Report on 2008 Universal Service Programs & Collections Performance

of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies

Pennsylvania Public Utility Commission
Bureau of Consumer Services

Errata Sheet – 2008 Universal Service Report

Page 24 – 2007 Termination Rate revised for all companies and Electric Industry Total except PECO-Electric, Dominion, NFG, and the Gas Industry Total.

A footnote has been added to both tables to indicate that the number of terminations for most companies has been revised since the issuance of the 2007 Universal Service Report.

Page 45 – Footnote "5" has been revised to "*" in the title of the third column of the table.

A footnote has been added after table as follows:
*Total LIHEAP grants include both LIHEAP cash and crisis grants. Typically, customers who receive crisis grants also receive cash grants.

Page 46 – The footnote references to Columbia and PGW have been deleted.

Page 55 - A footnote has been added to both tables to indicate that the number of terminations for most companies has been revised since the issuance of the 2007 Universal Service Report.

Page 62 – All data has been revised for Appendix 4

Page 64 – Footnote added to indicate that rounding errors in the 2007 data have been corrected since the release of the 2007 Universal Service Report.

Page 66 – Corrections have been made to the location for footnote references 3 and 4 and the reference to footnote 5 has been added to the table.

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I. Introduction

This is the Pennsylvania Public Utility Commission's (Commission) annual Report on 2008 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies and Natural Gas Distribution Companies. This summary report includes performance assessments for the seven major electric distribution companies (EDCs) and the eight major natural gas distribution companies (NGDCs). For the fifth time, this report contains performance measures for the Philadelphia Gas Works (PGW).[1] The report presents the data submitted to the Commission pursuant to 52 Pa. Code Sections 54.75 and 62.5, Universal Service and Energy Conservation Reporting Requirements (USRR). This data will assist the Commission in monitoring the progress of the EDCs and NGDCs in achieving universal service in their respective service territories.

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

Specifically, both Acts require the Commission to maintain, at a minimum, the protections, policies and services that assist customers who are low income to afford electric and gas service, 66 Pa. C.S. §§ 2203(7), §§ 2802(10). The Acts also require the Commission to ensure that universal service and energy conservation policies are appropriately funded and available in each electric and natural gas distribution territory, 66 Pa. C.S. §§ 2203(8), §§ 2804(9). To assist the Commission in fulfilling its universal service obligations, the Commission established standard reporting requirements for universal service and energy conservation for both the EDCs and the NGDCs, 52 Pa. Code §§ 54.71–54.78, §§ 62.1-62.8. The Commission adopted final rulemakings that established the USRR for EDCs on April 30, 1998, and for NGDCs on June 22, 2000. Upon publication in the Pennsylvania Bulletin, the EDC regulations became effective Aug. 8, 1998, and the NGDC regulations became effective Dec. 16, 2000.

This report is based primarily on 52 Pa. Code Sections 54.75 and 62.5 relating to annual residential collection and universal service and energy conservation program reporting requirements. The utilities covered by these reporting requirements are Allegheny, Duquesne Light, Metropolitan Edison – a FirstEnergy Company, PECO-Electric, Pennsylvania Electric – a FirstEnergy Company, Penn Power – a FirstEnergy Company, PPL, Columbia, Dominion, Equitable, NFG, PECO-Gas, PGW, UGI Penn Natural (formerly PG Energy), and UGI-Gas.

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

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

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

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

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

Treatment of PECO Data

PECO serves three types of customers: those who receive only electric service (Electric Only); those who receive both electric and gas service (Combination/Electric and Gas); and those who receive only gas service (Gas Only). PECO also reports the electric and gas data separately. In order to split the second group (Combination/Electric and Gas) for some of the data variables, PECO used an allocation factor consistent with PECO's gas base rate filing of March 31, 2008. This allocation factor splits the Combination group into 83 percent electric and 17 percent gas. However, for other data variables PECO did not apply the allocation method. Instead, PECO chose to include the Combination group in both the electric and gas totals.

Treatment of the FirstEnergy Companies

Beginning with 2003 data, FirstEnergy Corporation requested the BCS to identify and report separately on the three FirstEnergy companies that provide utility service in Pennsylvania. Therefore, this report shows universal service data for the three FirstEnergy companies: Metropolitan Edison (Met-Ed), Pennsylvania Electric (Penelec) and Penn Power.

Treatment of Confirmed Low Income Data Among the Collections Performance Data

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

Responsible Utility Customer Protection Act

On Nov. 30, 2004, the Governor signed into law Senate Bill 677, or Act 201. This law went into effect on Dec. 14, 2004, and amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§1401-1418), Responsible Utility Customer Protection. This law is intended to protect responsible bill paying customers from rate increases attributable to the uncollectible accounts of customers that can afford to pay their bills, but choose not to pay. The legislation is applicable to electric distribution companies, water distribution companies and larger natural gas distribution companies (those having an annual operating income in excess of $6,000,000).[2] Steam and waste water utilities are not covered by Chapter 14.

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

Chapter 14 supersedes a number of Chapter 56 Regulations, all ordinances of the City of Philadelphia and any other regulations that impose inconsistent requirements on the utilities. Chapter 14 changed regulations 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. Chapter 14 expires on Dec. 31, 2014, unless reenacted. Two years after the effective date and every two years thereafter, the Commission must report to the General Assembly regarding the implementation and effectiveness of the Act. The Commission issued the First Biennial Report to the General Assembly and the Governor Pursuant to Section 1415 on Dec. 14, 2006, and released the second report on Dec. 14, 2008. The Commission is directed to amend Chapter 56 and is in the process of revising these regulations to be consistent with Chapter 14. The Commission adopted a Notice of Proposed Rulemaking on Sept. 25, 2008, to amend Chapter 56. Interested parties submitted comments by April 20, 2009. Upon review of the comments and additional reviews by the Independent Regulatory Review Commission, the Attorney General and the General Assembly, the Commission plans to adopt final regulations at a future Public Meeting.

Chapter 14 seeks to eliminate the opportunities for customers capable of paying to avoid paying their utility bills, and to provide utilities with the means to reduce their uncollectible accounts by modifying the procedures for delinquent account collections. The goal of these changes is to increase timely collections while ensuring that service is available to all customers based on equitable terms and conditions (66 Pa. C.S. §1402).

Final Investigatory Order in Customer Assistance Programs

On Dec. 18, 2006, the Commission entered its Final Investigatory Order in Customer Assistance Programs: Funding Levels and Cost Recovery Mechanisms, Docket No. M-00051923. As a result of its investigation, the Commission directed, inter alia, the retention and revision of the Policy Statement on Customer Assistance Programs at 52 Pa. Code §§ 69.261-69.267. In addition, the Commission also directed, inter alia, that a rulemaking be instituted to revise its regulations at 52 Pa. Code § 54.74 and § 62.4. The purpose of the rulemaking would be to establish a unified process by which the level of funding for each natural gas distribution company and electric distribution company could be determined in conjunction with the Commission's triennial review of the company's universal service and conservation plan.

Status of CAP Policy Statement

The Commission directed that revisions be made to the Commission's CAP Policy Statement in the Final Investigatory Order in Customer Assistance Programs: Funding Levels and Cost Recovery Mechanisms, Order entered Dec. 18, 2006, at Docket No. M-00051923. By Order entered Sept. 5, 2007, at Docket No. M-00072036, the Commission issued the proposed revisions for comment. The Pennsylvania Bulletin published the Order and Proposed Policy Statement on Nov. 10, 2007, with a 60-day comment period. Fourteen sets of comments were filed by the Jan. 9, 2008, deadline. Staff currently is working on the Order that will specify the revisions to the CAP Policy Statement.

Status of CAP Rulemaking

In the same Final Investigatory Order, the Commission also directed that a rulemaking be instituted to revise the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code §§ 54.71-54.78 (electric) and 52 Pa. Code §§ 62.1-62.8 (gas). The purpose of this rulemaking is to establish a unified process whereby the funding level for each company's CAP program can be determined in conjunction with the Commission's triennial review of the company's universal service plan. The Commission also directed the promulgation of new CAP regulations to establish rules covering the dismissal of customers from CAPs, the coordination of energy assistance benefits, and other specified CAP provisions. This Order was entered on Sept. 4, 2007, at Docket No. L-00070186 and was published in the Pennsylvania Bulletin on Feb. 9, 2008. Eighteen sets of comments were filed by the April 9, 2008, deadline. Staff is currently working on the Final Rulemaking Order.

2. Collection Performance

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

This summary report reviews each of these collection measures by reporting the raw data itself and by using the data to arrive at calculated variables that are more useful in analyzing collection performance. All of the data and statistics used in this chapter are drawn from information submitted to the BCS by the companies.

It is also important to note that we have reflected both the number of confirmed low income customers and the number of estimated low income customers in a utility's given service territory in this chapter. A low income customer is defined as a customer whose household income is at or below 150 percent of the federal poverty guidelines. See Appendix 4 for the 2009 federal poverty guidelines. A confirmed low income customer is a customer whose gross household income has been verified as meeting the stated federal poverty guidelines. Most household incomes are verified through the customer's receipt of a Low Income Home Energy Assistance Program (LIHEAP) grant or determined during the course of making a payment arrangement. On the other hand, the number of estimated low income customers is the company's approximation of its total universe of low income customers.

