



Report on **2019** Universal Service Programs & Collections Performance

of the Pennsylvania
Electric Distribution Companies &
Natural Gas Distribution Companies

Pennsylvania Public Utility Commission
Bureau of Consumer Services





Universal Service Programs & Collections Performance 2019

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1. Introduction

The Pennsylvania Public Utility Commission’s (PUC) Annual Report on 2019 Universal Service Programs and Collections Performance includes data and performance measures for the seven major Pennsylvania electric distribution companies (EDCs) and the eight major natural gas distribution companies (NGDCs), during the 2019 calendar year.

The Electricity Generation Customer Choice and Competition Act¹ and the Natural Gas Choice and Competition Act² opened the electric generation and natural gas supply markets to competition. In doing so, the General Assembly wanted to ensure that electric and natural gas service remain universally available to all customers in the state. Consequently, both Acts contain provisions relating to universal electric and gas service, and 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 in fulfilling its universal service obligations, the Commission established standard reporting requirements for universal service and energy conservation for both the EDCs and the NGDCs.⁵ The Universal Service and Energy Conservation Reporting Requirements (USRR) became effective Aug. 8, 1998, for EDCs and Dec. 16, 2000, for NGDCs.⁶ This data assists the Commission in monitoring the progress of the EDCs and NGDCs in achieving universal service in their respective service territories. Beginning with 2003 data, FirstEnergy Corp. requested permission to identify and report separately on the four FirstEnergy utilities: Metropolitan Edison (Met-Ed), Pennsylvania Electric (Penelec), Pennsylvania Power (Penn Power) and West Penn Power (West Penn). The other utilities subjected to these reporting requirements are Duquesne Light (Duquesne), PECO-Electric, PPL Electric Utilities (PPL), Columbia Gas of Pennsylvania (Columbia), National Fuel Gas (NFG), PECO-Gas, Peoples Natural Gas (Peoples), Peoples-Equitable Division (Peoples-Equitable),⁷ Philadelphia Gas Works (PGW),⁸ UGI Utilities Inc. (UGI North, formerly UGI Penn Natural, and UGI South, formerly UGI Gas).⁹

Each year, the EDCs and NGDCs report the previous year’s data by April 1. The PUC then conducts a data-cleaning and error-checking process, including both written and verbal dialogue between the PUC and public utilities. 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 public utilities to obtain uniform data that fully complies with the regulations.

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 for EDCs and 52 Pa. Code § 62.5 for NGDCs

⁷ On Oct 3, 2019, at Docket No. R-2018-3006818, *et al.*, the Commission approved the merger of Peoples Natural Gas’ separate Peoples and Equitable rate districts into a single rate district known as Peoples Natural Gas LLC. Although this change took effect when Peoples Natural Gas LLC’s amended tariff became effective on Oct. 29, 2019, the 2019 data was reported based on the separate rate districts.

⁸ 66 Pa. C.S. §1403 includes Philadelphia Gas Works (PGW), a city natural gas distribution operation, within the category of natural gas distribution utilities.

⁹ On Oct. 4, 2019, at Docket No. R-2018-3006814, *et al.*, the Commission approved the merger of of the UGI Utilities, Inc. separate rate districts – UGI South, UGI North, and UGI Central – into one rate district existing as UGI Utilities, Inc. – Gas Division. Although this change took effect when UGI’s amended tariff became effective on Oct. 11, 2019, UGI Utilities’ 2019 data was reported based on the separate rate districts.

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

A low-income customer is defined as one whose household income is at or below 150% of the federal poverty income guidelines (FPIG).¹⁰ A low-income customer is classified as confirmed low-income after their utility has obtained information that would reasonably place them within this FPIG level. Most confirmed low-income households are verified through the customer's receipt of a LIHEAP grant, enrollment in a Universal Service program or determined during the course of making a payment arrangement. Most confirmed low-income households are verified through the customer's receipt of a LIHEAP grant, enrollment in a Universal Service program or determined during the course of making a payment arrangement. We have included collection data about confirmed low-income customers for only a select number of collections performance measures. The confirmed low-income data tables are subsets of the Residential data tables appearing in Chapter 2 and are reported separately in the USRR.

Universal Service Programs

Universal Service is a collective name applied to the policies, protections and services that help low-income customers maintain public utility service and includes payment assistance programs, termination of service protections, energy reduction programs, and consumer education.¹¹ The Commission has made the Bureau of Consumer Services (BCS) responsible for monitoring and evaluating utilities' universal service programs. The goal in monitoring these programs is to ensure they increase the effectiveness of public utility collections while protecting the public's health and safety. There are four individual universal service programs.

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

Customer Assistance Programs (CAPs) are payment assistance and debt forgiveness programs for low-income households. CAPs are intended to provide more 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 in paying its monthly CAP payments. CAP charges may take the form of a discounted price on actual usage on either all or a portion of the usage,¹² a percentage of the monthly bill,¹³ or a monthly amount that is calculated upon a percentage of the household income.¹⁴ Percentage of income plans are correlated directly to the household's income and the Commission-determined recommended 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 CAP payments, the past debt is not collected and is forgiven in incremental amounts over time.

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

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

¹⁰ See Appendix 3

¹¹ Electricity Generation Customer Choice and Competition Act at 66 Pa.C.S.A. §2803 and Natural Gas Choice Competition Act at 66 Pa.C.S.A. §2202.

¹² Also referred to as a "rate discount bill."

¹³ Also referred to as a "percent of bill."

¹⁴ Also referred to as a "percent of income payment" (PIP).

LIURP Regulations Review

On Dec. 16, 2016, the Commission issued a Secretarial Letter entitled Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1 – 58.18, under Docket No. L-2016-2557886. The proceeding is still ongoing at the time of this publication.

CAP Policy Statement

On Apr. 9, 2010, the PUC suspended portions¹⁵ of the CAP policy statement.¹⁶ The Department of Human Services' (DHS) policy change regarding the application of Low Income Home Energy Assistance Program¹⁷ (LIHEAP) grants to a distribution utility's CAP made those sections inconsistent with its administration of LIHEAP.¹⁸ The suspension of Sections 69.265(9)(ii-iii) of the Commission's regulations is still in effect.

The CAP Policy Statement was amended effective Mar. 21, 2020, pursuant to an order and annex entered on Nov. 5, 2019, and published in the Pennsylvania Bulletin on Mar. 21, 2020 (November 2019 Order and November 2019 Annex).¹⁹ The amendments to the CAP Policy Statement culminated from two proceedings begun in 2017 – *Energy Affordability for Low-Income Customers* at Docket No. M-2017-2587711 and *Review of Universal Service and Energy Conservation Programs* at Docket No. M 2017 2596907 – that comprehensively reviewed the policies, practices, procedures, and impacts of universal service programs on low-income customers and other ratepayers. Based on utility data, projections, and stakeholder comments in these two proceedings that were begun in 2017 and in other dockets,²⁰ the Commission approved amendments to the CAP Policy Statement by the November 2019 Order and November 2019 Annex. The 2019 amendments to the CAP Policy Statement have no impact on electric and natural gas 2019 universal service data.

Treatment of PECO Data

PECO serves three types of customers: those who receive only electric service (electric only); those who receive both electric and gas service (combination/electric and gas); and those who receive only gas service (gas only). PECO also reports the electric and gas data separately. In order to split the second group (combination/electric and gas) for some of the data variables, PECO uses an allocation factor consistent with PECO's gas base rate filing of Mar. 31, 2008. The updated annual allocation factor for 2019 splits the combination group into 85% electric and 15% gas.

Responsible Utility Customer Protection Act

Act 201 of 2004²¹ changed the rules that apply to cash deposits, reconnection of service, termination of service, payment arrangements, 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.²² The law is applicable to EDCs, water distribution utilities, and NGDCs with an annual operating income in excess of \$6,000,000.²³ Steam and wastewater utilities are not covered by Chapter 14. On Oct. 22, 2014, Chapter 14

¹⁵ 52 Pa. Code §§ 69.265(9)(ii-iii)

¹⁶ Amendments were made to the CAP Policy Statement in an Order entered on Nov. 5, 2019, at Docket No. M-2019-3012599. These amendments may impact future reports, beginning with 2020 data.

¹⁷ LIHEAP is a federally funded program, administered by DHS, which enables the state to help low-income households meet their home heating needs.

¹⁸ Set forth in DHS's 2010 Final LIHEAP State Plan

¹⁹ See *Final Policy Statement and Order*, Docket No. M 2019-3012599 (order and annex entered on Nov. 5, 2019).

²⁰ The amendments to the CAP Policy Statement also reflect considerations and deliberations from the numerous utility-specific USECP proceedings and independent third-party reviews of universal service results that have taken places for over twenty years.

²¹ 66 Pa.C.S. §§1401-1418

²² 66 Pa. C.S. §1402

²³ Small natural gas distribution utilities may voluntarily "opt in" to Chapter 14. 66 Pa. C.S. §1403.

was revised and renewed for a period of 10 years. The Commission recently amended Chapter 56 to make these regulations consistent with new Chapter 14.²⁴ BCS is required to provide a Report detailing the impact of Chapter 14 every five years. The first quinquennial report, *The Sixth Report To The General Assembly And The Governor Pursuant To Section 1415 – Implementation Of Chapter 14*, was provided to the General Assembly and the Governor on Jan. 31, 2020.²⁵ The next report is due in December 2024.

2. Collection Performance

The regulations require EDCs and NGDCs to report various residential and confirmed low-income collection data. The following report reviews each of the collection measures and uses the data to arrive at calculated variables that are more useful in analyzing trends in collection performance. All of the data and statistics used in this chapter are drawn from information submitted by the public utilities. It is also important to note that we have reflected both the number of confirmed low-income customers and the number of estimated low-income customers in a public utility’s given service territory. **Industry averages may be calculated based on category totals and may not represent an average of rates shown in the tables. Additionally, some totals may be affected by rounding.**

Average Number of Residential Customers

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

Average Number of Residential Electric Customers – 2017-2019

| Utility | 2017 Residential Customers | 2018 Residential Customers | 2019 Residential Customers |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Duquesne | 532,204 | 535,487 | 538,534 |
| Met-Ed | 499,192 | 502,110 | 504,684 |
| PECO-Electric | 1,463,266 | 1,476,268 | 1,488,812 |
| Penelec | 501,533 | 501,456 | 500,877 |
| Penn Power | 144,286 | 145,285 | 146,017 |
| PPL | 1,223,076 | 1,227,683 | 1,233,836 |
| West Penn | 624,914 | 626,454 | 627,499 |
| Total/Industry Average | 4,988,471 | 5,014,743 | 5,040,259 |

²⁴ Docket No. L-2015-2508421, published in Pennsylvania Bulletin June 1, 2019.

²⁵ http://www.puc.pa.gov/general/publications_reports/pdf/Chapter14-Biennial013020.pdf

Average Number of Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Residential Customers | 2018 Residential Customers | 2019 Residential Customers |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Columbia | 393,410 | 396,835 | 400,043 |
| NFG | 196,950 | 197,108 | 196,778 |
| PECO-Gas | 480,586 | 480,731 | 484,678 |
| Peoples | 333,761 | 334,790 | 335,583 |
| Peoples-Equitable | 247,930 | 248,408 | 247,801 |
| PGW | 474,960 | 477,533 | 480,347 |
| UGI South | 352,720 | 361,789 | 367,175 |
| UGI North | 154,319 | 156,554 | 157,025 |
| Total/Industry Average | 2,634,636 | 2,653,748 | 2,669,430 |

Average Number of Confirmed Low-Income Electric Customers

| Utility | Number of Confirmed Low-Income Customers | Percent of Residential Customers |
|-------------------------------|---|----------------------------------|
| Duquesne | 48,373 | 9.0% |
| Met-Ed | 73,647 | 14.6% |
| PECO-Electric | 139,655 | 9.4% |
| Penelec | 91,350 | 18.2% |
| Penn Power | 20,221 | 13.8% |
| PPL | 189,683 | 15.4% |
| West Penn | 74,203 | 11.8% |
| Total/Industry Average | 637,132 | 12.6% |

Average Number of Confirmed Low-Income Natural Gas Customers

| Utility | Number of Confirmed Low-Income Customers | Percent of Residential Customers |
|-------------------------------|---|----------------------------------|
| Columbia | 67,582 | 16.9% |
| NFG | 24,987 | 12.7% |
| PECO-Gas | 24,977 | 5.2% |
| Peoples | 67,718 | 20.2% |
| Peoples-Equitable | 41,585 | 16.8% |
| PGW | 147,014 | 30.6% |
| UGI South | 39,108 | 10.7% |
| UGI North | 24,934 | 15.9% |
| Total/Industry Average | 437,905 | 16.4% |

Average Number of Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Number of Confirmed Low-Income Customers | 2018 Number of Confirmed Low-Income Customers | 2019 Number of Confirmed Low-Income Customers |
|-------------------------------|---|---|---|
| Duquesne | 48,500 | 49,346 | 48,373 |
| Met-Ed | 69,787 | 72,200 | 73,647 |
| PECO-Electric | 155,803 | 146,100 | 139,655 |
| Penelec | 88,036 | 90,502 | 91,350 |
| Penn Power | 19,695 | 20,087 | 20,221 |
| PPL | 181,782 | 189,826 | 189,683 |
| West Penn | 68,644 | 72,291 | 74,203 |
| Total/Industry Average | 632,247 | 640,352 | 637,132 |

Average Number of Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Number of Confirmed Low-Income Customers | 2018 Number of Confirmed Low-Income Customers | 2019 Number of Confirmed Low-Income Customers |
|-------------------------------|---|---|---|
| Columbia | 67,959 | 67,590 | 67,582 |
| NFG | 25,612 | 22,423 | 24,987 |
| PECO-Gas | 27,784 | 25,704 | 24,977 |
| Peoples | 60,077 | 60,262 | 67,718 |
| Peoples-Equitable | 44,627 | 44,714 | 41,585 |
| PGW | 146,488 | 149,217 | 147,014 |
| UGI South | 33,508 | 34,802 | 39,108 |
| UGI North | 21,973 | 21,958 | 24,934 |
| Total/Industry Average | 428,028 | 426,670 | 437,905 |

The estimated low-income customers represent the public utility’s approximation of its total (maximum) population of low-income customers in its service territory and is based on the latest census data available at the time of reporting. Census data is compiled by Pennsylvania State University annually and sent to the Commission for distribution to the public utilities for use in determining the estimated number of low-income customers.

Number of Estimated Low-Income Electric Customers

| Utility | Number of Estimated Low-Income Customers | Estimated Percent of Residential Customers |
|-------------------------------|---|---|
| Duquesne | 103,720 | 19.3% |
| Met-Ed | 116,570 | 23.1% |
| PECO-Electric | 393,662 | 26.4% |
| Penelec | 155,072 | 31.0% |
| Penn Power | 35,872 | 24.6% |
| PPL | 269,535 | 21.8% |
| West Penn | 157,491 | 25.1% |
| Total/Industry Average | 1,231,922 | 24.4% |

Number of Estimated Low-Income Natural Gas Customers

| Utility | Number of Estimated Low-Income Customers | Estimated Percent of Residential Customers |
|-------------------------------|--|--|
| Columbia | 97,268 | 24.3% |
| NFG | 60,947 | 31.0% |
| PECO-Gas | 74,914 | 15.5% |
| Peoples | 84,437 | 25.2% |
| Peoples-Equitable | 58,791 | 23.7% |
| PGW | 197,855 | 41.2% |
| UGI South | 86,314 | 23.5% |
| UGI North | 46,297 | 29.5% |
| Total/Industry Average | 706,823 | 26.5% |

Number of Estimated Low-Income Electric Customers – 2017-2019

| Utility | 2017 Number of Estimated Low-Income Customers | 2018 Number of Estimated Low-Income Customers | 2019 Number of Estimated Low-Income Customers |
|-------------------------------|--|--|--|
| Duquesne | 134,808 | 95,316 | 103,720 |
| Met-Ed | 126,209 | 126,816 | 116,570 |
| PECO-Electric | 386,185 | 389,621 | 393,662 |
| Penelec | 166,354 | 166,285 | 155,072 |
| Penn Power | 38,499 | 38,733 | 35,872 |
| PPL | 262,000 | 258,786 | 269,535 |
| West Penn | 171,806 | 172,244 | 157,491 |
| Total/Industry Average | 1,285,861 | 1,247,801 | 1,231,922 |

Number of Estimated Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Number of Estimated Low-Income Customers | 2018 Number of Estimated Low-Income Customers | 2019 Number of Estimated Low-Income Customers |
|-------------------------------|--|--|--|
| Columbia | 101,375 | 99,925 | 97,268 |
| NFG | 58,785 | 59,009 | 60,947 |
| PECO-Gas | 73,381 | 74,121 | 74,914 |
| Peoples | 89,417 | 77,002 | 84,437 |
| Peoples-Equitable | 65,056 | 54,650 | 58,791 |
| PGW | 172,885 | 206,533 | 197,855 |
| UGI South | 92,051 | 90,220 | 86,314 |
| UGI North | 49,394 | 47,882 | 46,297 |
| Total/Industry Average | 702,344 | 709,342 | 706,823 |

Payment Troubled Customers

A payment troubled customer is a customer who has failed to maintain one or more payment arrangements in a 1-year period.²⁶ A **payment arrangement**²⁷ is an arrangement in which a customer who admits liability for billed service is permitted to pay the unpaid balance in one or more payments. Absent a change in income, the PUC can only offer a second payment arrangement to a payment troubled customer when all “catch-up” arrears are paid, or when a previous arrangement has been satisfied.²⁸ The public utilities have no restrictions on the number or terms of any payment arrangements they may choose to offer to payment troubled customers.

The following tables reflect an average of the 12 months of month-end data reported by the public utilities for payment troubled customer totals,²⁹ and include both residential and confirmed low-income subcategory to allow for the presentation of the percent of payment troubled customers which are confirmed low-income.

Average Electric Payment Troubled Customers

| Utility | Residential | Confirmed Low-Income | Percent of Payment Troubled Customers which are Confirmed Low-Income |
|-------------------------------|----------------|----------------------|--|
| Duquesne | 795 | 185 | 23.3% |
| Met-Ed | 724 | 494 | 68.2% |
| PECO-Electric | 2,443 | 531 | 21.7% |
| Penelec | 720 | 527 | 73.2% |
| Penn Power | 169 | 120 | 71.0% |
| PPL | 196,086 | 63,709 | 32.5% |
| West Penn | 703 | 483 | 68.7% |
| Total/Industry Average | 201,640 | 66,049 | 32.8% |

Average Natural Gas Payment Troubled Customers

| Utility | Residential | Confirmed Low-Income | Percent of Payment Troubled Customers which are Confirmed Low-Income |
|-------------------------------|----------------|----------------------|--|
| Columbia | 14,328 | 8,332 | 58.2% |
| NFG | 8,812 | 4,379 | 49.7% |
| PECO-Gas | 739 | 145 | 19.6% |
| Peoples | 11,112 | 4,890 | 44.0% |
| Peoples-Equitable | 8,120 | 3,725 | 45.9% |
| PGW | 45,747 | 38,342 | 83.8% |
| UGI South | 11,420 | 11,038 | 96.7% |
| UGI North | 6,318 | 6,070 | 96.1% |
| Total/Industry Average | 106,596 | 76,921 | 72.2% |

²⁶ 52 Pa. Code § 54.72 or § 62.2

²⁷ 52 Pa. Code §56.2

²⁸ 66 Pa. C.S. §1405(d)

²⁹ 52 Pa. Code § 54.75(1)(vii) or § 62.5(a)(1)(x)

Number of Payment Arrangements

The method³⁰ by which utilities determine the total number of payment arrangements for reporting also takes into consideration the limitations in documenting and tracking payment arrangements. This sometimes results in treating a broken payment arrangement that is reinstated due to a “catch-up” payment as a new payment arrangement. The public utility and PUC-granted payment arrangement requests are both included in this category. However, CAP payment plans are not included in the count of payment arrangements.

