	$170,000	$10,328,846	51,385**	$89,520	$10,248,366
Equitable	$286,568	$9,273,856	17,560	$133,297	$9,120,585
NFG	$4,960	$11,653,596	22,069	$0	$11,648,636
PECO-Gas	$243,373	$3,754,611	16,039	$55,200	$3,566,438
PGW	$820,624	$40,403,495	77,511	$0	$39,578,071
UGI-Gas	$35,544	$7,897,806	37,988	$93	$7,862,355
UGI Penn Natural	$25,736	$6,869,786	32,565	$800	$6,844,850
Total	**$1,955,318**	**$103,793,568**	**281,606**	**$315,968**	**$102,154,218**

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

Utility Hardship Fund Programs

Utility company hardship funds provide cash assistance to utility residential customers who need help in paying their utility bill 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

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 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 shown in the tables that follow 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. Utility and ratepayer contributions are shown in the tables below.

2010-11 Electric Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Duquesne	$243,831	$0.46	$450,000
Met-Ed	$96,934	$0.20	$86,395
PECO-Electric	$184,563	$0.11	$382,938
Penelec	$71,350	$0.14	$73,702
Penn Power	$48,253	$0.34	$35,773
PPL	$424,868	$0.34	$810,000
West Penn	$175,963	$0.29	$160,386
Total	**$1,245,762**		**$1,999,194**
Weighted Avg.		**$0.25**	

2010-11 Natural Gas Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Columbia	$1,032,783	$0.40	$150,000
Peoples	$183,345	$0.56	$365,706
Equitable	$95,422	$0.40	$200,000
NFG	$44,998	$0.22	$33,333
PECO-Gas	$41,309	$0.06	$72,941
PGW	$7,712	$0.02	$1,092,327
UGI-Gas*	$196,345	$0.28	$56,000
UGI Penn Natural**	$617,003	$0.12	$42,651
Total	**$2,218,917**		**$1,797,252**
Weighted Avg.		**$0.88**	

*UGI Gas ratepayer contributions include a $109,632 contribution from Tennessee Gas Pipeline Company Settlement at Docket P-2009-2149107 entered 2/1/10. In the 2010 report, the Commission included $76,239 from Tennessee as a ratepayer contribution. For the 2010-11 averate ratepayer contribution per customer comparison, this amount ($109,632) is not included. Only residential ratepayer contributions are included in the comparison.

**UGI Penn Natural ratepayer contributions include a $599,352 contribution from Tennessee Gas Pipeline Company Settlement at Docket P-2009-2149107 entered 2/1/10. In the 2010 report, the Commission included $427,170 from Tennessee as a ratepayer contribution. For the 2010-11 average ratepayer contribution per customer comparison, this amount ($599,352) is not incuded. Only residential ratepayer contributions are included in the comparison.

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 NGDCs, the companies are to report to the Commission on hardship fund benefits. The Commission defines hardship fund benefits at Pa. Code § 54.72 for the EDCs and at Pa. Code § 62.5 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

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Duquesne	2,565	1,792	$321	$419	$822,400	$750,000
Met-Ed	1,031	532	$375	$331	$386,794	$176,000
PECO-Electric	1,366	1,092	$274	$320	$374,944	$349,669
Penelec	829	393	$359	$305	$297,807	$120,000
Penn Power	408	255	$386	$339	$157,621	$86,362
PPL	4,180	3,949	$293	$314	$1,224,071	$1,241,039
West Penn	993	1,122	$302	$267	$300,000	$300,000
Total	**11,372**	**9,135**			**$3,563,637**	**$3,023,070**
Weighted Avg.			**$330**	**$328**		

Natural Gas Utility Hardship Fund Grant Benefits

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Columbia	2,781	2,979	$384	$375	$1,068,838	$1,117,389
Peoples	1,701	1,102	$353	$374	$600,384	$411,596
Equitable	1,067	991	$396	$404	$422,500	$400,000
NFG	289	234	$267	$212	$77,261	$49,569
PECO-Gas	255	208	$280	$320	$71,418	$66,604
PGW	2,257	2,263	$998	$1,000	$2,252,986	$2,263,653
UGI-Gas	913	795	$254	$313	$232,262	$248,448
UGI Penn Natural	675	678	$376	$422	$253,530	$285,983
Total	**9,938**	**9,250**			**$4,979,179**	**$4,843,242**
Weighted Avg.			**$414**	**$428**		

4. Small Utilities' Universal Service Programs

The Commission's universal service reporting requirements have fewer data requirements for small utilities than for the major utilities. EDCs with fewer than 60,000 residential customers and NGDCs with fewer than 100,000 residential customers must file their universal service plans with the Commission 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, the small utilities must describe the level of services provided by their plans, as well as the expenses associated with the programs. These requirements can be found at 52 Pa. Code, Chapter 54, § 54.77 for EDCs and at 52 Pa. Code, Chapter 62, § 62.7 for NGDCs.