Number of Residential Customers

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

Number of Residential Electric Customers

Company	Number of Residential Customers
Allegheny	612,896
Duquesne	524,296
Met-Ed	482,596
PECO-Electric	1,403,813
Penelec	504,968
Penn Power	139,701
PPL	1,204,132
Total	**4,872,402**

Number of Residential Natural Gas Customers

Company	Number of Residential Customers
Columbia	369,922
Dominion	326,622
Equitable	239,185
NFG	197,850
PECO-Gas	438,232
PGW	481,218
UGI-Gas	298,547
UGI Penn Natural	143,718
Total	**2,495,294**

Number of Confirmed Low Income Electric Customers

Company	Number of Confirmed Low Income Customers	Percent of Customers
Allegheny	38,825	6.3%
Duquesne	45,331	8.6%
Met-Ed	40,894	8.5%
PECO-Electric	124,145	8.8%
Penelec	60,091	11.9%
Penn Power	15,157	10.8%
PPL	170,098	14.1%
Total	**494,541**	**10.1%**

Number of Confirmed Low Income Natural Gas Customers

Company	Number of Confirmed Low Income Customers	Percent of Customers
Columbia	62,707	17.0%
Dominion	58,346	17.9%
Equitable	49,007	20.5%
NFG	27,901	14.1%
PECO-Gas	20,761	4.7%
PGW	153,239	31.8%
UGI-Gas	31,156	10.4%
UGI Penn Natural	25,077	17.4%
Total	**428,194**	**17.2%**

Number of Estimated Low Income Electric Customers

Company	Number of Estimated Low Income Customers	Percent of Customers
Allegheny	97,981	16.0%
Duquesne	99,747	19.0%
Met-Ed	70,203	14.5%
PECO-Electric	267,833	19.1%
Penelec	118,249	23.4%
Penn Power	28,538	20.4%
PPL	200,250	16.6%
Total	**882,801**	**18.1%**

Number of Estimated Low Income Natural Gas Customers

Company	Number of Estimated Low Income Customers	Percent of Customers
Columbia	70,038	18.9%
Dominion	64,177	19.6%
Equitable	49,007	20.5%
NFG	42,306	21.4%
PECO-Gas	84,072	19.2%
PGW	153,239	31.8%
UGI-Gas	39,930	13.4%
UGI Penn Natural	30,586	21.3%
Total	**533,355**	**21.4%**

Termination and Reconnection of Service

Termination of utility service is the most serious consequence of customer nonpayment. The BCS views termination of utility service as a utility's last resort when customers fail to meet their payment obligations. The termination rate allows the reader to compare the termination activity of utilities with differing numbers of residential customers. The termination rate is calculated by dividing the number of service terminations by the number of residential customers. Any significant increase in a termination rate would indicate a trend or pattern that the Commission may need to investigate.

Reconnection of service occurs when a customer either pays his/her debt in full or makes a significant up-front payment and agrees to a payment agreement for the balance owed to the company. The ratio of reconnections to terminations is obtained by dividing the number of reconnections by the number of terminations. The result is generally indicative of the success of a customer, whose service has been terminated, at getting service reconnected.

Terminations and Reconnections - Residential Electric Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Allegheny	612,896	19,650	12,308	3.21%	63%
Duquesne	524,296	22,081	16,443	4.21%	74%
Met-Ed	482,596	16,359	14,002	3.39%	86%
PECO-Electric	1,403,813	83,559	58,029	5.95%	69%
Penelec	504,968	13,442	10,754	2.66%	80%
Penn Power	139,701	4,030	3,687	2.88%	91%
PPL	1,204,132	38,917	29,053	3.23%	75%
Total	**4,872,402**	**198,038**	**144,276**	**4.06%**	**73%**

Terminations and Reconnections - Residential Natural Gas Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	369,922	12,188	7,212	3.29%	59%
Dominion	326,622	7,867	4,048	2.41%	51%
Equitable	239,185	11,979	7,988	5.01%	67%
NFG	197,850	11,022	7,192	5.57%	65%
PECO-Gas	438,232	27,388	18,188	6.25%	66%
PGW	481,218	28,674	27,434	5.96%	96%
UGI-Gas	298,547	16,415	10,018	5.50%	61%
UGI Penn Natural	143,718	7,735	4,524	5.38%	58%
Total	**2,495,294**	**123,268**	**86,604**	**4.94%**	**70%**

Terminations and Reconnections - Confirmed Low Income Electric Customers

Company	Number of Confirmed Low Income Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Allegheny	38,825	4,317	2,802	11.12%	65%
Duquesne	45,331	10,245	8,874	22.60%	87%
Met-Ed	40,894	6,105	4,765	14.93%	78%
PECO-Electric	124,145	58,679	42,276	47.27%	72%
Penelec	60,091	6,200	4,610	10.32%	74%
Penn Power	15,157	1,876	1,430	12.38%	76%
PPL	170,098	24,173	14,950	14.21%	62%
Total	494,541	111,595	79,707	22.57%	71%

Terminations and Reconnections - Confirmed Low Income Natural Gas Customers

Company	Number of Confirmed Low Income Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	62,707	6,217	3,009	9.91%	48%
Dominion	58,346	4,512	2,050	7.73%	45%
Equitable	49,007	6,514	5,219	13.29%	80%
NFG	27,901	5,920	3,706	21.22%	63%
PECO-Gas	20,761	18,175	12,014	87.54%	66%
PGW	153,239	17,706	11,381	11.55%	64%
UGI-Gas	31,156	9,397	5,973	30.16%	64%
UGI Penn Natural	25,077	4,144	2,267	16.53%	55%
Total	428,194	72,585	45,619	16.95%	63%

Number of Customers in Debt

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

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

It is important to note that one of the stated purposes of the Chapter 56 regulations at 52 Pa. Code § 56.1 is to "provide functional alternatives to termination." In 52 Pa. Code § 56.97, one of the methods of avoiding termination is to enter into a payment agreement. Also, the fact that a customer has entered into a payment agreement means that the customer is aware of the outstanding debt, has acknowledged this to the utility and has agreed to a plan to address the debt.

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

Duquesne Light, Met-Ed, Penelec, Penn Power, Columbia, Equitable, UGI Penn Natural and UGI-Gas reported according to the method requested by BCS. The variance among the other EDCs and NGDCs shows a difference of no more than 20 days from the BCS method. Allegheny, PECO Electric and Gas, Dominion and PGW report debt that is only 10 days old instead of 30 days old. Thus, each of these companies is overstating its debt compared to companies that reported debt as 30 days overdue. On the other hand, PPL and NFG report debt that is about 40 days old instead of 30 days old. Thus, PPL and NFG are understating their debt relative to the other companies. See Appendix 2 for company specific information on this issue.

The second factor that affects the uniformity of the arrearage data is the determination of when a company moves a terminated account or a discontinued account from active status (included in the reporting) to inactive status (excluded from the reporting). Company collection policies and accounting practices affect the timing. The differences in the amount of time it takes each company to move accounts from active status to inactive status is reported in Appendix 3.

Customer Assistance Program (CAP) recipients are excluded from all data tables that reference the number of customers in debt, the dollars in debt and gross residential write-offs.

Number of Residential Electric Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Allegheny	2,550	69,099	71,649
Duquesne	9,333	12,894	22,227
Met-Ed	27,194	22,464	49,658
PECO-Electric	7,123	167,725	174,848
Penelec	28,645	26,044	54,689
Penn Power	8,065	5,864	13,929
PPL	42,195	87,038	129,233
Total	**125,105**	**391,128**	**516,233**

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

Number of Residential Natural Gas Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Columbia	8,060	16,454	24,514
Dominion	17,598	25,194	42,792
Equitable	4,831	11,428	16,259
NFG	4,688	5,198	9,886
PECO-Gas	2,704	52,680	55,384
PGW	16,357	89,290	105,647
UGI-Gas	4,443	17,360	21,803
UGI Penn Natural	3,943	10,876	14,819
Total	**62,624**	**228,480**	**291,104**

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

Percent of Customers in Debt

The percent of customers in debt is a useful statistic that supports the need for EDCs and NGDCs to implement universal service programs. A company with a low percent of its residential customers in debt will experience better cash flow and have a better credit rating than one with a high percent of its residential customers in debt.

The percent of customers in debt is calculated by dividing the number of customers in debt by the total number of residential customers. This calculation is done for both groups of customers in debt; that is, for those on a payment agreement and those not on a payment agreement.

Percent of Residential Electric Customers in Debt

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Allegheny	1%	11%	12%
Duquesne	2%	2%	4%
Met-Ed	6%	4%	10%
PECO-Electric	<1%	12%	12%
Penelec	6%	5%	11%
Penn Power	6%	4%	10%
PPL	4%	7%	11%
Total	**3%**	**8%**	**11%**

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

Percent of Residential Natural Gas Customers in Debt

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Columbia	2%	5%	7%
Dominion	5%	8%	13%
Equitable	2%	5%	7%
NFG	2%	3%	5%
PECO-Gas	1%	12%	13%
PGW	3%	19%	22%
UGI-Gas	1%	6%	7%
UGI Penn Natural	3%	7%	10%
Total	**3%**	**9%**	**12%**

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

Residential Customer Debt in Dollars Owed

The amount of money in debt has an impact on company expenses. The specific expense category is called Cash-Working-Capital and is part of a company's distribution charge.

