Report on 2012 Universal Service Programs & Collections Performance

of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies

Pennsylvania Public Utility Commission
Bureau of Consumer Services

Table of Contents

1. Introduction

The Pennsylvania Public Utility Commission's (PUC) annual Report on 2012 Universal Service Programs and Collections Performance of the Pennsylvania electric distribution companies (EDCs) and natural gas distribution companies (NGDCs) includes data and performance measures for the seven major EDCs and the eight major NGDCs.

The Electricity Generation Customer Choice and Competition Act[1] and the Natural Gas Choice and Competition Act[2] opened the electric generation and natural gas supply markets to competition. In doing so, the General Assembly indicated a concern about ensuring that electric and natural gas service remain universally available to all customers in the state. Consequently, both Acts contain provisions relating to universal electric and gas service.

Specifically, both Acts require the Commission to maintain, at a minimum, the protections, policies, and services that assist customers who are low-income to afford electric and gas service.[3] 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.[4] To assist the Commission in fulfilling its universal service obligations, the PUC established standard reporting requirements for universal service and energy conservation programs for both the EDCs and the NGDCs.[5]

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

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

Universal Service Programs

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

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

[1] 66 Pa. C.S. §§ 2801-2812
[2] 66 Pa. C.S. Chapter 22
[3] 66 Pa. C.S. §§ 2203(7), §§ 2802(10)
[4] 66 Pa. C.S. §§ 2203(8), §§ 2804(9)
[5] 52 Pa. Code §§ 54.71–54.78, §§ 62.1-62.8
[6] 52 Pa. Code § 54.75(2)(ii)(C)(III) for EDCs and 52 Pa. Code § 62.5 (2)(ii)(C)(III) for NGDCs

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

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

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

Treatment of PECO Data

As a combined gas and electric utility, 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 its 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, which may slightly overstate the customer counts and understate the ratios of any affected data variables.

Treatment of the FirstEnergy Companies

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

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

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

Responsible Utility Customer Protection Act

Act 201 of 2004[7] changed the 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 goal was to increase timely collections while ensuring that service is available to all customers based on equitable terms and conditions.[8] The law is applicable to EDCs, water distribution companies, and NGDCs with an annual operating income in excess of $6,000,000.[9] Steam and wastewater utilities are not covered by Chapter 14. The Commission amended Chapter 56 to make these regulations consistent with Chapter 14.[10] Every two years, the Commission reports to the General Assembly on the effectiveness of the Act. Unless reenacted, Chapter 14 expires on Dec. 31, 2014.

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[7] 66 Pa.C.S. §§1401-1418
[8] 66 Pa. C.S. §1402
[9] Small natural gas companies may voluntarily "opt in" to Chapter 14. 66 Pa. C.S. §1403.
[10] Docket no. L-00060182, published in Pennsylvania Bulletin Oct. 8, 2011.

CAP Rulemaking and Policy Statement

As the result of an investigation into CAP funding levels and cost recovery mechanisms,[11] the Commission began the process to revise its policy statement[12] and regulations[13] regarding CAPs. In May 2012, the Commission discontinued the rulemaking and the proposed revisions to the CAP policy statement[14] due to developments that occurred since the initiation of these two proceedings. The developments included changes to the application of Low Income Home Energy Assistance Program (LIHEAP) funds in a distribution company's CAP. In addition, 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 may be initiated in the future.

On April 9, 2010, the PUC suspended portions[15] of the CAP Policy Statement regarding the application of LIHEAP grants to a distribution company's CAP because the sections were inconsistent with the state Department of Public Welfare's changes to its administration of LIHEAP.[16] The suspension of Sections 69.265(9)(ii-iii) of the Commission's regulations is still in effect.

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[11] Final Order entered Dec. 18, 2006 at docket no. M-00051923

[12] 52 Pa. Code §§ 69.261-69.267. Policy statement proposal docket no. M-00072036.

[13] 52 Pa. Code § 54.74 and § 62.4. Proposed rulemaking docket no. L-00070186.

[14] Docket Nos. L-00070186 (Rulemaking) and M-00072036 (Policy Statement)

[15] 52 Pa. Code §§ 69.265(9)(ii-iii)

[16] Set forth in DPW's 2010 Final State Plan

2. Collection Performance

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

It is also important to note that we have included both the number of confirmed low-income customers and the number of estimated low-income customers in a utility's given service territory. A low-income customer is defined as one whose household income is at or below 150 percent of the federal poverty income guidelines (FPIG).[17] A confirmed low-income customer is a customer whose gross household income has been verified as meeting the FPIG. Most household incomes are verified through the customer's receipt of a LIHEAP grant or determined during the course of making a payment agreement. The estimated low-income customers represent the company's approximation of its total universe of low-income customers.

Number of Residential Customers

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

Number of Residential Electric Customers

Company	Number of Residential Customers
Duquesne	525,683
Met-Ed	487,312
PECO-Electric	1,418,715
Penelec	505,013
Penn Power	140,666
PPL	1,215,950
West Penn	618,033
Total	**4,911,371**

[17] See Appendix 4

Number of Residential Natural Gas Customers

Company	Number of Residential Customers
Columbia	382,677
Peoples	329,809
Equitable	241,778
NFG	198,663
PECO-Gas	454,583
PGW	479,889
UGI-Gas	317,170
UGI Penn Natural	147,046
Total	**2,551,614**

*Number of Confirmed Low-Income Electric Customers**

Company	Number of Confirmed Low-Income Customers	Percent of Customers
Duquesne	57,037	10.9%
Met-Ed	59,588	12.2%
PECO-Electric	167,966	11.8%
Penelec	76,238	15.1%
Penn Power	18,380	13.1%
PPL	159,151	13.1%
West Penn	44,552	7.2%
Total	**582,912**	**11.9%**

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

Company	Number of Confirmed Low-Income Customers	Percent of Customers
Columbia	67,391	17.6%
Peoples	62,664	19.0%
Equitable	43,297	17.9%
NFG	30,193	15.2%
PECO-Gas	29,755	6.5%
PGW	151,789	31.6%
UGI-Gas	39,447	12.4%
UGI Penn Natural	25,806	17.5%
Total	**450,341**	**17.6%**

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

*Number of Estimated Low-Income Electric Customers**

Company	Number of Estimated Low-Income Customers	Percent of Customers
Duquesne	132,781	25.3%
Met-Ed	112,233	23.0%
PECO-Electric	354,536	25.0%
Penelec	162,717	32.2%
Penn Power	36,918	26.2%
PPL	304,000	25.0%
West Penn	169,049	27.4%
Total	**1,272,234**	**25.9%**

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

Company	Number of Estimated Low-Income Customers	Percent of Customers
Columbia	95,303	24.9%
Peoples	85,820	26.0%
Equitable	60,801	25.2%
NFG	58,882	29.6%
PECO-Gas	68,385	15.0%
PGW	156,747	32.7%
UGI-Gas	68,043	21.5%
UGI Penn Natural	38,791	26.4%
Total	**632,772**	**24.8%**

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

Termination and Reconnection of Service

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

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

Terminations and Reconnections - Residential Electric Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Duquesne	525,683	23,533	18,179	4.5%	77.2%
Met-Ed	487,312	17,995	14,651	3.7%	81.4%
PECO-Electric	1,418,715	73,344	52,211	5.2%	71.2%
Penelec	505,013	13,747	10,989	2.7%	79.9%
Penn Power	140,666	3,514	3,208	2.5%	91.3%
PPL	1,215,950	38,303	26,326	3.2%	68.7%
West Penn	618,033	11,092	9,082	1.8%	81.9%
Total	**4,911,371**	**181,528**	**134,646**	**3.7%**	**74.2%**

Terminations and Reconnections - Residential Natural Gas Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	382,677	11,321	6,310	3.0%	55.7%
Peoples	329,809	6,601	4,654	2.0%	70.5%
Equitable	241,778	8,394	6,221	3.5%	74.1%
NFG	198,663	8,347	5,458	4.2%	65.4%
PECO-Gas	454,583	20,411	14,854	4.5%	72.8%
PGW	479,889	25,507	18,114	5.3%	71.0%
UGI-Gas	317,170	8,434	3,990	2.7%	47.3%
UGI Penn Natural	147,046	5,403	3,453	3.7%	63.9%
Total	**2,551,615**	**94,418**	**63,054**	**3.7%**	**66.8%**