As a result of the Electricity Generation Customer Choice and Competition Act and the Natural Gas Choice and Competition Act (the Acts), 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 1,465 customers as of Dec. 31, 2011. The company also operates a hardship fund through the Dollar Energy Fund and administers a LIURP program. In 2011, the company completed 30 LIURP jobs.

UGI-Central Penn Gas, formerly PPL Gas, offers a full-scale CAP program. As of December 2011, the program enrollment was approximately 2,371 customers. UGI-Central Penn Gas also operates a hardship fund through the Dollar Energy Fund and administers a LIURP program. In 2011, the company completed 197 LIURP jobs.

UGI Utilites Inc. (UGI-Electric) offers a full-scale CAP program with an enrollment of approximately 1,846 customers. The company operates its own hardship fund and also administers a LIURP program. In 2011, the company completed 141 LIURP jobs.

The small utilities also differ significantly 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 40,000 residential customers. Meanwhile, Citizens', Pike, Wellsboro and Valley each serve fewer than 5,000 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.

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	2,279	4,601	6,880
Met-Ed	14,211	8,751	22,962
PECO-Electric	3,413	9,832	13,245
Penelec	15,100	11,761	26,861
Penn Power	3,628	2,342	5,970
PPL	24,270	42,750	67,020
West Penn	3,035	13,113	16,148
Total	**65,936**	**93,150**	**159,086**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	4,557	4,596	9,153
Peoples	8,202	7,896	16,098
Equitable	3,691	2,715	6,406
NFG	2,433	1,638	4,071
PECO-Gas	1,123	2,392	3,515
PGW	7,436	23,545	30,981
UGI-Gas	3,884	7,662	11,456
UGI Penn Natural	2,699	4,300	6,999
Total	**34,025**	**54,744**	**88,769**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	4	8	12
Met-Ed	25	15	40
PECO-Electric	2	5	7
Penelec	20	16	36
Penn Power	20	13	33
PPL	16	28	44
West Penn	7	29	36
Total	**11**	**16**	**27**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	7	7	14
Peoples	13	13	26
Equitable	9	6	15
NFG	8	5	13
PECO-Gas	3	7	10
PGW	5	15	20
UGI-Gas	10	20	30
UGI Penn Natural	11	17	28
Total	**7**	**12**	**19**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	29	71
Met-Ed	81	19
PECO-Electric	23	77
Penelec	78	22
Penn Power	84	16
PPL	24	76
West Penn	16	84
Total	**42**	**58**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	81	19
Peoples	71	29
Equitable	79	21
NFG	63	37
PECO-Gas	23	77
PGW	25	75
UGI-Gas	41	59
UGI Penn Natural	44	56
Total	**43**	**57**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	$624	$751	$709
Met-Ed	$907	$356	$697
PECO-Electric	$787	$913	$881
Penelec	$736	$271	$532
Penn Power	$962	$274	$692
PPL	$532	$955	$802
West Penn	$209	$256	$247
Total	**$685**	**$683**	**$684**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	$827	$191	$508
Peoples	$857	$359	$613
Equitable	$813	$298	$595
NFG	$540	$480	$516
PECO-Gas	$1,048	$1,691	$1,486
PGW	$1,028	$964	$980
UGI-Gas	$444	$326	$365
UGI Penn Natural	$519	$409	$452
Total	**$795**	**$663**	**$714**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	$523,025,310
Met-Ed	$741,983,813
PECO-Electric	$2,139,448,988
Penelec	$599,475,621
Penn Power	$172,679,614
PPL	$1,858,691,507
West Penn	$679,101,765
Total	**$6,714,406,618**

Residential Revenues (Billings) - Natural Gas Customers

Company	Annual Residential Billings
Columbia	$346,316,467
Peoples	$249,251,788
Equitable	$251,683,545
NFG	$182,111,890
PECO-Gas	$437,022,008
PGW	$499,921,332
UGI-Gas	$251,635,022
UGI Penn Natural	$172,666,044
Total	**$2,390,608,096**