Dollars in Debt - Residential Electric Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Allegheny	$375,829	$5,884,706	$6,260,535
Duquesne	$5,281,161	$5,461,218	$10,742,379
Met-Ed	$17,284,591	$4,592,871	$21,877,462
PECO-Electric	$2,650,304	$65,198,562	$67,848,866
Penelec	$15,708,666	$4,182,075	$19,890,741
Penn Power	$5,496,014	$1,379,191	$6,875,205
PPL	$20,246,542	$36,186,099	$56,432,641
Total	**$67,043,107**	**$122,884,722**	**$189,927,829**

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

Dollars in Debt - Residential Natural Gas Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Columbia	$6,720,912	$3,341,458	$10,062,370
Dominion	$15,561,291	$9,823,732	$25,385,023
Equitable	$3,989,734	$4,078,985	$8,068,719
NFG	$2,508,861	$2,331,252	$4,840,113
PECO-Gas	$1,444,568	$29,586,999	$31,031,567
PGW	$10,770,561	$39,080,811	$49,851,372
UGI-Gas	$2,141,847	$5,898,558	$8,040,405
UGI Penn Natural	$1,902,315	$3,602,595	$5,504,910
Total	**$45,040,089**	**$97,744,390**	**$142,784,479**

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

Dollars in Debt - Confirmed Low Income Electric Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Allegheny	$282,557	$1,963,765	$2,246,322
Duquesne	$850,350	$2,611,065	$3,461,415
Met-Ed	$10,471,851	$1,450,969	$11,922,820
PECO-Electric	$2,180,568	$38,516,409	$40,696,977
Penelec	$10,718,783	$1,569,835	$12,288,618
Penn Power	$3,360,521	$524,562	$3,885,083
PPL	$13,312,312	$21,608,282	$34,920,594
Total	**$41,176942**	**$68,244,887**	**$109,421,829**

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

Dollars in Debt- Confirmed Low Income Natural Gas Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Columbia	$3,169,166	$1,412,054	$4,581,220
Dominion	$11,588,318	$5,156,174	$16,744,492
Equitable	$1,961,566	$1,732,722	$3,694,288
NFG	$1,338,590	$1,087,969	$2,426,559
PECO-Gas	$1,102,449	$16,343,947	$17,446,396
PGW	$6,169,642	$21,946,828	$28,116,470
UGI-Gas	$1,263,963	$2,948,290	$4,212,253
UGI Penn Natural	$904,611	$1,909,761	$2,814,372
Total	**$27,498,305**	**$52,537,745**	**$80,036,050**

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

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

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

Percent of Debt on an Agreement - Residential Electric Customers

Company	Percent of Dollars Owed – on an Agreement*	Percent of Dollars Owed - Not on an Agreement*
Allegheny	6%	94%
Duquesne	49%	51%
Met-Ed	79%	21%
PECO-Electric	4%	96%
Penelec	79%	21%
Penn Power	80%	20%
PPL	36%	64%
Total	**35%**	**65%**

*See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.

Percent of Debt on an Agreement - Residential Natural Gas Customers

Company	Percent of Dollars Owed – on an Agreement*	Percent of Dollars Owed - Not on an Agreement*
Columbia	67%	33%
Dominion	61%	39%
Equitable	49%	51%
NFG	52%	48%
PECO-Gas	5%	95%
PGW	22%	78%
UGI-Gas	27%	73%
UGI Penn Natural	35%	65%
Total	**32%**	**68%**

*See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.

Average Arrearage

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

Average Arrearage – Residential Electric Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Allegheny	$147	$85	$87
Duquesne	$566	$424	$483
Met-Ed	$636	$204	$441
PECO-Electric	$372	$389	$388
Penelec	$548	$161	$364
Penn Power	$681	$235	$494
PPL	$480	$416	$437
Total	**$536**	**$314**	**$368**

*See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.

Average Arrearage - Residential Natural Gas Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Columbia	$834	$203	$410
Dominion	$884	$390	$593
Equitable	$826	$357	$496
NFG	$535	$448	$490
PECO-Gas	$534	$562	$560
PGW	$658	$438	$478
UGI-Gas	$482	$340	$369
UGI Penn Natural	$482	$331	$371
Total	**$719**	**$428**	**$490**

*See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.

Number of Payment Arrangements

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

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

Electric Payment Arrangements

Company	All Residential	Confirmed Low Income	Percent of Payment Arrangements which are Confirmed Low Income
Allegheny	22,081	12,272	56%
Duquesne	109,899	101,883	93%
Met-Ed	53,261	29,969	56%
PECO-Electric	53,964	42,094	78%
Penelec	54,127	35,564	66%
Penn Power	17,028	10,525	62%
PPL	343,290	146,709	43%
Total	**599,686**	**379,016**	**63%**

Natural Gas Payment Arrangements

Company	All Residential	Confirmed Low Income	Percent of Payment Arrangements which are Confirmed Low Income
Columbia	20,376	10,444	51%
Dominion	21,517	13,555	63%
Equitable	7,849	2,554	33%
NFG	18,681	9,263	50%
PECO-Gas	21,917	15,196	69%
PGW	89,359	30,006	34%
UGI-Gas	48,334	23,036	48%
UGI Penn Natural	19,649	9,392	48%
Total	**247,682**	**113,446**	**46%**

Gross Residential Write-Offs in Dollars

The tables below represent the gross residential write-offs in dollars for the EDCs and NGDCs in 2008. Write-offs are the final treatment of overdue accounts in the collection process. A residential account is written off after all pre-write-off collection actions are taken and the customer fails to make payment on the balance owed. Generally, a company writes off accounts on either a monthly or annual basis.

Gross Write-Offs - Residential Electric Customers

Company	Gross Dollars Written Off*
Allegheny	$5,616,484
Duquesne	$5,931,737
Met-Ed	$11,169,498
PECO-Electric	$42,584,128
Penelec	$9,374,695
Penn Power	$3,342,208
PPL	$25,774,438
Total	**$103,793,188**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Residential Natural Gas Customers

Company	Gross Dollars Written Off*
Columbia	$10,874,843
Dominion	$9,514,663
Equitable	$12,591,877
NFG	$6,116,105
PECO-Gas	$8,722,050
PGW	$45,999,914
UGI-Gas	$11,659,360
UGI Penn Natural	$8,329,440
Total	**$113,808,252**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Confirmed Low Income Electric Customers

Company	Gross Dollars Written Off*
Allegheny	$3,266,409
Duquesne	$5,499,102
Met-Ed	$7,332,630
PECO-Electric	$19,213,756
Penelec	$6,732,036
Penn Power	$2,356,220
PPL	$14,433,685
Total	**$58,833,838**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Confirmed Low Income Natural Gas Customers

Company	Gross Dollars Written Off*
Columbia	$6,293,113
Dominion	$4,269,558
Equitable	$7,047,918
NFG	$3,960,833
PECO-Gas	$3,935,348
PGW	$36,072,648
UGI-Gas	$7,145,207
UGI Penn Natural	$5,614,233
Total	**$74,338,858**

*Does not include CAP Credits or Arrearage Forgiveness.

Percentage of Gross Residential Billings Written Off as Uncollectible

The percentage of residential billings written off as uncollectible is the most commonly used long-term measure of collection system performance. This measure is calculated by dividing the annual total gross dollars written off for residential accounts by the annual total dollars of residential billings. The measure offers an equitable basis for comparison.

Gross Write-Offs Ratio - Residential Electric Customers

Company	Gross Write-Offs Ratio*
Allegheny	1.01%
Duquesne	1.26%
Met-Ed	1.91%
PECO-Electric	2.25%
Penelec	2.00%
Penn Power	1.81%
PPL	1.78%
Total	**1.85%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	Gross Write-Offs Ratio*
Columbia	2.26%
Dominion	2.87%
Equitable	3.46%
NFG	2.09%
PECO-Gas	1.63%
PGW	7.08%
UGI-Gas	3.39%
UGI Penn Natural	3.57%
Total	**3.52%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Confirmed Low Income Electric Customers

Company	Gross Write-Offs Ratio*
Allegheny	7.22%
Duquesne	13.62%
Met-Ed	12.48%
PECO-Electric	1.97%
Penelec	9.94%
Penn Power	10.12%
PPL	7.11%
Total	**4.16%**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	Gross Write-Offs Ratio*
Columbia	7.57%
Dominion	7.20%
Equitable	16.96%
NFG	13.76%
PECO-Gas	22.37%
PGW	22.99%
UGI-Gas	18.47%
UGI Penn Natural	12.32%
Total	**15.76%**

*Does not include CAP Credits or Arrearage Forgiveness.

Annual Collection Operating Expenses

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

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

Annual Electric Collection Operating Expenses

Company	All Residential	Confirmed Low Income	Percent of Collection Operating Expenses which are for Confirmed Low Income Customers
Allegheny	$13,140,612	$7,386,781	56%
Duquesne	$16,384,435	$15,189,425	93%
Met-Ed	$14,927,475	$8,881,334	59%
PECO-Electric	$13,373,119	$4,107,528	31%
Penelec	$13,490,269	$8,726,212	65%
Penn Power	$4,804,770	$3,024,634	63%
PPL	$9,202,775	$5,245,582	57%
Total	$85,323,455	$52,561,496	62%

Annual Natural Gas Collection Operating Expenses

Company	All Residential	Confirmed Low Income	Percent of Collection Operating Expenses which are for Confirmed Low Income Customers
Columbia	$3,597,442	$2,018,118	56%
Dominion	$1,125,826	$217,969	19%
Equitable	$3,317,026	$679,990	20%
NFG	$910,088	$367,804	40%
PECO-Gas	$2,739,072	$841,301	31%
PGW	$9,821,543	$2,946,463	30%
UGI-Gas	$3,035,334	$1,456,960	48%
UGI Penn Natural	$3,094,913	$1,585,957	51%
Total	$27,641,244	$10,114,562	37%

Selected Tables for Multi-Year Data

Terminations - Residential Electric Customers

Company	2007 Terminations*	2008 Terminations	Percent Change in # 2007-08	2007 Termination Rate*	2008 Termination Rate
Allegheny	21,689	19,650	-9%	3.55%	3.21%
Duquesne	22,624	22,081	-2%	4.31%	4.21%
Met-Ed	15,432	16,359	6%	3.22%	3.39%
PECO-Electric	53,536	83,559	56%	3.84%	5.95%
Penelec	14,061	13,442	-4%	2.78%	2.66%
Penn Power	4,598	4,030	-12%	3.30%	2.88%
PPL	25,873	38,917	50%	2.16%	3.23%
Total	**157,813**	**198,038**	**25%**	**3.25%**	**4.06%**

* The number of terminations for most companies has been revised since the issuance of the 2007 Universal Service Report.