*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	57,037	11,948	11,806	20.9%	98.8%
Met-Ed	59,588	8,800	6,908	14.8%	78.5%
PECO-Electric	167,966	16,973	15,430	10.1%	90.9%
Penelec	76,238	7,557	5,818	9.9%	77.0%
Penn Power	18,380	1,813	1,509	9.9%	83.2%
PPL	159,151	20,391	14,344	12.8%	70.3%
West Penn	44,552	5,223	4,309	11.7%	82.5%
Total	**582,912**	**72,705**	**60,124**	**12.5%**	**82.7%**

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	67,391	6,591	3,104	9.8%	47.1%
Peoples	62,664	3,553	2,361	5.7%	66.5%
Equitable	43,297	5,360	4,218	12.4%	78.7%
NFG	30,193	5,081	3,451	16.8%	67.9%
PECO-Gas	29,755	3,880	3,624	13.0%	93.4%
PGW	151,789	17,410	10,412	11.5%	59.8%
UGI-Gas	39,447	6,429	2,718	16.3%	42.3%
UGI Penn Natural	25,806	4,074	2,105	15.8%	51.7%
Total	**450,341**	**52,378**	**31,993**	**11.6%**	**61.1%**

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

Number of Customers in Debt

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

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

One of the stated purposes of the Chapter 56 regulations is to "provide functional alternatives to termination." [18] One method of avoiding termination is to enter into a payment agreement[19]. Also, the fact a customer has entered into a payment agreement means the customer is aware of the outstanding debt, has acknowledged this to the utility and has agreed to a plan to address the debt.

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

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

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[18] 52 Pa. Code § 56.1
[19] 52 Pa. Code § 56.97

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

CAP recipients are excluded from all data tables referencing the number of customers in debt, the dollars in debt, and gross residential write-offs since CAP has its own independent program dollars set aside for both debt and recovery.

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	11,313	10,652	21,965
Met-Ed	26,621	20,002	46,622
PECO-Electric	21,703	120,731	142,434
Penelec	24,799	21,850	46,649
Penn Power	5,650	4,924	10,575
PPL	37,999	96,824	134,823
West Penn	9,557	41,972	51,529
Total	**137,642**	**316,954**	**454,597**

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

Number of Residential Natural Gas Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Columbia	8,669	28,271	36,940
Peoples	14,625	18,076	32,701
Equitable	7,103	10,366	17,468
NFG	4,973	4,771	9,744
PECO-Gas	7,756	27,284	35,039
PGW	15,421	46,219	61,640
UGI-Gas	3,927	21,977	25,903
UGI Penn Natural	2,799	10,410	13,209
Total	**65,272**	**167,372**	**232,644**

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

Percent of Customers in Debt

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

Percent of Total Residential Electric Customers in Debt

Company	Percent of Total Customers in Debt on an Agreement*	Percent of Total Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Duquesne	2.2%	2.0%	4.2%
Met-Ed	5.5%	4.1%	9.6%
PECO-Electric	1.5%	8.5%	10.0%
Penelec	4.9%	4.3%	9.2%
Penn Power	4.0%	3.5%	7.5%
PPL	3.1%	8.0%	11.1%
West Penn	1.5%	6.8%	8.3%
Total	**2.8%**	**6.5%**	**9.3%**

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

Percent of Total Residential Natural Gas Customers in Debt

Company	Percent of Total Customers in Debt on an Agreement*	Percent of Total Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Columbia	2.3%	7.4%	9.7%
Peoples	4.4%	5.5%	9.9%
Equitable	2.9%	4.3%	7.2%
NFG	2.5%	2.4%	4.9%
PECO-Gas	1.7%	6.0%	7.7%
PGW	3.2%	9.6%	12.8%
UGI-Gas	1.2%	6.9%	8.1%
UGI Penn Natural	1.9%	7.1%	9.0%
Total	**2.6%**	**6.6%**	**9.2%**

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

Residential Customer Debt in Dollars Owed

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

Dollars in Debt - Residential Electric Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Duquesne	$7,111,396	$3,893,461	$11,004,856
Met-Ed	$22,176,919	$5,228,520	$27,405,440
PECO-Electric	$12,422,305	$64,369,377	$76,791,682
Penelec	$18,891,292	$4,824,677	$23,715,969
Penn Power	$4,825,654	$1,073,501	$5,899,156
PPL	$18,143,704	$61,844,995	$79,988,700
West Penn	$4,362,384	$6,227,461	$10,589,845
Total	**$87,933,654**	**$147,461,992**	**$235,395,648**

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

Dollars in Debt - Residential Natural Gas Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Columbia	$5,321,827	$3,247,955	$8,569,782
Peoples	$9,591,661	$5,421,287	$15,012,948
Equitable	$4,475,292	$1,571,928	$6,047,220
NFG	$2,274,531	$1,484,946	$3,759,476
PECO-Gas	$5,531,700	$15,910,045	$21,441,745
PGW	$11,500,018	$24,814,033	$36,314,051
UGI-Gas	$1,410,551	$4,185,118	$5,595,669
UGI Penn Natural	$1,195,775	$2,730,157	$3,925,932
Total	**$41,301,354**	**$59,365,469**	**$100,666,822**

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

Dollars in Debt - Confirmed Low-Income Electric Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Duquesne	$1,763,408	$3,818,908	$5,582,316
Met-Ed	$13,573,213	$1,672,475	$15,245,688
PECO-Electric	$2,233,654	$16,319,970	$18,553,625
Penelec	$12,630,650	$1,886,507	$14,517,157
Penn Power	$3,173,251	$365,630	$3,538,880
PPL	$13,150,465	$42,798,103	$55,948,568
West Penn	$2,728,070	$2,423,346	$5,151,416
Total	**$49,252,710**	**$69,284,939**	**$118,537,649**

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

Dollars in Debt- Confirmed Low-Income Natural Gas Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Columbia	$3,164,943	$1,121,775	$4,286,718
Peoples	$5,175,426	$3,358,032	$8,533,458
Equitable	$3,046,495	$722,376	$3,768,872
NFG	$1,495,326	$858,526	$2,353,852
PECO-Gas	$882,306	$4,841,375	$5,723,681
PGW	$6,700,882	$4,932,157	$11,633,039
UGI-Gas	$1,245,209	$2,408,765	$3,653,974
UGI Penn Natural	$1,045,398	$1,678,300	$2,723,698
Total	**$22,755,986**	**$19,921,306**	**$42,677,291**

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

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

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

Percent of Debt on an Agreement - Residential Electric Customers

Company	Percent of Dollars Owed – On an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Duquesne	64.6%	35.4%
Met-Ed	80.9%	19.1%
PECO-Electric	16.2%	83.8%
Penelec	79.7%	20.3%
Penn Power	81.8%	18.2%
PPL	22.7%	77.3%
West Penn	41.2%	58.8%
Total	**37.4%**	**62.6%**

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

Percent of Debt on an Agreement - Residential Natural Gas Customers

Company	Percent of Dollars Owed – On an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Columbia	62.1%	37.9%
Peoples	63.9%	36.1%
Equitable	74.0%	26.0%
NFG	60.5%	39.5%
PECO-Gas	25.8%	74.2%
PGW	31.7%	68.3%
UGI-Gas	25.2%	74.8%
UGI Penn Natural	30.5%	69.5%
Total	**41.0%**	**59.0%**

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

Average Arrearage

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

Average Arrearage – Residential Electric Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Duquesne	$628.58	$365.52	$501.01
Met-Ed	$833.08	$261.40	$587.82
PECO-Electric	$572.37	$533.16	$539.14
Penelec	$761.78	$220.81	$508.39
Penn Power	$854.05	$218.01	$557.87
PPL	$477.48	$638.74	$593.29
West Penn	$456.45	$148.37	$205.51
Total	**$638.86**	**$465.25**	**$517.81**

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

Average Arrearage - Residential Natural Gas Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Columbia	$613.90	$114.89	$231.99
Peoples	$655.83	$299.92	$459.09
Equitable	$630.10	$151.65	$346.19
NFG	$457.38	$311.24	$385.83
PECO-Gas	$713.26	$583.14	$611.94
PGW	$745.75	$536.88	$589.13
UGI-Gas	$359.23	$190.43	$216.02
UGI Penn Natural	$427.15	$262.27	$297.21
Total	**$632.76**	**$354.69**	**$432.71**

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

Number of Payment Agreements

A payment agreement[20] is an agreement in which a customer who admits liability for billed service is permitted to pay the unpaid balance in one or more payments. The method by which utilities determine the total number of payment agreements for reporting also takes into consideration the limitations in documenting and tracking payment agreements.[21] This results in treating a broken payment agreement that is reinstated due to a "catch-up" payment as a new payment agreement. The PUC payment agreement requests are included in this category. However, CAP payment plans are not included in the count of payment agreements.