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

Company	Annual Residential Billings
Duquesne	$60,232,937
Met-Ed	$104,759,658
PECO-Electric	$124,227,440
Penelec	$113,788,181
Penn Power	$26,932,200
PPL	$311,376,722
West Penn	$65,795,799
Total	**$807,112,937**

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

Company	Annual Residential Billings
Columbia	$62,707,531
Peoples	$60,232,937
Equitable	$36,610,293
NFG	$21,516,076
PECO-Gas	$18,309,775
PGW	$137,911,133
UGI-Gas	$39,647,181
UGI Penn Natural	$32,937,453
Total	**$409,872,379**

Terminations - Residential Electric Customers

Company	2009 Terminations	2010 Terminations	2011 Terminations	Change 2009-11
Duquesne	23,143	21,915	22,927	-1%
Met-Ed	12,915	10,676	18,169	41%
PECO-Electric	76,123	77,674	80,967	6%
Penelec	9,878	6,750	17,513	77%
Penn Power	3,196	1,705	3,622	13%
PPL	33,247	33,534	33,641	1%
West Penn	17,057	16,803	15,351	-10%
Total	**175,559**	**169,057**	**192,190**	**9%**

Terminations - Residential Natural Gas Customers

Company	2009 Terminations	2010 Terminations	2011 Terminations	Change 2009-11
Columbia	11,662	9,878	9,650	-17%
Peoples	7,640	7,135	3,696	-51%
Equitable	10,836	10,967	10,471	-3%
NFG	12,290	9,296	9,472	-22%
PECO-Gas	23,836	23,637	23,630	-1%
PGW	38,536	29,865	28,868	-25%
UGI-Gas	14,891	11,885	11,206	-25%
UGI Penn Natural	8,672	8,569	6,967	-20%
Total	**128,363**	**111,232**	**103,960**	**-19%**

Number of Residential Electric Customers in Debt

Company	2009 Total Number of Customers in Debt*	2010 Total Number of Customers in Debt*	2011 Total Number of Customers in Debt*	Change 2009-11
Duquesne	22,659	22,685	21,589	-5%
Met-Ed	49,824	52,968	54,064	9%
PECO-Electric	111,493	106,883	113,335	2%
Penelec	52,927	53,496	54,370	3%
Penn Power	13,943	14,068	13,018	-7%
PPL	131,421	138,857	144,839	10%
West Penn	75,880	77,713	78,290	3%
Total	**458,147**	**466,670**	**479,505**	**5%**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	2009 Total Number of Customers in Debt*	2010 Total Number of Customers in Debt*	2011 Total Number of Customers in Debt*	Change 2009-11
Columbia	21,011	20,920	22,620	8%
Peoples	38,704	26,740	36,587	-5%
Equitable	12,872	16,162	16,849	31%
NFG	10,077	8,430	9,481	-6%
PECO-Gas	32,474	29,616	30,309	-7%
PGW	100,763	94,928	86,413	-14%
UGI-Gas	21,807	21,991	25,055	15%
UGI Penn Natural	15,139	12,733	12,903	-15%
Total	**252,847**	**231,520**	**240,217**	**-5%**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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 Electric Customers

Company	2009 Total Dollars in Debt*	2010 Total Dollars in Debt*	2011 Total Dollars in Debt*	Change 2009-11
Duquesne	$11,507,309	$12,233,979	$10,995,577	-4%
Met-Ed	$22,071,794	$25,850,553	$30,213,223	37%
PECO-Electric	$55,855,273	$47,990,936	$51,523,862	-8%
Penelec	$18,629,141	$19,773,600	$24,147,917	30%
Penn Power	$7,573,412	$7,865,105	$7,325,332	-3%
PPL	$59,338,909	$66,589,533	$81,870,581	38%
West Penn	$7,421,127	$8,674,666	$9,067,548	22%
Total	**$185,396,965**	**$188,978,372**	**$215,144,040**	**16%**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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	2009 Total Dollars in Debt*	2010 Total Dollars in Debt*	2011 Total Dollars in Debt*	Change 2009-11
Columbia	$10,915,244	$7,724,506	$8,974,795	-18%
Peoples	$22,779,857	$13,240,714	$15,380,911	-32%
Equitable	$5,625,100	$7,777,224	$6,947,492	24%
NFG	$5,205,905	$3,400,468	$3,691,715	-29%
PECO-Gas	$30,458,071	$22,418,932	$21,255,291	-30%
PGW	$51,204,586	$43,281,880	$48,126,888	-6%
UGI-Gas	$7,444,741	$6,070,447	$6,795,857	-9%
UGI Penn Natural	$7,275,775	$5,438,788	$4,800,701	-34%
Total	**$140,909,279**	**$109,352,959**	**$115,973,650**	**-18%**

*See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. 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.