Terminations - Residential Natural Gas Customers

Company	2007 Terminations*	2008 Terminations	Percent Change in # 2007-08	2007 Termination Rate*	2008 Termination Rate
Columbia	12,825	12,188	-5%	3.48%	3.29%
Dominion	5,302	7,867	48%	1.63%	2.41%
Equitable	12,593	11,979	-5%	5.28%	5.01%
NFG	11,138	11,022	-1%	5.62%	5.57%
PECO-Gas	12,803	27,388	114%	2.95%	6.25%
PGW	23,437	28,674	22%	4.87%	5.96%
UGI-Gas	14,571	16,415	13%	4.96%	5.50%
UGI Penn Natural	7,065	7,735	9%	4.95%	5.38%
Total	**99,734**	**123,268**	**24%**	**4.02%**	**4.94%**

* The number of terminations for most companies has been revised since the issuance of the 2007 Universal Service Report.

Number of Residential Electric Customers in Debt

Company	2007 Total Number of Customers in Debt*	2008 Total Number of Customers in Debt*	Percent Change in # 2007-08
Allegheny	73,136	71,649	-2%
Duquesne	22,360	22,227	-1%
Met-Ed	53,100	49,658	-6%
PECO-Electric	185,551	174,848	-6%
Penelec	61,602	54,689	-11%
Penn Power	14,370	13,929	-3%
PPL	128,614	129,233	1%
Total	**538,733**	**516,233**	**-4%**

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

Number of Residential Natural Gas Customers in Debt

Company	2007 Total Number of Customers in Debt*	2008 Total Number of Customers in Debt*	Percent Change in # 2007-08
Columbia	23,440	24,514	5%
Dominion	45,375	42,792	-6%
Equitable	23,708	16,259	-31%
NFG	9,786	9,886	1%
PECO-Gas	61,266	55,384	-10%
PGW	121,335	105,647	-13%
UGI-Gas	19,535	21,803	12%
UGI Penn Natural	14,707	14,819	1%
Total	**319,152**	**291,104**	**-9%**

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

Dollars in Debt - Residential Electric Customers

Company	2007 Total Dollars in Debt*	2008 Total Dollars in Debt*	Percent Change in # 2007-08
Allegheny	$6,091,473	$6,260,535	3%
Duquesne	$8,546,033	$10,742,379	26%
Met-Ed	$23,529,237	$21,877,462	-7%
PECO-Electric	$65,154,839	$67,848,866	4%
Penelec	$22,758,172	$19,890,741	-13%
Penn Power	$6,299,897	$6,875,205	9%
PPL	$53,482,124	$56,432,641	6%
Total	**$185,861,775**	**$189,927,829**	**2%**

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

Dollars in Debt - Residential Natural Gas Customers

Company	2007 Total Dollars in Debt*	2008 Total Dollars in Debt*	Percent Change in # 2007-08
Columbia	$8,231,727	$10,062,370	22%
Dominion	$35,196,567	$25,385,023	-28%
Equitable	$9,532,649	$8,068,719	-15%
NFG	$4,711,674	$4,840,113	3%
PECO-Gas	$32,474,978	$31,031,567	-4%
PGW	$60,206,779	$49,851,372	-17%
UGI-Gas	$6,652,684	$8,040,405	21%
UGI Penn Natural	$4,900,817	$5,504,910	12%
Total	**$161,907,875**	**$142,784,479**	**-12%**

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

Gross Write-Offs - Residential Electric Customers

Company	2007 Gross Dollars Written Off*	2008 Gross Dollars Written Off*	Percent Change in # 2007-08
Allegheny	$5,951,335	$5,616,484	-6%
Duquesne	$5,171,219	$5,931,737	15%
Met-Ed	$10,749,694	$11,169,498	4%
PECO-Electric	$54,729,384	$42,584,128	-22%
Penelec	$9,328,168	$9,374,695	<1%
Penn Power	$3,027,132	$3,342,208	10%
PPL	$23,284,516	$25,774,438	11%
Total	**$112,241,448**	**$103,793,188**	**-8%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs - Residential Natural Gas Customers

Company	2007 Gross Dollars Written Off*	2008 Gross Dollars Written Off*	Percent Change in # 2007-08
Columbia	$10,505,925	$10,874,843	4%
Dominion	$11,069,703	$9,514,663	-14%
Equitable	$11,270,907	$12,591,877	12%
NFG	$8,320,871	$6,116,105	-26%
PECO-Gas	$11,209,633	$8,722,050	-22%
PGW	$52,392,930	$45,999,914	-12%
UGI-Gas	$9,767,598	$11,659,360	19%
UGI Penn Natural	$6,198,446	$8,329,440	34%
Total	**$120,736,013**	**$113,808,252**	**-6%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Electric Customers

Company	2007 Gross Write-Offs Ratio*	2008 Gross Write-Offs Ratio*	Percent Change 2007-08
Allegheny	1.09%	1.01%	-7%
Duquesne	1.15%	1.26%	10%
Met-Ed	1.93%	1.91%	-1%
PECO-Electric	2.82%	2.25%	-20%
Penelec	2.07%	2.00%	-3%
Penn Power	1.74%	1.81%	4%
PPL	1.68%	1.78%	6%
Total	**2.04%**	**1.85%**	**-9%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2007 Gross Write-Offs Ratio*	2008 Gross Write-Offs Ratio*	Percent Change 2007-08
Columbia	2.61%	2.26%	-13%
Dominion	3.86%	2.87%	-26%
Equitable	3.73%	3.46%	-7%
NFG	3.17%	2.09%	-34%
PECO-Gas	2.18%	1.63%	-25%
PGW	8.41%	7.08%	-16%
UGI-Gas	2.93%	3.39%	16%
UGI Penn Natural	2.81%	3.57%	27%
Total	**4.10%**	**3.52%**	**-14%**

*Does not include CAP Credits or Arrearage Forgiveness.

Percent of Revenues (Billings) in Debt

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

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

Company	2007	2008	Percent Change 2007-08
Allegheny	1.1%	1.1%	0%
Duquesne	1.9%	2.3%	21%
Met-Ed	4.2%	3.7%	-12%
PECO-Electric	3.4%	3.6%	6%
Penelec	5.0%	4.3%	-14%
Penn Power	3.6%	3.7%	3%
PPL	3.9%	3.9%	0%
Total	**3.4%**	**3.4%**	**0%**

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

Company	2007	2008	Percent Change 2007-08
Columbia	2.0%	2.1%	5%
Dominion	12.3%	7.7%	-37%
Equitable	3.2%	2.2%	-31%
NFG	1.8%	1.7%	-6%
PECO-Gas	6.3%	5.8%	-8%
PGW	9.7%	7.7%	-21%
UGI-Gas	2.0%	2.3%	15%
UGI Penn Natural	2.2%	2.4%	9%
Total	**5.5%**	**4.4%**	**-20%**

3. Universal Service Programs

Demographics

In conformance with the Universal Service and Energy Conservation Reporting Requirements, the EDCs and the NGDCs are to report to the Commission the demographics of their program recipients, including the number of household members under age 18 and over age 62, household size, income, and source of income. The regulation defines a low income customer as a residential utility customer whose gross household income is at or below 150 percent of the federal poverty guidelines. Appendix 4 shows poverty levels in relation to household size and income.

Source of Income, Average Household Size and Income

For customers of all universal service programs, average household incomes are below $16,700. Both electric and natural gas households that receive CAP benefits have average household incomes that are equal to about $12,800 per year. Electric customers who receive Low Income Usage Reduction Program (LIURP) service have average yearly household incomes at $14,826, while gas customers average $15,826. These households average three persons, with at least one member under 18 years old.

Average household incomes for universal service and energy conservation program participants are well below 150 percent of the 2009 federal poverty guidelines of $27,465 for three persons. The most recently published data from the 2003 Census reports that the average household income in Pennsylvania is $53,991.

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

"Working poor" households do not always have incomes that exceed 150 percent of the federal poverty guidelines. A definition of a "working poor" household begins with a wage-earner who works full time at a minimum wage job. Minimum wage during 2008 was $7.15 per hour.[3] Annual income for a wage earner who works at minimum wage job is $14,872. A typical CAP customer has an income in the $12,800 range, which places these households' incomes at about 70 percent of the federal poverty guidelines. These households have incomes that are below minimum wage.

Finally, it is important to understand the relationship between household incomes and the percent of that income that a household spends on energy. Energy burden is defined as the percentage of household income that a household spends on total home energy needs.[4] In most instances, CAP programs require households to pay at least 16 percent of their household incomes for energy compared with an average Pennsylvania household that pays about 5 percent of their income for home energy needs.

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[3] http://www.dol.gov/esa/minwage/chart.htm, The Pennsylvania state minimum wage law adopts the Federal minimum wage rate by reference.
http://www.dol.gov/esa/minwage/america.htm#Pennsylvania.
http://www.pahouse.com/cohen/minimumwage/factsheet.htm

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

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

	2007	2008
LIURP	$14,484	$14,826
CAP	$12,378	$12,761
CARES	$14,273	$13,362
Hardship Fund	$15,412	$16,640

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

	2007	2008
LIURP	$15,064	$15,826
CAP	$11,971	$12,853
CARES	$15,157	$15,832
Hardship Fund	$14,932	$15,696

LIURP

The Pennsylvania Low Income Usage Reduction Program (LIURP) is a statewide, utility-sponsored, residential usage reduction program mandated by Pennsylvania Public Utility Commission regulations at 52 Pa. Code, Chapter 58. The primary goal of LIURP is to assist low income residential customers to reduce energy bills through usage reduction (energy conservation) and, as a result, to make bills more affordable.