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

Electric Payment Arrangements

| Utility | Residential | Confirmed Low-Income | Percent of Payment Arrangements which are Confirmed Low-Income |
|-------------------------------|----------------|----------------------|--|
| Duquesne | 30,880 | 5,686 | 18.4% |
| Met-Ed | 42,338 | 25,996 | 61.4% |
| PECO-Electric | 63,217 | 9,275 | 14.7% |
| Penelec | 42,414 | 28,802 | 67.9% |
| Penn Power | 9,622 | 6,261 | 65.1% |
| PPL | 116,072 | 73,152 | 63.0% |
| West Penn | 41,596 | 28,802 | 69.2% |
| Total/Industry Average | 346,139 | 177,974 | 51.4% |

Natural Gas Payment Arrangements

| Utility | Residential | Confirmed Low-Income | Percent of Payment Arrangements which are Confirmed Low-Income |
|-------------------------------|----------------|----------------------|--|
| Columbia | 27,086 | 15,977 | 59.0% |
| NFG | 18,604 | 9,915 | 53.3% |
| PECO-Gas | 25,408 | 2,593 | 10.2% |
| Peoples | 13,520 | 6,078 | 45.0% |
| Peoples-Equitale | 10,022 | 4,772 | 47.6% |
| PGW | 68,940 | 48,912 | 70.9% |
| UGI South | 16,382 | 15,218 | 92.9% |
| UGI North | 9,562 | 8,825 | 92.3% |
| Total/Industry Average | 189,524 | 112,290 | 59.2% |

³⁰ 52 Pa. Code § 54.75(1)(i) or § 62.5(a)(1)(i)

Electric Payment Arrangements – Residential Electric Customers – 2017-2019

| Utility | 2017 Payment Arrangements | 2018 Payment Arrangements | 2019 Payment Arrangements | Percent Change 2017-19 |
|-------------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Duquesne | 28,691 | 33,334 | 30,880 | 7.6% |
| Met-Ed | 38,305 | 43,034 | 42,338 | 10.5% |
| PECO-Electric | 65,563 | 65,525 | 63,217 | -3.6% |
| Penelec | 39,435 | 43,057 | 42,414 | 7.6% |
| Penn Power | 8,260 | 9,824 | 9,622 | 16.5% |
| PPL | 122,421 | 120,568 | 116,072 | -5.2% |
| West Penn | 33,632 | 41,747 | 41,596 | 23.7% |
| Total/Industry Average | 336,307 | 357,089 | 346,139 | 2.9% |

Natural Gas Payment Arrangements – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Payment Arrangements | 2018 Payment Arrangements | 2019 Payment Arrangements | Percent Change 2017-19 |
|-------------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Columbia | 24,597 | 27,781 | 27,086 | 10.1% |
| NFG | 10,836 | 18,357 | 18,604 | 71.7% |
| PECO-Gas | 24,896 | 25,443 | 25,408 | 2.1% |
| Peoples | 15,752 | 24,992 | 13,520 | -14.2% |
| Peoples-Equitable | 13,073 | 18,539 | 10,022 | -23.3% |
| PGW | 83,184 | 85,067 | 68,940 | -17.1% |
| UGI South | *28,770 | *25,817 | *16,382 | -43.1% |
| UGI North | *14,857 | *13,958 | *9,562 | -35.6% |
| Total/Industry Average | 215,965 | 239,954 | 189,524 | -12.2% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Electric Payment Arrangements – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Payment Arrangements | 2018 Payment Arrangements | 2019 Payment Arrangements | Percent Change 2017-19 |
|-------------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Duquesne | 5,881 | 8,622 | 5,686 | -3.3% |
| Met-Ed | 22,669 | 25,657 | 25,996 | 14.7% |
| PECO-Electric | 8,417 | 9,317 | 9,275 | 10.2% |
| Penelec | 26,002 | 28,662 | 28,802 | 10.8% |
| Penn Power | 5,303 | 6,157 | 6,261 | 18.1% |
| PPL | 80,109 | 76,896 | 73,152 | -8.7% |
| West Penn | 18,389 | 23,787 | 28,802 | 56.6% |
| Total/Industry Average | 166,770 | 179,098 | 177,974 | 6.7% |

Natural Gas Payment Arrangements – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Payment Arrangements | 2018 Payment Arrangements | 2019 Payment Arrangements | Percent Change 2017-19 |
|-------------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Columbia | 15,339 | 15,735 | 15,977 | 4.2% |
| NFG | 6,194 | 11,522 | 9,915 | 60.1% |
| PECO-Gas | 2,422 | 2,531 | 2,593 | 7.1% |
| Peoples | 7,654 | 7,877 | 6,078 | -20.6% |
| Peoples-Equitable | 6,816 | 9,425 | 4,772 | -30.0% |
| PGW | 61,301 | 61,532 | 48,912 | -20.2% |
| UGI South | *23,772 | *23,241 | *15,218 | -36.0% |
| UGI North | *12,024 | *12,527 | *8,825 | -26.6% |
| Total/Industry Average | 135,522 | 144,390 | 112,290 | -17.1% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Termination of Service

Termination of public 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 could indicate a trend or pattern that the Commission may need to investigate.

Terminations – Residential Electric Customers – 2017-2019

| Utility | 2017 Terminations | 2018 Terminations | 2019 Terminations | Percent Change 2017-19 |
|-------------------------------|-------------------|-------------------|-------------------|------------------------|
| Duquesne | 21,575 | 26,119 | 27,688 | 28.3% |
| Met-Ed | 23,870 | 24,099 | 26,076 | 9.2% |
| PECO-Electric | 89,257 | 84,893 | 92,497 | 3.6% |
| Penelec | 21,096 | 19,949 | 21,065 | -0.1% |
| Penn Power | 4,360 | 4,089 | 4,293 | -1.5% |
| PPL | 42,216 | 44,971 | 53,340 | 26.4% |
| West Penn | 14,234 | 13,577 | 19,743 | 38.7% |
| Total/Industry Average | 216,608 | 217,697 | 244,702 | 13.0% |

Terminations – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Terminations | 2018 Terminations | 2019 Terminations | Percent Change 2017-19 |
|-------------------------------|-------------------|-------------------|-------------------|------------------------|
| Columbia | 10,728 | 10,859 | 10,770 | 0.4% |
| NFG | 5,490 | 6,449 | 7,533 | 37.2% |
| PECO-Gas | 19,813 | 19,815 | 22,036 | 11.2% |
| Peoples | 9,744 | 9,707 | 11,255 | 15.5% |
| Peoples-Equitable | 7,757 | 8,622 | 9,444 | 21.7% |
| PGW | 27,443 | 25,576 | 29,048 | 5.8% |
| UGI South | *8,580 | *15,924 | *10,657 | 24.2% |
| UGI North | *4,840 | *8,243 | *6,652 | 37.4% |
| Total/Industry Average | 94,395 | 105,195 | 107,395 | 13.8% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Terminations – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Terminations | 2018 Terminations | 2019 Terminations | Percent Change 2017-19 |
|-------------------------------|-------------------|-------------------|-------------------|------------------------|
| Duquesne | *4,301 | 7,600 | 6,696 | 55.7% |
| Met-Ed | 12,769 | 13,246 | 14,112 | 10.5% |
| PECO-Electric | 21,950 | 22,657 | 21,081 | -4.0% |
| Penelec | 12,910 | 12,561 | 13,335 | 3.3% |
| Penn Power | 2,484 | 2,431 | 2,636 | 6.1% |
| PPL | 30,717 | 27,433 | 35,659 | 16.1% |
| West Penn | 7,860 | 7,631 | 11,312 | 43.9% |
| Total/Industry Average | 92,991 | 93,559 | 104,831 | 12.7% |

*Duquesne's 2017 terminations were affected by the budget billing issues resulting from the system conversion in 2016.

Terminations – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Terminations | 2018 Terminations | 2019 Terminations | Percent Change 2017-19 |
|-------------------------------|-------------------|-------------------|-------------------|------------------------|
| Columbia | 6,425 | 6,314 | 6,067 | -5.6% |
| NFG | 3,835 | 3,710 | 4,106 | 7.1% |
| PECO-Gas | 4,917 | 4,990 | 4,734 | -3.7% |
| Peoples | 2,535 | 2,366 | 2,226 | -12.2% |
| Peoples-Equitable | 1,397 | 1,527 | 2,003 | 43.4% |
| PGW | 19,887 | 17,567 | 19,724 | -0.8% |
| UGI South | *5,649 | *593 | *597 | -89.4% |
| UGI North | *3,357 | *513 | *586 | -82.5% |
| Total/Industry Average | 48,002 | 37,580 | 40,043 | -16.6% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Termination Rate – Residential Electric Customers – 2017-2019

| Utility | 2017 Termination Rate | 2018 Termination Rate | 2019 Termination Rate |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| Duquesne | 4.1% | 4.9% | 5.1% |
| Met-Ed | 4.8% | 4.8% | 5.2% |
| PECO-Electric | 6.1% | 5.8% | 6.2% |
| Penelec | 4.2% | 4.0% | 4.2% |
| Penn Power | 3.0% | 2.8% | 2.9% |
| PPL | 3.5% | 3.7% | 4.3% |
| West Penn | 2.3% | 2.2% | 3.1% |
| Total/Industry Average | 4.3% | 4.3% | 4.9% |

Termination Rate – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Termination Rate | 2018 Termination Rate | 2019 Termination Rate |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| Columbia | 2.7% | 2.7% | 2.7% |
| NFG | 2.8% | 3.3% | 3.8% |
| PECO-Gas | 4.1% | 4.1% | 4.5% |
| Peoples | 2.9% | 2.9% | 3.4% |
| Peoples-Equitable | 3.1% | 3.5% | 3.4% |
| PGW | 5.8% | 5.4% | 6.0% |
| UGI South | *2.4% | *4.4% | *2.9% |
| UGI North | *3.1% | *5.3% | *4.2% |
| Total/Industry Average | 3.6% | 4.0% | 4.0% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Termination Rate – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Termination Rate | 2018 Termination Rate | 2019 Termination Rate |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| Duquesne | *8.9% | 15.4% | 13.8% |
| Met-Ed | 18.3% | 18.3% | 19.2% |
| PECO-Electric | 14.1% | 15.5% | 15.1% |
| Penelec | 14.7% | 13.9% | 14.6% |
| Penn Power | 12.6% | 12.1% | 13.0% |
| PPL | 16.9% | 14.5% | 18.8% |
| West Penn | 11.5% | 10.6% | 15.2% |
| Total/Industry Average | 14.7% | 14.6% | 16.5% |

*Duquesne's 2017 terminations were affected by the budget billing issues resulting from the system conversion in 2016.

Termination Rate – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Termination Rate | 2018 Termination Rate | 2019 Termination Rate |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| Columbia | 9.5% | 9.3% | 9.0% |
| NFG | 15.0% | 16.5% | 16.4% |
| PECO-Gas | 17.7% | 19.4% | 19.0% |
| Peoples | 4.2% | 3.9% | 3.3% |
| Peoples-Equitable | 3.1% | 3.4% | 4.8% |
| PGW | 13.6% | 11.8% | 13.4% |
| UGI South | *16.9% | *1.7% | *1.5% |
| UGI North | *15.3% | *2.3% | *2.4% |
| Total/Industry Average | 11.2% | 8.8% | 9.1% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Reconnection of Service

Reconnection of service occurs when customers either pay their debt in full or make a significant upfront payment to the public utility and agree to a payment arrangement for the balance owed. The **reconnection rate** is calculated by dividing the number of service reconnections by the number of terminations, allowing for a comparison of reconnection activities regardless of the number of residential consumers. The result is generally indicative of the success of a customer, whose service has been terminated, at getting service reconnected.

Reconnections – Residential Electric Customers – 2017-2019

| Utility | 2017 Reconnections | 2018 Reconnections | 2019 Reconnections | Percent Change 2017-19 |
|-------------------------------|--------------------|--------------------|--------------------|------------------------|
| Duquesne | 15,622 | 19,522 | 21,468 | 37.4% |
| Met-Ed | 19,607 | 19,916 | 22,325 | 13.9% |
| PECO-Electric | 74,228 | 71,461 | 78,630 | 5.9% |
| Penelec | 15,957 | 14,882 | 16,095 | 0.9% |
| Penn Power | 3,415 | 3,186 | 3,449 | 1.0% |
| PPL | 31,280 | 31,666 | 39,001 | 24.7% |
| West Penn | 10,812 | 10,104 | 15,308 | 41.6% |
| Total/Industry Average | 170,921 | 170,737 | 196,276 | 14.8% |

Reconnections – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Reconnections | 2018 Reconnections | 2019 Reconnections | Percent Change 2017-19 |
|-------------------------------|--------------------|--------------------|--------------------|------------------------|
| Columbia | 5,878 | 6,054 | 6,153 | 4.7% |
| NFG | 4,578 | 4,224 | 4,926 | 7.6% |
| PECO-Gas | 17,061 | 17,621 | 19,353 | 13.4% |
| Peoples | 5,884 | 6,658 | 7,648 | 30.0% |
| Peoples-Equitable | 5,171 | 6,055 | 6,598 | 27.6% |
| PGW | 18,324 | 17,657 | 20,986 | 14.5% |
| UGI South | *4,816 | *10,806 | *7,825 | 62.5% |
| UGI North | *2,799 | *5,539 | *4,839 | 72.9% |
| Total/Industry Average | 64,511 | 74,614 | 78,328 | 21.4% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Reconnections – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Reconnections | 2018 Reconnections | 2019 Reconnections | Percent Change 2017-19 |
|-------------------------------|--------------------|--------------------|--------------------|------------------------|
| Duquesne | *3,233 | 5,875 | 5,499 | 70.1% |
| Met-Ed | 9,461 | 9,931 | 11,242 | 18.8% |
| PECO-Electric | 19,077 | 20,212 | 19,165 | 0.5% |
| Penelec | 8,898 | 8,567 | 9,511 | 6.9% |
| Penn Power | 1,660 | 1,620 | 1,911 | 15.1% |
| PPL | 21,207 | 20,351 | 27,022 | 27.4% |
| West Penn | 5,098 | 5,056 | 8,165 | 60.2% |
| Total/Industry Average | 68,634 | 71,612 | 82,515 | 20.2% |

*Duquesne's 2017 reconnections were affected by the budget billing issues resulting from the system conversion in 2016.

Reconnections – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Reconnections | 2018 Reconnections | 2019 Reconnections | Percent Change 2017-19 |
|-------------------------------|--------------------|--------------------|--------------------|------------------------|
| Columbia | 3,123 | 3,133 | 3,134 | 0.4% |
| NFG | 2,137 | 1,783 | 2,920 | 36.6% |
| PECO-Gas | 4,022 | 4,252 | 4,234 | 5.3% |
| Peoples | 1,528 | 1,736 | 1,589 | 4.0% |
| Peoples-Equitable | 929 | 1,090 | 1,560 | 67.9% |
| PGW | 14,702 | 13,404 | 15,549 | 5.8% |
| UGI South | *2,511 | *691 | *857 | -65.9% |
| UGI North | *1,566 | *548 | *777 | -50.4% |
| Total/Industry Average | 30,518 | 26,637 | 30,620 | 0.3% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Reconnection Rate – Residential Electric Customers – 2017-2019

| Utility | 2017 Reconnection Rate | 2018 Reconnection Rate | 2019 Reconnection Rate |
|-------------------------------|---------------------------|---------------------------|---------------------------|
| Duquesne | 72.4% | 74.7% | 77.5% |
| Met-Ed | 82.1% | 82.6% | 85.6% |
| PECO-Electric | 83.2% | 84.2% | 85.0% |
| Penelec | 75.6% | 74.6% | 76.4% |
| Penn Power | 78.3% | 77.9% | 80.3% |
| PPL | 74.1% | 70.4% | 73.1% |
| West Penn | 76.0% | 74.4% | 77.5% |
| Total/Industry Average | 78.9% | 78.4% | 80.2% |

Reconnection Rate – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Reconnection Rate | 2018 Reconnection Rate | 2019 Reconnection Rate |
|-------------------------------|---------------------------|---------------------------|---------------------------|
| Columbia | 54.8% | 55.8% | 57.1% |
| NFG | 83.4% | 65.5% | 65.4% |
| PECO-Gas | 86.1% | 88.9% | 87.8% |
| Peoples | 60.4% | 68.6% | 68.0% |
| Peoples-Equitable | 66.7% | 70.2% | 69.9% |
| PGW | 66.8% | 69.0% | 72.2% |
| UGI South | *56.1% | *67.9% | *73.4% |
| UGI North | *57.8% | *67.2% | *72.7% |
| Total/Industry Average | 68.3% | 70.9% | 72.9% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Reconnection Rate – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Reconnection Rate | 2018 Reconnection Rate | 2019 Reconnection Rate |
|-------------------------------|---------------------------|---------------------------|---------------------------|
| Duquesne | 75.2% | 77.3% | 82.1% |
| Met-Ed | 74.1% | 75.0% | 79.7% |
| PECO-Electric | 86.9% | 89.2% | 90.9% |
| Penelec | 68.9% | 68.2% | 71.3% |
| Penn Power | 66.8% | 66.6% | 72.5% |
| PPL | 69.0% | 74.2% | 75.8% |
| West Penn | 64.9% | 66.3% | 72.2% |
| Total/Industry Average | 73.8% | 76.5% | 78.7% |

Reconnection Rate – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Reconnection Rate | 2018 Reconnection Rate | 2019 Reconnection Rate |
|-------------------------------|------------------------|------------------------|------------------------|
| Columbia | 48.6% | 49.6% | 51.7% |
| NFG | 55.7% | 48.1% | 71.1% |
| PECO-Gas | 81.8% | 85.2% | 89.4% |
| Peoples | 60.3% | 73.4% | 71.4% |
| Peoples-Equitable | 66.5% | 71.4% | 77.9% |
| PGW | 73.9% | 76.3% | 78.8% |
| UGI South | *44.5% | *116.5% | *143.6% |
| UGI North | *46.6% | *106.8% | *132.6% |
| Total/Industry Average | 63.6% | 69.6% | 76.5% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Average Number of Customers in Debt

Two categories exist for reporting customers overdue or in debt. The first includes customers who are on a payment arrangement, and the second includes customers who are not on a payment arrangement. Those “on a payment arrangement” include both public utility and PUC-granted payment arrangements. Debt that is on a payment arrangement is considered active and is often easier to collect than debt not on a payment arrangement. Debt that is not on a payment arrangement can become “uncollectable debt.” Uncollectable debt often leads to an increase in gross write-offs, which are recovered across all ratepayers in public utility rates.

Many factors affect the number of customers in debt, including customer income level and ability to pay, public utility collection practices, public utility termination practices, and the affordability of customer bills. Public utility collection policies vary and therefore also influence the “overdue” or “in debt” categorization.

One of the stated purposes of the Chapter 56 regulations³¹ is to “provide functional alternatives to termination.” Customers who make a payment arrangement on an outstanding balance have acknowledged that they are aware of the outstanding debt, and have avoided any imminent threat of termination.

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, public utilities use different methods for determining when an account is overdue. Public utilities 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. For USRR comparative purposes, public utilities are requested to consider the due date as day zero and to report debt that is at least 30 days overdue.

Duquesne Light, Met-Ed, Penelec, Penn Power, West Penn, Columbia, Peoples, Peoples-Equitable, UGI North and UGI South 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, and PGW report debt that is 10 days old, meaning these public utilities are overstating the debt compared to public utilities 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 public utilities.

³¹ 52 Pa. Code § 56.1

The second factor affecting the arrearage data uniformity is when a public utility moves a terminated or discontinued account from active status (included in the reporting) to inactive status (excluded from the reporting). Public utility collection policies and accounting practices affect the timing.

See Appendix 1 for a chart showing the different methods public utilities use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 2 for the methods public utilities use to determine when an account is removed from active status after termination of service or discontinuance of service.

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

The number of residential and confirmed low-income customers in debt on arrangement and not on arrangement represent an average of the 12 months of month-end data reported by the public utilities. Total number of customers in debt may be slightly off due to rounding of figures in the categories on arrangement and not on arrangement.

Average Number of Residential Electric Customers in Debt

| Utility | Number of Customers in Debt on an Arrangement | Number of Customers in Debt Not on an Arrangement | Total of Customers in Debt |
|-------------------------------|--|--|-----------------------------------|
| Duquesne | 11,629 | 30,449 | 42,078 |
| Met-Ed | 20,389 | 24,750 | 45,140 |
| PECO-Electric | 17,310 | 85,357 | 102,667 |
| Penelec | 22,692 | 28,138 | 50,830 |
| Penn Power | 5,313 | 6,860 | 12,173 |
| PPL | 69,227 | 126,859 | 196,086 |
| West Penn | 22,704 | 31,376 | 54,081 |
| Total/Industry Average | 169,264 | 333,789 | 503,055 |

Average Number of Residential Natural Gas Customers in Debt

| Utility | Number of Customers in Debt on an Arrangement | Number of Customers in Debt Not on an Arrangement | Total of Customers in Debt |
|-------------------------------|--|--|-----------------------------------|
| Columbia | 16,875 | 10,572 | 27,447 |
| NFG | 15,584 | 14,826 | 30,410 |
| PECO-Gas | 6,231 | 20,063 | 26,294 |
| Peoples | 8,071 | 16,868 | 24,939 |
| Peoples-Equitable | 5,911 | 13,256 | 19,166 |
| PGW | 17,556 | 60,273 | 77,829 |
| UGI South | 14,625 | 26,680 | 41,305 |
| UGI North | 8,143 | 11,733 | 19,876 |
| Total/Industry Average | 92,996 | 174,271 | 267,266 |

Average Number of Confirmed Low-Income Electric Customers in Debt

| Utility | Number of Customers in Debt on an Arrangement | Number of Customers in Debt Not on an Arrangement | Total of Customers in Debt |
|-------------------------------|---|---|----------------------------|
| Duquesne | 2,488 | 2,716 | 5,205 |
| Met-Ed | 13,147 | 9,621 | 22,768 |
| PECO-Electric | 3,168 | 5,138 | 8,306 |
| Penelec | 15,807 | 12,564 | 28,371 |
| Penn Power | 3,587 | 2,827 | 6,414 |
| PPL | 21,256 | 42,453 | 63,708 |
| West Penn | 14,333 | 11,312 | 25,646 |
| Total/Industry Average | 73,786 | 86,631 | 160,418 |

Average Number of Confirmed Low-Income Natural Gas Customers in Debt

| Utility | Number of Customers in Debt on an Arrangement | Number of Customers in Debt Not on an Arrangement | Total of Customers in Debt |
|-------------------------------|---|---|----------------------------|
| Columbia | 7,877 | 3,115 | 10,992 |
| NFG | 7,058 | 4,420 | 11,477 |
| PECO-Gas | 981 | 1,319 | 2,300 |
| Peoples | 4,047 | 4,748 | 8,795 |
| Peoples-Equitable | 3,072 | 3,313 | 6,385 |
| PGW | 12,058 | 3,061 | 15,119 |
| UGI South | 13,537 | 1,075 | 14,612 |
| UGI North | 7,483 | 891 | 8,374 |
| Total/Industry Average | 56,113 | 21,942 | 78,054 |

Average Number of Residential Electric Customers in Debt – 2017-2019

| Utility | 2017 Total of Customers in Debt | 2018 Total of Customers in Debt | 2019 Total of Customers in Debt | Percent Change 2017-19 |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------|
| Duquesne | 46,149 | 44,432 | 42,078 | -8.8% |
| Met-Ed | 42,739 | 45,281 | 45,140 | 5.6% |
| PECO-Electric | 96,886 | 103,616 | 102,667 | 6.0% |
| Penelec | 47,943 | 50,665 | 50,830 | 6.0% |
| Penn Power | 11,833 | 11,993 | 12,173 | 2.9% |
| PPL | 212,174 | 206,835 | 196,086 | -7.6% |
| West Penn | 48,549 | 52,047 | 54,081 | 11.4% |
| Total/Industry Average | 506,273 | 514,869 | 503,055 | -0.6% |

Average Number of Residential Natural Gas Customers in Debt – 2017-2019

| Utility | 2017 Total of Customers in Debt | 2018 Total of Customers in Debt | 2019 Total of Customers in Debt | Percent Change 2017-19 |
|-------------------------------|--|--|--|---------------------------|
| Columbia | 26,619 | 27,327 | 27,447 | 3.1% |
| NFG | 23,760 | 26,784 | 30,410 | 28.0% |
| PECO-Gas | 24,978 | 26,877 | 26,294 | 5.3% |
| Peoples | 26,038 | 26,118 | 24,939 | -4.2% |
| Peoples-Equitable | 20,002 | 19,962 | 19,166 | -4.2% |
| PGW | 86,230 | 85,514 | 77,829 | -9.7% |
| UGI South | *35,094 | *47,420 | *41,305 | 17.7% |
| UGI North | *15,955 | *22,274 | *19,876 | 24.6% |
| Total/Industry Average | *258,676 | 282,276 | 267,266 | 3.3% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Average Number of Confirmed Low-Income Electric Customers in Debt – 2017-2019

| Utility | 2017 Total of Customers in Debt | 2018 Total of Customers in Debt | 2019 Total of Customers in Debt | Percent Change 2017-19 |
|-------------------------------|--|--|--|---------------------------|
| Duquesne | 7,508 | 6,748 | 5,205 | -30.7% |
| Met-Ed | 20,823 | 22,362 | 22,768 | 9.3% |
| PECO-Electric | 10,052 | 10,146 | 8,306 | -17.4% |
| Penelec | 26,273 | 27,959 | 28,371 | 8.0% |
| Penn Power | 6,087 | 6,221 | 6,414 | 5.4% |
| PPL | 66,576 | 65,670 | 63,708 | -4.3% |
| West Penn | 20,058 | 23,049 | 25,646 | 27.9% |
| Total/Industry Average | 157,377 | 162,155 | 160,418 | 1.9% |

Average Number of Confirmed Low-Income Natural Gas Customers in Debt – 2017-2019

| Utility | 2017 Total of Customers in Debt | 2018 Total of Customers in Debt | 2019 Total of Customers in Debt | Percent Change 2017-19 |
|---------------------------|--|--|--|---------------------------|
| Columbia | 11,059 | 10,749 | 10,992 | -0.6% |
| NFG | 9,252 | 9,369 | 11,477 | 24.0% |
| PECO-Gas | 2,493 | 2,519 | 2,300 | -7.7% |
| Peoples | 9,249 | 9,588 | 8,795 | -4.3% |
| Peoples-Equitable | 6,790 | 7,010 | 6,385 | -5.4% |
| PGW | 19,451 | 19,804 | 15,119 | -22.3% |
| UGI South | 12,046 | 12,601 | 14,612 | 21.3% |
| UGI North | 6,598 | 7,135 | 8,374 | 26.9% |
| Total/Industry Avg | 76,938 | 78,775 | 78,054 | 1.5% |

Percent of Customers in Debt

The **percent of customers in debt** is a useful statistic that highlights utility collection activity and the need for universal service programs. A public utility with a low percent of its residential customers in debt should 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 arrangement and those not on a payment arrangement. The total percent of customers in debt may be slightly off due to rounding of figures in the categories on arrangement and not on arrangement.