Gross Write-Offs Ratio - Residential Electric Customers

Company	2009 Gross Write-Offs Ratio*	2010 Gross Write-Offs Ratio*	2011 Gross Write-Offs Ratio*	Change 2009-11
Duquesne	1.76%	1.14%	1.23%	-30%
Met-Ed	1.71%	1.68%	1.92%	12%
PECO-Electric	2.60%	1.99%	1.52%	-42%
Penelec	1.76%	1.67%	1.79%	2%
Penn Power	1.82%	1.61%	1.85%	2%
PPL	2.36%	2.13%	2.68%	14%
West Penn	0.93%	0.93%	1.03%	11%
Total	**2.10%**	**1.78%**	**1.85%**	**-12%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2009 Gross Write-Offs Ratio*	2010 Gross Write-Offs Ratio*	2011 Gross Write-Offs Ratio*	Change 2009-11
Columbia	3.11%	2.27%	2.82%	-9%
Peoples	4.06%	3.59%	1.82%	-55%
Equitable	2.97%	2.19%	2.13%	-28%
NFG	2.33%	3.39%	2.00%	-14%
PECO-Gas	0.85%	1.17%	0.97%	14%
PGW	8.45%	8.44%	7.99%	-5%
UGI-Gas	3.08%	2.43%	2.27%	-26%
UGI Penn Natural	3.83%	2.75%	2.10%	-45%
Total	**3.92%**	**3.66%**	**3.21%**	**-18%**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	2009	2010	2011	Change 2009-11
Duquesne	2.5%	2.4%	2.1%	-16%
Met-Ed	3.5%	3.8%	4.1%	17%
PECO-Electric	3.2%	2.3%	2.4%	-25%
Penelec	4.0%	3.9%	4.0%	0%
Penn Power	4.1%	4.4%	4.2%	2%
PPL	4.0%	3.6%	4.4%	10%
West Penn	1.2%	1.3%	1.3%	8%
Total	**3.3%**	**2.9%**	**3.2%**	**-3%**

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

Company	2009	2010	2011	Change 2009-11
Columbia	2.8%	2.2%	2.6%	-7%
Peoples	8.8%	6.2%	6.2%	-29%
Equitable	1.8%	2.8%	2.8%	55%
NFG	2.0%	1.9%	2.0%	0%
PECO-Gas	5.9%	4.8%	4.9%	-17%
PGW	8.1%	7.8%	9.6%	19%
UGI-Gas	2.4%	2.2%	2.7%	13%
UGI Penn Natural	3.0%	2.9%	2.8%	-7%
Total	**4.8%**	**4.3%**	**4.9%**	**2%**

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
Equitable	Bill Due Date	30 Days	0 Days
NFG	Bill Rendition Date**	60 Days	9 Days Later
PECO-Gas	Bill Transmittal Date	30 Days	20 Days Sooner
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

*BCS 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
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 - 2012 Federal Poverty Guidelines

2012 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	$5,585	$11,170	$16,755	$22,340
2	$7,565	$15,130	$22,695	$30,260
3	$9,545	$19,090	$28,635	$38,180
4	$11,525	$23,050	$34,575	$46,100
5	$13,505	$27,010	$40,515	$54,020
6	$15,485	$30,970	$46,455	$61,940
7	$17,465	$34,930	$52,395	$69,860
8	$19,445	$38,890	$58,335	$77,780
For each additional person, add	$1,980	$3,960	$5,940	$7,920

Income reflects upper limit of the poverty guideline for each column.
*Effective: 1/26/12. SOURCE: Federal Register, Vol. 77, No. 17, January 26, 2012, pp. 4034-4035.