LIURP is targeted toward customers with annual incomes at or below 150 percent of the federal poverty level. However, beginning in 1998, the LIURP regulations permit companies to spend up to 20 percent of their annual LIURP budgets on customers with incomes between 150 percent and 200 percent of the federal poverty level. LIURP places priority on the highest energy users who offer the greatest opportunities for bill reductions. Generally, the EDCs target customers with annual usage of at least 6,000 kWhs and the NGDCs target customers with annual usage of at least 120 Mcfs. When feasible, the program targets customers with payment problems (arrearages). The program is available to both homeowners and renters. LIURP services all housing types, including single family homes, mobile homes, and small and large multi-family residences.

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

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

Program measures are installed on a simple payback recovery basis of seven years or less for most program measures. There are exceptions that must meet a 12-year simple payback recovery. These include sidewall insulation, attic insulation, furnace replacement, water heater replacement and refrigerator replacement. Recovery is the time it takes to recover the cost of the installed program measure through projected energy savings. Examples of the program measures include: air infiltration measures using the blower door air sealing techniques; all types of insulation such as attic and sidewall; heating system treatments and replacements; water heating tank and pipe wraps; water heater replacements; compact fluorescent lighting; refrigerator replacement; water bed replacement with a form-fitted foam mattress; incidental repairs (not home rehabilitation); and conservation education.

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

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

The data presented in the instant report reflect the Universal Service Reporting Requirements (USRR) regulations at § 54.75 and § 62.5. These provisions require the reporting of various LIURP data, including: annual program costs for the reporting year; number of family members under 18 years of age; number of family members over 62 years of age; family size; household income; source of income; participation levels for the reporting year; projected annual spending for the current year; projected annual participation levels for the current year; and average job costs.

In addition, the report also includes data on completed jobs provided to us by the EDCs in accordance with the LIURP Codebook, which is originally based in the LIURP regulations at 52 Pa. Code § 58.15 and incorporated in the USRR regulations.

LIURP Spending

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

LIURP Spending - Electric Utilities

Company	2008 Actual Spending	2009 Projected Spending*
Allegheny	$1,752,069	$2,358,918
Duquesne	$1,230,237	$1,931,580
Met-Ed	$1,977,352	$2,174,600
PECO-Electric	$5,599,962	$5,600,000
Penelec	$2,518,570	$2,559,050
Penn Power	$836,908	$837,900
PPL	$7,719,029	$7,780,971
Total	$21,634,127	$23,243,019

*Includes carryover of unspent funds.

LIURP Spending - Natural Gas Utilities

Company	2008 Actual Spending	2009 Projected Spending*
Columbia	$1,127,535	$3,289,306
Dominion	$609,968	$610,000
Equitable	$542,207	$772,135
NFG	$1,285,326	$1,383,912
PECO-Gas	$875,038	$2,225,000
PGW	$2,578,214	$2,200,000
UGI-Gas	$989,233	$1,693,909
UGI Penn Natural	$911,409	$877,205
Total	$8,918,930	$13,051,467

*Includes carryover of unspent funds.

LIURP Production

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

LIURP Electric Production

Company	2008 Actual Production			2009 Projected Production		
	Heating Jobs	Water Heating Jobs	Baseload Jobs*	Heating Jobs	Water Heating Jobs	Baseload Jobs*
Allegheny	371	443	146	520	621	205
Duquesne	3	0	4,186	30	8	2,962
Met-Ed	307	390	500	365	445	500
PECO-Electric	1,190	0	7,138	1,440	0	6,200
Penelec	252	1,008	590	280	1,170	565
Penn Power	89	208	230	95	235	300
PPL	1,461	252	1,342	1,675	223	1,299
Total	**3,673**	**2,301**	**14,132**	**4,405**	**2,702**	**12,031**

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

LIURP Natural Gas Production

Company	2008 Actual Production Heating Jobs	2009 Projected Production Heating Jobs
Columbia	153	760
Dominion	134	158
Equitable	118	168
NFG	204	210
PECO-Gas	515	1,140
PGW	2,304	2,300
UGI-Gas	340	300
UGI Penn Natural	198	191
Total	**3,966**	**5,227**

LIURP Average Job Costs

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

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

LIURP Electric Job Costs

Company	2008 Heating Jobs	2008 Water Heating Jobs	2008 Baseload Jobs
Allegheny	$2,059	$1,326	$1,194
Duquesne	$752	Not Applicable	$273
Met-Ed	$1,637	$1,113	$909
PECO-Electric	$2,590	Not Applicable	$294
Penelec	$1,724	$958	$811
Penn Power	$1,656	$1,084	$850
PPL	$2,719	$1,826	$833

LIURP Natural Gas Job Costs

Company	2008 Heating Jobs
Columbia	$5,679
Dominion	$3,654
Equitable	$3,705
NFG	$3,135
PECO-Gas	$1,689
PGW	$1,137
UGI-Gas	$2,437
UGI Penn Natural	$3,353

LIURP Energy Savings and Bill Reduction

LIURP energy savings are determined by calculating the difference in customer's usage during the 12 months following the provision of program measures from the usage during the 12 months preceding the treatments. The energy savings reported below represent an average of the company results.

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

LIURP Energy Savings and Bill Reductions

Job Type	2006 Energy Savings	2006 Estimated Annual Bill Reduction
Electric Heating	7.3%	$138
Electric Water Heating	6.9%	$102
Electric Baseload	6.7%	$102
Gas Heating	15.5%	$373

Customer Assistance Programs

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

CAP Participation

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code §54.75(2)(i)(C) for the EDCs and 52 Pa. Code §62. 5(2)(i)(C) for the NGDCs, the companies are to report to the Commission the number of customers enrolled in CAP. The Commission defines participation as those participants enrolled in CAP at the end of the program year. As part of each company's restructuring proceeding, a program phase-in size was established. In conformance with the Reporting Requirements for Universal Service and Energy Conservation at 52 Pa. Code § 54.74 for the EDCs and 52 Pa. Code §62.4 for the NGDCs, each company is to submit to the Commission for approval a three-year universal service plan. The regulations at 52 Pa. Code §§ 54.74(b)(3)&(4) for the EDCs and 52 Pa. Code §§ 62(4)(b)(3)&(4) require the companies to submit a projected needs assessment and projected enrollment level for its universal service programs.

The 2008 results below show a CAP Participation Rate, defined as the number of participants enrolled as of Dec. 31, 2008, divided by the number of confirmed low income customers. The Commission expects a utility to maintain open enrollment to meet the need in each utility's service territory. The CAP participation rate would be much lower if the rate reflected estimated rather than confirmed low income customers.

CAP Participation - Electric Utilities

EDC	Participants Enrolled as of 12/31/07	CAP Participation Rate	Participants Enrolled as of 12/31/08	CAP Participant Rate
	2007		2008	
Allegheny	20,427	55%	19,858	51%
Duquesne	27,566	66%	30,799	68%
Met-Ed	12,123	33%	17,915	44%
PECO	120,633	100%	126,186	100%
Penelec	18,191	33%	27,509	46%
Penn Power	4,877	34%	7,131	47%
PPL	21,820	18%	23,305	14%
Total	**225,637**		**252,703**	
Weighted Avg.		**54%**		**51%**

CAP Participation - Natural Gas Utilities

NGDC	Participants Enrolled as of 12/31/07	CAP Participation Rate	Participants Enrolled as of 12/31/08	CAP Participant Rate
	2007		2008	
Columbia	23,604	39%	24,675	39%
Dominion	12,524	22%	14,425	25%
Equitable	16,492	38%	20,733	42%
NFG	10,821	38%	12,312	44%
PECO	20,583	101%	20,667	100%
PGW	76,235	52%	78,490	51%
UGI-Gas	7,532	29%	8,292	27%
UGI-Penn Natural	3,304	13%	3,051	12%
Total	**171,095**		**182,645**	
Weighted Avg.		**42%**		**43%**

CAP Benefits - Bills, Credits & Arrearage Forgiveness

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.75(2)(ii)(B)(IV) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(B)(IV) for the NGDCs, the companies are to report to the Commission on CAP benefits. The regulation defines CAP benefits as the average CAP bill, average CAP credits and average arrearage forgiveness. Companies report by month the number of participants enrolled in CAP. Because CAP enrollment fluctuates during the year, the Commission bases average CAP credits and arrearage forgiveness benefits on the average monthly number of CAP participants rather than the number of CAP participants enrolled at the end of the year.

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

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

Average Monthly CAP Electric Bill

Company	2007	2008
Allegheny	$59	$64
Duquesne	$50	$58
Met-Ed	$56	$52
PECO – Electric	$66	$69
Penelec	$45	$40
Penn Power	$71	$58
PPL	$64	$70

Average Monthly Natural Gas CAP Bill

Company	2007	2008
Columbia	$45	$47
Dominion	$78	$81
Equitable	$76	$79
NFG	$89	$92
PECO – Gas	$73	$82
PGW	$57	$87
UGI-Gas	$94	$97
UGI Penn Natural	$110	$112

Average Annual Electric CAP Credits

Company	2007	2008
Allegheny	$287	$276
Duquesne	$303	$354
Met-Ed	$498	$752
PECO	$476	$509
Penelec	$452	$676
Penn Power	$519	$737
PPL	$572	$661

PPL explains that one reason for its higher than industry average for CAP credits is that 40 percent of CAP participants heat with electricity.