Percent of Total Residential Electric Customers in Debt

| Utility | Customers in Debt on an Arrangement | Customers in Debt Not on an Arrangement | Total Percent of Customers in Debt |
|-------------------------------|--|--|---------------------------------------|
| Duquesne | 2.2% | 5.7% | 7.8% |
| Met-Ed | 4.0% | 4.9% | 8.9% |
| PECO-Electric | 1.2% | 5.7% | 6.9% |
| Penelec | 4.5% | 5.6% | 10.1% |
| Penn Power | 3.6% | 4.7% | 8.3% |
| PPL | 5.6% | 10.3% | 15.9% |
| West Penn | 3.6% | 5.0% | 8.6% |
| Total/Industry Average | 3.4% | 6.6% | 10.0% |

Percent of Total Residential Natural Gas Customers in Debt

| Utility | Customers in Debt on an Arrangement | Customers in Debt Not on an Arrangement | Total Percent of Customers in Debt |
|-------------------------------|-------------------------------------|---|------------------------------------|
| Columbia | 4.2% | 2.6% | 6.9% |
| NFG | 7.9% | 7.5% | 15.5% |
| PECO-Gas | 1.3% | 4.1% | 5.4% |
| Peoples | 2.4% | 5.0% | 7.4% |
| Peoples-Equitable | 2.4% | 5.3% | 7.7% |
| PGW | 3.7% | 12.5% | 16.2% |
| UGI South | 4.0% | 7.3% | 11.2% |
| UGI North | 5.2% | 7.5% | 12.7% |
| Total/Industry Average | 3.5% | 6.5% | 10.0% |

Percent of Confirmed Low-Income Electric Customers in Debt

| Utility | Customers in Debt on an Arrangement | Customers in Debt Not on an Arrangement | Total Percent of Customers in Debt |
|-------------------------------|-------------------------------------|---|------------------------------------|
| Duquesne | 5.1% | 5.6% | 10.8% |
| Met-Ed | 17.9% | 13.1% | 30.9% |
| PECO-Electric | 2.3% | 3.7% | 5.9% |
| Penelec | 17.3% | 13.8% | 31.1% |
| Penn Power | 17.7% | 14.0% | 31.7% |
| PPL | 11.2% | 22.4% | 33.6% |
| West Penn | 19.3% | 15.2% | 34.6% |
| Total/Industry Average | 11.6% | 13.6% | 25.2% |

Percent of Confirmed Low-Income Natural Gas Customers in Debt

| Utility | Customers in Debt on an Arrangement | Customers in Debt Not on an Arrangement | Total Percent of Customers in Debt |
|-------------------------------|-------------------------------------|---|------------------------------------|
| Columbia | 11.7% | 4.6% | 16.3% |
| NFG | 28.2% | 17.7% | 45.9% |
| PECO-Gas | 3.9% | 5.3% | 9.2% |
| Peoples | 6.0% | 7.0% | 13.0% |
| Peoples-Equitable | 7.4% | 8.0% | 15.4% |
| PGW | 8.2% | 2.1% | 10.3% |
| UGI South | 34.6% | 2.7% | 37.4% |
| UGI North | 30.0% | 3.6% | 33.6% |
| Total/Industry Average | 12.8% | 5.0% | 17.8% |

Residential Customer Debt in Dollars Owed

The amount of money owed has an impact on utility expenses, making up part of the public utility's distribution charge. Higher dollars not on an **arrangement** represent greater risk for those dollars to be uncollectible. Total dollars in debt may be slightly off due to rounding of figures in the categories on arrangement and not on arrangement.

Dollars in Debt – Residential Electric Customers

| Utility | Dollars in Debt on an Arrangement | Dollars in Debt Not on an Arrangement | Total Dollars in Debt |
|-------------------------------|-----------------------------------|---------------------------------------|-----------------------|
| Duquesne | \$9,801,493 | \$6,328,637 | \$16,130,130 |
| Met-Ed | \$13,601,407 | \$6,668,712 | \$20,270,119 |
| PECO-Electric | \$9,849,101 | \$21,529,246 | \$31,378,347 |
| Penelec | \$16,227,144 | \$7,611,131 | \$23,838,275 |
| Penn Power | \$4,212,239 | \$2,051,753 | \$6,263,993 |
| PPL | \$34,653,397 | \$49,552,822 | \$84,206,219 |
| West Penn | \$15,317,119 | \$8,668,010 | \$23,985,129 |
| Total/Industry Average | \$103,661,900 | \$102,410,311 | \$206,072,212 |

Dollars in Debt – Residential Natural Gas Customers

| Utility | Dollars in Debt on an Arrangement | Dollars in Debt Not on an Arrangement | Total Dollars in Debt |
|-------------------------------|-----------------------------------|---------------------------------------|-----------------------|
| Columbia | \$11,265,336 | \$3,674,251 | \$14,939,587 |
| NFG | \$1,929,704 | \$3,512,520 | \$5,442,224 |
| PECO-Gas | \$4,154,868 | \$7,850,209 | \$12,005,078 |
| Peoples | \$2,230,278 | \$3,841,184 | \$6,071,462 |
| Peoples-Equitable | \$1,516,421 | \$2,600,759 | \$4,117,180 |
| PGW | \$9,624,197 | \$29,953,186 | \$39,572,383 |
| UGI South | \$9,288,818 | \$4,767,048 | \$14,055,866 |
| UGI North | \$5,990,011 | \$2,853,527 | \$8,843,538 |
| Total/Industry Average | \$45,999,633 | \$59,052,684 | \$105,047,318 |

Dollars in Debt – Confirmed Low-Income Electric Customers

| Utility | Dollars in Debt on an Arrangement | Dollars in Debt Not on an Arrangement | Total Dollars in Debt |
|-------------------------------|-----------------------------------|---------------------------------------|-----------------------|
| Duquesne | \$3,021,061 | \$1,348,514 | \$4,369,575 |
| Met-Ed | \$9,294,812 | \$3,246,271 | \$12,541,083 |
| PECO-Electric | \$2,642,124 | \$3,264,893 | \$5,907,018 |
| Penelec | \$11,685,059 | \$4,115,064 | \$15,800,124 |
| Penn Power | \$2,875,908 | \$1,018,726 | \$3,894,634 |
| PPL | \$8,910,006 | \$34,270,605 | \$43,180,611 |
| West Penn | \$10,249,161 | \$4,068,147 | \$14,317,307 |
| Total/Industry Average | \$48,678,131 | \$51,332,220 | \$100,010,352 |

Dollars in Debt – Confirmed Low-Income Natural Gas Customers

| Utility | Dollars in Debt on an Arrangement | Dollars in Debt Not on an Arrangement | Total Dollars in Debt |
|-------------------------------|-----------------------------------|---------------------------------------|-----------------------|
| Columbia | \$5,947,599 | \$1,209,704 | \$7,157,303 |
| NFG | \$1,088,696 | \$1,755,455 | \$2,844,150 |
| PECO-Gas | \$1,014,301 | \$1,276,799 | \$2,291,100 |
| Peoples | \$1,157,010 | \$1,498,244 | \$2,655,254 |
| Peoples-Equitable | \$796,181 | \$938,388 | \$1,734,569 |
| PGW | \$6,244,303 | \$2,345,463 | \$8,589,766 |
| UGI South | \$8,869,003 | \$415,286 | \$9,284,289 |
| UGI North | \$5,666,763 | \$362,872 | \$6,029,635 |
| Total/Industry Average | \$30,783,856 | \$9,802,211 | \$40,586,066 |

Dollars in Debt – Residential Electric Customers – 2017-2019

| Utility | 2017 Total Dollars in Debt | 2018 Total Dollars in Debt | 2019 Total Dollars in Debt | Percent Change 2017-19 |
|-------------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| Duquesne | \$21,127,172 | \$19,462,675 | \$16,130,130 | -23.7% |
| Met-Ed | \$17,263,485 | \$19,924,206 | \$20,270,119 | 17.4% |
| PECO-Electric | \$26,316,954 | \$28,207,515 | \$31,378,347 | 19.2% |
| Penelec | \$19,305,202 | \$22,658,514 | \$23,838,275 | 23.5% |
| Penn Power | \$5,350,600 | \$5,904,875 | \$6,263,993 | 17.1% |
| PPL | \$93,937,614 | \$92,356,281 | \$84,206,219 | -10.4% |
| West Penn | \$17,341,825 | \$21,179,368 | \$23,985,129 | 38.3% |
| Total/Industry Average | \$200,642,852 | \$209,693,434 | \$206,072,212 | 2.7% |

Dollars in Debt - Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Total Dollars in Debt | 2018 Total Dollars in Debt | 2019 Total Dollars in Debt | Percent Change 2017-19 |
|-------------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| Columbia | \$12,125,914 | \$13,855,849 | \$14,939,587 | 23.2% |
| NFG | \$4,968,503 | \$5,106,543 | \$5,442,224 | 9.5% |
| PECO-Gas | \$9,718,969 | \$10,294,587 | \$12,005,078 | 23.5% |
| Peoples | \$5,289,877 | \$5,804,741 | \$6,071,462 | 14.8% |
| Peoples-Equitable | \$3,526,443 | \$3,832,780 | \$4,117,180 | 15.8% |
| PGW | \$40,854,115 | \$42,144,065 | \$39,572,383 | -3.1% |
| UGI South | *\$7,933,919 | *\$13,931,294 | *\$14,055,866 | 77.2% |
| UGI North | *\$4,481,840 | *\$8,295,323 | *\$8,843,538 | 97.3% |
| Total/Industry Average | *\$88,899,580 | \$103,265,182 | \$105,047,318 | 18.2% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Dollars in Debt – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Total CLI Dollars in Debt | 2018 Total CLI Dollars in Debt | 2019 Total CLI Dollars in Debt | Percent Change 2017-19 |
|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------|
| Duquesne | \$7,618,075 | \$6,839,392 | \$4,369,575 | -42.6% |
| Met-Ed | \$10,315,367 | \$11,968,646 | \$12,541,083 | 21.6% |
| PECO-Electric | \$4,960,119 | \$5,454,863 | \$5,907,018 | 19.1% |
| Penelec | \$12,450,341 | \$14,777,185 | \$15,800,124 | 26.9% |
| Penn Power | \$3,298,746 | \$3,653,811 | \$3,894,634 | 18.1% |
| PPL | \$46,459,644 | \$46,625,017 | \$43,180,611 | -7.1% |
| West Penn | \$8,785,974 | \$11,664,300 | \$14,317,307 | 63.0% |
| Total/Industry Average | \$93,888,266 | \$100,983,214 | \$100,010,352 | 6.5% |

Dollars in Debt – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Total CLI Dollars in Debt | 2018 Total CLI Dollars in Debt | 2019 Total CLI Dollars in Debt | Percent Change 2017-19 |
|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------|
| Columbia | \$6,079,091 | \$6,476,308 | \$7,157,303 | 17.7% |
| NFG | \$2,642,970 | \$2,523,530 | \$2,844,150 | 7.6% |
| PECO-Gas | \$1,940,009 | \$1,997,986 | \$2,291,100 | 18.1% |
| Peoples | \$2,421,696 | \$2,689,824 | \$2,655,254 | 3.6% |
| Peoples-Equitable | \$1,484,494 | \$1,709,082 | \$1,734,569 | 16.3% |
| PGW | \$10,903,801 | \$11,209,481 | \$8,589,766 | -21.2% |
| UGI South | *\$4,748,568 | *\$7,416,246 | *\$9,284,289 | 95.5% |
| UGI North | *\$2,781,563 | *\$4,615,167 | *\$6,029,635 | 116.8% |
| Total/Industry Average | \$33,002,191 | \$38,637,624 | \$40,586,066 | 22.4% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Percent of Total Dollars Owed – On an Arrangement Versus Not on an Arrangement

The **percent of total dollars owed** in the two reporting categories is calculated by dividing the total dollars owed in a category by the overall total dollars owed. Higher percentages of dollars not on an arrangement represent greater uncollectible risk.

Percent of Dollars Owed on an Arrangement – Residential Electric Customers

| Utility | Percent of Dollars Owed – On an Arrangement | Percent of Dollars Owed – Not on an Arrangement |
|-------------------------------|--|--|
| Duquesne | 60.8% | 39.2% |
| Met-Ed | 67.1% | 32.9% |
| PECO-Electric | 31.4% | 68.6% |
| Penelec | 68.1% | 31.9% |
| Penn Power | 67.2% | 32.8% |
| PPL | 41.2% | 58.8% |
| West Penn | 63.9% | 36.1% |
| Total/Industry Average | 50.3% | 49.7% |

Percent of Dollars Owed on an Agreement – Residential Natural Gas Customers

| Utility | Percent of Dollars Owed – On an Arrangement | Percent of Dollars Owed – Not on an Arrangement |
|-------------------------------|--|--|
| Columbia | 75.4% | 24.6% |
| NFG | 35.5% | 64.5% |
| PECO-Gas | 34.6% | 65.4% |
| Peoples | 36.7% | 63.3% |
| Peoples-Equitable | 36.8% | 63.2% |
| PGW | 24.3% | 75.7% |
| UGI South | 66.1% | 33.9% |
| UGI North | 67.7% | 32.3% |
| Total/Industry Average | 43.8% | 56.2% |

*Percent of Dollars Owed on an Arrangement –
Confirmed Low-Income Electric Customers*

| Utility | Percent of Dollars Owed – on an Arrangement | Percent of Dollars Owed – Not on an Arrangement |
|-------------------------------|--|--|
| Duquesne | 69.1% | 30.9% |
| Met-Ed | 74.1% | 25.9% |
| PECO-Electric | 44.7% | 55.3% |
| Penelec | 74.0% | 26.0% |
| Penn Power | 73.8% | 26.2% |
| PPL | 20.6% | 79.4% |
| West Penn | 71.6% | 28.4% |
| Total/Industry Average | 48.7% | 51.3% |

*Percent of Dollars Owed on an Arrangement –
Confirmed Low-Income Natural Gas Customers*

| Utility | Percent of Dollars Owed – on an Arrangement | Percent of Dollars Owed – Not on an Arrangement |
|-------------------------------|--|--|
| Columbia | 83.1% | 16.9% |
| NFG | 38.3% | 61.7% |
| PECO-Gas | 44.3% | 55.7% |
| Peoples | 43.6% | 56.4% |
| Peoples-Equitable | 45.9% | 54.1% |
| PGW | 72.7% | 27.3% |
| UGI South | 95.5% | 4.5% |
| UGI North | 94.0% | 6.0% |
| Total/Industry Average | 75.8% | 24.2% |

Average Arrearage

Average arrearage is calculated by dividing the total dollars in debt by the number of customers in debt. This shows the average arrearage (debt) carried by each customer with an overdue balance. Larger average arrearages may take more time for customers to pay off and pose more of an uncollectible risk than smaller average arrearages. The overall average arrearage amount is based on the total dollars and number of customers in debt and does not reflect an average of the two amounts in the table below.

Average Arrearage – Residential Electric Customers

| Utility | Average Arrearage on an Arrangement | Average Arrearage Not on an Arrangement | Overall Average Arrearage |
|-------------------------------|--|--|---------------------------|
| Duquesne | \$842.85 | \$207.84 | \$383.34 |
| Met-Ed | \$667.10 | \$269.44 | \$449.05 |
| PECO-Electric | \$568.98 | \$252.23 | \$305.63 |
| Penelec | \$715.10 | \$270.49 | \$468.98 |
| Penn Power | \$792.82 | \$299.09 | \$514.58 |
| PPL | \$500.58 | \$390.61 | \$429.44 |
| West Penn | \$674.64 | \$276.26 | \$443.50 |
| Total/Industry Average | \$612.43 | \$306.81 | \$409.64 |

Average Arrearage – Residential Natural Gas Customers

| Utility | Average Arrearage on an Arrangement | Average Arrearage Not on an Arrangement | Overall Average Arrearage |
|-------------------------------|-------------------------------------|---|---------------------------|
| Columbia | \$667.58 | \$347.55 | \$544.31 |
| NFG | \$123.83 | \$236.92 | \$178.96 |
| PECO-Gas | \$666.81 | \$391.28 | \$456.57 |
| Peoples | \$276.33 | \$227.72 | \$243.45 |
| Peoples-Equitable | \$256.54 | \$196.19 | \$214.82 |
| PGW | \$548.20 | \$496.96 | \$508.45 |
| UGI South | \$635.13 | \$178.67 | \$340.29 |
| UGI North | \$735.60 | \$243.21 | \$444.94 |
| Total/Industry Average | \$494.64 | \$338.86 | \$393.04 |

Average Arrearage – Confirmed Low-Income Electric Customers

| Utility | Average Arrearage on an Arrangement | Average Arrearage Not on an Arrangement | Overall Average Arrearage |
|-------------------------------|-------------------------------------|---|---------------------------|
| Duquesne | \$1,214.25 | \$496.51 | \$839.50 |
| Met-Ed | \$706.99 | \$337.42 | \$550.82 |
| PECO-Electric | \$834.00 | \$635.44 | \$711.17 |
| Penelec | \$739.23 | \$327.53 | \$556.91 |
| Penn Power | \$801.76 | \$360.36 | \$607.21 |
| PPL | \$419.18 | \$807.26 | \$677.79 |
| West Penn | \$715.07 | \$359.63 | \$558.27 |
| Total/Industry Average | \$659.72 | \$592.54 | \$623.44 |

Average Arrearage – Confirmed Low-Income Natural Gas Customers

| Utility | Average Arrearage on an Arrangement | Average Arrearage Not on an Arrangement | Overall Average Arrearage |
|-------------------------------|-------------------------------------|---|---------------------------|
| Columbia | \$755.06 | \$388.35 | \$651.14 |
| NFG | \$154.25 | \$397.16 | \$247.81 |
| PECO-Gas | \$1,033.95 | \$968.01 | \$996.13 |
| Peoples | \$285.89 | \$315.55 | \$301.90 |
| Peoples-Equitable | \$259.17 | \$283.24 | \$271.66 |
| PGW | \$517.86 | \$766.24 | \$568.14 |
| UGI South | \$655.17 | \$386.31 | \$635.39 |
| UGI North | \$757.28 | \$407.26 | \$720.04 |
| Total/Industry Average | \$548.60 | \$446.73 | \$519.97 |

Average Arrearage – Residential Electric Customers – 2017-2019

| Utility | 2017 Average Arrearage | 2018 Average Arrearage | 2019 Average Arrearage | Percent Change 2017-19 |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Duquesne | \$457.80 | \$438.03 | \$383.34 | -16.3% |
| Met-Ed | \$403.93 | \$440.02 | \$449.05 | 11.2% |
| PECO-Electric | \$271.63 | \$272.23 | \$305.63 | 12.5% |
| Penelec | \$402.67 | \$447.22 | \$468.98 | 16.5% |
| Penn Power | \$452.18 | \$492.36 | \$514.58 | 13.8% |
| PPL | \$442.74 | \$446.52 | \$429.44 | -3.0% |
| West Penn | \$357.20 | \$406.93 | \$443.50 | 24.2% |
| Total/Industry Average | \$396.31 | \$407.28 | \$409.64 | 3.4% |

Average Arrearage – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Average Arrearage | 2018 Average Arrearage | 2019 Average Arrearage | Percent Change 2017-19 |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Columbia | \$455.54 | \$507.04 | \$544.31 | 19.5% |
| NFG | \$209.11 | \$190.66 | \$178.96 | -14.4% |
| PECO-Gas | \$389.10 | \$383.03 | \$456.57 | 17.3% |
| Peoples | \$203.16 | \$222.25 | \$243.45 | 19.3% |
| Peoples-Equitable | \$176.30 | \$192.00 | \$214.82 | 21.3% |
| PGW | \$473.78 | \$492.83 | \$508.45 | 7.3% |
| UGI South | *\$226.08 | *\$293.79 | *\$340.29 | 50.5% |
| UGI North | *\$280.91 | *\$372.42 | *\$444.94 | 58.4% |
| Total/Industry Average | \$343.67 | \$365.83 | \$393.04 | 14.4% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Average Arrearage – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Average Arrearage | 2018 Average Arrearage | 2019 Average Arrearage | Percent Change 2017-19 |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Duquesne | \$1,014.66 | \$1,013.54 | \$839.50 | -17.3% |
| Met-Ed | \$495.38 | \$535.22 | \$550.82 | 11.2% |
| PECO-Electric | \$493.45 | \$537.64 | \$711.17 | 44.1% |
| Penelec | \$473.88 | \$528.53 | \$556.91 | 17.5% |
| Penn Power | \$541.93 | \$587.33 | \$607.21 | 12.0% |
| PPL | \$697.84 | \$709.99 | \$677.79 | -2.9% |
| West Penn | \$438.03 | \$506.07 | \$558.27 | 27.5% |
| Total/Industry Average | \$596.58 | \$622.76 | \$623.44 | 4.5% |

Average Arrearage – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Average Arrearage | 2018 Average Arrearage | 2019 Average Arrearage | Percent Change 2017-19 |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Columbia | \$549.70 | \$602.49 | \$651.14 | 18.5% |
| NFG | \$285.66 | \$269.36 | \$247.81 | -13.3% |
| PECO-Gas | \$778.23 | \$792.98 | \$996.13 | 28.0% |
| Peoples | \$261.83 | \$280.54 | \$301.90 | 15.3% |
| Peoples-Equitable | \$218.63 | \$243.81 | \$271.66 | 24.3% |
| PGW | \$560.59 | \$566.02 | \$568.14 | 1.3% |
| UGI South | *\$394.20 | *\$588.52 | *\$635.39 | 61.2% |
| UGI North | *\$421.59 | *\$646.81 | *\$720.04 | 70.8% |
| Total/Industry Average | \$428.95 | \$490.48 | \$519.97 | 21.2% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Accounts Exceeding \$10,000 in Arrearages

On Dec. 22, 2014, Act 155 became effective, reauthorizing and amending Chapter 14 of the Public Utility Code (66 Pa. C.S. §§ 1401-1419), Responsible Utility Customer Protection. Act 155 implemented a new reporting requirement³² for the public utilities to report data regarding the number of active (*i.e.* accounts not final billed) residential accounts that exceed \$10,000 in arrearages at the end of each calendar year, along with those account balances.³³ We present that data in the tables below, noting that PECO has reported electric and gas accounts together. Peoples and Peoples-Equitable have also reported combined data. The average arrearage is calculated by dividing the total arrearage (sum of all account balances over \$10,000) by the number of accounts.