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

Electric Payment Agreements

Company	All Residential	Confirmed Low Income	Percent of Payment Agreements which are Confirmed Low Income
Duquesne	138,866	48,599	35.0%
Met-Ed	51,451	30,799	59.9%
PECO-Electric	57,904	7,434	12.8%
Penelec	44,513	30,043	67.5%
Penn Power	8,715	5,850	67.1%
PPL	154,678	93,923	60.7%
West Penn	39,909	23,871	59.8%
Total	**496,036**	**240,519**	**48.5%**

Natural Gas Payment Agreements

Company	All Residential	Confirmed Low Income	Percent of Payment Agreements which are Confirmed Low Income
Columbia	23,728	15,550	65.5%
Peoples	16,879	8,175	48.4%
Equitable	13,095	7,966	60.8%
NFG	19,318	12,390	64.1%
PECO-Gas	19,765	2,245	11.4%
PGW	56,285	25,947	46.1%
UGI-Gas	36,894	30,023	81.4%
UGI Penn Natural	23,110	18,656	80.7%
Total	**209,074**	**120,952**	**57.9%**

[20] 52 Pa Code Chapter 56
[21] § 54.75(1)(i) or § 62.5(a)(1)(i)

Gross Residential Write-Offs in Dollars

The tables below represent the gross residential write-offs in dollars for EDCs and NGDCs in 2012. Write-offs are the final treatment of overdue accounts. A residential account is written off after all pre-write-off collection actions are taken and the customer fails to make payment on the balance owed. Generally, a company writes off accounts on either a monthly or annual basis.

Gross Write-Offs - Residential Electric Customers

Company	Gross Dollars Written Off*
Duquesne	$6,650,626
Met-Ed	$14,247,722
PECO-Electric	$39,759,812
Penelec	$10,884,926
Penn Power	$2,562,389
PPL	$50,505,800
West Penn	$6,545,769
Total	**$131,157,044**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Residential Natural Gas Customers

Company	Gross Dollars Written Off*
Columbia	$7,585,766
Peoples	$691,264
Equitable	$3,967,617
NFG	$3,844,868
PECO-Gas	$2,620,174
PGW	$39,102,990
UGI-Gas	$4,485,688
UGI Penn Natural	$2,637,351
Total	**$64,935,718**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Confirmed Low-Income Electric Customers

Company	Gross Dollars Written Off*
Duquesne	$2,561,712
Met-Ed	$9,889,652
PECO-Electric	$4,371,222
Penelec	$7,968,406
Penn Power	$1,863,193
PPL	$34,182,301
West Penn	$4,021,382
Total	**$64,857,868**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Dollars Written Off*
Columbia	$5,064,962
Peoples	$317,981
Equitable	$3,055,065
NFG	$2,449,290
PECO-Gas	$1,662,429
PGW	$29,151,629
UGI-Gas	$4,107,602
UGI Penn Natural	$2,595,241
Total	**$48,404,199**

*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	1.4%
Met-Ed	2.4%
PECO-Electric	2.0%
Penelec	2.1%
Penn Power	1.7%
PPL	3.2%
West Penn	1.3%
Total	**2.2%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	Gross Write-Offs Ratio*
Columbia	2.8%
Peoples	0.3%
Equitable	1.9%
NFG	2.6%
PECO-Gas	0.7%
PGW	9.1%
UGI-Gas	2.3%
UGI Penn Natural	1.8%
Total	**3.2%**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Write-Offs Ratio*
Duquesne	4.1%
Met-Ed	11.1%
PECO-Electric	3.9%
Penelec	8.1%
Penn Power	7.8%
PPL	13.5%
West Penn	8.0%
Total	**9.4%**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Write-Offs Ratio*
Columbia	10.9%
Peoples	0.5%
Equitable	9.7%
NFG	13.7%
PECO-Gas	10.8%
PGW	18.0%
UGI-Gas	13.3%
UGI Penn Natural	9.5%
Total	**12.2%**

*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	$16,378,863	$13,371,140	81.6%
Met-Ed	$17,248,839	$11,132,631	64.5%
PECO-Electric	$14,953,145	$1,963,806	13.1%
Penelec	$13,868,156	$9,392,894	67.7%
Penn Power	$3,419,333	$2,244,014	65.6%
PPL	$14,042,378	$7,442,460	53.0%
West Penn	$8,723,023	$4,608,103	52.8%
Total	**$88,633,737**	**$50,155,048**	**56.6%**

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	$2,787,467	$1,738,783	62.4%
Peoples	$2,206,676	$662,003	30.0%
Equitable	$2,452,180	$439,837	17.9%
NFG	$740,822	$324,870	43.9%
PECO-Gas	$1,848,141	$127,653	6.9%
PGW	$2,104,239	$665,570	31.6%
UGI-Gas	$2,734,654	$1,886,912	69.0%
UGI Penn Natural	$951,932	$768,466	80.7%
Total	**$15,826,111**	**$6,614,094**	**41.8%**

Selected Tables for Multi-Year Data

Terminations - Residential Electric Customers

Company	2011 Terminations	2012 Terminations	Change 2011-12	2011 Termination Rate	2012 Termination Rate
Duquesne	22,927	23,533	2.6%	4.4%	4.5%
Met-Ed	18,169	17,995	-1.0%	3.7%	3.7%
PECO-Electric	80,967	73,344	-9.4%	5.7%	5.2%
Penelec	17,513	13,747	-21.5%	3.5%	2.7%
Penn Power	3,622	3,514	-3.0%	2.6%	2.5%
PPL	33,641	38,303	13.9%	2.8%	3.2%
West Penn	15,351	11,092	-27.7%	2.5%	1.8%
Total	**192,190**	**181,528**	**-5.6%**	**3.9%**	**3.7%**

Terminations - Residential Natural Gas Customers

Company	2011 Terminations	2012 Terminations	Change 2011-12	2011 Termination Rate	2012 Termination Rate
Columbia	9,650	11,321	17.3%	2.6%	3.0%
Peoples	3,696	6,601	78.6%	1.1%	2.0%
Equitable	10,471	8,394	-19.8%	4.4%	3.5%
NFG	9,472	8,347	-11.9%	4.8%	4.2%
PECO-Gas	23,630	20,411	-13.6%	5.2%	4.5%
PGW	28,868	25,507	-11.6%	6.0%	5.3%
UGI-Gas	11,206	8,434	-24.7%	3.6%	2.7%
UGI Penn Natural	6,967	5,403	-22.5%	4.8%	3.7%
Total	**103,960**	**94,418**	**-9.2%**	**4.1%**	**3.7%**

Number of Residential Electric Customers in Debt

Company	2011 Total Number of Customers in Debt*	2012 Total Number of Customers in Debt*	Change 2011-12
Duquesne	21,589	21,965	1.7%
Met-Ed	54,064	46,622	-13.8%
PECO-Electric	113,335	142,434	25.7%
Penelec	54,370	46,649	-14.2%
Penn Power	13,018	10,575	-18.8%
PPL	144,839	134,823	-6.9%
West Penn	78,290	51,529	-34.2%
Total	**479,505**	**454,597**	**-5.2%**

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

Number of Residential Natural Gas Customers in Debt

Company	2011 Total Number of Customers in Debt*	2012 Total Number of Customers in Debt*	Change 2011-12
Columbia	22,620	36,940	63.3%
Peoples	36,587	32,701	-10.6%
Equitable	16,849	17,468	3.7%
NFG	9,481	9,744	2.8%
PECO-Gas	30,309	35,039	15.6%
PGW	86,413	61,640	-28.7%
UGI-Gas	25,055	25,903	3.4%
UGI Penn Natural	12,903	13,209	2.4%
Total	**240,217**	**232,644**	**-3.2%**