Average Annual Natural Gas CAP Credits

Company	2007	2008
Columbia	$910	$883
Dominion	$973	$583
Equitable	$638	$737
NFG	$493	$614
PECO	$178	$183
PGW	$1,230	$1,167
UGI-Gas	$406	$431
UGI Penn Natural	$236	$436

Average CAP credits increased for five NGDCs from 2007 to 2008. Increases are usually attributable to rising gas prices, but also can be affected by higher usage during colder than normal winters.

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

Average Annual Electric Utilities Arrearage Forgiveness

Company	2007	2008
Allegheny	$68	$74
Duquesne	$85	$74
Met-Ed	$171	$128
PECO	$108	$158
Penelec	$135	$102
Penn Power	$0	$107
PPL	$292	$309

During 2007, Penn Power's CAP design did not include an arrearage forgiveness component. The company cited funding considerations, computer programming costs and rate caps as reasons to continue to delay the implementation of this component. By Order entered May 14, 2002, the Commission apprised Penn Power that it expects Penn Power to implement an arrearage forgiveness component within its SAP system consistent with the CAP Policy Statement, 52 Pa. Code § 69.265(6)(ix). By Order entered April 9, 2008, at Docket Numbers M-00072023 and R-00072437, the Commission approved an arrearage forgiveness component, effective June 1, 2008.

Average Annual Natural Gas Utilities Arrearage Forgiveness

Company	2007	2008
Columbia	$6	$48
Dominion	$921	$9
Equitable	$55	$49
NFG	$74	$62
PECO	$5	$4
PGW	$116	$113
UGI-Gas	$110	$113
UGI Penn Natural	$39	$50

Dominion's 2007 average arrearage forgiveness of $921 is a result of the Commission-approved settlement at Docket No. M-00051880 in November 2006 that granted Dominion a one-time pre-program arrearage write-off of 8,562 CAP accounts totalling $10,488,236.75. The financial transaction was completed on June 1, 2007.

Percentage of Bill Paid

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.75(2)(ii)(B)(VII) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(B)(VII) for the NGDCs, the companies are to report to the Commission on the percentage of CAP bill paid. "CAP bill paid" is the annual total of the expected monthly CAP payment. This amount includes the amount that companies bill CAP customers rather than the tariffed rate amount. The companies report on the annual total amount of payments by CAP customers. The Commission defines percentage of CAP bill paid as the total amount of payments by CAP customers divided by the total dollar amount of CAP billed. Based on history and successful CAP designs relating to default and payment plans, the Commission recommends that a percentage of bill paid of no less than 80 percent can be reasonably achieved – with a goal of 90 percent or better. The table below shows percentage of the CAP bill paid by CAP customers.

Percentage of Electric CAP Bill Paid

Company	2007	2008
Allegheny	68%	59%
Duquesne	96%	92%
Met-Ed	92%	76%
PECO	75%	79%
Penelec	93%	77%
Penn Power	80%	76%
PPL	81%	82%

Percentage of Natural Gas CAP Bill Paid

Company	2007	2008
Columbia	92%	94%
Dominion	83%	83%
Equitable	94%	91%
NFG	76%	76%
PECO	75%	79%
PGW	86%	90%
UGI-Gas	91%	88%
UGI Penn Natural	81%	85%

CAP Costs

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.74(2)(i)(A) for the EDCs and 52 Pa. Code § 62.4(2)(i)(A) for the NGDCs, the companies are to report to the Commission on CAP program costs. The companies and the Bureau developed mutually satisfactory guidelines for reporting CAP costs. CAP costs include costs for administration, CAP credits and arrearage forgiveness. Administrative costs include the following costs: contract and utility staffing; account monitoring; intake; outreach; consumer education and conservation; training; maintaining telephone lines; recertification; computer programming; evaluation; and other fixed overhead costs. Account monitoring includes collection expenses, as well as other operation and maintenance expenses. See Appendix 6 for the percentage of CAP spending by program component: administration, CAP credits and arrearage forgiveness. The data below show a need for improvement in the percentage of CAP spending on administration. In past reports, the Commission has reported that CAP administrative costs should not exceed 20 percent of total CAP costs. Twenty percent was a reasonable goal when utilities were expanding and implementing new CAP programs. Because CAP programs are established and experience shows that administrative costs of no more than 15 percent can be realistically achieved, CAP spending for administrative purposes should not exceed 15 percent – with an ideal goal of no more than 10 percent. Costs are gross costs and do not reflect any potential savings to traditional collection expenses, cash working capital expenses and bad debt expenses that may result from enrolling low income customers in CAP. Appendix 8 shows total universal service costs, universal service funding mechanisms and average annual universal service costs per residential customers.

CAP Electric Gross Costs

EDC	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
	2007			2008		
Allegheny	$8,043,013	20,900	$385	$7,680,209	20,120	$382
Duquesne	$11,508,948	26,858	$429	$13,460,999	28,934	$465
Met-Ed	$8,087,480	11,118	$727	$14,167,515	15,028	$943
PECO	$85,932,138	118,451	$725	$104,895,741	124,145	$845
Penelec	$10,683,202	16,540	$646	$19,470,323	23,281	$836
Penn Power	$2,461,202	4,282	$575	$5,346,829	5,982	$894
PPL	$20,919,308	21,599	$969	$24,149,702	22,512	$1,073
Total	**$147,635,291**	**219,748**		**$189,171,318**	**240,002**	
Weighted Avg.			**$672**			**$788**

CAP Natural Gas Gross Costs

NGDC	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
	2007			2008		
Columbia	$23,214,621	24,519	$947	$24,358,427	24,978	$975
Dominion	$22,767,942	11,815	$1,927	$8,645,396	13,673	$632
Equitable	$11,496,437	15,410	$746	$15,735,516	18,982	$829
NFG	$6,595,173	10,882	$606	$8,118,056	11,502	$706
PECO	$7,164,109	20,294	$353	$8,404,423	20,761	$405
PGW	$106,027,731	76,983	$1,377	$102,525,112	78,190	$1,311
UGI-Gas	$4,335,537	7,645	$567	$4,721,569	8,140	$580
UGI Penn Natural	$1,131,095	3,466	$326	$1,989,428	3,732	$533
Total	**$182,732,645**	**171,014**		**$174,497,927**	**179,958**	
Weighted Avg.			**$1,069**			**$970**

CARES

The primary purpose of a CARES program is to provide a cost-effective service that helps payment troubled customers maximize their ability to pay utility bills. A CARES program helps address health and safety concerns relating to utility service by providing important benefits. CARES staff provides three primary services: case management; maintaining a network of service providers; and making referrals to services that provide assistance.

As utilities have expanded their CAP programs, the focus of CARES has changed. For most utilities, CARES has become a component of CAP. The Commission has not objected to some of the functions of CARES changing over time because the expansion of CAP has reduced the number of customers who may need case management services.

CARES representatives provide case management services to a limited number of customers with special needs. Most customers receive the case management services of CARES for no more than six months. If a customer's hardship is not resolved within that time, a utility will transfer a customer from the CARES program to their CAP. The number of customers who receive case management services has decreased, because these customers now receive the benefits of more affordable payments as part of CAP enrollment.

A utility CARES representative also performs the task of strengthening and maintaining a network of community organizations and government agencies that can provide services to the program clients. By securing these services, including energy assistance funds, customers can maintain safe and adequate utility service. LIHEAP outreach and networking are vital pieces of CARES that should not be neglected. A CARES program continues to address the important health and safety concerns relating to utility service. As Chapter 14 implementation occurs, it is imperative that each utility be able to identify its customers so that it does not jeopardize the health and safety of a household that has special conditions.

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

CARES Benefits

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

2008 Electric CARES Benefits

EDC	CARES Costs	Total LIHEAP Grants for Low Income Customers**	Low Income Households who Received LIHEAP Cash Grants	Direct Dollars in Addition to LIHEAP Grants for CARES Participants	Net CARES Benefits
Allegheny	$97,519	$3,304,366	9,101	$2,961	$3,209,808
Duquesne	$125,000	$3,695,962	7,135	$289,868	$3,860,830
Met-Ed*	$0	$1,330,435	4,738	$0	$1,330,435
PECO	$689,188	$9,536,702	26,955	$0	$8,847,514
Penelec*	$0	$2,561,179	7,459	$0	$2,561,179
Penn Power*	$0	$1,013,013	2,527	$0	$1,013,013
PPL	$0	$5,818,257	19,511	$36,287	$5,854,544
Total	**$911,707**	**$27,259,914**	**77,426**	**$329,116**	**$26,677,323**

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

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

2008 Natural Gas CARES Benefits

NGDC	CARES Costs	Total LIHEAP Grants for Low Income Customers*	Low Income Households who Received LIHEAP Cash Grants	Direct Dollars in Addition to LIHEAP Grants for CARES Participants	Net CARES Benefits
Columbia	$393,634	$6,412,102	22,552	$4,744	$6,023,212
Dominion	$193,000	$5,771,564	18,855	$41,551	$5,620,115
Equitable	$397,854	$5,328,273	17,008	$78,282	$5,008,701
NFG	$17,399	$6,813,239	21,141	-$8,754	$6,787,086
PECO	$141,159	$1,953,300	5,521	$0	$1,812,141
PGW	$789,196	$19,492,389	57,168	$0	$18,703,193
UGI-Gas	$38,877	$3,198,741	12,071	$25,109	$3,184,973
UGI Penn Natural	$62,574	$4,219,983	15,840	$115	$4,157,524
Total	**$2,033,693**	**$53,189,591**	**170,156**	**$141,047**	**$51,296,945**

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

Utility Hardship Fund Programs

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

Ratepayer and Shareholder Contributions

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.75(2)(ii)(D)(I)&(III) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(D)(I)&(III) for the NGDCs, the companies are to report to the Commission on the amount of ratepayer and utility contributions to their hardship funds. Utility shareholders contribute the bulk of utility contributions. The Commission defines ratepayer contributions as contributions from utility employees, ratepayers and special contributions. Special contributions include monies from formal complaint settlements, overcharge settlements, off-system sales and special solicitations of business corporations. However, the average voluntary ratepayer contribution per customer shown in the tables that follow does not include special contributions – only voluntary ratepayer contributions. The Commission defines utility contributions as shareholder or utility grants for program administration, outright grants to the funds, and grants that match contributions of ratepayers. Utility and ratepayer contributions are shown in the tables below.