Residential Total Number of Accounts Over \$10,000 – Electric Customers – 2017-2019

| Utility | 2017 Total Number of Accounts over 10k | 2018 Total Number of Accounts over 10k | 2019 Total Number of Accounts over 10k | Percent Change 2017-19 |
|-------------------------------|--|--|--|---------------------------|
| Duquesne | 51 | 46 | 25 | -51.0% |
| Met-Ed | 34 | 48 | 50 | 47.1% |
| PECO-Electric/Gas | 53 | 69 | 82 | 54.7% |
| Penelec | 48 | 75 | 86 | 79.2% |
| Penn Power | 19 | 22 | 25 | 31.6% |
| PPL | 168 | 181 | 209 | 24.4% |
| West Penn | 51 | 73 | 73 | 43.1% |
| Total/Industry Average | 424 | 514 | 550 | 29.7% |

³² Final Order Chapter 14 Implementation Docket No. M-2014-2448824, order entered July 9, 2015. Section 1410.1(3) (Public utility duties) (Reporting Requirements re: Accounts Exceeding \$10,000 in Arrearages), pp 32-33.

³³ The utilities report several data points under Section 1410.1(3), however, only data relevant to the Universal Service Programs & Collections Performance has been included in this report. All public utility annual 1410.1(3) reports are available at Docket No. M-2014-2448824.

Residential Total Number of Accounts Over \$10,000 – Natural Gas Customers – 2017-2019

| Utility | 2017 Total Number of Accounts over 10k | 2018 Total Number of Accounts over 10k | 2019 Total Number of Accounts over 10k | Percent Change 2017-19 |
|-------------------------------|--|--|--|---------------------------|
| Columbia | 0 | 0 | 1 | N/A |
| NFG | 0 | 0 | 0 | 0.0% |
| Peoples/Peoples-EQT | 27 | 5 | 5 | -81.5% |
| PGW | 224 | 200 | 139 | -37.9% |
| UGI South | 2 | 1 | 1 | -50.0% |
| UGI North | 1 | 2 | 1 | 0.0% |
| Total/Industry Average | 254 | 208 | 147 | -42.1% |

Residential Total Arrearages of Accounts Over \$10,000 – Electric Customers – 2017-2019

| Utility | 2017 Total Arrearages of Accounts over 10k | 2018 Total Arrearages of Accounts over 10k | 2019 Total Arrearages of Accounts over 10k | Percent Change 2017-19 |
|-------------------------------|--|--|--|---------------------------|
| Duquesne | \$651,869 | \$632,535 | \$342,529 | -47.5% |
| Met-Ed | \$442,146 | \$608,870 | \$672,880 | 52.2% |
| PECO-Electric/Gas | \$777,082 | \$939,150 | \$1,101,520 | 41.8% |
| Penelec | \$634,488 | \$1,037,115 | \$1,271,323 | 100.4% |
| Penn Power | \$316,220 | \$298,263 | \$353,735 | 11.9% |
| PPL | \$2,325,908 | \$2,555,841 | \$3,057,044 | 31.4% |
| West Penn | \$642,126 | \$939,166 | \$957,296 | 49.1% |
| Total/Industry Average | \$5,789,838 | \$7,010,940 | \$7,756,327 | 34.0% |

Residential Total Arrearages of Accounts Over \$10,000 – Natural Gas Customers – 2017-2019

| Utility | 2017 Total Arrearages of Accounts over 10k | 2018 Total Arrearages of Accounts over 10k | 2019 Total Arrearages of Accounts over 10k | Percent Change 2017-19 |
|-------------------------------|--|--|--|---------------------------|
| Columbia | \$0 | \$0 | \$13,845 | N/A |
| NFG | \$0 | \$0 | \$0 | 0.0% |
| Peoples/Peoples-EQT | \$351,534 | \$70,330 | \$55,654 | -84.2% |
| PGW | \$2,922,473 | \$2,527,459 | \$1,724,772 | -41.0% |
| UGI South | \$22,305 | \$13,372 | \$14,885 | -33.3% |
| UGI North | \$10,362 | \$29,189 | \$17,278 | 66.7% |
| Total/Industry Average | \$3,306,674 | \$2,640,351 | \$1,826,433 | -44.8% |

Residential Average Arrearage of Accounts Over \$10,000 – Electric Customers – 2017-2019

| Utility | 2017 Average Arrearage of Accounts over 10k | 2018 Average Arrearage of Accounts over 10k | 2019 Average Arrearage of Accounts over 10k | Percent Change 2017-19 |
|-------------------------------|---|---|---|------------------------------|
| Duquesne | \$12,781.75 | \$13,750.76 | \$13,701.15 | 7.2% |
| Met-Ed | \$13,004.28 | \$12,684.80 | \$13,457.59 | 3.5% |
| PECO-Electric/Gas | \$14,661.93 | \$13,610.87 | \$13,433.17 | -8.4% |
| Penelec | \$13,218.49 | \$13,828.20 | \$14,782.83 | 11.8% |
| Penn Power | \$16,643.14 | \$13,557.41 | \$14,149.38 | -15.0% |
| PPL | \$13,844.69 | \$14,120.67 | \$14,627.00 | 5.7% |
| West Penn | \$12,590.70 | \$12,865.29 | \$13,113.65 | 4.2% |
| Total/Industry Average | \$13,655.28 | \$13,639.96 | \$14,102.41 | 3.3% |

Residential Average Arrearage of Accounts Over \$10,000 – Natural Gas Customers – 2017-2019

| Utility | 2017 Average Arrearage of Accounts over 10k | 2018 Average Arrearage of Accounts over 10k | 2019 Average Arrearage of Accounts over 10k | Percent Change 2017-19 |
|-------------------------------|---|---|---|---------------------------|
| Columbia | \$0.00 | \$0.00 | \$13,844.54 | N/A |
| NFG | \$0.00 | \$0.00 | \$0.00 | 0.0% |
| Peoples/Peoples-EQT | \$13,019.78 | \$14,066.04 | \$11,130.76 | -14.5% |
| PGW | \$13,046.75 | \$12,637.29 | \$12,408.43 | -4.9% |
| UGI South | *\$11,152.45 | *\$13,372.32 | *\$14,884.68 | 33.5% |
| UGI North | *\$10,362.38 | *\$14,594.67 | *\$17,278.21 | 66.7% |
| Total/Industry Average | \$13,018.40 | \$12,693.99 | \$12,424.71 | -4.6% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Revenues (Billings)

Revenues (Billings) are the cumulative, year-end total dollars billed by the public utility for the previous year and reported in the USRR for both the residential and confirmed low-income categories. Billings are used in the calculation of other collection performance measures, and include dollars collected from universal service program recipients, including CAP customers' billings.

Residential Revenues (Billings) – Electric Customers

| Utility | Residential | Confirmed Low-Income | Percent Confirmed Low-Income |
|-------------------------------|------------------------|----------------------|------------------------------|
| Duquesne | \$554,560,188 | \$61,204,795 | 11.0% |
| Met-Ed | \$613,381,575 | \$105,975,840 | 17.3% |
| PECO-Electric | \$2,032,218,191 | \$136,672,171 | 6.7% |
| Penelec | \$566,400,530 | \$125,054,802 | 22.1% |
| Penn Power | \$183,772,688 | \$28,568,036 | 15.5% |
| PPL | \$2,002,641,111 | \$373,257,994 | 18.6% |
| West Penn | \$695,021,554 | \$101,681,106 | 14.6% |
| Total/Industry Average | \$6,647,995,837 | \$932,414,744 | 14.0% |

Residential Revenues (Billings) – Natural Gas Customers

| Utility | Residential | Confirmed Low-Income | Percent Confirmed Low-Income |
|-------------------------------|------------------------|----------------------|------------------------------|
| Columbia | \$431,312,024 | \$78,879,165 | 18.3% |
| NFG | \$146,182,599 | \$19,437,397 | 13.3% |
| PECO-Gas | \$464,804,445 | \$23,517,893 | 5.1% |
| Peoples | \$301,742,334 | \$25,648,098 | 8.5% |
| Peoples-Equitable | \$216,474,649 | \$18,400,345 | 8.5% |
| PGW | \$537,592,266 | \$134,556,360 | 25.0% |
| UGI South | \$259,406,139 | \$37,433,288 | 14.4% |
| UGI North | \$164,890,204 | \$29,693,505 | 18.0% |
| Total/Industry Average | \$2,522,404,660 | \$367,566,051 | 14.6% |

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 – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|------------------------------|-------------|-------------|-------------|
| Duquesne | 4.1% | 3.4% | 2.9% |
| Met-Ed | 2.9% | 3.2% | 3.3% |
| PECO-Electric | 1.4% | 1.4% | 1.5% |
| Penelec | 3.5% | 3.8% | 4.2% |
| Penn Power | 3.0% | 3.0% | 3.4% |
| PPL | 4.8% | 4.4% | 4.2% |
| West Penn | 2.6% | 3.0% | 3.5% |
| Total/IndustryAverage | 3.1% | 3.1% | 3.1% |

Percent of Revenues (Billings) in Debt – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|-------------|-------------|-------------|
| Columbia | 3.1% | 3.1% | 3.5% |
| NFG | 3.7% | 3.3% | 3.7% |
| PECO-Gas | 2.7% | 2.4% | 2.6% |
| Peoples | 2.0% | 1.8% | 2.0% |
| Peoples-Equitable | 1.9% | 1.7% | 1.9% |
| PGW | 8.3% | 7.7% | 7.4% |
| UGI South | *3.2% | *5.2% | *5.4% |
| UGI North | *3.1% | *5.1% | *5.4% |
| Total/Industry Average | 4.0% | 4.0% | 4.2% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Percent of Revenues (Billings) in Debt – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|--------------|--------------|--------------|
| Duquesne | 13.2% | 10.6% | 7.1% |
| Met-Ed | 10.5% | 11.1% | 11.8% |
| PECO-Electric | 3.3% | 3.6% | 4.3% |
| Penelec | 10.5% | 11.4% | 12.6% |
| Penn Power | 12.3% | 12.0% | 13.6% |
| PPL | 12.8% | 12.3% | 11.6% |
| West Penn | 9.6% | 11.3% | 14.1% |
| Total/Industry Average | 10.3% | 10.4% | 10.7% |

Percent of Revenues (Billings) in Debt – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|-------------|-------------|--------------|
| Columbia | 8.8% | 8.3% | 9.1% |
| NFG | 13.1% | 11.4% | 14.6% |
| PECO-Gas | 9.6% | 8.8% | 9.7% |
| Peoples | 3.5% | 3.3% | 10.4% |
| Peoples-Equitable | 4.3% | 4.1% | 9.4% |
| PGW | 8.6% | 8.1% | 6.4% |
| UGI South | *20.0% | *19.1% | *24.8% |
| UGI North | *14.7% | *16.6% | *20.3% |
| Total/Industry Average | 8.6% | 8.6% | 11.0% |

*UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Gross Residential Write-Offs in Dollars

The tables below represent the **gross residential write-offs in dollars** for EDCs and NGDCs. Write-offs are the last action on final-billed 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 public utility writes off accounts on either a monthly or annual basis. The gross write-offs figures do not include CAP credits or arrearage forgiveness.

Gross Write-Offs in Dollars – Electric Customers

| Utility | Residential | Confirmed Low-Income | Percent Confirmed Low-Income |
|-------------------------------|----------------------|----------------------|------------------------------|
| Duquesne | \$14,436,076 | \$3,849,895 | 26.7% |
| Met-Ed | \$14,939,366 | \$11,582,626 | 77.5% |
| PECO-Electric | \$28,461,191 | \$6,203,902 | 21.8% |
| Penelec | \$15,212,941 | \$12,405,094 | 81.5% |
| Penn Power | \$3,448,167 | \$2,754,306 | 79.9% |
| PPL | \$51,249,852 | \$37,274,682 | 72.7% |
| West Penn | \$16,109,498 | \$12,362,585 | 76.7% |
| Total/Industry Average | \$143,857,091 | \$86,433,090 | 60.1% |

Gross Write-Offs in Dollars – Natural Gas Customers

| Utility | Residential | Confirmed Low-Income | Percent Confirmed Low-Income |
|-------------------------------|---------------------|----------------------|------------------------------|
| Columbia | \$8,903,865 | \$4,440,413 | 49.9% |
| NFG | \$4,166,463 | \$3,335,504 | 80.1% |
| PECO-Gas | \$2,184,559 | \$677,475 | 31.0% |
| Peoples | \$9,322,215 | \$2,423,776 | 26.0% |
| Peoples-Equitable | \$6,626,698 | \$1,722,941 | 26.0% |
| PGW | \$32,545,577 | \$29,368,288 | 90.2% |
| UGI South | \$10,153,148 | \$5,787,294 | 57.0% |
| UGI North | \$5,893,436 | \$3,653,930 | 62.0% |
| Total/Industry Average | \$79,795,961 | \$51,409,621 | 64.4% |

Gross Write-Offs in Dollars – Residential Electric Customers – 2017-2019

| Utility | 2017 Gross Write-Offs in Dollars | 2018 Gross Write-Offs in Dollars | 2019 Gross Write-Offs in Dollars | Percent Change 2017-19 |
|-------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------|
| Duquesne | \$18,617,640 | \$19,578,220 | \$14,436,076 | -22.5% |
| Met-Ed | \$12,158,927 | \$15,183,890 | \$14,939,366 | 22.9% |
| PECO-Electric | \$27,484,369 | \$27,660,902 | \$28,461,191 | 3.6% |
| Penelec | \$11,516,271 | \$15,418,293 | \$15,212,941 | 32.1% |
| Penn Power | \$2,851,522 | \$3,358,838 | \$3,448,167 | 20.9% |
| PPL | \$50,434,096 | \$53,809,070 | \$51,249,852 | 1.6% |
| West Penn | \$12,673,729 | \$15,506,690 | \$16,109,498 | 27.1% |
| Total/Industry Average | \$135,736,554 | \$150,515,903 | \$143,857,091 | 6.0% |

Gross Write-Offs in Dollars – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Gross Write-Offs in Dollars | 2018 Gross Write-Offs in Dollars | 2019 Gross Write-Offs in Dollars | Percent Change 2017-19 |
|-------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------|
| Columbia | \$7,722,801 | \$8,531,390 | \$8,903,865 | 15.3% |
| NFG | \$2,616,334 | \$4,330,927 | \$4,166,463 | 59.2% |
| PECO-Gas | \$1,956,647 | \$1,784,559 | \$2,184,559 | 11.6% |
| Peoples | \$8,722,734 | \$7,957,830 | \$9,322,215 | 6.9% |
| Peoples-Equitable | \$4,985,137 | \$5,143,394 | \$6,626,698 | 32.9% |
| PGW | \$47,487,882 | \$34,986,533 | \$32,545,577 | -31.5% |
| UGI South | *\$6,329,806 | *\$8,854,360 | *\$10,153,148 | 60.4% |
| UGI North | *\$3,384,812 | *\$4,904,780 | *\$5,893,436 | 74.1% |
| Total/Industry Average | \$83,206,153 | \$76,493,773 | \$79,795,961 | -4.1% |

* UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to system conversion issues.

Gross Write-Offs in Dollars – Confirmed Low-Income Electric Customers – 2017-2019

| Utility | 2017 Gross Write-Offs in Dollars CLI | 2018 Gross Write-Offs in Dollars CLI | 2019 Gross Write-Offs in Dollars CLI | Percent Change 2017-19 |
|-------------------------------|--|--|--|---------------------------|
| Duquesne | \$7,593,815 | \$6,837,415 | \$3,849,895 | -49.3% |
| Met-Ed | \$9,426,686 | \$11,804,288 | \$11,582,626 | 22.9% |
| PECO-Electric | \$6,679,875 | \$7,021,663 | \$6,203,902 | -7.1% |
| Penelec | \$9,316,626 | \$12,456,688 | \$12,405,094 | 33.2% |
| Penn Power | \$2,411,836 | \$2,721,776 | \$2,754,306 | 14.2% |
| PPL | \$36,254,853 | \$39,280,621 | \$37,274,682 | 2.8% |
| West Penn | \$10,061,834 | \$11,935,290 | \$12,362,585 | 22.9% |
| Total/Industry Average | \$81,745,525 | \$92,057,741 | \$86,433,090 | 5.7% |

Gross Write-Offs in Dollars – Confirmed Low-Income Natural Gas Customers – 2017-2019

| Utility | 2017 Gross Write-Offs in Dollars CLI | 2018 Gross Write-Offs in Dollars CLI | 2019 Gross Write-Offs in Dollars CLI | Percent Change 2017-19 |
|-------------------------------|--|--|--|---------------------------|
| Columbia | \$5,417,332 | \$4,937,124 | \$4,440,413 | -18.0% |
| NFG | \$1,116,455 | \$2,960,771 | \$3,335,504 | 198.8% |
| PECO-Gas | \$577,754 | \$290,818 | \$677,475 | 17.3% |
| Peoples | \$2,267,911 | \$2,069,036 | \$2,423,776 | 6.9% |
| Peoples-Equitable | \$897,325 | \$925,811 | \$1,722,941 | 92.0% |
| PGW | \$30,648,945 | \$29,177,942 | \$29,368,288 | -4.2% |
| UGI South | *\$2,148,256 | *\$5,046,985 | *\$5,787,294 | 169.4% |
| UGI North | *\$1,312,505 | *\$3,040,964 | *\$3,653,930 | 178.4% |
| Total/Industry Average | \$44,386,483 | \$48,449,451 | \$51,409,621 | 15.8% |

* UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to a system conversion issues.

Gross Write-Offs Ratio

The percentage of residential billings written off as uncollectible is the most commonly used long-term measure of collection system performance and is called the **gross write-offs ratio**. 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. Figures used in the tables below do not include CAP credits or arrearage forgiveness.

Gross Write-Offs Ratio – Electric Customers

| Utility | Residential Gross Write-Offs Ratio | Confirmed Low-Income Gross Write-Offs Ratio |
|-------------------------------|------------------------------------|---|
| Duquesne | 2.6% | 6.3% |
| Met-Ed | 2.4% | 10.9% |
| PECO-Electric | 1.4% | 4.5% |
| Penelec | 2.7% | 9.9% |
| Penn Power | 1.9% | 9.6% |
| PPL | 2.6% | 10.0% |
| West Penn | 2.3% | 12.2% |
| Total/Industry Average | 2.2% | 9.3% |

Gross Write-Offs Ratio – Natural Gas Customers

| Utility | Residential Gross Write-Offs Ratio | Confirmed Low-Income Gross Write-Offs Ratio |
|-------------------------------|------------------------------------|---|
| Columbia | 2.1% | 5.6% |
| NFG | 2.9% | 17.2% |
| PECO-Gas | 0.5% | 2.9% |
| Peoples | 3.1% | 9.5% |
| Peoples-Equitable | 3.1% | 9.4% |
| PGW | 6.1% | 21.8% |
| UGI South | 3.9% | 15.5% |
| UGI North | 3.6% | 12.3% |
| Total/Industry Average | 3.2% | 14.0% |

Gross Write-Offs Ratio – Residential Electric Customers – 2017-2019

| Utility | 2017 Gross Write-Offs Ratio | 2018 Gross Write-Offs Ratio | 2019 Gross Write-Offs Ratio |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Duquesne | 3.6% | 3.5% | 2.6% |
| Met-Ed | 2.0% | 2.4% | 2.4% |
| PECO-Electric | 1.4% | 1.4% | 1.4% |
| Penelec | 2.1% | 2.6% | 2.7% |
| Penn Power | 1.6% | 1.7% | 1.9% |
| PPL | 2.6% | 2.6% | 2.6% |
| West Penn | 1.9% | 2.2% | 2.3% |
| Total/Industry Average | 2.1% | 2.2% | 2.2% |

Gross Write-Offs Ratio – Residential Natural Gas Customers – 2017-2019

| Utility | 2017 Gross Write-Offs Ratio | 2018 Gross Write-Offs Ratio | 2019 Gross Write-Offs Ratio |
|-------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Columbia | 2.0% | 1.9% | 2.1% |
| NFG | 1.9% | 2.8% | 2.9% |
| PECO-Gas | 0.6% | 0.4% | 0.5% |
| Peoples | 3.2% | 2.5% | 3.1% |
| Peoples-Equitable | 2.6% | 2.2% | 3.1% |
| PGW | 9.7% | 6.4% | 6.1% |
| UGI South | *2.5% | *3.3% | *3.9% |
| UGI North | *2.4% | *3.0% | *3.6% |
| Total/Industry Average | 3.7% | 3.0% | 3.2% |

* UGI South and UGI North performed limited credit and collection activities for most of 2017 through early 2019 due to a system conversion. issues.