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

Dollars in Debt - Residential Electric Customers

Company	2011 Total Dollars in Debt*	2012 Total Dollars in Debt*	Change 2011-12
Duquesne	$10,995,577	$1,1004,856	0.1%
Met-Ed	$30,213,223	$27,405,440	-9.3%
PECO-Electric	$51,523,862	$76,791,682	49.0%
Penelec	$24,147,917	$23,715,969	-1.8%
Penn Power	$7,325,332	$5,899,156	-19.5%
PPL	$81,870,581	$79,988,700	-2.3%
West Penn	$9,067,548	$10,589,845	16.8%
Total	**$215,144,040**	**$235,395,648**	**9.4%**

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

Dollars in Debt - Residential Natural Gas Customers

Company	2011 Total Dollars in Debt*	2012 Total Dollars in Debt*	Change 2011-12
Columbia	$8,974,795	$8,569,783	-4.5%
Peoples	$15,380,911	$15,012,948	-2.4%
Equitable	$6,947,492	$6,047,220	-13.0%
NFG	$3,691,715	$3,759,476	1.8%
PECO-Gas	$21,255,291	$21,441,745	0.9%
PGW	$48,126,888	$36,314,051	-24.6%
UGI-Gas	$6,795,857	$5,595,669	-17.7%
UGI Penn Natural	$4,800,701	$3,925,932	-18.2%
Total	**$115,973,650**	**$100,666,822**	**-13.2%**

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

Gross Write-Offs - Residential Electric Customers

Company	2011 Gross Dollars Written Off*	2012 Gross Dollars Written Off*	Change 2011-12
Duquesne	$6,452,062	$6,650,626	3.1%
Met-Ed	$14,257,828	$14,247,722	-0.1%
PECO-Electric	$32,575,956	$39,759,812	22.1%
Penelec	$10,718,918	$10,884,926	1.6%
Penn Power	$3,192,700	$2,562,389	-19.7%
PPL	$49,731,802	$50,505,800	1.6%
West Penn	$7,016,809	$6,545,769	-6.7%
Total	**$123,946,075**	**$131,157,044**	**5.8%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Residential Natural Gas Customers

Company	2011 Gross Dollars Written Off*	2012 Gross Dollars Written Off*	Change 2011-12
Columbia	$9,761,318	$7,585,766	-22.3%
Peoples	$4,526,442	$691,264	-84.7%
Equitable	$5,371,481	$3,967,617	-26.1%
NFG	$3,649,936	$3,844,868	5.3%
PECO-Gas	$4,232,960	$2,620,174	-38.1%
PGW	$39,957,380	$39,102,990	-2.1%
UGI-Gas	$5,704,577	$4,485,688	-21.4%
UGI Penn Natural	$3,624,732	$2,637,351	-27.2%
Total	**$76,828,826**	**$64,935,718**	**-15.5%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Electric Customers

Company	2011 Gross Write-Offs Ratio*	2012 Gross Write-Offs Ratio*	Change 2011-12
Duquesne	1.2%	1.4%	17.0%
Met-Ed	1.9%	2.4%	26.3%
PECO-Electric	1.5%	2.0%	33.3%
Penelec	1.8%	2.1%	17.0%
Penn Power	1.8%	1.7%	-5.6%
PPL	2.7%	3.2%	18.5%
West Penn	1.0%	1.3%	30.0%
Total	**1.8%**	**2.2%**	**22.2%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2011 Gross Write-Offs Ratio*	2012 Gross Write-Offs Ratio*	Change 2011-12
Columbia	2.8%	2.8%	0.0%
Peoples	1.8%	0.3%	-83.3%
Equitable	2.1%	1.9%	-9.5%
NFG	2.0%	2.6%	30.0%
PECO-Gas	1.0%	0.7%	-30.0%
PGW	8.0%	9.1%	13.8%
UGI-Gas	2.3%	2.3%	0.0%
UGI Penn Natural	2.1%	1.8%	-14.3%
Total	**3.2%**	**3.2%**	**0.00%**

*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 following two tables, the higher the percentage, the greater the potential collection risk.

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

Company	2011	2012	Change 2011-12
Duquesne	2.1%	2.3%	9.5%
Met-Ed	4.1%	4.6%	12.2%
PECO-Electric	2.4%	3.8%	58.3%
Penelec	4.0%	4.6%	15.0%
Penn Power	4.2%	3.9%	-7.1%
PPL	4.4%	5.0%	13.6%
West Penn	1.3%	2.0%	53.8%
Total	**3.2%**	**4.0%**	**25.0%**

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

Company	2011	2012	Change 2011-12
Columbia	2.6%	3.2%	23.1%
Peoples	6.2%	6.0%	-3.2%
Equitable	2.8%	2.9%	3.6%
NFG	2.0%	2.5%	25.0%
PECO-Gas	4.9%	5.7%	16.3%
PGW	9.6%	8.4%	-12.5%
UGI-Gas	2.7%	2.8%	3.7%
UGI Penn Natural	2.8%	2.7%	-3.6%
Total	**4.9%**	**5.0%**	**2.0%**

3. Universal Service Programs

Demographics

The USRR requires EDCs and NGDCs to report the demographics of program recipients, including the number of household members under age 18 and over age 62, household size, income, and source of income. A low-income customer is defined as a residential utility customer whose household income is at or below 150 percent of FPIG.[22] Appendix 4 shows poverty levels in relation to household size and income.

Source of Income, Average Household Size and Income

For all 2012 universal service program customers (both electric and gas), average household incomes are below $16,249. Electric and natural gas households receiving CAP benefits in 2012 have average household incomes that are less than $13,206 per year. Electric customers who receive LIURP service have average yearly household incomes at $16,685, while gas customers average $16,104. These households average three persons, with at least one member under 18 years old. Average household incomes for universal service and energy conservation program participants are well below 150 percent of FPIG for three persons ($28,635 in 2012; $29,295 in 2013). See Appendix 4.

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

"Working poor" households do not always have incomes that exceed 150 percent of FPIG. A definition of a "working poor household" begins with a wage-earner who works full time at a minimum-wage job. In 2012, minimum wage was $7.25 per hour, the same as it was in 2011.[23] Annual income for a wage earner who works at a minimum-wage job is $15,080. A typical 2012 CAP customer has an income of approximately $13,200, which places these households' incomes at about 69 percent of FPIG for 2012, and 68 percent for 2013.

Finally, it is important to understand the relationship between household income and the percent of income a household spends on energy. Energy burden is defined as the percentage of household income that a household spends on total home energy needs.[24] In most instances without CAP programs, calculations show CAP eligible households would pay about 13.8 percent of their household income for energy compared to a typical Pennsylvania household that pays about 3.6 percent of its income for home energy needs.

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[22] § 54.72

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

[24] 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

	2011	2012
LIURP	$16,519	$16,685
CAP	$13,958	$14,350
CARES	$13,812	$18,441
Hardship Fund	$17,101	$20,825

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

	2011	2012
LIURP	$15,725	$16,104
CAP	$12,776	$12,061
CARES	$16,163	$15,207
Hardship Fund	$16,240	$16,322

Low Income Usage Reduction Program (LIURP)

LIURP is a statewide, utility-sponsored, residential usage-reduction program mandated by the PUC.[25] The primary goal of LIURP is to assist low-income residential customers to reduce energy bills through usage reduction (energy conservation) and, as a result, to make bills more affordable.

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

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

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

Program measures are installed on a simple payback recovery basis of seven years or less for most program measures. Some exceptions must meet a 12-year simple payback recovery. The exceptions include sidewall insulation, attic insulation, furnace replacement, water heater replacement and refrigerator replacement. Recovery is the time it takes to recover the cost of the installed program measure through projected energy savings. Examples of 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

[25] 52 Pa. Code, Chapter 58

wraps, water heater replacements, compact fluorescent lighting, refrigerator replacement, water bed replacement with a form-fitted foam mattress, incidental repairs (not home rehabilitation), and conservation education.

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

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

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

In addition, this report also includes data on completed jobs provided by EDCs and NGDCs in accordance with the LIURP Codebook.[26]

[26] Originally based in the LIURP regulations at 52 Pa. Code § 58.15 and incorporated in the Universal Service Reporting Requirements regulations.

LIURP Spending

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

LIURP Spending - Electric Utilities

Company	2012 Actual Spending	2013 Projected Spending*
Duquesne	$1,560,620	$1,361,600
Met-Ed	$3,324,683	$3,746,185
PECO-Electric	$5,600,000	$5,600,000
Penelec	$4,025,911	$4,528,570
Penn Power	$1,437,018	$2,194,534
PPL	$8,027,229	$8,183,370
West Penn	$2,547,051	$2,706,949
Total	**$26,522,512**	**$28,321,208**

*Includes carryover of unspent funds.