2007-08 Electric Hardship Fund Contributions

EDC	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Allegheny	$421,808	$0.32	$177,438
Duquesne	$257,877	$0.49	$426,699
Met-Ed	$87,941	$0.18	$148,652
PECO	$214,730	$0.14	$689,733
Penelec	$52,194	$0.10	$123,642
Penn Power	$44,741	$0.32	$74,741
PPL	$455,198	$0.38	$970,000
Total	**$1,534,489**		$2,610,905
Weighted Avg.		**$0.31**	

2007-08 Natural Gas Hardship Fund Contributions

NGDC	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Columbia	$488,405	$0.31	$178,816
Dominion	$165,508	$0.51	$241,097
Equitable	$102,522	$0.43	$52,107
NFG	$44,562	$0.22	$133,333
PECO	$53,551	$0.09	$141,271
PGW	$4,097	$0.01	$1,135,564
UGI-Gas	$18,946	$0.06	$49,473
UGI Penn Natural	$17,570	$0.12	$43,502
Total	**$895,161**		$1,975,163
Weighted Avg.		**$0.36**	

Hardship Fund Benefits

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

Electric Utility Hardship Fund Grant Benefits

EDC	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
Allegheny	1,864	1,639	$305	$320	$569,000	$525,000
Duquesne	1,408	1,036	$406	$691	$571,000	$716,000
Met-Ed	655	625	$382	$400	$250,000	$250,000
PECO	1,872	1,150	$270	$845	$505,222	$972,003
Penelec	761	543	$380	$403	$289,270	$218,600
Penn Power	775	320	$244	$238	$188,765	$76,108
PPL	3,643	3,868	$219	$252	$796,784	$973,497
EDC Total	**10,978**	**9,181**			**$3,170,041**	**$3,731,208**
Weighted Avg.			**$289**	**$406**		

Natural Gas Utility Hardship Fund Grant Benefits

NGDC	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
Columbia	1,685	1,552	$379	$398	$639,367	$617,000
Dominion	914	1,099	$379	$366	$346,806	$402,194
Equitable	1,960	1,290	$449	$423	$879,315	$545,833
NFG	314	531	$236	$147	$74,211	$77,895
PECO-Gas	417	239	$248	$833	$103,479	$199,085
PGW	2,255	3,679	$707	$617	$1,595,370	$2,271,116
UGI-Gas	479	507	$153	$205	$73,480	$103,724
UGI Penn Natural	475	357	$146	$161	$69,263	$57,595
NGDC Total	**8,499**	**9,254**			**$3,781,291**	**$4,274,442**
Weighted Avg.			**$445**	**$462**		

4. Small Utilities' Universal Service Programs

The Commission's universal service reporting requirements have fewer data requirements for small utilities than for the major utilities. EDCs with fewer than 60,000 residential customers and NGDCs with fewer than 100,000 residential customers must file their universal service plans with the Commission every three years, but the plans are not subject to the Commission's formal approval process. Instead, the plans are informally reviewed by the Bureau of Consumer Services. In addition to filing their plans with the Commission, the small utilities must describe the level of services provided by their plans, as well as the expenses associated with the programs. These requirments can be found at 52 Pa. Code, Chapter 54, Section 54.77 for EDCs and at 52 Pa. Code, Chapter 62, Section 62.7 for NGDCs.

As a result of the Electricity Generation Customer Choice and Competition Act and the Natural Gas Choice and Competition Act (the Acts), seven small utilities now have various universal service programs to 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) administers a variation of a CAP program and operates its own hardship fund program.

T.W. Phillips offers a full-scale CAP program serving approximately 1,200 customers. The company also operates a hardship fund through the Dollar Energy Fund and administers a LIURP program. In 2008, the company completed 32 LIURP jobs.

UGI-Central Penn Gas, formerly PPL Gas, offers a full-scale CAP program. As of December 2008, the program enrollment was approximately 2,500 customers. UGI-Central Penn Gas also operates a hardship fund through the Dollar Energy Fund and administers a LIURP program. In 2008, the company completed 82 jobs.

UGI Utilites Inc. (UGI-Electric) offers a full-scale CAP program with an enrollment of approximately 1,200 customers. The company operates its own hardship fund and also administers a LIURP program. In 2008, the company completed 67 LIURP jobs.

The small utilities also differ significantly in the total number of residential customers each serves. For example, UGI-Central Penn Gas, UGI Utilities Inc. and T.W. Phillips each serve more than 40,000 residential customers. Meanwhile, Citizens, Pike, Wellsboro and Valley each serve less than 5,000 residential customers.

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

5. Appendices

Appendix 1 - Grouping of Collection Data Tables

Number of Confirmed Low Income Electric Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Allegheny	1,817	9,493	11,310
Duquesne	1,428	3,433	4,861
Met-Ed	14,979	4,702	19,681
PECO-Electric	5,763	56,868	62,631
Penelec	18,550	7,212	25,762
Penn Power	4,567	1,648	6,215
PPL	24,484	34,170	58,654
Total	71,588	117,526	189,114

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

Number of Confirmed Low Income Natural Gas Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Columbia	3,400	4,640	8,040
Dominion	12,154	7,293	19,447
Equitable	2,049	3,370	5,419
NFG	2,209	1,672	3,881
PECO-Gas	1,988	14,767	16,755
PGW	8,881	25,022	33,903
UGI-Gas	2,368	5,875	8,243
UGI Penn Natural	1,710	4,555	6,265
Total	34,759	67,194	101,953

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

Percent of Confirmed Low Income Electric Customers in Debt

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Allegheny	5%	24%	29%
Duquesne	3%	8%	11%
Met-Ed	37%	11%	48%
PECO-Electric	5%	46%	51%
Penelec	31%	12%	43%
Penn Power	30%	11%	41%
PPL	14%	20%	34%
Total	**14%**	**24%**	**38%**

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

Percent of Confirmed Low Income Natural Gas Customers in Debt

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Columbia	6%	7%	13%
Dominion	21%	12%	33%
Equitable	4%	7%	11%
NFG	8%	6%	14%
PECO-Gas	10%	71%	81%
PGW	6%	16%	22%
UGI-Gas	8%	19%	27%
UGI Penn Natural	7%	18%	25%
Total	**8%**	**16%**	**24%**

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

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

Company	Percent of Dollars Owed - on an Agreement*	Percent of Dollars Owed - Not on an Agreement*
Allegheny	13%	87%
Duquesne	25%	75%
Met-Ed	88%	12%
PECO-Electric	5%	95%
Penelec	87%	13%
Penn Power	87%	13%
PPL	38%	62%
Total	**38%**	**62%**

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

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

Company	Percent of Dollars Owed - on an Agreement*	Percent of Dollars Owed - Not on an Agreement*
Columbia	69%	31%
Dominion	69%	31%
Equitable	53%	47%
NFG	55%	45%
PECO-Gas	6%	94%
PGW	22%	78%
UGI-Gas	30%	70%
UGI Penn Natural	32%	68%
Total	**34%**	**66%**

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

Average Arrearage - Confirmed Low Income Electric Customers

Company	Average Arrearage on an Agreement*	Average Arrearage not on an Agreement*	Overall Average Arrearage*
Allegheny	$156	$207	$199
Duquesne	$595	$761	$712
Met-Ed	$699	$309	$606
PECO-Electric	$378	$677	$650
Penelec	$578	$218	$477
Penn Power	$736	$318	$625
PPL	$544	$632	$595
Total	**$575**	**$581**	**$579**

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

Average Arrearage - Confirmed Low Income Natural Gas Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Columbia	$932	$304	$570
Dominion	$953	$707	$861
Equitable	$957	$514	$682
NFG	$606	$651	$625
PECO-Gas	$555	$1,107	$1,041
PGW	$695	$877	$829
UGI-Gas	$534	$502	$511
UGI Penn Natural	$529	$419	$449
Total	**$791**	**$782**	**$785**

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

Residential Revenues (Billings) - Electric Customers

Company	Annual Residential Billings
Allegheny	$554,454,172
Duquesne	$469,775,020
Met-Ed	$585,043,618
PECO-Electric	$1,893,236,218
Penelec	$467,879,472
Penn Power	$184,277,941
PPL	$1,450,626,903
Total	**$5,605,293,344**

Residential Revenues (Billings) - Natural Gas Customers

Company	Annual Residential Billings
Columbia	$481,827,700
Dominion	$331,893,654
Equitable	$363,574,586
NFG	$292,267,922
PECO-Gas	$536,591,095
PGW	$649,689,318
UGI-Gas	$343,459,192
UGI Penn Natural	$233,511,186
Total	**$3,232,814,653**

Residential Revenues (Billings) - Confirmed Low Income Electric Customers

Company	Annual Residential Billings
Allegheny	$45,266,408
Duquesne	$40,362,476
Met-Ed	$58,762,541
PECO-Electric	$974,706,178
Penelec	$67,748,483
Penn Power	$23,288,661
PPL	$202,976,391
Total	**$1,413,111,138**

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

Company	Annual Residential Billings
Columbia	$83,153,890
Dominion	$59,288,177
Equitable	$41,558,858
NFG	$28,777,898
PECO-Gas	$17,593,328
PGW	$156,938,616
UGI-Gas	$38,684,458
UGI Penn Natural	$45,558,844
Total	**$471,554,069**

Terminations - Residential Electric Customers

Company	2006 Terminations	2007 Terminations*	2008 Terminations	Percent Change in # 2006-08
Allegheny	21,514	21,689	19,650	-9%
Duquesne	20,885	22,624	22,081	6%
Met-Ed	8,465	15,432	16,359	93%
PECO-Electric	41,940	53,536	83,559	99%
Penelec	11,307	14,061	13,442	19%
Penn Power	3,016	4,598	4,030	34%
PPL	21,221	25,873	38,917	83%
Total	**128,348**	**157,813**	**198,038**	**54%**

*The number of terminations for most companies has been revised since the issuance of the 2007 Universal Service Report.