Annual Collection Operating Expenses

Annual collection operating expenses include administrative expenses associated with termination activity, negotiating payment arrangements, budget counseling, investigation and resolution of informal and formal complaints associated with payment arrangements, securing and maintaining deposits, tracking delinquent accounts, collection agencies' expenses, litigation expenses other than Commission-related, dunning expenses, and winter survey expenses. Dunning, in the business context, refers to the collections process, whereby a business communicates with customers who have fallen behind in paying their bills. CAP recipient collection expenses are excluded.

The tables below include both the 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. Confirmed low -income dollar amounts are based on a utility-specific allocation factors (percentages) of the total operating expenses.

Annual Electric Collection Operating Expenses

| Utility | Residential | Confirmed Low-Income | Percent of Collection Operating Expenses for Confirmed Low-Income Customers |
|-------------------------------|---------------------|----------------------|---|
| Duquesne* | \$7,811,163 | N/A | N/A |
| Met-Ed | \$17,588,515 | \$12,918,584 | 73.4% |
| PECO-Electric | \$15,077,883 | \$1,528,962 | 10.1% |
| Penelec | \$17,499,436 | \$13,681,322 | 78.2% |
| Penn Power | \$4,199,273 | \$3,150,075 | 75.0% |
| PPL | \$9,104,260 | \$ 4,825,258 | 53.0% |
| West Penn | \$18,310,785 | \$13,406,453 | 73.2% |
| Total/Industry Average | \$89,591,315 | *\$49,510,694 | *55.3% |

*Duquesne reports it does not differentiate between confirmed low-income and residential operating expenses. The Industry Total and Average for Percent of Collection Operating Expenses for Confirmed Low-Income does not include Duquesne.

Annual Natural Gas Collection Operating Expenses

| Utility | Residential | Confirmed Low-Income | Percent of Collection Operating Expenses for Confirmed Low-Income Customers |
|-------------------------------|---------------------|----------------------|---|
| Columbia | \$5,042,206 | \$2,446,978 | 48.5% |
| NFG | \$522,372 | \$191,054 | 36.6% |
| PECO-Gas | \$1,863,559 | \$100,014 | 5.4% |
| Peoples | \$2,548,096 | \$662,505 | 26.0% |
| Peoples-Equitable | \$1,720,406 | \$309,673 | 18.0% |
| PGW | \$2,665,563 | \$815,815 | 30.6% |
| UGI South | \$5,284,248 | \$2,377,912 | 45.0% |
| UGI North | \$2,693,930 | \$1,373,904 | 51.0% |
| Total/Industry Average | \$22,340,380 | \$8,277,855 | 37.1% |

3. Universal Service Programs

Demographics

The USRR requires EDCs and NGDCs to report the demographics of universal service 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 defined³⁴ as a residential public utility customer whose household income is at or below 150% of FPIG. Appendix 3 shows poverty levels in relation to household size and income. The following tables present some of the demographic information for low-income customers who participate in the universal service programs during 2019.

Average Household Income and Size

Electric customers who received LIURP services in 2019 had average annual household incomes of \$17,947, while natural gas customers' average income was \$15,660. For all 2019 participants in universal service programs, average annual household income for electric customers was \$14,594, and \$14,462 for natural gas customers. In general, the households participating in universal service programs average three persons, with at least one member under 18 years old. Approximately one in three of these households has a member over the age of 62.

*Participants in Universal Service Programs
Average Household Income – Summary for All Electric Customers – 2017-2019*

| Program | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|-----------------|-----------------|-----------------|------------------------|
| LIURP | \$16,854 | \$16,419 | \$17,947 | 6.5% |
| CAP | \$14,391 | \$14,291 | \$14,387 | >-1.0% |
| CARES | \$15,901 | \$17,109 | \$13,438 | -15.5% |
| Hardship Fund | \$20,438 | \$21,156 | \$22,202 | 8.6% |
| Total/Industry Average | \$16,896 | \$14,800 | \$14,594 | -13.6% |

*Participants in Universal Service Programs
Average Household Income – Summary for All Natural Gas Customers – 2017-2019*

| Program | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|-----------------|-----------------|-----------------|------------------------|
| LIURP | \$16,679 | \$15,070 | \$15,660 | -6.1% |
| CAP | \$13,979 | \$14,509 | \$13,300 | -4.9% |
| CARES | \$14,848 | \$14,815 | \$14,318 | -3.6% |
| Hardship Fund | \$15,337 | \$12,972 | \$14,585 | -4.9% |
| Total/Industry Average | \$15,211 | \$14,342 | \$14,462 | -4.9% |

³⁴ 52 Pa. Code § 54.72 and § 62.2

Source of Income

The majority of electric and gas customers participating in universal service programs have incomes from employment or pension/retirement benefits. The Other category includes all other income types, such as self-employed, seasonal, dependent, alimony, child support, no income, and missing data.

Participants in Universal Service Programs Source of Household Income – Summary for All LIURP Electric Customers – 2017-2019

| Source of Household Income | 2017 LIURP | 2018 LIURP | 2019 LIURP |
|----------------------------|---------------|---------------|---------------|
| Employment | 32.7% | 32.3% | 32.1% |
| Pension or Retirement | 19.5% | 21.0% | 23.3% |
| Unemployment Compensation | 16.0% | 13.7% | 17.9% |
| Disability | 12.5% | 12.4% | 11.1% |
| Public Assistance | 3.0% | 2.7% | 2.6% |
| Other | 16.3% | 18.0% | 13.0% |

Participants in Universal Service Programs Source of Household Income – Summary for All CAP Electric Customers – 2017-2019

| Source of Household Income | 2017 CAP | 2018 CAP | 2019 CAP |
|----------------------------|-------------|-------------|-------------|
| Employment | 30.6% | 29.0% | 28.8% |
| Pension or Retirement | 21.6% | 20.2% | 21.7% |
| Unemployment Compensation | 2.6% | 2.3% | 2.1% |
| Disability | 24.2% | 25.2% | 21.9% |
| Public Assistance | 3.4% | 3.2% | 3.1% |
| Other | 17.5% | 20.2% | 22.4% |

Participants in Universal Service Programs Source of Household Income – Summary for All Hardship Fund Electric Customers – 2017-2019

| Source of Household Income | 2017 Hardship Fund | 2018 Hardship Fund | 2019 Hardship Fund |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Employment | 45.2% | 47.1% | 46.8% |
| Pension or Retirement | 20.4% | 18.3% | 10.9% |
| Unemployment Compensation | 3.3% | 2.9% | 2.3% |
| Disability | 12.9% | 14.1% | 15.4% |
| Public Assistance | 4.3% | 3.7% | 2.6% |
| Other | 14.0% | 13.9% | 22.1% |

Participants in Universal Service Programs
Source of Household Income – Summary for All LIURP Natural Gas Customers – 2017-2019

| Source of Household Income | 2017 LIURP | 2018 LIURP | 2019 LIURP |
|----------------------------|---------------|---------------|---------------|
| Employment | 29.0% | 27.8% | 26.0% |
| Pension or Retirement | 28.0% | 29.7% | 30.0% |
| Unemployment Compensation | 9.4% | 9.7% | 7.4% |
| Disability | 16.8% | 15.9% | 13.5% |
| Public Assistance | 3.7% | 3.3% | 2.7% |
| Other | 13.2% | 13.6% | 20.4% |

Participants in Universal Service Programs
Source of Household Income – Summary for All CAP Natural Gas Customers – 2017-2019

| Source of Household Income | 2017 CAP | 2018 CAP | 2019 CAP |
|----------------------------|-------------|-------------|-------------|
| Employment | 29.8% | 30.5% | 30.2% |
| Pension or Retirement | 29.3% | 31.8% | 33.1% |
| Unemployment Compensation | 2.3% | 2.2% | 2.1% |
| Disability | 20.9% | 18.5% | 17.1% |
| Public Assistance | 4.5% | 3.8% | 3.6% |
| Other | 13.3% | 13.2% | 13.9% |

Participants in Universal Service Programs
Source of Household Income – Summary for All Hardship Fund Natural Gas Customers – 2017-2019

| Source of Household Income | 2017 Hardship Fund | 2018 Hardship Fund | 2019 Hardship Fund |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Employment | 45.2% | 41.0% | 43.2% |
| Pension or Retirement | 17.2% | 18.6% | 19.2% |
| Unemployment Compensation | 3.2% | 2.5% | 2.7% |
| Disability | 15.1% | 17.1% | 16.6% |
| Public Assistance | 2.9% | 2.5% | 3.6% |
| Other | 16.3% | 18.4% | 14.7% |

Universal Service Participant Income Compared to the Federal Poverty Income Guidelines

Demographic data from the USRR reporting shows that “working poor” households in Pennsylvania do not always have incomes that exceed 150% of FPIG. According to the U.S. Bureau of Labor Statistics, the definition of a “working poor” household begins with a wage-earner who works full time (35+ hrs/week) at a minimum-wage job. In 2019, minimum wage in Pennsylvania was \$7.25 per hour, the same as it has been since 2009.³⁵ Annual income for an individual wage earner who works at a full time (40hr/week) minimum-wage job is \$15,080, which equates to 121% of FPIG in 2019 and 118% FPIG in 2020. By comparison, the average electric CAP household (two persons) had an income of \$14,387 in 2019, which placed these households’ incomes at approximately 85% of FPIG (for two persons) for 2019, and 83% for 2020. The average natural gas CAP household (two persons) had an income of \$13,300, which placed the household at approximately 79% of FPIG for 2019, and 77% for 2020. See Appendix 3.

Low-Income Usage Reduction Program (LIURP)

LIURP is a statewide, public utility-sponsored, residential usage-reduction program mandated by the PUC.³⁶ 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% of FPIG. However, public utilities are permitted to spend up to 20% of their annual LIURP budgets on customers with incomes between 151% and 200% of FPIG. LIURP places priority on the highest energy users who offer the greatest opportunities for energy savings and bill reductions. Generally, EDCs target customers with annual usage of approximately 6,000 kWhs, and NGDCs target customers with annual usage of approximately 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 often included in public utility rates as part of the distribution cost passed on to all residential customers or as part of a separate Universal Service rider, which the utility is able to recover. The LIURP funding levels, which are often modified in rate case proceedings, are reviewed as part of the public utility’s most recently filed universal service and energy conservation plans (USECP). The utilities file USECPs approximately every five years,³⁷ and the plans are reviewed by BCS. The public utility is required to develop a LIURP funding level based upon a needs assessment,³⁸ which, in turn, will be based on census and public 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 the program measures include: air infiltration sealing using the blower door air sealing techniques, all types of insulation such as attic and sidewall, heating system treatments and replacements, water heating tank and pipe wraps, water heater replacements, faucet aerators, light-emitting diode (LED) lighting, refrigerator replacement, incidental repairs (not home

³⁵ The Pennsylvania state minimum wage of \$7.25 per hour was enacted on July 24, 2009.

<https://www.dol.gov/agencies/whd/minimum-wage/state#pa>

³⁶ 52 Pa. Code, Chapter 58

³⁷ On Oct. 3, 2019, at Docket No. M-2019-3012601, the Commission approved a pilot USECP filing schedule that supersedes the existing filing schedule and extends the duration of USECPs from three (3) years to five (5) years.

³⁸ 52 Pa. Code, § 58.4(c)(1-4)

rehabilitation), health and safety measures such as smoke and carbon monoxide detectors, and energy conservation education.

The factors impacting LIURP 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: energy savings, bill reduction, improved health, safety and comfort levels, 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 aggregate data on completed LIURP jobs provided by EDCs and NGDCs.

LIURP Spending

Most public utilities that are unable to spend projected LIURP funds during one program year may carry over the unspent funds to the next year. Projected spending numbers noted below are reported to the Commission annually, but are estimates based on LIURP budgets approved in USECPs, or modified in base rate proceedings.

LIURP Spending – Electric Utilities

| Utility | 2019 Projected Spending* | 2019 Actual Spending | 2020 Projected Spending* |
|-------------------------------|-----------------------------|-------------------------|-----------------------------|
| Duquesne | \$3,048,064 | **\$622,772 | \$3,053,500 |
| Met-Ed | \$5,230,882 | \$5,319,200 | \$5,442,000 |
| PECO-Electric | \$5,600,000 | \$5,600,000 | \$5,600,000 |
| Penelec | \$6,793,662 | \$7,049,211 | \$6,126,000 |
| Penn Power | \$3,496,630 | \$2,842,470 | \$3,643,161 |
| PPL | \$10,072,104 | \$10,072,389 | \$10,000,000 |
| West Penn | \$5,738,574 | \$5,189,877 | \$6,426,697 |
| Total/Industry Average | \$39,979,916 | \$36,073,147 | \$40,291,358 |

*May include carryover of unspent funds from previous program year, special provisions, and settlements from rate cases.

**In 2019, Duquesne contracted with a new company to administer its LIURP. This transition required the hiring of new staff, enhanced outreach, and various system, reporting, and administrative changes. Duquesne reports that these activities resulted in lower LIURP spending and production activity in 2019.

LIURP Spending – Natural Gas Utilities

| Utility | 2019 Projected Spending* | 2019 Actual Spending | 2020 Projected Spending* |
|-------------------------------|-----------------------------|-------------------------|-----------------------------|
| Columbia | \$5,309,635 | \$5,228,706 | \$4,955,929 |
| NFG | \$2,007,897 | \$1,178,597 | \$2,129,300 |
| PECO-Gas | \$2,250,000 | \$2,250,000 | \$2,250,000 |
| Peoples | \$1,305,231 | \$852,315 | \$3,244,097 |
| Peoples-Equitable** | \$808,923 | \$767,742 | |
| PGW | \$7,988,818 | \$7,968,468 | \$7,988,818 |
| UGI South | \$1,816,431 | \$1,162,719 | \$2,359,612 |
| UGI North | \$1,015,495 | \$977,948 | \$1,470,997 |
| Total/Industry Average | \$22,502,430 | \$20,386,495 | \$24,398,753 |

*May include carryover of unspent funds from previous program year, special provisions, and settlements from rate cases.

**The 2020 data for Peoples Equitable Division is reported under Peoples. Peoples Natural Gas intergrated the Universal Service Riders of the Peoples and Equitable Divisions into a single retail tariff and a single supplier tariff.

LIURP Production

LIURP production levels are influenced by many factors including: the size of the public utility’s LIURP program budget; the heating saturation among the public utility’s customer population; housing-stock characteristics such as the type, size, and condition; contractor capability; contractor capacity; and to a lesser extent, customer demographics, customer behavior and issues obtaining landlord permission for customers who rent.

All LIURP gas jobs are classified as heating. For electric jobs, the determination of the job type depends on whether the customer heats primarily 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.

LIURP Electric Production – 2018-2020

| Utility | 2018 Actual Production | | | 2019 Actual Production | | | 2020 Projected Production | | |
|-------------------------------|---------------------------|--------------------------|------------------|---------------------------|--------------------------|------------------|------------------------------|--------------------------|------------------|
| | Heating Jobs | Water Heating Jobs | Baseload Jobs | Heating Jobs | Water Heating Jobs | Baseload Jobs | Heating Jobs | Water Heating Jobs | Baseload Jobs |
| Duquesne | 148 | 1 | 3,075 | 59 | 7 | 659 | 310 | 10 | 2,780 |
| Met-Ed | 831 | 530 | 615 | 596 | 510 | 402 | 610 | 520 | 410 |
| PECO-Electric | 876 | 0 | 5,344 | 792 | 0 | 6,087 | 900 | 0 | 5,700 |
| Penelec | 521 | 1,168 | 848 | 481 | 1,236 | 661 | 470 | 1,205 | 645 |
| Penn Power | 245 | 324 | 377 | 213 | 285 | 377 | 210 | 282 | 373 |
| PPL | 1,822 | 932 | 1,196 | 1,556 | 822 | 1,101 | 1,575 | 725 | 950 |
| West Penn | 303 | 575 | 230 | 367 | 562 | 228 | 340 | 520 | 210 |
| Total/Industry Average | 4,746 | 3,530 | 11,685 | 4,064 | 3,422 | 9,515 | 4,415 | 3,262 | 11,068 |

LIURP Natural Gas Production – 2018-2020

| Utility | 2018 Actual Production Heating Jobs | 2019 Actual Production Heating Jobs | 2020 Projected Production Heating Jobs |
|-------------------------------|---|---|--|
| Columbia | 417 | 497 | 452 |
| NFG | 149 | 119 | 247 |
| PECO-Gas | 1,298 | 970 | 970 |
| Peoples | 168 | 79 | 324 |
| Peoples-Equitale* | 100 | 74 | |
| PGW | 2,500 | 3,010 | 2,974 |
| UGI South | 156 | 166 | 277 |
| UGI North | 158 | 164 | 172 |
| Total/Industry Average | 4,946 | 5,079 | 5,416 |

*The 2020 data for Peoples Equitbale Division is reported under Peoples. Peoples Natural Gas intergrated the Universal Service Riders of the Peoples and Equitable Divisions into a single retail tariff and a single supplier tariff.

LIURP Average Job Costs

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

LIURP Electric Average Heating Job Costs – 2017-2019

| Utility | 2017 Heating Jobs | 2018 Heating Jobs | 2019 Heating Jobs |
|---------------|----------------------|----------------------|----------------------|
| Duquesne | \$4,181 | \$6,275 | \$4,090 |
| Met-Ed | \$2,868 | \$2,968 | \$4,206 |
| PECO-Electric | \$1,818 | \$1,970 | \$2,121 |
| Penelec | \$2,467 | \$3,392 | \$3,528 |
| Penn Power | \$2,730 | \$3,349 | \$4,137 |
| PPL | \$3,552 | \$3,860 | \$4,342 |
| West Penn | \$3,401 | \$3,543 | \$4,779 |

LIURP Electric Average Water Heating Job Costs – 2017-2019

| Utility | 2017 Water Heating Jobs | 2018 Water Heating Jobs | 2019 Water Heating Jobs |
|---------------|----------------------------|----------------------------|----------------------------|
| Duquesne | \$0 | \$1,962 | \$1,666 |
| Met-Ed | \$1,813 | \$1,921 | \$2,713 |
| PECO-Electric | \$0 | \$0 | \$0 |
| Penelec | \$1,586 | \$1,776 | \$2,153 |
| Penn Power | \$1,718 | \$1,931 | \$1,925 |
| PPL | \$1,820 | \$1,815 | \$1,954 |
| West Penn | \$2,619 | \$2,906 | \$3,029 |

LIURP Electric Average Baseload Job Costs – 2017-2019

| Utility | 2017 Baseload Jobs | 2018 Baseload Jobs | 2019 Baseload Jobs |
|---------------|-----------------------|-----------------------|-----------------------|
| Duquesne | \$424 | \$459 | \$561 |
| Met-Ed | \$1,828 | \$1,730 | \$2,199 |
| PECO-Electric | \$535 | \$615 | \$545 |
| Penelec | \$1,308 | \$1,504 | \$1,563 |
| Penn Power | \$1,403 | \$1,436 | \$1,442 |
| PPL | \$1,101 | \$1,052 | \$1,143 |
| West Penn | \$2,441 | \$2,217 | \$2,337 |

LIURP Natural Gas Average Job Cost – 2017-2019

| Utility | 2017 Heating Jobs | 2018 Heating Jobs | 2019 Heating Jobs |
|-------------------|----------------------|----------------------|----------------------|
| Columbia | \$6,709 | \$8,172 | \$8,138 |
| NFG | \$4,567 | \$5,208 | \$5,741 |
| PECO-Gas | \$2,001 | \$1,718 | \$2,303 |
| Peoples | \$5,236 | \$6,301 | \$8,216 |
| Peoples-Equitable | \$4,827 | \$6,486 | \$8,605 |
| PGW | \$1,651 | \$2,327 | \$1,952 |
| UGI South | \$5,822 | \$6,203 | \$6,593 |
| UGI North | \$5,212 | \$5,512 | \$5,746 |

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 (post period), from the usage during the 12 preceding months (pre period). The energy savings reported are based on weather-normalized data and represent an average of the public utility results for each job category. LIURP reporting results for the program year always trail two years behind the USRR reporting year due to the process of evaluating post-installation usage for 12 months, with analysis performed in the following year.³⁹

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. Public utilities voluntarily report pricing information annually. The 2015-2017 estimated annual bill reductions presented below are based on the average of the public utility results from each category of LIURP jobs completed in the program year, evaluated in following year (post period), and reported in the year after that. Example: 2017 program year was evaluated in 2018 (post period) and reported to the Commission in 2019.

A number of factors can effect energy savings and annual bill reduction estimates: unusually warm or cold weather during the LIURP program year (during the pre or post-period), condition of the housing stock, customer behavior and differences from year-to-year in the utilities’ contractor performance and utility rates.

LIURP Energy Savings – 2015-2017 Program Years

| Job Type | 2015 Energy Savings | 2016 Energy Savings | 2017 Energy Savings |
|------------------------|---------------------|---------------------|---------------------|
| Electric Heating | 11.3% | 9.3% | 8.0% |
| Electric Water Heating | 14.3% | 11.1% | 7.3% |
| Electric Baseload | 9.4% | 7.7% | 5.8% |
| Gas Heating | 15.1% | 13.1% | 16.3% |

LIURP Estimated Annual Bill Reductions – 2015-2017 Program Years

| Job Type | 2015 Estimated Annual Bill Reduction | 2016 Estimated Annual Bill Reduction | 2017 Estimated Annual Bill Reduction |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Electric Heating | \$243 | \$212 | \$222 |
| Electric Water Heating | \$240 | \$206 | \$139 |
| Electric Baseload | \$135 | \$119 | \$92 |
| Gas Heating | \$254 | \$211 | \$324 |

³⁹ Example: 2017 LIURP program year installations were completed and evaluated after the post-installation period ended in 2018. Those results were then reported in 2019. LIURP program year 2018 results will be available in the 2020 version of this report.