LIURP Spending - Natural Gas Utilities

Company	2012 Actual Spending	2013 Projected Spending*
Columbia	$4,067,175	$4,125,076
Peoples	$1,000,000	$1,100,000
Equitable	$630,827	$929,732
NFG	$1,399,364	$1,466,218
PECO-Gas	$2,250,000	$2,250,000
PGW	$5,232,758	$7,493,005
UGI-Gas	$792,306	$483,664
UGI Penn Natural	$596,157	$1,028,899
Total	**$15,968,587**	**$18,876,594**

*Includes carryover of unspent funds.

LIURP Production

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

LIURP Electric Production

Company	2012 Actual Production			2013 Projected Production		
	Heating Jobs	Water Heating Jobs	Baseload Jobs*	Heating Jobs	Water Heating Jobs	Baseload Jobs*
Duquesne	210	0	2,797	80	4	2,423
Met-Ed	422	551	527	613	437	380
PECO-Electric	1,257	0	8,385	1,139	0	7,500
Penelec	355	1,089	684	481	1,139	605
Penn Power	209	302	345	245	252	308
PPL	1,384	644	1,192	1,600	650	800
West Penn	329	339	113	400	340	85
Total	**4,166**	**2,925**	**14,043**	**4,558**	**2,822**	**12,101**

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

LIURP Natural Gas Production

Company	2012 Actual Production Heating Jobs	2013 Projected Production Heating Jobs
Columbia	583	591
Peoples	210	231
Equitable	111	163
NFG	203	232
PECO-Gas	1,008	1,011
PGW	2,158	2,498
UGI-Gas	132	69
UGI Penn Natural	109	147
Total	**4,514**	**4,942**

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 each type of job by the number of jobs completed.

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

LIURP Electric Job Costs

Company	2012 Heating Jobs	2012 Water Heating Jobs	2012 Baseload Jobs
Duquesne	$2,867	$0	$516
Met-Ed	$2,112	$1,566	$1,379
PECO-Electric	$1,756	$0	$329
Penelec	$2,001	$1,562	$1,092
Penn Power	$1,941	$1,131	$876
PPL	$3,248	$1,673	$1,028
West Penn	$2,839	$2,616	$1,855

LIURP Natural Gas Job Costs

Company	2012 Heating Jobs
Columbia	$5,825
Peoples	$3,822
Equitable	$4,929
NFG	$4,393
PECO-Gas	$2,186
PGW	$1,938
UGI-Gas	$4,991
UGI Penn Natural	$4,413

LIURP Energy Savings and Bill Reduction

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

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

LIURP Energy Savings and Bill Reductions

Job Type	2010 Energy Savings	2010 Estimated Annual Bill Reduction
Electric Heating	7.4%	$199
Electric Water Heating	7.0%	$138
Electric Baseload	6.1%	$95
Gas Heating	14.2%	$315

Customer Assistance Programs (CAPs)

The PUC monitors implementation of the Commission's CAP Policy Statement and regulations[27] by the seven largest EDCs and the eight NGDCs serving more than 100,000 customers.

The USRR requires the companies to report the number of customers enrolled in CAP. The Commission defines participation as those participants enrolled in CAP at the end of the program year. As part of each company's restructuring proceeding, a program phase-in size was established. Under the USRR, each company submits for approval a three-year universal service plan. PUC regulations[28] require the companies to submit a projected needs assessment and projected enrollment level for its universal service programs. Universal Service Plans and Evaluations are posted on the Commission's website (Appendix 7 contains viewing instructions).

The CAP Participation Rate is defined as the number of participants enrolled as of Dec. 31, 2012, divided by the number of confirmed low-income customers served byeach of the EDCs or NGDCs. Industry totals are reflected in the weighted average figure. 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, because the estimated number is significantly larger.

[27] 66 Pa. C.S. §§ 2802(10), 2804(9), 2203(7) and 2203(8)

[28] 52 Pa. Code § 54.74 for EDCs and 52 Pa. Code § 62.4 for NGDCs

CAP Participation - Electric Utilities

Company	2011		2012	
	Participants Enrolled as of 12/31/11	CAP Participation Rate	Participants Enrolled as of 12/31/12	CAP Participant Rate
Duquesne	37,893	67%	36,156	63%
Met-Ed	29,496	52%	28,773	48%
PECO-Electric	138,421	77%	136,529	81%
Penelec	39,161	53%	36,848	48%
Penn Power	10,104	56%	9,246	50%
PPL	34,308	22%	31,657	20%
West Penn	21,617	48%	21,120	47%
Total	**311,000**		**300,329**	
Weighted Avg.*		**53%**		**52%**

CAP Participation - Natural Gas Utilities

Company	2011		2012	
	Participants Enrolled as of 12/31/11	CAP Participation Rate	Participants Enrolled as of 12/31/12	CAP Participant Rate
Columbia	22,314	33%	20,026	30%
Peoples	17,240	27%	15,612	25%
Equitable	15,101	35%	11,534	27%
NFG	11,815	37%	10,627	35%
PECO-Gas	23,943	72%	23,284	78%
PGW	80,298	51%	75,224	50%
UGI-Gas	6,741	17%	5,041	13%
UGI-Penn Natural	4,534	18%	3,703	14%
Total	**181,986**		**165,051**	
Weighted Avg.*		**40%**		**37%**

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

CAP Benefits - Bills, Credits & Arrearage Forgiveness

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

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

Average CAP bills and CAP credits fluctuate due to several factors: CAP customers may have different payment plans based on their type of usage (heating, water heating, or baseload); change in rates; and the distribution of income levels among program participants. Consumption and weather also will affect CAP bills and credits for some companies, because the payment plan rate discounts incorporate a usage factor into the CAP bill calculations.

Average Monthly CAP Electric Bill

Company	2011	2012
Duquesne	$76	$78
Met-Ed	$75	$82
PECO-Electric	$71	$68
Penelec	$55	$71
Penn Power	$49	$46
PPL	$81	$81
West Penn	$86	$86

Average Monthly Natural Gas CAP Bill

Company	2011	2012
Columbia	$58	$51
Peoples	$65	$64
Equitable	$75	$81
NFG	$79	$66
PECO-Gas	$62	$54
PGW	$86	$84
UGI-Gas	$93	$84
UGI Penn Natural	$105	$94

Average Annual Electric CAP Credits

Company	2011	2012
Duquesne	$401	$358
Met-Ed	$793	$780
PECO-Electric	$622	$578
Penelec	$620	$641
Penn Power	$793	$739
PPL	$1,079	$811
West Penn	$389	$227

Average Annual Natural Gas CAP Credits

Company	2011	2012
Columbia	$602	$323
Peoples	$353	$255
Equitable	$674	$392
NFG	$169	$126
PECO-Gas	$194	$140
PGW	$1,010	$799
UGI-Gas	$414	$324
UGI Penn Natural	$453	$513

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

Average Annual Electric Utilities Arrearage Forgiveness

Company	2011	2012
Duquesne	$68	$71
Met-Ed	$160	$127
PECO-Electric	$87	$87
Penelec	$116	$85
Penn Power	$167	$114
PPL	$441	$491
West Penn	$91	$130

Average Annual Natural Gas Utilities Arrearage Forgiveness

Company	2011	2012
Columbia	$133	$4
Peoples	$45	$86
Equitable	$30	$27
NFG	$46	$32
PECO-Gas	$92	$34
PGW	$116	$97
UGI-Gas	$85	$78
UGI Penn Natural	$136	$106

CAP Costs

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

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

CAP Electric Gross Costs

Company	2011			2012		
	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	$18,565,822	37,183	$499	$16,680,684	36,085	$462
Met-Ed	$28,075,091	28,349	$990	$28,356,979	29,574	$959
PECO-Electric	$100,472,307	137,940	$728	$94,760,602	138,691	$683
Penelec	$29,080,721	37,570	$774	$30,152,302	38,962	$774
Penn Power	$9,863,285	9,945	$992	$8,861,651	9,830	$901
PPL	$53,148,044	33,735	$1,575	$47,106,215	34,462	$1,337
West Penn	$10,916,940	21,491	$508	$8,495,135	21,965	$387
Total	**$250,122,210**	**306,213**		**$234,413,568**	**309,570**	
Weighted Avg.			**$817**			**$757**