Appendix 5 - Source of Income for Universal Service Participants

Source of Income for Electric Universal Service Participants

	LIURP	CAP	Hardship Fund
Employment	34%	28%	40%
Public Assistance	5%	8%	7%
Pension or Retirement	12%	22%	14%
Unemployment Compensation	21%	7%	10%
Disability	17%	17%	17%
Other	11%	18%	12%

Source of Income for Natural Gas Universal Service Participants

	LIURP	CAP	Hardship Fund
Employment	30%	30%	43%
Public Assistance	4%	9%	6%
Pension or Retirement	25%	23%	11%
Unemployment Compensation	15%	7%	9%
Disability	15%	21%	16%
Other	11%	10%	15%

Appendix 6 - Percent of Spending by CAP Component

Percent of Electric Total CAP Spending by CAP Component

Company	2010			2011		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Duquesne	6%	80%	14%	6%	80%	14%
Met-Ed	4%	77%	19%	4%	80%	16%
PECO-Electric	3%	83%	14%	3%	85%	12%
Penelec	5%	77%	18%	5%	80%	15%
Penn Power	3%	76%	21%	3%	80%	17%
PPL	5%	72%	23%	4%	68%	28%
West Penn	7%	76%	17%	6%	76%	18%
Weighted Avg.	**5%**	**77%**	**18%**	**4%**	**79%**	**17%**

Percent of Natural Gas Total CAP Spending by CAP Component

Company	2010			2011		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Columbia	6%	83%	11%	6%	77%	17%
Peoples	10%	79%	11%	11%	79%	10%
Equitable	5%	91%	4%	6%	90%	4%
NFG	7%	68%	25%	6%	74%	20%
PECO-Gas	6%	71%	23%	7%	63%	30%
PGW	3%	86%	11%	2%	88%	10%
UGI	6%	76%	18%	6%	78%	16%
UGI Penn Natural	10%	48%	42%	6%	72%	22%
Weighted Avg.	**7%**	**75%**	**18%**	**6%**	**78%**	**16%**

Appendix 7 - Instructions to Access Universal Service Plans and Evaluations on PUC Website - http://www.puc.pa.gov

- From the PUC's website, click on "Consumer Information" in the General Navigation section on the left side of the website.

- From the "Consumer Information" page, under the section "Energy Assistance Information", click on "Energy Assistance".

- From the "Energy Assistance" page, scroll down to the section titled "Energy Assistance," and click on "Assistance Programs."

- Scroll down to the section "Universal Service Plans and Evaluations," and click on either the Universal Service Plan or Universal Service Evaluation of the company of your choice.

Appendix 8 - Universal Service Programs 2011 Spending Levels & Cost Recovery Mechanisms

Company	Cost Recovery Mechanism[1]	Annual CAP Spending	Annual Total Universal Service Spending[2]	Universal Service Spending Assessed on Residential Customers	Average # Residential Customers	Average Annual Universal Service Spending per Residential Customer
Duquesne	Base Rates	$18,565,822	$20,275,094	100%	524,865	$38.63
Met-Ed	USC Rider-Annual	$28,075,091	$31,294,913	100%	486,796	$64.29
PECO-Electric	Base Rates & Univ. Service Fund Charge	$100,472,307	$107,350,019	100%	1,413,972	$75.92
Penelec	USC Rider-Annual	$29,080,721	$32,726,847	100%	505,585	$64.73
Penn Power	USC Rider-Annual	$9,863,285	$11,164,436	100%	140,338	$79.55
PPL	US Rider-Annual	$53,148,044	$60,937,485	100%	1,213,953	$50.20
West Penn	Base Rates	$10,916,940	$13,376,386	100%	615,450	$21.73
EDC Total		**$250,122,210**	**$277,125,180**		**4,900,959**	
EDC Weighted Avg.						**$56.55**
Columbia	USP Rider	$18,141,003	$21,567,265	100%	374,275	$57.62
Peoples	Rider F	$7,664,959	$8,718,959	100%	329,805	$26.43
Equitable	Rider D	$12,162,295	$13,072,242	100%	240,115	$54.44
NFG	Rider F	$2,778,028	$3,870,753	100%	198,419	$19.50
PECO-Gas	Base Rates & Univ. Service Fund Charge	$7,475,179	$9,968,552	100%	450,140	$22.14
PGW	USEC Surcharge	$96,254,993	$102,964,829[4]	75%[3]	479,284	$214.83
UGI	Rider LISHP	$3,996,287	$5,100,032	100%	310,453	$16.43
UGI Penn Natural	Rider E	$3,243,172	$4,197,023	100%	145,341	$28.87
NGDC Total		**$151,715,916**	**$169,459,655**		**2,527,832**	
NGDC Weighted Avg.						**$67.03**

[1]Riders and USEC/USFM Surcharge are charges for CAP costs, in addition to base rates, that are adjusted quarterly or annually.
[2]Universal Service costs include CAP costs, LIURP costs and CARES costs.
[3]CAP costs are assessed in following manner: residential (75 percent), commercial (20 percent), industrial (2 percent), municipal service (2 percent) and PHA (Philadelphia Housing Authority (1 percent).
[4]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.

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