Customer Assistance Programs (CAPs)

The PUC monitors implementation of the Commission’s statute, regulations and CAP Policy Statement⁴⁰ by EDCs serving more than 60,000 customers and NGDCs serving more than 100,000 customers. The USRR requires the public utilities to report the number of customers enrolled in CAP. The Commission uses the number of participants enrolled in CAP at the end of the program year to quantify participation. Each public utility’s restructuring proceeding established a program phase-in enrollment size. Since then, each public utility submits a USECP for Commission approval and a third-party evaluation of its universal service programs. USECPs and Evaluations are posted on the Commission’s website (Appendix 4 contains viewing instructions).

CAP Participation Rate

The **CAP participation rate** is defined as the number of participants enrolled as of Dec. 31, 2019, divided by the number of confirmed low-income customers served by the EDC or NGDC. The Commission expects a public utility to maintain open enrollment to meet the need in each public utility’s service territory. The CAP participation rate would be much lower if the rate reflected estimated low-income customers rather than confirmed low-income customers, as estimated customer numbers based on census data are much higher and less accurate.

CAP Participation – Electric Utilities – 2017-2019

| Utility | 2017 | | 2018 | | 2019 | |
|-------------------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | Participants Enrolled as of 12/31/17 | CAP Participant Rate | Participants Enrolled as of 12/31/18 | CAP Participant Rate | Participants Enrolled as of 12/31/19 | CAP Participant Rate |
| Duquesne | 34,445 | 71.0% | 36,075 | 73.1% | 35,853 | 74.1% |
| Met-Ed | 14,801 | 21.2% | 14,927 | 20.7% | 13,043 | 17.7% |
| PECO-Electric | 119,552 | 76.7% | 117,162 | 80.2% | 111,124 | 79.6% |
| Penelec | 20,956 | 23.8% | 20,902 | 23.1% | 18,287 | 20.0% |
| Penn Power | 4,650 | 23.6% | 4,619 | 23.0% | 3,976 | 19.7% |
| PPL | 51,692 | 28.4% | 56,539 | 29.8% | 63,306 | 33.4% |
| West Penn | 25,700 | 37.4% | 19,178 | 26.5% | 15,692 | 21.2% |
| Total/Industry Average | 271,796 | 40.3% | 269,402 | 39.5% | 261,281 | 41.0% |

⁴⁰ 66 Pa. C.S. §§ 2802(10), 2804(9), 2203(7) and 2203(8). 52 Pa. Code §§ 54.71-54.78, 62.1-62.8, and 69.261-69.267.

CAP Participation – Natural Gas Utilities – 2017-2019

| Utility | 2017 | | 2018 | | 2019 | |
|-------------------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | Participants Enrolled as of 12/31/17 | CAP Participant Rate | Participants Enrolled as of 12/31/18 | CAP Participant Rate | Participants Enrolled as of 12/31/19 | CAP Participant Rate |
| Columbia | 22,255 | 32.8% | 23,600 | 34.9% | 22,707 | 33.6% |
| NFG | 8,021 | 31.3% | 7,728 | 34.5% | 7,392 | 29.6% |
| PECO-Gas | 20,723 | 74.6% | 20,310 | 79.0% | 19,358 | 77.5% |
| Peoples | 17,565 | 29.2% | 17,425 | 62.0% | 15,969 | 23.6% |
| Peoples-Equitable | 12,921 | 29.0% | 13,194 | 64.7% | 12,214 | 29.4% |
| PGW | 49,310 | 33.7% | 51,371 | 34.4% | 54,040 | 36.8% |
| UGI South | 8,169 | 24.4% | 8,975 | 25.8% | 11,265 | 28.8% |
| UGI North | 5,353 | 24.4% | 5,744 | 26.2% | 7,613 | 30.5% |
| Total/Industry Average | 144,317 | 34.9% | 148,347 | 45.2% | 150,558 | 34.4% |

Monthly Average Electric CAP Participation – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|----------------|----------------|----------------|
| Duquesne | 37,596 | 35,173 | 36,418 |
| Met-Ed | 14,875 | 15,201 | 13,993 |
| PECO-Electric | 126,401 | 116,325 | 112,157 |
| Penelec | 21,154 | 21,210 | 19,435 |
| Penn Power | 4,667 | 4,640 | 4,217 |
| PPL | 52,726 | 54,978 | 61,202 |
| West Penn | 25,568 | 22,150 | 17,232 |
| Total/Industry Average | 282,987 | 269,677 | 264,654 |

Monthly Average Natural Gas CAP Participation – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|----------------|----------------|----------------|
| Columbia | 22,921 | 24,209 | 23,551 |
| NFG | 8,014 | 8,238 | 7,294 |
| PECO-Gas | 21,898 | 20,238 | 19,427 |
| Peoples | 18,194 | 17,445 | 17,034 |
| Peoples-Equitable | 13,009 | 13,251 | 12,928 |
| PGW | 48,471 | 49,034 | 53,722 |
| UGI South | 8,326 | 7,576 | 8,422 |
| UGI North | 5,666 | 4,830 | 5,369 |
| Total/Industry Average | 146,499 | 144,821 | 147,747 |

Monthly Average Electric CAP Participation by Poverty Level – 2017-2019

| Utility | 2017 | | | 2018 | | | 2019 | | |
|-------------------------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------|----------------|
| | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG |
| Duquesne | 7,814 | 18,726 | 11,056 | 7,016 | 17,485 | 10,673 | 7,646 | 18,093 | 10,680 |
| Met-Ed | 3,308 | 6,839 | 4,728 | 3,445 | 6,881 | 4,875 | 3,186 | 6,224 | 4,584 |
| PECO-Electric | 28,556 | 60,672 | 37,172 | 25,951 | 57,045 | 33,329 | 25,109 | 55,465 | 31,582 |
| Penelec | 3,893 | 10,418 | 6,843 | 3,836 | 10,340 | 7,035 | 3,400 | 9,420 | 6,615 |
| Penn Power | 833 | 2,195 | 1,640 | 842 | 2,180 | 1,618 | 731 | 1,991 | 1,495 |
| PPL | 8,262 | 25,232 | 19,231 | 9,440 | 25,980 | 19,558 | 12,010 | 27,689 | 21,504 |
| West Penn | 4,921 | 12,253 | 8,395 | 4,325 | 10,390 | 7,434 | 3,488 | 7,964 | 5,779 |
| Total/Industry Average | 57,587 | 136,335 | 89,065 | 54,855 | 130,301 | 84,522 | 55,570 | 126,845 | 82,239 |

Monthly Average Natural Gas CAP Participation by Poverty Level – 2017-2019

| Utility | 2017 | | | 2018 | | | 2019 | | |
|-------------------------------|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|
| | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG |
| Columbia | 5,068 | 10,409 | 7,444 | 5,426 | 10,772 | 8,012 | 5,297 | 10,539 | 7,715 |
| NFG | 977 | 4,153 | 2,884 | 1,022 | 4,181 | 3,035 | 832 | 3,684 | 2,778 |
| PECO-Gas | 5,114 | 9,066 | 7,718 | 4,755 | 8,564 | 6,919 | 4,542 | 8,288 | 6,597 |
| Peoples | 3,917 | 8,367 | 5,910 | 3,838 | 7,934 | 5,673 | 3,869 | 7,661 | 5,505 |
| Peoples-Equitable | 3,519 | 6,286 | 3,205 | 3,615 | 6,144 | 3,492 | 3,569 | 5,859 | 3,501 |
| PGW | 15,324 | 27,267 | 5,881 | 14,469 | 27,579 | 6,986 | 12,936 | 35,651 | 5,135 |
| UGI South | 2,652 | 3,918 | 1,755 | 2,314 | 3,680 | 1,582 | 2,493 | 4,004 | 1,925 |
| UGI North | 1,376 | 2,733 | 1,557 | 1,132 | 2,352 | 1,346 | 1,260 | 2,531 | 1,577 |
| Total/Industry Average | 37,947 | 72,199 | 36,354 | 36,571 | 71,206 | 37,045 | 34,798 | 78,217 | 34,733 |

Monthly Average Percent Electric CAP Participation by Poverty Level – 2017-2019

| Utility | 2017 | | | 2018 | | | 2019 | | |
|-------------------------------|--------------|---------------|----------------|--------------|---------------|----------------|--------------|---------------|----------------|
| | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG |
| Duquesne | 20.8% | 49.8% | 29.4% | 19.9% | 49.7% | 30.3% | 21.0% | 49.7% | 29.3% |
| Met-Ed | 22.2% | 46.0% | 31.8% | 22.7% | 45.3% | 32.1% | 22.8% | 44.5% | 32.8% |
| PECO-Electric | 22.6% | 48.0% | 29.4% | 22.3% | 49.0% | 28.7% | 22.4% | 49.5% | 28.2% |
| Penelec | 18.4% | 49.2% | 32.3% | 18.1% | 48.7% | 33.2% | 17.5% | 48.5% | 34.0% |
| Penn Power | 17.8% | 47.0% | 35.1% | 18.1% | 47.0% | 34.9% | 17.3% | 47.2% | 35.5% |
| PPL | 15.7% | 47.9% | 36.5% | 17.2% | 47.3% | 35.6% | 19.6% | 45.2% | 35.1% |
| West Penn | 19.2% | 47.9% | 32.8% | 19.5% | 46.9% | 33.6% | 20.2% | 46.2% | 33.5% |
| Total/Industry Average | 20.3% | 48.2% | 31.5% | 20.3% | 48.3% | 31.3% | 21.0% | 47.9% | 31.1% |

Monthly Average Percent Natural Gas CAP Participation by Poverty Level – 2017-2019

| Utility | 2017 | | | 2018 | | | 2019 | | |
|-------------------------------|--------------|---------------|----------------|--------------|---------------|----------------|--------------|---------------|----------------|
| | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG |
| Columbia | 22.1% | 45.4% | 32.5% | 22.4% | 44.5% | 33.1% | 22.5% | 44.7% | 32.8% |
| NFG | 12.2% | 51.8% | 36.0% | 12.4% | 50.8% | 36.8% | 11.4% | 50.5% | 38.1% |
| PECO-Gas | 23.4% | 41.4% | 35.2% | 23.5% | 42.3% | 34.2% | 23.4% | 42.7% | 34.0% |
| Peoples | 21.5% | 46.0% | 32.5% | 22.0% | 45.5% | 32.5% | 22.7% | 45.0% | 32.3% |
| Peoples-Equitable | 27.0% | 48.3% | 24.6% | 27.3% | 46.4% | 26.4% | 27.6% | 45.3% | 27.1% |
| PGW | 31.6% | 56.3% | 12.1% | 29.5% | 56.2% | 14.2% | 24.1% | 66.4% | 9.6% |
| UGI South | 31.9% | 47.1% | 21.1% | 30.5% | 48.6% | 20.9% | 29.6% | 47.5% | 22.9% |
| UGI North | 24.3% | 48.2% | 27.5% | 23.4% | 48.7% | 27.9% | 23.5% | 47.1% | 29.4% |
| Total/Industry Average | 25.9% | 49.3% | 24.8% | 25.3% | 49.2% | 25.6% | 23.6% | 52.9% | 23.5% |

CAP Default Rate

The **CAP default rate** is calculated by dividing the average monthly CAP participation at each poverty level, by the total annual number of defaults for each poverty level. CAP customers are considered non-compliant (in default) when they fail to meet program requirements. Actions resulting in CAP defaults include missing payments, making late payments, or failing to recertify. CAP customers who voluntarily leave the program are not counted in the default rate. Public utilities may track CAP default occurrences differently. Therefore, the default rates in the tables below are not statistically-valid for comparison purposes.

Annual Electric CAP Default Rate by Poverty Level – 2017-2019

| Utility | 2017 | | | 2018 | | | 2019 | | |
|-------------------------------|--------------|---------------|----------------|--------------|---------------|----------------|--------------|---------------|----------------|
| | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG |
| Duquesne | 47.7% | 32.2% | 33.3% | 25.2% | 16.9% | 17.8% | 27.2% | 16.9% | 16.8% |
| Met-Ed | 63.7% | 45.1% | 50.2% | 58.6% | 35.1% | 40.1% | 72.4% | 46.1% | 51.7% |
| PECO-Electric | 36.4% | 24.6% | 30.8% | 30.2% | 20.0% | 55.3% | 30.8% | 20.3% | 26.9% |
| Penelec | 66.6% | 41.6% | 45.0% | 62.6% | 31.0% | 35.1% | 73.4% | 39.7% | 45.5% |
| Penn Power | 64.1% | 39.3% | 42.1% | 65.4% | 34.7% | 40.0% | 79.8% | 44.6% | 48.0% |
| PPL | 29.3% | 18.1% | 15.6% | 26.2% | 18.2% | 17.1% | 21.7% | 12.9% | 12.0% |
| West Penn | 66.6% | 34.6% | 41.9% | 77.2% | 56.5% | 65.1% | 82.5% | 51.9% | 57.1% |
| Total/Industry Average | 53.5% | 33.6% | 37.0% | 49.3% | 30.3% | 38.6% | 55.4% | 33.2% | 36.9% |

Annual Natural Gas CAP Default Rate by Poverty Level – 2017-2019

| Utility | 2017 | | | 2018 | | | 2019 | | |
|-------------------------------|--------------|---------------|----------------|--------------|---------------|----------------|--------------|---------------|----------------|
| | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG | 0%-50% FPIG | 51%-100% FPIG | 101%-150% FPIG |
| Columbia | 14.7% | 11.9% | 14.2% | 16.3% | 13.0% | 15.6% | 19.1% | 15.8% | 18.5% |
| NFG | 7.6% | 7.5% | 7.5% | 19.0% | 19.0% | 19.0% | 24.4% | 24.4% | 24.4% |
| PECO-Gas | 32.6% | 23.0% | 30.8% | 28.1% | 20.7% | 67.1% | 28.0% | 20.1% | 25.4% |
| Peoples | 24.5% | 16.6% | 33.4% | 23.0% | 17.1% | 33.8% | 24.9% | 16.1% | 34.8% |
| Peoples-Equitable | 27.2% | 18.5% | 61.6% | 23.2% | 16.3% | 54.9% | 23.7% | 17.5% | 54.7% |
| PGW | 15.2% | 11.7% | 13.9% | 26.9% | 18.3% | 18.7% | 32.8% | 16.7% | 52.1% |
| UGI South | 20.1% | 22.0% | 29.2% | 33.4% | 27.7% | 49.8% | 31.4% | 28.1% | 42.0% |
| UGI North | 20.9% | 23.2% | 32.6% | 31.3% | 25.7% | 44.9% | 31.3% | 29.6% | 41.4% |
| Total/Industry Average | 20.4% | 16.8% | 27.9% | 25.4% | 19.3% | 38.0% | 27.0% | 21.0% | 36.7% |

CAP Benefits – Bills & Credits

The USRR requires public utilities to report data on CAP benefits. Public utilities 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 billed (total of the expected monthly CAP payment) divided by the total number of CAP bills rendered. The average **CAP credit** is the difference between the usage-based bill and the CAP bill, divided by the average number of monthly CAP participants. The average **arrears forgiveness** is the total pre-program arrearages forgiven as a result of customers making agreed upon CAP payments divided by the average monthly CAP participants. The tables show average monthly CAP bills and CAP benefits.

Average CAP bills and CAP credits fluctuate due to several factors, including varying CAP payment plans based on FPIG income levels, type of usage (heating or non-heating), condition of housing stock, and changes in usage related customer behavior.

Average Monthly Electric CAP Bill – 2017-2019

| Utility | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|-------------|-------------|-------------|------------------------|
| Duquesne | \$70 | \$55 | \$53 | -24.3% |
| Met-Ed | \$67 | \$72 | \$58 | -13.4% |
| PECO-Electric | \$65 | \$72 | \$65 | 0.0% |
| Penelec | \$57 | \$62 | \$52 | -8.8% |
| Penn Power | \$61 | \$68 | \$61 | 0.0% |
| PPL | \$92 | \$88 | \$86 | -6.5% |
| West Penn | \$70 | \$73 | \$61 | -12.9% |
| Total/Industry Average | \$70 | \$72 | \$61 | -12.9% |

Average Monthly Natural Gas CAP Bill – 2017-2019

| Utility | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|-------------|-------------|-------------|------------------------|
| Columbia | \$48 | \$50 | \$52 | 8.3% |
| NFG | \$61 | \$65 | \$59 | -3.3% |
| PECO-Gas | \$45 | \$60 | \$64 | 42.2% |
| Peoples | \$68 | \$79 | \$77 | 13.2% |
| Peoples-Equitable | \$66 | \$75 | \$75 | 13.6% |
| PGW | \$80 | \$99 | \$115 | 43.8% |
| UGI South | \$60 | \$63 | \$67 | 11.7% |
| UGI North | \$66 | \$68 | \$72 | 9.1% |
| Total/Industry Average | \$64 | \$76 | \$52 | -18.8% |

Average Annual Electric CAP Credits – 2017-2019

| Utility | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|--------------|--------------|--------------|------------------------|
| Duquesne | \$439 | \$523 | \$624 | 42.1% |
| Met-Ed | \$793 | \$869 | \$865 | 9.1% |
| PECO-Electric | \$491 | \$469 | \$473 | -3.7% |
| Penelec | \$728 | \$797 | \$795 | 9.2% |
| Penn Power | \$763 | \$841 | \$855 | 12.1% |
| PPL | \$1,031 | \$1,028 | \$925 | -10.3% |
| West Penn | \$748 | \$823 | \$807 | 7.9% |
| Total/Industry Average | \$646 | \$674 | \$807 | 24.9% |

Average Annual Natural Gas CAP Credits – 2017-2019

| Utility | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|--------------|--------------|--------------|------------------------|
| Columbia | \$742 | \$711 | \$763 | 2.8% |
| NFG | \$99 | \$133 | \$172 | 73.7% |
| PECO-Gas | \$71 | \$89 | \$113 | 59.2% |
| Peoples | \$232 | \$349 | \$309 | 33.2% |
| Peoples-Equitable | \$258 | \$391 | \$357 | 38.4% |
| PGW | \$819 | \$961 | \$713 | -12.9% |
| UGI South | \$253 | \$440 | \$375 | 48.2% |
| UGI North | \$229 | \$417 | \$479 | 109.2% |
| Total/Industry Average | \$478 | \$579 | \$763 | 59.6% |

CAP Benefits - Arrearage Forgiveness

Amounts of arrearage forgiveness can differ depending on: the length of time over which forgiveness occurs; the length of time a customer is enrolled in CAP; and the amount of customer arrearages brought into the CAP program.

Average Annual Electric Utilities Arrearage Forgiveness – 2017-2019

| Utility | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|--------------|--------------|--------------|------------------------|
| Duquesne | \$133 | \$164 | \$188 | 41.4% |
| Met-Ed | \$106 | \$103 | \$101 | -4.7% |
| PECO-Electric | \$43 | \$42 | \$41 | -4.7% |
| Penelec | \$76 | \$76 | \$75 | -1.3% |
| Penn Power | \$79 | \$80 | \$80 | 1.3% |
| PPL | \$441 | \$357 | \$355 | -19.5% |
| West Penn | \$231 | \$180 | \$125 | -45.9% |
| Total/Industry Average | \$152 | \$140 | \$125 | -17.8% |

Average Annual Natural Gas Utilities Arrearage Forgiveness – 2017-2019

| Utility | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|--------------|--------------|-------------|------------------------|
| Columbia* | \$64 | \$188 | \$78 | 21.9% |
| NFG | \$23 | \$55 | \$72 | 213% |
| PECO-Gas | \$13 | \$15 | \$19 | 46.2% |
| Peoples | \$153 | \$124 | \$120 | -21.6% |
| Peoples-Equitable | \$87 | \$91 | \$116 | 33.3% |
| PGW | \$163 | \$200 | \$235 | 44.2% |
| UGI South | \$100 | \$86 | \$123 | 23.0% |
| UGI North | \$108 | \$90 | \$138 | 27.8% |
| Total/Industry Average | \$104 | \$135 | \$78 | -25.0% |

*The 2018 data reflects a change in the way Columbia reports the amount of average annual arrearage forgiveness.

Percent of CAP Dollars Paid

The **percentage of CAP bills paid** by CAP customers is calculated by dividing the total annual CAP payments (\$) by the total annual CAP amount billed (\$). The higher the percent of CAP bills paid by the customer, the less the public utility may have to recover in uncollectibles. CAP customer payments may include energy assistance grants (e.g., LIHEAP, Hardship Fund, etc.).

Percentage of CAP Dollars Paid by Electric CAP Customers – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|--------------|--------------|--------------|
| Duquesne | 73.9% | 86.9% | 82.0% |
| Met-Ed | 88.8% | 90.3% | 97.2% |
| PECO-Electric | 87.0% | 86.0% | 93.0% |
| Penelec | 90.8% | 90.1% | 95.9% |
| Penn Power | 85.4% | 88.4% | 95.7% |
| PPL | 76.9% | 91.9% | 117.2% |
| West Penn | 83.6% | 85.9% | 93.1% |
| Total/Industry Average | 82.8% | 88.1% | 93.1% |

Percentage of CAP Dollars Paid by Natural Gas CAP Customers – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|--------------|--------------|--------------|
| Columbia | 71.8% | 73.5% | 77.0% |
| NFG | 68.9% | 67.2% | 72.0% |
| PECO-Gas | 87.0% | 86.0% | 93.0% |
| Peoples | 69.6% | 67.6% | 93.2% |
| Peoples-Equitable | 68.1% | 65.7% | 93.0% |
| PGW | 71.6% | 62.5% | 56.0% |
| UGI South | 71.9% | 74.5% | 89.9% |
| UGI North | 68.0% | 69.3% | 90.2% |
| Total/Industry Average | 72.5% | 68.2% | 77.0% |

CAP Payment Rate

The **CAP payment rate** is calculated by dividing the total number of full monthly CAP payments by the total number of monthly CAP bills rendered. The CAP payment rate reflects overall program totals and is not a household average or broken out by poverty level.