CAP Natural Gas Gross Costs

Company	2011			2012		
	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	$18,141,003	23,170	$783	$8,167,972	21,137	$386
Peoples	$7,664,959	17,170	$446	$6,022,673	15,009	$401
Equitable	$12,162,295	16,326	$745	$6,055,041	13,122	$461
NFG	$2,778,028	12,117	$229	$1,958,376	11,208	$175
PECO-Gas	$7,475,179	24,319	$307	$4,555,567	23,847	$191
PGW	$96,254,993	83,924	$1,147	$73,059,396	80,343	$909
UGI-Gas	$3,996,287	7,517	$532	$2,662,779	6,135	$434
UGI Penn Natural	$3,243,172	5,147	$630	$2,782,805	4,214	$660
Total	**$151,715,916**	**189,690**		**$105,264,609**	**175,015**	
Weighted Avg.			**$800**			**$601**

CARES

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

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

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

CARES Benefits

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

Commission regulations define direct dollars as those applied to a CARES customer's utility account, including all sources of energy assistance such as LIHEAP, hardship fund grants, and local agencies' grants.[29] The column marked "Direct Dollars in Addition to LIHEAP Grants for CARES Participants" subtracts LIHEAP benefits from total CARES benefits to show the total dollar benefits not related to LIHEAP. Net CARES benefits include LIHEAP cash and crisis grants plus direct dollars in addition to LIHEAP grants. The administrative costs of CARES are deducted from the total CARES benefits to equal net CARES benefits. Because the number of participants who receive 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.

[29] 52 Pa. Code § 54.72.

2012 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	$3,729,986	17,732	$325,568	$3,930,554
Met-Ed*	$0	$2,632,510	7,047	$0	$2,632,510
PECO-Electric	$1,435,370	$12,899,860	63,170	$169,739	$11,634,229
Penelec*	$0	$3,524,320	8,487	$0	$3,524,320
Penn Power*	$0	$846,449	1,993	$0	$846,449
PPL	$0	$9,349,112	25,416	$49,346	$9,398,458
West Penn	$0	$4,657,151	11,810	$0	$4,657,151
Total	**$1,560,370**	**$37,639,388**	**135,655**	**$544,653**	**$36,623,671**

*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.

2012 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	$353,177	$7,312,384	21,987	$13,934	$6,973,141
Peoples	$157,244	$5,653,850	30,236**	$39,517	$5,536,123
Equitable	$264,489	$5,546,774	14,899	$125,330	$5,407,615
NFG	$5,532	$7,582,361	19,819	$400	$7,577,229
PECO-Gas	$233,665	$2,099,977	10,283	$27,632	$1,893,944
PGW	$669,648	$26,219,470	64,153	$4,627	$25,549,822
UGI-Gas	$63,536	$5,039,159	28,395	$1,492	$4,977,115
UGI Penn Natural	$25,901	$4,335,786	22,781	$2,742	$4,312,627
Total	**$1,773,192**	**$63,789,761**	**212,553**	**$211,047**	**$62,227,616**

*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 bills or to those who still have a critical need for assistance after other resources have been exhausted. The funds make payments directly to companies on behalf of eligible customers.

Ratepayer and Shareholder Contributions

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

2011-12 Electric Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Duquesne	$245,527	$0.47	$360,493
Met-Ed	$81,737	$0.17	$61,374
PECO-Electric	$193,854	$0.11	$382,284
Penelec	$54,651	$0.11	$40,900
Penn Power	$39,557	$0.28	$29,457
PPL	$415,394	$0.34	$810,000
West Penn	$127,077	$0.21	$109,000
Total	**$1,157,797**		**$1,793,508**
Weighted Avg.		**$0.24**	

2011-12 Natural Gas Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Columbia	$1,240,618	$0.39	$150,000
Peoples	$174,043	$0.53	$388,311
Equitable	$87,500	$0.36	$200,000
NFG	$46,827	$0.23	$67,000
PECO-Gas	$31,557	$0.05	$62,232
PGW	$8,561	$0.02	$806,608
UGI-Gas*	$181,734	$0.27	$56,000
UGI Penn Natural**	$532,774	$0.11	$34,259
Total	**$2,303,614**		**$1,764,410**
Weighted Avg.		**$0.90**	

*UGI Gas ratepayer contributions include a $94,549 contribution from Tennessee Gas Pipeline Company settlement (Docket no. P-2009-2149107). For the average ratepayer contribution per customer comparison, this amount ($94,549) is not included. Only residential ratepayer contributions are included in the comparison.

**UGI Penn Natural ratepayer contributions include a $516,896 contribution from Tennessee Gas Pipeline Company settlement (Docket no. P-2009-2149107). For the average ratepayer contribution per customer comparison, this amount ($516,896) is not incuded. Only residential ratepayer contributions are included in the comparison.

Hardship Fund Benefits

The USRR requires companies to report data on hardship fund benefits. The Commission defines hardship fund benefits as, "The total number and dollar amount of cash benefits or bill credits."[30] 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	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
Duquesne	1,792	1,353	$419	$441	$750,000	$597,250
Met-Ed	532	434	$331	$332	$176,000	$144,000
PECO-Electric	1,092	858	$320	$383	$349,669	$328,989
Penelec	393	250	$305	$343	$120,000	$85,662
Penn Power	255	171	$339	$337	$86,362	$57,550
PPL	3,949	3,600	$314	$276	$1,241,039	$994,996
West Penn	1,122	502	$267	$304	$300,000	$152,454
Total	**9,135**	**7,168**			**$3,023,070**	**$2,360,901**
Weighted Avg.			**$328**	**$329**		

[30] See 52 Pa. Code §§ 54.72, 62.5.

Natural Gas Utility Hardship Fund Grant Benefits

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
Columbia	2,979	2,884	$375	$391	$1,117,389	$1,127,223
Peoples	1,102	1,674	$374	$428	$411,596	$715,654
Equitable	991	883	$404	$393	$400,000	$347,225
NFG	234	362	$212	$229	$49,569	$82,743
PECO-Gas	208	140	$320	$383	$66,604	$53,556
PGW	2,263	1,676	$1,000	$1,003	$2,263,653	$1,681,218
UGI-Gas	795	833	$313	$307	$248,448	$255,977
UGI Penn Natural	678	1,052	$422	$427	$285,983	$448,885
Total	**9,250**	**9,504**			**$4,843,242**	**$4,712,481**
Weighted Avg.			**$428**	**$496**		

4. Small Utilities' Universal Service Programs

The USRR has fewer data requirements for small utilities. EDCs with fewer than 60,000 residential customers and NGDCs with fewer than 100,000 residential customers must file universal service plans every three years, but the plans are not subject to the Commission's formal approval process.[31] Instead, these plans are informally reviewed by the PUC's 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.

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

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

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

Peoples TWP offers a full-scale CAP program serving approximately 1,138 customers as of Dec. 31, 2012. The company also operates a LIURP program, which completed 26 jobs in 2012.

UGI-Central Penn Gas offers a full-scale CAP program. As of December 2012, program enrollment was approximately 2,075 customers. UGI-Central Penn Gas also administers a LIURP program, completing 88 jobs in 2012.

UGI Utilites Inc. (UGI-Electric) offers a full-scale CAP program with an enrollment of approximately 1,713 customers. The company operates its own hardship fund and also administers a LIURP program, completing 38 jobs in 2012.

The small utilities also differ significantly from each other in the total number of residential customers each company serves. For example, UGI-Central Penn Gas, UGI- Electric, 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.

[31] 52 Pa. Code, Chapter 54, § 54.77 for EDCs and at 52 Pa. Code, Chapter 62, § 62.7 for NGDCs

5. Appendices

Appendix 1 - Grouping of Collection Data Tables

Number of Confirmed Low-Income Electric Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Duquesne	2,863	5,146	8,009
Met-Ed	14,479	4,831	19,310
PECO-Electric	3,291	28,515	31,806
Penelec	15,599	6,676	22,275
Penn Power	3,332	1,368	4,699
PPL	24,322	42,966	67,288
West Penn	5,732	8,154	13,886
Total	**69,617**	**97,656**	**167,273**

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

Number of Confirmed Low-Income Natural Gas Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Columbia	4,823	7,071	11,894
Peoples	7,324	5,871	13,196
Equitable	4,259	3,240	7,499
NFG	2,836	1,666	4,501
PECO-Gas	1,037	5,363	6,400
PGW	8,992	5,283	14,275
UGI-Gas	3,339	9,026	12,365
UGI Penn Natural	2,364	5,004	7,368
Total	**34,973**	**42,524**	**77,497**

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

Percent of Confirmed Low-Income Electric Customers in Debt

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Duquesne	5.0%	9.0%	14.0%
Met-Ed	24.3%	8.1%	32.4%
PECO-Electric	2.0%	17.0%	18.9%
Penelec	20.5%	8.8%	29.3%
Penn Power	18.1%	7.4%	25.5%
PPL	15.3%	27.0%	42.3%
West Penn	12.9%	18.3%	31.2%
Total	**11.9%**	**16.8%**	**28.7%**

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

Percent of Confirmed Low-Income Natural Gas Customers in Debt

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Columbia	7.2%	10.5%	17.7%
Peoples	11.7%	9.4%	21.1%
Equitable	9.8%	7.5%	17.3%
NFG	9.4%	5.5%	14.9%
PECO-Gas	3.5%	18.0%	21.5%
PGW	5.9%	3.5%	9.4%
UGI-Gas	8.5%	22.9%	31.4%
UGI Penn Natural	9.2%	19.4%	28.6%
Total	**7.8%**	**9.4%**	**17.2%**

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

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

Company	Percent of Dollars Owed – on an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Duquesne	31.6%	68.4%
Met-Ed	89.0%	11.0%
PECO-Electric	12.0%	88.0%
Penelec	87.0%	13.0%
Penn Power	89.7%	10.3%
PPL	23.5%	76.5%
West Penn	53.0%	47.0%
Total	**41.6%**	**58.4%**

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

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

Company	Percent of Dollars Owed – on an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Columbia	73.8%	26.2%
Peoples	60.6%	39.4%
Equitable	80.8%	19.2%
NFG	63.5%	36.5%
PECO-Gas	15.4%	84.6%
PGW	57.6%	42.4%
UGI-Gas	34.1%	65.9%
UGI Penn Natural	38.4%	61.6%
Total	**53.3%**	**46.7%**

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

Average Arrearage - Confirmed Low-Income Electric Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Duquesne	$615.91	$742.10	$696.99
Met-Ed	$937.45	$346.21	$789.54
PECO-Electric	$678.78	$572.33	$583.35
Penelec	$809.70	$282.59	$651.73
Penn Power	$952.50	$267.32	$753.07
PPL	$540.69	$996.08	$831.48
West Penn	$475.97	$297.19	$370.98
Total	**$707.48**	**$709.48**	**$708.65**

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

Average Arrearage - Confirmed Low-Income Natural Gas Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Columbia	$656.26	$158.64	$360.41
Peoples	$706.62	$571.94	$646.69
Equitable	$715.28	$222.97	$502.59
NFG	$527.27	$515.32	$522.96
PECO-Gas	$850.96	$902.67	$894.29
PGW	$745.18	$933.66	$814.93
UGI-Gas	$372.98	$266.87	$295.52
UGI Penn Natural	$442.28	$335.37	$369.67
Total	**$650.68**	**$468.47**	**$550.69**

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

Residential Revenues (Billings) - Electric Customers

Company	Annual Residential Billings
Duquesne	$479,278,393
Met-Ed	$601,225,368
PECO-Electric	$2,025,614,361
Penelec	$515,036,892
Penn Power	$150,753,706
PPL	$1,585,101,665
West Penn	$519,068,601
Total	**$5,876,078,986**

Residential Revenues (Billings) - Natural Gas Customers

Company	Annual Residential Billings
Columbia	$268,796,602
Peoples	$249,666,628
Equitable	$205,980,780
NFG	$148,524,000
PECO-Gas	$375,138,209
PGW	$431,198,290
UGI-Gas	$196,428,979
UGI Penn Natural	$147,367,114
Total	**$2,023,100,602**

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

Company	Annual Residential Billings
Duquesne	$62,647,709
Met-Ed	$88,915,106
PECO-Electric	$112,588,870
Penelec	$98,467,580
Penn Power	$23,823,659
PPL	$253,616,266
West Penn	$50,365,116
Total	**$690,424,306**

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

Company	Annual Residential Billings
Columbia	$46,555,571
Peoples	$65,162,990
Equitable	$31,628,060
NFG	$17,916,883
PECO-Gas	$15,464,380
PGW	$161,531,677
UGI-Gas	$30,969,383
UGI Penn Natural	$27,341,567
Total	**$396,570,511**

Terminations - Residential Electric Customers

Company	2010 Terminations	2011 Terminations	2012 Terminations	Change 2010-12
Duquesne	21,915	22,927	23,533	7.4%
Met-Ed	10,676	18,169	17,995	68.6%
PECO-Electric	77,674	80,967	73,344	-5.6%
Penelec	6,750	17,513	13,747	103.7%
Penn Power	1,705	3,622	3,514	106.1%
PPL	33,534	33,641	38,303	14.2%
West Penn	16,803	15,351	11,092	-34.0%
Total	**169,057**	**192,190**	**181,528**	**7.4%**

Terminations - Residential Natural Gas Customers

Company	2010 Terminations	2011 Terminations	2012 Terminations	Change 2010-12
Columbia	9,878	9,650	11,321	14.6%
Peoples	7,135	3,696	6,601	-7.5%
Equitable	10,967	10,471	8,394	-23.5%
NFG	9,296	9,472	8,347	-10.2%
PECO-Gas	23,637	23,630	20,411	-13.7%
PGW	29,865	28,868	25,507	-14.6%
UGI-Gas	11,885	11,206	8,434	-29.0%
UGI Penn Natural	8,569	6,967	5,403	-37.0%
Total	**111,232**	**103,960**	**94,418**	**-15.1%**

Number of Residential Electric Customers in Debt

Company	2010 Total Number of Customers in Debt*	2011 Total Number of Customers in Debt*	2012 Total Number of Customers in Debt*	Change 2010-12
Duquesne	22,685	21,589	21,965	-3.2%
Met-Ed	52,968	54,064	46,622	-12.0%
PECO-Electric	106,883	113,335	142,434	33.3%
Penelec	53,496	54,370	46,649	-12.8%
Penn Power	14,068	13,018	10,575	-24.8%
PPL	138,857	144,839	134,823	-2.9%
West Penn	77,713	78,290	51,529	-33.7%
Total	**466,670**	**479,505**	**454,597**	**-2.6%**

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

Number of Residential Natural Gas Customers in Debt

Company	2010 Total Number of Customers in Debt*	2011 Total Number of Customers in Debt*	2012 Total Number of Customers in Debt*	Change 2010-12
Columbia	20,920	22,620	36,940	76.6%
Peoples	26,740	36,587	32,701	22.3%
Equitable	16,162	16,849	17,468	8.1%
NFG	8,430	9,481	9,744	15.6%
PECO-Gas	29,616	30,309	35,039	18.3%
PGW	94,928	86,413	61,640	-35.1%
UGI-Gas	21,991	25,055	25,903	17.8%
UGI Penn Natural	12,733	12,903	13,209	3.7%
Total	**231,520**	**240,217**	**232,644**	**0.5%**

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

Dollars in Debt - Residential Electric Customers

Company	2010 Total Dollars in Debt*	2011 Total Dollars in Debt*	2012 Total Dollars in Debt*	Change 2010-12
Duquesne	$12,233,979	$10,995,577	$11,004,856	-10.1%
Met-Ed	$25,850,553	$30,213,223	$27,405,440	6.0%
PECO-Electric	$47,990,936	$51,523,862	$76,791,682	60.0%
Penelec	$19,773,600	$24,147,917	$23,715,969	19.9%
Penn Power	$7,865,105	$7,325,332	$5,899,155	-25.0%
PPL	$66,589,533	$81,870,581	$79,988,700	20.1%
West Penn	$8,674,666	$9,067,548	$10,589,845	22.1%
Total	**$188,978,372**	**$215,144,040**	**$235,395,648**	**24.6%**

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

Dollars in Debt - Residential Natural Gas Customers

Company	2010 Total Dollars in Debt*	2011 Total Dollars in Debt*	2012 Total Dollars in Debt*	Change 2010-12
Columbia	$7,724,506	$8,974,795	$8,569,783	10.9%
Peoples	$13,240,714	$15,380,911	$15,012,948	13.4%
Equitable	$7,777,224	$6,947,492	$6,047,220	-22.2%
NFG	$3,400,468	$3,691,715	$3,759,477	10.6%
PECO-Gas	$22,418,932	$21,255,291	$21,441,745	-4.4%
PGW	$43,281,880	$48,126,888	$36,314,051	-16.1%
UGI-Gas	$6,070,447	$6,795,857	$5,595,669	-7.8%
UGI Penn Natural	$5,438,788	$4,800,701	$3,925,932	-27.8%
Total	**$109,352,959**	**$115,973,650**	**$100,666,822**	**-7.9%**