CAP Payment Rate Electric CAP Customers – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|--------------|--------------|--------------|
| Duquesne | 41.7% | 49.8% | 48.0% |
| Met-Ed | 64.3% | 64.7% | 69.1% |
| PECO-Electric | 60.5% | 60.6% | 61.7% |
| Penelec | 69.9% | 70.2% | 74.3% |
| Penn Power | 71.4% | 69.3% | 71.5% |
| PPL | 58.1% | 60.5% | 60.5% |
| West Penn | 56.9% | 59.5% | 66.8% |
| Total/Industry Average | 58.1% | 60.2% | 66.8% |

CAP Payment Rate Natural Gas CAP Customers – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|--------------|--------------|--------------|
| Columbia | 53.1% | 53.4% | 57.0% |
| NFG | 72.7% | 69.4% | 76.2% |
| PECO-Gas | 53.1% | 59.0% | 59.6% |
| Peoples | 47.1% | 46.5% | 49.1% |
| Peoples-Equitable | 43.9% | 42.4% | 45.2% |
| PGW | 88.5% | 89.3% | 57.3% |
| UGI South | 59.3% | 57.5% | 87.0% |
| UGI North | 56.3% | 54.1% | 86.9% |
| Total/Industry Average | 64.5% | 65.2% | 57.0% |

CAP Costs

The USRR requires public utilities to report data on the three components of **CAP costs**: CAP administration costs, CAP credits, and arrearage forgiveness. Administrative costs include: contract and staffing, account monitoring, intake, outreach, consumer education and conservation training, recertification processing, computer programming, program evaluation, and other fixed overhead costs. Account monitoring costs include collection expenses, as well as other operation and maintenance expenses. The tables below contain the percentage of CAP spending by program component.

Component costs are gross costs and do not reflect any potential savings to traditional collection expenses, cash-working-capital expenses, and bad debt expenses that may result from enrolling low-income customers in CAP. Appendices 5-7 show total universal service costs, universal service funding mechanisms, and average annual CAP and universal service costs per ratepayer.

Percent of Electric Total CAP Spending by CAP Component – Administrative Costs – 2017-2019

| Utility | CAP Administrative Costs | | |
|-------------------------------|--------------------------|-------------|-------------|
| | 2017 | 2018 | 2019 |
| Duquesne | 7.0% | 6.4% | 5.8% |
| Met-Ed | 9.4% | 8.4% | 9.5% |
| PECO-Electric | 4.4% | 4.5% | 5.3% |
| Penelec | 9.8% | 8.7% | 10.1% |
| Penn Power | 11.4% | 9.5% | 10.8% |
| PPL | 4.2% | 4.9% | 4.5% |
| West Penn | 8.2% | 7.0% | 9.6% |
| Total/Industry Average | 5.9% | 5.8% | 6.2% |

Percent of Electric Total CAP Spending by CAP Component – Credits – 2017-2019

| Utility | CAP Credits | | |
|-------------------------------|--------------|--------------|--------------|
| | 2017 | 2018 | 2019 |
| Duquesne | 71.5% | 71.2% | 72.3% |
| Met78y-Ed | 79.9% | 81.9% | 81.0% |
| PECO-Electric | 87.9% | 87.7% | 87.1% |
| Penelec | 81.7% | 83.3% | 82.1% |
| Penn Power | 80.3% | 82.6% | 81.6% |
| PPL | 67.1% | 70.6% | 69.0% |
| West Penn | 70.1% | 76.4% | 78.3% |
| Total/Industry Average | 76.2% | 78.0% | 77.1% |

Percent of Electric Total CAP Spending by CAP Component – Arrearage Forgiveness – 2017-2019

| Utility | CAP Arrearage Forgiveness | | |
|-------------------------------|---------------------------|--------------|--------------|
| | 2017 | 2018 | 2019 |
| Duquesne | 21.6% | 22.4% | 21.9% |
| Met-Ed | 10.7% | 9.7% | 9.5% |
| PECO-Electric | 7.6% | 7.8% | 7.6% |
| Penelec | 8.5% | 8.0% | 7.8% |
| Penn Power | 8.3% | 7.9% | 7.7% |
| PPL | 28.7% | 24.5% | 26.5% |
| West Penn | 21.7% | 16.7% | 12.1% |
| Total/Industry Average | 18.0% | 16.2% | 16.8% |

Percent of Natural Gas Total CAP Spending by CAP Component – Administrative Costs – 2017-2019

| Utility | CAP Administrative Costs | | |
|-------------------------------|--------------------------|-------------|-------------|
| | 2017 | 2018 | 2019 |
| Columbia | 6.1% | 2.9% | 3.5% |
| NFG | 18.9% | 16.4% | 17.1% |
| PECO-Gas | 21.7% | 19.1% | 18.2% |
| Peoples | 13.5% | 7.6% | 7.8% |
| Peoples-Equitable | 15.7% | 4.7% | 6.2% |
| PGW | 2.9% | 4.4% | 5.2% |
| UGI South | 7.6% | 6.3% | 6.4% |
| UGI North | 8.3% | 8.4% | 7.2% |
| Total/Industry Average | 6.3% | 5.1% | 5.9% |

Percent of Natural Gas Total CAP Spending by CAP Component – Credits – 2017-2019

| Utility | CAP Credits | | |
|-------------------------------|--------------|--------------|--------------|
| | 2017 | 2018 | 2019 |
| Columbia | 86.5% | 76.8% | 87.5% |
| NFG | 66.0% | 59.1% | 58.4% |
| PECO-Gas | 66.0% | 69.0% | 70.2% |
| Peoples | 52.2% | 68.1% | 66.5% |
| Peoples-Equitable | 63.1% | 77.3% | 70.8% |
| PGW | 81.0% | 79.2% | 71.3% |
| UGI South | 66.1% | 78.4% | 70.4% |
| UGI North | 62.3% | 75.3% | 72.1% |
| Total/Industry Average | 77.0% | 77.0% | 73.9% |

*Percent of Natural Gas Total CAP Spending by CAP Component – Arrearage Forgiveness –
2017-2019*

| Utility | CAP Arrearage Forgiveness | | |
|-------------------------------|---------------------------|--------------|--------------|
| | 2017 | 2018 | 2019 |
| Columbia | 7.5% | 20.3% | 8.9% |
| NFG | 15.1% | 24.5% | 24.5% |
| PECO-Gas | 12.3% | 11.9% | 11.6% |
| Peoples | 34.4% | 24.3% | 25.7% |
| Peoples-Equitable | 21.3% | 17.9% | 23.1% |
| PGW | 16.1% | 16.5% | 23.5% |
| UGI South | 26.2% | 15.3% | 23.1% |
| UGI North | 29.4% | 16.3% | 20.7% |
| Total/Industry Average | 16.7% | 18.0% | 20.3% |

CAP Costs Per CAP Customer

The average **CAP cost per CAP customer** is calculated by dividing the Total CAP Cost by the Average Total CAP Enrollment. This provides an estimate of the amount of program costs for each CAP participant.

Electric CAP Costs – 2017-2019

| Utility | Total CAP Costs | | | Average Program Costs per CAP Customer | | |
|-------------------------------|----------------------|----------------------|----------------------|--|--------------|--------------|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Duquesne | \$23,083,236 | \$25,820,755 | \$31,408,810 | \$614 | \$734 | \$862 |
| Met-Ed | \$14,758,527 | \$16,128,557 | \$14,935,392 | \$992 | \$1,061 | \$1,067 |
| PECO- Electric | \$70,653,278 | \$62,290,529 | \$60,943,340 | \$559 | \$535 | \$543 |
| Penelec | \$18,852,006 | \$20,282,993 | \$18,813,128 | \$891 | \$956 | \$968 |
| Penn Power | \$4,435,519 | \$4,720,719 | \$4,421,495 | \$950 | \$1,017 | \$1,049 |
| PPL | \$80,923,575 | \$80,034,598 | \$82,047,452 | \$1,535 | \$1,456 | \$1,341 |
| West Penn | \$27,280,111 | \$23,885,800 | \$17,739,385 | \$1,067 | \$1,078 | \$1,029 |
| Total/Industry Average | \$239,986,252 | \$233,163,951 | \$230,309,002 | \$848 | \$865 | \$870 |

Natural Gas CAP Costs – 2017-2019

| Utility | Total CAP Costs | | | Average Program Costs per CAP Customer | | |
|-------------------------------|---------------------|----------------------|----------------------|--|--------------|--------------|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Columbia | \$19,668,704 | \$22,396,085 | \$20,532,606 | \$858 | \$925 | \$872 |
| NFG | \$1,199,650 | \$1,849,773 | \$2,150,777 | \$150 | \$225 | \$295 |
| PECO-Gas | \$2,357,836 | \$2,595,584 | \$3,124,276 | \$108 | \$128 | \$161 |
| Peoples | \$8,102,420 | \$8,927,521 | \$7,919,855 | \$445 | \$512 | \$465 |
| Peoples-Equitable | \$5,328,722 | \$6,703,377 | \$6,516,599 | \$410 | \$506 | \$504 |
| PGW | \$49,005,928 | \$59,549,654 | \$53,685,784 | \$1,011 | \$1,214 | \$999 |
| UGI South | \$3,187,005 | \$4,253,550 | \$4,481,481 | \$383 | \$561 | \$532 |
| UGI North | \$2,088,411 | \$2,671,047 | \$3,570,983 | \$369 | \$553 | \$665 |
| Total/Industry Average | \$90,938,676 | \$108,946,591 | \$101,982,361 | \$621 | \$752 | \$690 |

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 public utility bills and maintain safe and adequate public utility service. CARES staff maintains and utilizes a network of community organizations and government agencies that can provide services to eligible customers who are experiencing a temporary hardship. CARES services include account counseling and monitoring (case management) and referrals to services that provide additional resources or assistance, such as LIHEAP and hardship funds.

CARES-LIHEAP

The USRR requires public utilities to report data on their CARES programs. CARES benefits are defined in the USRR as the total number and dollar amount of all LIHEAP benefits applied to all low-income customer accounts. The tables show the number of households receiving only LIHEAP cash grants, but the “Total LIHEAP Grants” dollar amounts include both LIHEAP cash and crisis benefits.⁴¹ The total amount of LIHEAP dollars each public utility receives depends primarily on the amount of the federal LIHEAP appropriation to the state and the number of low-income customers who participate in LIHEAP.

⁴¹ To qualify for a LIHEAP cash grant, a household must have income at or below 150% of the FPIG, be a Pennsylvania resident, and have a heating responsibility. 55 Pa. Code § 601.31. To qualify for a LIHEAP crisis grant, the household must meet the previous qualifications and be experiencing an energy emergency (e.g., utility service is off or in threat of termination). 55 Pa. Code § 601.32. Most households that receive LIHEAP crisis grants also receive LIHEAP cash grants.

Electric CARES-LIHEAP – 2017-2019

| Utility | Low-Income Households who Received LIHEAP Cash Grants | | | Low-Income Households who Received LIHEAP Crisis Grants | | | Total LIHEAP Grants for Low-Income Customers* | | |
|---------------|---|----------------|---------------|---|---------------|---------------|---|---------------------|---------------------|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Duquesne | 9,853 | 16,186 | 8,253 | 1,037 | 2,682 | 3,696 | \$2,963,843 | \$3,871,905 | \$3,425,759 |
| Met-Ed | 8,350 | 8,470 | 8,023 | 2,141 | 2,614 | 2,728 | \$3,329,526 | \$3,397,341 | \$3,333,130 |
| PECO-Electric | 66,469 | 57,323 | 32,426 | 6,291 | 10,317 | 16,906 | \$12,916,755 | \$14,295,971 | \$15,037,188 |
| Penelec | 12,369 | 11,083 | 10,620 | 3,586 | 4,176 | 4,545 | \$5,033,379 | \$4,943,148 | \$5,102,771 |
| Penn Power | 3,059 | 2,820 | 2,554 | 1,104 | 1,279 | 1,247 | \$1,273,640 | \$1,319,800 | \$1,303,623 |
| PPL | 21,709 | 38,484 | 19,902 | 2,874 | 6,243 | 2,609 | \$7,777,324 | \$9,001,842 | \$6,435,563 |
| West Penn | 12,964 | 12,176 | 12,021 | 3,145 | 3,812 | 4,557 | \$5,107,303 | \$5,085,258 | \$5,462,256 |
| Total | 134,773 | 146,542 | 93,799 | 20,178 | 31,123 | 36,288 | \$38,401,770 | \$41,915,265 | \$40,100,290 |

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

Natural Gas CARES-LIHEAP – 2017-2019

| Utility | Low-Income Households who Received LIHEAP Cash Grants | | | Low-Income Households who Received LIHEAP Crisis Grants | | | Total LIHEAP Grants for Low-Income Customers* | | |
|-------------------|---|----------------|----------------|---|---------------|---------------|---|---------------------|---------------------|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Columbia | 19,100 | 18,703 | 17,537 | 4,013 | 3,905 | 2,408 | \$7,220,611 | \$6,817,598 | \$5,371,907 |
| NFG | 17,509 | 16,637 | 15,692 | 3,013 | 3,054 | 2,084 | \$6,069,920 | \$5,996,477 | \$4,768,166 |
| PECO-Gas | 10,821 | 10,116 | 5,722 | 1,024 | 1,821 | 2,984 | \$2,102,727 | \$2,522,819 | \$2,653,622 |
| Peoples | 17,994 | 31,167 | 16,541 | 4,618 | 4,021 | 4,070 | \$6,460,971 | \$8,776,860 | \$6,474,870 |
| Peoples-Equitable | 12,044 | 21,312 | 11,384 | 4,841 | 3,419 | 3,640 | \$4,673,506 | \$6,218,299 | \$4,774,616 |
| PGW | 60,960 | 60,782 | 51,953 | 8,054 | 12,588 | 8,300 | \$22,340,502 | \$23,666,457 | \$18,712,635 |
| UGI South | 12,441 | 17,342 | 10,271 | 957 | 1,029 | 1,801 | \$3,538,766 | \$3,365,556 | \$3,289,554 |
| UGI North | 10,847 | 15,623 | 9,555 | 707 | 845 | 1,433 | \$3,164,107 | \$3,240,268 | \$3,217,454 |
| Total | 161,716 | 191,682 | 138,655 | 27,227 | 30,682 | 26,720 | \$55,571,110 | \$60,604,334 | \$49,262,824 |

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

The estimated LIHEAP participation rate is determined by dividing the number of LIHEAP cash grants by the number of confirmed low-income customers for each public utility. As LIHEAP participants may only assign their LIHEAP cash grant to one energy vendor, low-income customers with non-electric heating could assign the LIHEAP grant to either their heating supplier (e.g., gas, oil) or their electric utility. Therefore, this participation rate may under-count the actual number of confirmed low-income customers that actually participated in LIHEAP for each utility.

Estimated Electric LIHEAP Participation Rate – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|--------------|--------------|--------------|
| Duquesne | 20.3% | 32.8% | 17.1% |
| Met-Ed | 12.0% | 11.7% | 10.9% |
| PECO-Electric | 42.7% | 39.2% | 23.2% |
| Penelec | 14.0% | 12.2% | 11.6% |
| Penn Power | 15.5% | 14.0% | 12.6% |
| PPL | 11.9% | 20.3% | 10.5% |
| West Penn | 18.9% | 16.8% | 16.2% |
| Total/Industry Average | 21.3% | 22.9% | 14.7% |

Estimated Natural Gas LIHEAP Participation Rate – 2017-2019

| Utility | 2017 | 2018 | 2019 |
|-------------------------------|--------------|--------------|--------------|
| Columbia | 28.1% | 27.7% | 25.9% |
| NFG | 68.4% | 74.2% | 62.8% |
| PECO-Gas | 38.9% | 39.4% | 22.9% |
| Peoples | 30.0% | 45.0% | 24.4% |
| Peoples-Equitable | 27.0% | 50.2% | 27.4% |
| PGW | 41.6% | 40.7% | 35.3% |
| UGI South | 37.1% | 49.8% | 26.3% |
| UGI North | 49.4% | 71.1% | 38.3% |
| Total/Industry Average | 37.8% | 51.8% | 31.7% |

CARES Costs, Direct Dollars and Net Benefits

The regulations define⁴² direct dollars as the total of all dollars applied to a CARES customer’s public utility account, from all sources of energy assistance such as LIHEAP, hardship fund grants, and local agencies’ grants. However, in our report, the column “Direct Dollars in Addition to LIHEAP for CARES Participants” shows the total dollar benefits not related to LIHEAP. These non-LIHEAP additional dollars come from hardship fund grants and other sources (*i.e.*, charities, community programs, etc).

Gross CARES benefits, therefore, includes all LIHEAP cash and crisis grants, plus any additional non-LIHEAP direct dollars. The administrative costs of CARES are then deducted from the total/gross CARES benefits to yield net CARES benefits. The net CARES benefits reflect the effectiveness of the program in connecting customers with programs and resources that provide financial assistance.

⁴² 52 Pa. Code §§ 54.72 and 62.2.

Electric CARES Benefits – 2019

| Utility | CARES Administrative Costs | Direct Dollars in Addition to LIHEAP for CARES Participants | Net CARES Benefits (Includes LIHEAP) |
|-------------------------------|----------------------------|---|--------------------------------------|
| Duquesne | \$135,000 | \$189,070 | \$3,479,829 |
| Met-Ed | \$7,764 | \$500 | \$3,325,866 |
| PECO-Electric | \$909,307 | \$158,088 | \$14,285,969 |
| Penelec | \$11,222 | \$0 | \$5,091,549 |
| Penn Power | \$2,696 | \$500 | \$1,301,427 |
| PPL | \$2,304 | \$48,850 | \$6,482,109 |
| West Penn | \$11,520 | \$921 | \$5,451,657 |
| Total/Industry Average | \$1,079,813 | \$397,929 | \$39,418,406 |

Electric CARES Benefits – 2018

| Utility | CARES Administrative Costs | Direct Dollars in Addition to LIHEAP for CARES Participants | Net CARES Benefits (Includes LIHEAP) |
|-------------------------------|----------------------------|---|--------------------------------------|
| Duquesne | \$135,000 | \$184,181 | \$3,921,086 |
| Met-Ed | \$4,033 | \$1,725 | \$3,395,033 |
| PECO-Electric | \$1,400,187 | \$127,415 | \$13,023,199 |
| Penelec | \$7,832 | \$4,518 | \$4,939,834 |
| Penn Power | \$2,489 | \$1,703 | \$1,319,014 |
| PPL | \$0 | \$54,000 | \$9,055,842 |
| West Penn | \$6,489 | \$1,206 | \$5,079,975 |
| Total/Industry Average | \$1,556,030 | \$374,748 | \$40,733,983 |

Electric CARES Benefits – 2017

| Utility | CARES Administrative Costs | Direct Dollars in Addition to LIHEAP for CARES Participants | Net CARES Benefits (Includes LIHEAP) |
|-------------------------------|----------------------------|---|--------------------------------------|
| Duquesne | \$135,000 | \$216,397 | \$3,045,240 |
| Met-Ed | \$2,659 | \$851 | \$3,327,718 |
| PECO-Electric | \$1,704,431 | \$200,103 | \$11,412,427 |
| Penelec | \$3,696 | \$4,350 | \$5,034,033 |
| Penn Power | \$428 | \$875 | \$1,274,087 |
| PPL | \$0 | \$300 | \$7,777,624 |
| West Penn | \$3,737 | \$3,380 | \$5,106,946 |
| Total/Industry Average | \$1,849,951 | \$426,256 | \$36,978,075 |

Natural Gas CARES Benefits – 2019

| Utility | CARES Administrative Costs | Direct Dollars in Addition to LIHEAP for CARES Participants | Net CARES Benefits (Includes LIHEAP) |
|-------------------------------|----------------------------|---|--------------------------------------|
| Columbia | \$350,513 | \$51,582 | \$5,072,976 |
| NFG | \$4,542 | \$0 | \$4,763,624 |
| PECO-Gas | \$160,466 | \$27,897 | \$2,521,053 |
| Peoples | \$118,243 | \$60,712 | \$6,417,339 |
| Peoples-Equitable | \$85,397 | \$29,614 | \$4,718,833 |
| PGW | \$541,419 | \$1,668,704 | \$19,839,920 |
| UGI South | \$80,372 | \$30,722 | \$3,239,904 |
| UGI North | \$34,634 | \$40,100 | \$3,222,920 |
| Total/Industry Average | \$1,375,586 | \$1,909,339 | \$49,796,569 |

Natural Gas CARES Benefits – 2018

| Utility | CARES Administrative Costs | Direct Dollars in Addition to LIHEAP for CARES Participants | Net CARES Benefits (Includes LIHEAP) |
|-------------------------------|----------------------------|---|--------------------------------------|
| Columbia | \$336,931 | \$54,255 | \$6,534,922 |
| NFG | \$4,523 | \$4,263 | \$5,996,217 |
| PECO-Gas | \$247,092 | \$22,485 | \$2,298,212 |
| Peoples | \$128,834 | \$70,060 | \$8,718,086 |
| Peoples-Equitable | \$89,543 | \$29,265 | \$6,158,021 |
| PGW | \$434,669 | \$101,044 | \$23,332,832 |
| UGI South | \$146,449 | \$15,847 | \$3,234,954 |
| UGI North | \$31,713 | \$20,852 | \$3,229,407 |
| Total/Industry Average | \$1,419,754 | \$318,071 | \$59,502,651 |

Natural Gas CARES Benefits – 2017

| Utility | CARES Administrative Costs | Direct Dollars in Addition to LIHEAP for CARES Participants | Net CARES Benefits (Includes LIHEAP) |
|-------------------------------|----------------------------|---|--------------------------------------|
| Columbia | \$397,491 | \$86,071 | \$6,909,191 |
| NFG | \$4,206 | \$7,459 | \$6,073,173 |
| PECO-Gas | \$277,466 | \$32,575 | \$1,857,836 |
| Peoples | \$111,455 | \$57,247 | \$6,406,763 |
| Peoples-Equitable | \$80,496 | \$16,351 | \$4,609,361 |
| PGW | \$424,669 | \$76,338 | \$21,992,171 |
| UGI South | \$70,454 | \$30,494 | \$3,498,806 |
| UGI North | \$40,413 | \$11,598 | \$3,135,292 |
| Total/Industry Average | \$1,406,650 | \$318,133 | \$54,482,593 |

Hardship Fund Programs

Public utility hardship funds provide cash assistance to residential customers who need help in paying their public utility bills, often after other resources (e.g., LIHEAP) have been exhausted. The public utility or its agent will apply hardship fund payments directly to the public utility account of eligible customers.

Ratepayer and Shareholder Contributions

The USRR requires public utilities to report data on the amount of ratepayer and public utility contributions to hardship funds. Shareholders contribute a large portion of public utility contributions. The Commission considers ratepayer contributions as contributions from public 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 public utility contributions as shareholder or public utility grants for program administration, outright grants to the funds, and grants that match contributions of ratepayers.