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

Gross Write-Offs Ratio - Residential Electric Customers

Company	2010 Gross Write-Offs Ratio*	2011 Gross Write-Offs Ratio*	2012 Gross Write-Offs Ratio*	Change 2010-12
Duquesne	1.1%	1.2%	1.4%	27.3%
Met-Ed	1.7%	1.9%	2.4%	41.2%
PECO-Electric	2.0%	1.5%	2.0%	0.00%
Penelec	1.7%	1.8%	2.1%	23.5%
Penn Power	1.6%	1.8%	1.7%	6.3%
PPL	2.1%	2.7%	3.2%	52.4%
West Penn	0.9%	1.0%	1.3%	44.4%
Total	**1.8%**	**1.8%**	**2.2%**	**22.2%**

*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*	2012 Gross Write-Offs Ratio*	Change 2010-12
Columbia	2.3%	2.8%	2.8%	21.7%
Peoples	3.6%	1.8%	0.3%	-91.7%
Equitable	2.2%	2.1%	1.9%	-13.6%
NFG	3.4%	2.0%	2.6%	-23.5%
PECO-Gas	1.2%	1.0%	0.7%	-41.7%
PGW	8.4%	8.0%	9.1%	8.3%
UGI-Gas	2.4%	2.3%	2.3%	-4.2%
UGI Penn Natural	2.8%	2.1%	1.8%	-35.7%
Total	**3.7%**	**3.2%**	**3.2%**	**-13.5%**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	2010	2011	2012	Change 2010-12
Duquesne	2.4%	2.1%	2.3%	-4.2%
Met-Ed	3.8%	4.1%	4.6%	21.1%
PECO-Electric	2.3%	2.4%	3.8%	65.2%
Penelec	3.9%	4.0%	4.6%	17.9%
Penn Power	4.4%	4.2%	3.9%	-11.4%
PPL	3.6%	4.4%	5.0%	38.9%
West Penn	1.3%	1.3%	2.0%	53.8%
Total	**2.9%**	**3.2%**	**4.0%**	**37.9%**

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

Company	2010	2011	2012	Change 2010-12
Columbia	2.2%	2.6%	3.2%	45.5%
Peoples	6.2%	6.2%	6.0%	-3.2%
Equitable	2.8%	2.8%	2.9%	3.6%
NFG	1.9%	2.0%	2.5%	31.6%
PECO-Gas	4.8%	4.9%	5.7%	18.8%
PGW	7.8%	9.6%	8.4%	7.7%
UGI-Gas	2.2%	2.7%	2.8%	27.3%
UGI Penn Natural	2.9%	2.8%	2.7%	-6.9%
Total	**4.3%**	**4.9%**	**5.0%**	**16.3%**

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

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

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

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

Company	After an Account is Terminated	After an Account is Discontinued
Duquesne	7 Days after Termination Date	3 to 5 Days after Discontinuance
Met-Ed and Penelec	10 Days after Termination Date	Same Day as Discontinuance
PECO-Electric	30 to 32 Days after Termination Date	Same Day as Discontinuance
Penn Power	10 Days after Termination Date	Same Day as Discontinuance
PPL	5 to 8 Days after Termination Date	Bill Transmittal Date
West Penn	10 Days after Termination Date	0 to 1 Day after Final Bill Transmittal Date
Columbia	5 to 7 Days after Termination Date	Same Day as Discontinuance
Peoples	10 Days after Termination Date	10 Days after Discontinuance
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 and 2013 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: January 26, 2102. SOURCE: Federal Register, Vol. 77, No. 17, January 26, 2012, pp. 4034-4035.

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

* Income reflects upper limit of the poverty guideline for each column.
Effective: January 24, 2013. SOURCE: Federal Register, Vol. 78, January 24, 2013, pp. 5182-5183.

Appendix 5 - Source of Income for Universal Service Participants

Source of Income for Electric Universal Service Participants

	LIURP	CAP	Hardship Fund
Employment	32.9%	26.2%	40.6%
Public Assistance	4.0%	6.7%	6.6%
Pension or Retirement	10.6%	18.8%	15.7%
Unemployment Compensation	23.1%	6.9%	8.4%
Disability	18.5%	20.5%	16.2%
Other	11.0%	20.9%	12.5%

Source of Income for Natural Gas Universal Service Participants

	LIURP	CAP	Hardship Fund
Employment	28.1%	28.9%	47.2%
Public Assistance	5.1%	9.1%	4.7%
Pension or Retirement	29.5%	23.5%	8.4%
Unemployment Compensation	10.7%	5.6%	9.2%
Disability	21.1%	22.6%	19.1%
Other	5.6%	10.3%	11.5%

Appendix 6 - Percent of Spending by CAP Component

Percent of Electric Total CAP Spending by CAP Component

Company	2011			2012		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Duquesne	6%	80%	14%	7%	77%	15%
Met-Ed	4%	80%	16%	5%	81%	13%
PECO-Electric	3%	85%	12%	3%	85%	13%
Penelec	5%	80%	15%	6%	83%	11%
Penn Power	3%	80%	17%	5%	82%	13%
PPL	4%	68%	28%	5%	59%	36%
West Penn	6%	76%	18%	8%	59%	34%
Weighted Avg.	**4%**	**79%**	**17%**	**4%**	**77%**	**18%**

Percent of Natural Gas Total CAP Spending by CAP Component

Company	2011			2012		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Columbia	6%	77%	17%	15%	84%	1%
Peoples	11%	79%	10%	15%	64%	21%
Equitable	6%	90%	4%	9%	85%	6%
NFG	6%	74%	20%	9%	72%	19%
PECO-Gas	7%	63%	30%	9%	73%	18%
PGW	2%	88%	10%	1%	88%	11%
UGI	6%	78%	16%	7%	75%	18%
UGI Penn Natural	6%	72%	22%	6%	78%	16%
Weighted Avg.	**6%**	**78%**	**16%**	**5%**	**84%**	**11%**

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

- From the PUC's website, locate the "Filing & Resources" tab on the headings bar.
- Click on "Filing & Resources".
- On the left side of the page, locate "Universal Service Reports" in the column of options.
- Click on "Universal Service Reports," and then, click on your choice of the Universal Service Reports that are listed by year.

Appendix 8 - Universal Service Programs 2012 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	$16,680,684	$18,366,304	100%	525,683	$34.94
Met-Ed	USC Rider-Annual	$28,356,979	$31,681,662	100%	487,312	$65.01
PECO-Electric	Base Rates & Univ. Service Fund Charge	$94,760,602	$101,795,972	100%	1,418,715	$71.75
Penelec	USC Rider-Annual	$30,152,302	$34,178,213	100%	505,013	$67.68
Penn Power	USC Rider-Annual	$8,861,651	$10,298,669	100%	140,666	$73.21
PPL	US Rider-Annual	$47,106,215	$55,133,444	100%	1,215,950	$45.34
West Penn	Base Rates	$8,495,135	$11,042,186	100%	618,033	$17.87
EDC Total		**$234,413,568**	**$262,496,450**		**4,911,371**	
EDC Weighted Avg.						**$53.45**
Columbia	USP Rider	$8,167,972	$12,588,324	100%	382,677	$32.90
Peoples	Rider F	$6,022,673	$7,179,917	100%	329,809	$21.77
Equitable	Rider D	$6,055,041	$6,950,357	100%	241,778	$28.75
NFG	Rider F	$1,958,376	$3,363,272	100%	198,663	$16.93
PECO-Gas	Base Rates & Univ. Service Fund Charge	$4,555,567	$7,039,232	100%	454,583	$15.49
PGW	USEC Surcharge	$73,059,396	$78,961,802[4]	75%[3]	479,889	$164.54
UGI	Rider LISHP	$2,662,779	$3,518,621	100%	317,170	$11.09
UGI Penn Natural	Rider E	$2,782,805	$3,404,363	100%	147,046	$23.15
NGDC Total		**$105,264,609**	**$123,005,888**		**2,551,614**	
NGDC Weighted Avg.						**$48.21**

[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]PGW 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.