Electric Hardship Fund Contributions – 2018-19

| Utility | Voluntary Ratepayer Contributions | Average Voluntary Ratepayer Contribution per Customer | Public Utility & Shareholder Contributions |
|-------------------------------|-----------------------------------|---|--|
| Duquesne | \$204,584 | \$0.38 | \$467,274 |
| Met-Ed | \$114,404 | \$0.23 | \$114,404 |
| PECO-Electric | \$141,469 | \$0.06 | \$402,697 |
| Penelec | \$72,859 | \$0.15 | \$72,859 |
| Penn Power | \$36,639 | \$0.25 | \$36,639 |
| PPL | \$407,129 | \$0.33 | \$943,854 |
| West Penn | \$144,381 | \$0.23 | \$108,224 |
| Total/Industry Average | \$1,121,465 | \$0.22 | \$2,145,951 |

Natural Gas Hardship Fund Contributions – 2018-19

| Utility | Voluntary Ratepayer Contributions | Average Voluntary Ratepayer Contribution per Customer | Public Utility & Shareholder Contributions |
|-------------------------------|-----------------------------------|---|--|
| Columbia | \$375,000 | \$0.94 | \$150,000 |
| NFG | \$48,098 | \$0.22 | \$67,000 |
| PECO-Gas | \$24,965 | \$0.03 | \$71,064 |
| Peoples | \$247,859 | \$0.74 | \$1,209,720 |
| Peoples-Equitable* | N/A | N/A | N/A |
| PGW | \$986 | \$0.00 | \$848,674 |
| UGI South | \$113,975 | \$0.13 | \$126,135 |
| UGI North | \$48,239 | \$0.08 | \$66,000 |
| Total/Industry Average | \$859,122 | \$0.32 | \$2,538,593 |

*Peoples-Equitable's Hardship Fund Grant data is combined with Peoples' Hardship Fund Grant data and cannot be separated.

Hardship Fund Benefits

The USRR also requires public utilities to report data on hardship fund benefits. The Commission defines **hardship fund benefits**⁴³ as, “the total number and dollar amount of cash benefits or bill credits.” The cumulative total number and dollar amount of the grants disbursed for the program year are reported as of the end of the program year.

Electric Public Utility Hardship Fund Grant Benefits – 2017-2019

| Utility | Ratepayers Receiving Grants | | Average Grant | | Total Benefits Disbursed | |
|-------------------------------|-----------------------------|--------------|---------------|--------------|--------------------------|--------------------|
| | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 |
| Duquesne | 2,020 | 2,192 | \$377 | \$343 | \$762,512 | \$752,054 |
| Met-Ed | 651 | 2,167 | \$359 | \$108 | \$234,000 | \$233,950 |
| PECO-Electric | 450 | 552 | \$566 | \$573 | \$254,814 | \$316,174 |
| Penelec | 420 | 429 | \$348 | \$340 | \$146,000 | \$146,000 |
| Penn Power | 214 | 198 | \$336 | \$364 | \$72,000 | \$72,000 |
| PPL | 2,530 | 2,175 | \$354 | \$374 | \$896,452 | \$813,540 |
| West Penn | 665 | 653 | \$329 | \$333 | \$218,500 | \$217,548 |
| Total/Industry Average | 6,950 | 8,366 | \$372 | \$305 | \$2,584,278 | \$2,551,266 |

Natural Gas Public Utility Hardship Fund Grant Benefits – 2017-2019

| Utility | Ratepayers Receiving Grants | | Average Grant | | Total Benefits Disbursed | |
|-------------------------------|-----------------------------|--------------|---------------|--------------|--------------------------|--------------------|
| | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 |
| Columbia | 1,200 | 1,079 | \$406 | \$395 | \$487,716 | \$426,042 |
| NFG | 393 | 241 | \$368 | \$258 | \$144,638 | \$62,060 |
| PECO-Gas | 79 | 97 | \$569 | \$575 | \$44,967 | \$55,795 |
| Peoples | 3,054 | 2,663 | \$360 | \$413 | \$1,100,000 | \$1,099,720 |
| Peoples-Equitable* | 0 | 0 | \$0 | \$0 | \$0 | \$0 |
| PGW | 912 | 1,936 | \$1,161 | \$879 | \$1,058,407 | \$1,701,062 |
| UGI South | 527 | 709 | \$265 | \$305 | \$139,838 | \$216,397 |
| UGI North | 339 | 316 | \$290 | \$324 | \$98,317 | \$102,371 |
| Total/Industry Average | 6,504 | 7,041 | \$473 | \$520 | \$3,073,883 | \$3,663,447 |

*Peoples-Equitable’s Hardship Fund Grant data is combined with Peoples’ Hardship Fund Grant data and cannot be separated.

⁴³ 52 Pa. Code §§ 54.72 and 62.2

Total Universal Service Program Spending

Total annual Universal Service program spending is calculated by adding the total program costs for CAP, LIURP and CARES. Stakeholder and voluntary contributions to hardship fund grants are not recovered in public utility base rates. Only hardship fund administrative costs are recoverable for most utilities, so hardship fund program costs are not included in the Total Universal Service Program Spending tables below.⁴⁴

Total Annual Electric Universal Service Program Spending – 2017-2019

| Utility | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|----------------------|----------------------|----------------------|------------------------|
| Duquesne | \$24,407,415 | \$28,297,392 | \$31,543,810 | 29.2% |
| Met-Ed | \$19,455,470 | \$21,755,946 | \$20,262,356 | 4.1% |
| PECO-Electric | \$78,354,961 | \$69,290,716 | \$67,452,647 | -13.9% |
| Penelec | \$24,089,756 | \$26,480,948 | \$25,873,561 | 7.4% |
| Penn Power | \$6,714,043 | \$7,242,197 | \$7,266,661 | 8.2% |
| PPL | \$90,908,486 | \$90,264,489 | \$92,122,145 | 1.3% |
| West Penn | \$32,014,170 | \$28,300,622 | \$22,940,782 | 28.3% |
| Total/Industry Average | \$275,850,752 | \$271,632,310 | \$267,461,962 | -3.0% |

Total Annual Natural Gas Universal Service Program Spending – 2017-2019

| Utility | 2017 | 2018 | 2019 | Percent Change 2017-19 |
|-------------------------------|----------------------|----------------------|----------------------|------------------------|
| Columbia | \$24,628,083 | \$27,253,047 | \$26,111,825 | 6.0% |
| NFG | \$2,250,979 | \$3,186,234 | \$3,333,916 | 48.1% |
| PECO-Gas | \$4,885,302 | \$5,092,676 | \$5,534,742 | 13.3% |
| Peoples | \$9,464,197 | \$10,351,124 | \$8,890,413 | -6.1% |
| Peoples-Equitable | \$6,209,416 | \$7,583,997 | \$7,369,738 | 18.7% |
| PGW | \$54,930,489 | \$68,093,074 | \$62,195,671 | 13.2% |
| UGI South | \$4,474,618 | \$5,600,907 | \$5,724,572 | 27.9% |
| UGI North | \$3,055,613 | \$3,767,180 | \$4,583,565 | 50.0% |
| Total/Industry Average | \$109,568,964 | \$130,928,239 | \$123,744,442 | 12.9% |

⁴⁴ Only PGW is permitted to recover all utility expenses related to its hardship fund program from its ratepayers. As a city-owned natural gas distribution utility, PGW receives no shareholder contributions for this program. Only voluntary contributions to PGW's hardship fund program are not recovered.

4. Small Public Utilities' Universal Service Programs

The USRR has fewer data requirements⁴⁵ for small public utilities. EDCs with fewer than 60,000 residential customers and NGDCs with fewer than 100,000 residential customers do not file USECPs for Commission approval. Instead, the small public utilities are informally surveyed by the Bureau of Consumer Services (BCS) annually to determine the availability of programs provided to low-income customers as well as the expenses associated with these programs.

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

Citizens' Electric (Citizens), Valley Energy (Valley), and Wellsboro Electric (Wellsboro) operate hardship funds through the Dollar Energy Fund.

Pike County Power & Light (Pike) operates its own hardship fund program (Neighbor Fund Program).

Peoples Gas LLC (formerly Peoples TWP) operates a hardship fund program through the Dollar Energy Fund and offers a CARES and full-scale CAP program. As of Dec. 31, 2019, the CAP enrollment was approximately 2,770 customers. The public utility also operates a LIURP program, which completed 21 jobs in 2019.

UGI Central (formerly UGI Central Penn Gas) offers a full-scale CAP program. As of Dec. 31, 2019, the program enrollment was approximately 3,198 customers. UGI Central also administers a LIURP program, completing 67 jobs in 2019.

UGI Utilities Inc. – Electric Division (UGI Electric) offers a full-scale CAP program. As of Dec. 31, 2019, the program enrollment was approximately 3,116 customers. The public utility operates its own hardship fund and also administers a LIURP program, completing 58 jobs in 2019.

UGI Central and UGI Electric also operate CARES and Hardship Funds (Operation Share).

The small public utilities also differ significantly from each other in the total number of residential customers each serves. For example, UGI Central, UGI Electric, and Peoples Gas LLC each serve more than 50,000 residential customers. Meanwhile, Citizens', Pike, Wellsboro, and Valley each serve fewer than 7,000 residential customers.

In addition to the public utility-sponsored programs, LIHEAP benefits are available to all low-income households meeting the guidelines for LIHEAP eligibility.

⁴⁵ 52 Pa. Code §§ 54.77 and § 62.7

5. Appendices

Appendix 1 - When is an Account Considered to be Overdue

As mentioned previously in the sections dealing with “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, public utilities use different methods for determining when an account is overdue. Public utilities 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. For USRR comparative purposes, public utilities are requested to consider the due date as day zero and to report debt that is at least 30 days overdue. Appendix 1 shows the different methods public utilities use to determine overdue accounts and how they compare to the preferred method (30 days overdue).

| Utility | When is Day Zero (0) | How Many Days Overdue | Days of Variance from BCS Interpretation* |
|--------------------|-----------------------|-----------------------|---|
| Duquesne | Bill Due Date | 30 Days | 0 Days |
| Met-Ed and Penelec | Bill Due Date | 30 Days | 0 Days |
| PECO-Electric | Bill Transmittal Date | 30 Days | 20 Days Sooner |
| Penn Power | Bill Due Date | 30 Days | 0 Days |
| PPL | Bill Transmittal Date | 30 Days | 20 Days Sooner |
| West Penn | Bill Due Date | 30 Days | 0 Days |
| | | | |
| Columbia | Bill Due Date | 30 Days | 0 Days |
| NFG | Bill Rendition Date** | 60 Days | 9 Days Later |
| PECO-Gas | Bill Transmittal Date | 30 Days | 20 Days Sooner |
| Peoples | Bill Due Date | 30 Days | 0 Days |
| Peoples-Equitable | Bill Due Date | 30 Days | 0 Days |
| PGW | Bill Transmittal Date | 30 Days | 20 Days Sooner |
| UGI South | Bill Due Date | 30 Days | 0 Days |
| UGI North | 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 2 - When Does an Account Move from Active to Inactive Status

The second factor affecting the arrearage data uniformity is when a public utility moves a terminated or discontinued account from active status (included in the reporting) to inactive status (excluded from the reporting). Moving an account to inactive status is one of the last steps in the collections cycle. Appendix 2 shows the methods public utilities use to determine when an account is removed from active status after termination of service or discontinuance of service.

| Utility | 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 | 15 Days after Termination Date | Bill Transmittal Date |
| West Penn | 10 Days after Termination Date | Same Day as Discontinuance |
| | | |
| Columbia | 5 to 7 Days after Termination Date | Same Day as Discontinuance |
| NFG | Same Day as Termination Date | Same Day as Discontinuance |
| PECO-Gas | 30 to 32 Days after Termination Date | Same Day as Discontinuance |
| Peoples | 10 Days after Termination Date | 10 Days after Discontinuance |
| Peoples-Equitable | 10 Days after Termination Date | 10 Days after Discontinuance |
| PGW | 0 to 30 Days after Termination Date | 0 to 1 Day after Final Bill Transmittal Date |
| UGI South | Same Day as Termination Date | Same Day as Discontinuance |
| UGI North | Same Day as Termination Date | Same Day as Discontinuance |

Appendix 3 – 2019 and 2020 Federal Poverty Guidelines

| 2019 Annual Federal Poverty Income Guidelines* | | | | |
|--|------------------|--------------------|---------------------|---------------------|
| Size of Household | 0-50% of Poverty | 51-100% of Poverty | 101-150% of Poverty | 151-200% of Poverty |
| 1 | \$6,245 | \$12,490 | \$18,735 | \$24,980 |
| 2 | \$8,455 | \$16,910 | \$25,365 | \$33,820 |
| 3 | \$10,665 | \$21,330 | \$31,995 | \$42,660 |
| 4 | \$12,875 | \$25,750 | \$38,625 | \$51,500 |
| 5 | \$15,085 | \$30,170 | \$45,255 | \$60,340 |
| 6 | \$17,295 | \$34,590 | \$51,885 | \$69,180 |
| 7 | \$19,505 | \$39,010 | \$58,515 | \$78,020 |
| 8 | \$21,715 | \$43,430 | \$65,145 | \$86,860 |
| For each additional person, add | \$2,210 | \$4,420 | \$6,630 | \$8,840 |

* Income reflects upper limit of the poverty guideline for each column.
Effective: Jan. 11, 2019. SOURCE: Federal Register, Vol. 84, Feb. 1, 2019, pp. 1167-1168.

| 2020 Annual Federal Poverty Income Guidelines* | | | | |
|--|------------------|--------------------|---------------------|---------------------|
| Size of Household | 0-50% of Poverty | 51-100% of Poverty | 101-150% of Poverty | 151-200% of Poverty |
| 1 | \$6,380 | \$12,760 | \$19,140 | \$25,520 |
| 2 | \$8,620 | \$17,240 | \$25,860 | \$34,480 |
| 3 | \$10,860 | \$21,720 | \$32,580 | \$43,440 |
| 4 | \$13,100 | \$26,200 | \$39,300 | \$52,400 |
| 5 | \$15,340 | \$30,680 | \$46,020 | \$61,360 |
| 6 | \$17,580 | \$35,160 | \$52,740 | \$70,320 |
| 7 | \$19,820 | \$39,640 | \$59,460 | \$79,280 |
| 8 | \$22,060 | \$44,120 | \$66,180 | \$88,240 |
| For each additional person, add | \$2,240 | \$4,480 | \$6,720 | \$8,960 |

* Income reflects upper limit of the poverty guideline for each column.
Effective: Jan. 14, 2020. SOURCE: Federal Register, Vol. 85, Jan. 17, 2020, pp. 3060-3061.

Appendix 4 - Instructions to Access Universal Service Reports, Plans and Evaluations on PUC Website

To Access Universal Service Programs & Collections Performance Reports:

- Go to the PUC website at: www.puc.pa.gov. On the PUC's website, locate and click on the "Filings & Resources" tab on the headings bar.
- In the column of options on the left side of the page, locate and click on "Universal Service Reports".
- Choose the desired year of the Universal Service Programs & Collections Performance Report and click to access the report.

To Access Universal Service Plans and Evaluations:

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

Appendix 5 - Universal Service Programs 2019 Cost Recovery Mechanisms

Riders and USEC/USP Surcharges for CAP costs are recovery mechanisms, in addition to base rates, that are adjusted quarterly or annually. This list is provided to show general recovery mechanisms, which may not apply to all Universal Service programs and may not reflect actual costs per ratepayer.

| Utility | CAP Cost Recovery Mechanism | CAP & Universal Service Spending Assessed on Residential Ratepayers |
|-------------------|--|---|
| Duquesne | USC Rider & Base Rates | 100% |
| Met-Ed | USC Rider-Annual | 100% |
| PECO-Electric | Univ. Service Fund Charge & Base Rates | 100% |
| Penelec | USC Rider-Annual | 100% |
| Penn Power | USC Rider-Annual | 100% |
| PPL | US Rider-Annual | 100% |
| West Penn | USC Rider & Base Rates | 100% |
| | | |
| Columbia | USP Rider | 100% |
| NFG | Rider F | 100% |
| PECO-Gas | Univ. Service Fund Charge & Base Rates | 100% |
| Peoples | USC Rider F | 100% |
| Peoples-Equitable | USC Rider D | 100% |
| PGW* | USEC Surcharge | 72.3% |
| UGI South | USP Rider F | 100% |
| UGI North | USP Rider F | 100% |

* PGW's 2019 CAP, LIURP and CARES program costs were assessed in the following manner: residential (72.3%), commercial (22.4%), industrial (1.8%), municipal service (2.1%) and Philadelphia Housing Authority (PHA) (1.4%).

Appendix 6 - Universal Service Programs Annual CAP Spending Levels

| Utility | 2019 Annual CAP Spending | 2019 Average Number of Ratepayers Paying CAP Costs | Estimated Annual CAP Spending per Ratepayer – 2017-2019 | | | |
|---------------------------------|--------------------------|--|---|----------------|----------------|------------------------|
| | | | 2017 | 2018 | 2019 | Percent Change 2017-19 |
| Duquesne* | \$31,408,810 | *502,116 | \$46.67 | \$51.70 | \$62.55 | 34.0% |
| Met-Ed | \$14,935,392 | 504,684 | \$29.56 | \$32.12 | \$29.59 | 0.1% |
| PECO-Electric | \$60,943,340 | 1,488,812 | \$48.28 | \$42.19 | \$40.93 | -15.2% |
| Penelec | \$18,813,128 | 500,877 | \$37.59 | \$40.45 | \$37.56 | -0.1% |
| Penn Power | \$4,421,495 | 146,017 | \$30.74 | \$32.49 | \$30.28 | -1.5% |
| PPL | \$82,047,452 | 1,233,836 | \$66.16 | \$65.19 | \$66.50 | 0.5% |
| West Penn | \$17,739,385 | 627,499 | \$43.65 | \$38.13 | \$28.27 | -35.2% |
| Total/Industry Average | \$230,309,002 | *5,003,841 | \$48.47 | \$46.83 | \$46.03 | -5.0% |
| Columbia* | \$20,532,606 | *376,492 | \$53.09 | \$60.01 | \$54.54 | 2.7% |
| NFG* | \$2,150,777 | *189,484 | \$6.35 | \$9.77 | \$11.35 | 78.7% |
| PECO-Gas | \$3,124,276 | 484,678 | \$4.91 | \$5.40 | \$6.45 | 31.4% |
| Peoples* | \$7,919,855 | *318,549 | \$25.68 | \$28.13 | \$24.86 | -3.2% |
| Peoples-Equitable* | \$6,516,599 | *234,873 | \$22.68 | \$28.50 | \$27.75 | 22.4% |
| PGW** | **\$38,814,822 | 480,347 | \$72.84 | \$88.91 | \$80.81 | 10.3% |
| UGI South* | \$4,481,481 | *358,753 | \$9.25 | \$12.06 | \$12.49 | 35.0% |
| UGI North* | \$3,570,983 | *151,656 | \$14.05 | \$17.71 | \$23.55 | 67.6% |
| Total/Industry Average** | **\$87,111,399 | *2,594,832 | \$29.91 | \$35.65 | \$33.57 | 12.2% |

* Utilities who recover CAP costs from non-CAP ratepayers rather than all residential ratepayers. For those utilities, the Average Number of Ratepayers reflects non-CAP ratepayers only.

** The NGDC Industry Averages for Universal Service Spending per Ratepayer reflect only the assessed amount (72.3%) of PGW's \$53,685,784 2019 total CAP costs.

Appendix 7 - Universal Service Programs Total Annual Spending Levels

| Utility | 2019 Annual Total Universal Service Spending*** | 2019 Average Number of Ratepayers Paying Universal Service Costs | Estimated Annual Universal Service Spending per Ratepayer – 2017-2019 | | | |
|---------------------------------|---|--|---|----------------|----------------|------------------------|
| | | | 2017 | 2018 | 2019 | Percent Change 2017-19 |
| Duquesne* | \$31,543,810 | *502,116 | \$49.35 | \$56.66 | \$62.82 | 27.3% |
| Met-Ed | \$20,262,356 | 504,684 | \$38.91 | \$43.33 | \$40.15 | 3.2% |
| PECO-Electric | \$67,452,647 | 1,488,812 | \$53.55 | \$46.94 | \$45.31 | -15.4% |
| Penelec | \$25,873,561 | 500,877 | \$47.99 | \$52.81 | \$51.66 | 7.6% |
| Penn Power | \$7,266,661 | 146,017 | \$46.45 | \$49.85 | \$49.77 | 7.1% |
| PPL | \$92,122,145 | 1,233,836 | \$74.33 | \$73.52 | \$74.66 | 0.4% |
| West Penn | \$22,940,782 | 627,499 | \$51.11 | \$45.18 | \$36.56 | -28.5% |
| Total/Industry Average | \$267,461,962 | *5,003,841 | \$55.71 | \$54.56 | \$53.45 | 4.1% |
| Columbia* | \$26,111,825 | *376,492 | \$66.29 | \$73.02 | \$69.36 | 4.6% |
| NFG* | \$3,333,916 | *189,484 | \$11.91 | \$16.82 | \$17.59 | 47.7% |
| PECO-Gas | \$5,534,742 | 484,678 | \$10.17 | \$10.59 | \$11.42 | 12.3% |
| Peoples* | \$8,890,413 | *318,549 | \$29.99 | \$32.62 | \$27.91 | -6.9% |
| Peoples-Equitable* | \$7,369,738 | *234,873 | \$26.43 | \$32.24 | \$31.38 | 18.7% |
| PGW** | **\$44,967,470 | 480,347 | \$81.26 | \$101.82 | \$93.61 | 15.2% |
| UGI South* | \$5,724,572 | *358,753 | \$12.99 | \$15.87 | \$15.96 | 22.9% |
| UGI North* | \$4,583,565 | *151,656 | \$20.56 | \$24.98 | \$30.22 | 47.0% |
| Total/Industry Average** | **\$106,516,241 | *2,594,832 | \$36.54 | \$43.25 | \$40.93 | 12.0% |

* Utilities who recover Total Universal Service costs from non-CAP ratepayers rather than all residential ratepayers. For those utilities, the Average Number of Ratepayers reflects non-CAP ratepayers only.

** The NGDC Industry Averages for Universal Service Spending per Ratepayer reflect only the assessed amount (72.3%) of PGW's \$62,195,671 total universal service program costs.

*** Universal Service costs include CAP costs, LIURP costs and CARES costs.



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