Terminations - Residential Natural Gas Customers

Company	2006 Terminations	2007 Terminations*	2008 Terminations	Percent Change in # 2006-08
Columbia	14,571	12,825	12,188	-16%
Dominion	5,083	5,302	7,867	55%
Equitable	12,793	12,593	11,979	-6%
NFG	13,243	11,138	11,022	-17%
PECO-Gas	14,111	12,803	27,388	94%
PGW	30,808	23,437	28,674	-7%
UGI-Gas	13,778	14,571	16,415	19%
UGI Penn Natural	5,179	7,065	7,735	49%
Total	**109,566**	**99,734**	**123,268**	**13%**

*The number of terminations for most companies has been revised since the issuance of the 2007 Universal Service Report.

Number of Residential Electric Customers in Debt

Company	2006 Total Number of Customers in Debt*	2007 Total Number of Customers in Debt*	2008 Total Number of Customers in Debt*	Percent Change in # 2006-08
Allegheny	67,355	73,136	71,649	6%
Duquesne	25,393	22,360	22,227	-12%
Met-Ed	51,085	53,100	49,658	-3%
PECO-Electric	157,093	185,551	174,848	11%
Penelec	60,919	61,602	54,689	-10%
Penn Power	14,203	14,370	13,929	-2%
PPL	130,445	128,614	129,233	-1%
Total	**506,493**	**538,733**	**516,233**	**2%**

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

Number of Residential Natural Gas Customers in Debt

Company	2006 Total Number of Customers in Debt*	2007 Total Number of Customers in Debt*	2008 Total Number of Customers in Debt*	Percent Change in # 2006-08
Columbia	21,678	23,440	24,514	13%
Dominion	46,450	45,375	42,792	-8%
Equitable	18,484	23,708	16,259	-12%
NFG	10,210	9,786	9,886	-3%
PECO-Gas	37,113	61,266	55,384	49%
PGW	126,395	121,335	105,647	-16%
UGI-Gas	18,748	19,535	21,803	16%
UGI Penn Natural	14,256	14,707	14,819	4%
Total	**293,334**	**319,152**	**291,104**	**-1%**

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

Dollars in Debt - Residential Electric Customers

Company	2006 Total Dollars in Debt*	2007 Total Dollars in Debt*	2008 Total Dollars in Debt*	Percent Change in # 2006-08
Allegheny	$6,402,115	$6,091,473	$6,260,535	-2%
Duquesne	$8,558,192	$8,546,033	$10,742,379	26%
Met-Ed	$21,107,213	$23,529,237	$21,877,462	4%
PECO-Electric	$51,364,564	$65,154,839	$67,848,866	32%
Penelec	$20,576,971	$22,758,172	$19,890,741	-3%
Penn Power	$5,730,138	$6,299,897	$6,875,205	20%
PPL	$51,156,867	$53,482,124	$56,432,641	10%
Total	**$164,896,060**	**$185,861,775**	**$189,927,829**	**15%**

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

Dollars in Debt - Residential Natural Gas Customers

Company	2006 Total Dollars in Debt*	2007 Total Dollars in Debt*	2008 Total Dollars in Debt*	Percent Change in # 2006-08
Columbia	$8,366,025	$8,231,727	$10,062,370	20%
Dominion	$30,331,189	$35,196,567	$25,385,023	-16%
Equitable	$11,342,736	$9,532,649	$8,068,719	-29%
NFG	$5,375,669	$4,711,674	$4,840,113	-10%
PECO-Gas	$12,893,417	$32,474,978	$31,031,567	141%
PGW	$68,349,547	$60,206,779	$49,851,372	-27%
UGI-Gas	$6,225,208	$6,652,684	$8,040,405	29%
UGI Penn Natural	$5,293,398	$4,900,817	$5,504,910	4%
Total	**$148,177,189**	**$161,907,875**	**$142,784,479**	**-4%**

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

Gross Write-Offs Ratio - Residential Electric Customers

Company	2006 Gross Write-Offs Ratio*	2007 Gross Write-Offs Ratio*	2008 Gross Write-Offs Ratio*	Percent Change 2006-08
Allegheny	1.17%	1.09%	1.01%	-14%
Duquesne	2.62%	1.15%	1.26%	-52%
Met-Ed	1.89%	1.93%	1.91%	1%
PECO-Electric	1.99%	2.82%	2.25%	13%
Penelec	2.20%	2.07%	2.00%	-9%
Penn Power	1.93%	1.74%	1.81%	-6%
PPL	1.63%	1.68%	1.78%	9%
Total	**1.86%**	**2.04%**	**1.85%**	**-<1%**

*Does not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2006 Gross Write-Offs Ratio*	2007 Gross Write-Offs Ratio*	2008 Gross Write-Offs Ratio*	Percent Change 2006-08
Columbia	3.04%	2.61%	2.26%	-26%
Dominion	3.23%	3.86%	2.87%	-11%
Equitable	5.32%	3.73%	3.46%	-35%
NFG	2.55%	3.17%	2.09%	-18%
PECO-Gas	1.35%	2.18%	1.63%	21%
PGW	14.93%	8.41%	7.08%	-53%
UGI-Gas	2.73%	2.93%	3.39%	24%
UGI Penn Natural	2.53%	2.81%	3.57%	41%
Total	**5.39%**	**4.10%**	**3.52%**	**-35%**

*Does not include CAP Credits or Arrearage Forgiveness.

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

Company	2006	2007	2008	Percent Change 2006-08
Allegheny	1.3%	1.1%	1.1%	-15%
Duquesne	2.3%	1.9%	2.3%	0%
Met-Ed	4.3%	4.2%	3.7%	-14%
PECO-Electric	2.9%	3.4%	3.6%	24%
Penelec	5.3%	5.0%	4.3%	-19%
Penn Power	4.3%	3.6%	3.7%	-14%
PPL	3.9%	3.9%	3.9%	0%
Total	**3.3%**	**3.4%**	**3.4%**	**3%**

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

Company	2006	2007	2008	Percent Change 2006-08
Columbia	2.0%	2.0%	2.1%	<1%
Dominion	9.4%	12.3%	7.7%	-18%
Equitable	3.9%	3.2%	2.2%	-44%
NFG	1.9%	1.8%	1.7%	-11%
PECO-Gas	2.4%	6.3%	5.8%	142%
PGW	10.8%	9.7%	7.7%	-29%
UGI-Gas	2.0%	2.0%	2.3%	15%
UGI Penn Natural	2.7%	2.2%	2.4%	-11%
Total	**5.0%**	**5.5%**	**4.4%**	**-12%**

Appendix 2 - When is an Account Considered to be Overdue?

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

* BCS considers Day Zero to be the bill due date and the applicable regulations require companies to report arrearages beginning at 30 days overdue.

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

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

Company	After an Account is Terminated	After an Account is Discontinued
Allegheny	10 Days after Termination Date	0 to 1 Day after Final Bill Transmittal Date
Duquesne	7 Days after Termination Date	3 to 5 Days after Discontinuance
Met-Ed and Penelec	10 Days after Termination Date	Same Day as Discontinuance
PECO-Electric	30 to 32 Days after Termination Date	Same Day as Discontinuance
Penn Power	10 Days after Termination Date	Same Day as Discontinuance
PPL	5 to 8 Days after Termination Date	Bill Transmittal Date
Columbia	5 to 7 Days after Termination Date	Same Day as Discontinuance
Dominion	10 Days after Termination Date	10 Days after Discontinuance
Equitable	3 Days after Termination Date	3 Days after Discontinuance
NFG	Same Day as Termination Date	Same Day as Discontinuance
PECO-Gas	30 to 32 Days after Termination Date	Same Day as Discontinuance
PGW	0 to 30 Days after Termination Date	0 to 1 Day after Final Bill Transmittal Date
UGI-Gas	Same Day as Termination Date	Same Day as Discontinuance
UGI Penn Natural	0 to 15 Days after Termination Date	0 to 1 Day after Final Bill Transmittal Date

Appendix 4 - 2009 Federal Poverty Guidelines

2009 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	$5,415	$10,830	$16,245	$21,660
2	$7,285	$14,570	$21,855	$29,140
3	$9,155	$18,310	$27,465	$36,620
4	$11,025	$22,050	$33,075	$44,100
5	$12,895	$25,790	$38,685	$51,580
6	$14,765	$29,530	$44,295	$59,060
7	$16,635	$33,270	$49,905	$66,540
8	$18,505	$37,010	$55,515	$74,020
For each additional person, add	$1,870	$3,740	$5,610	$7,480
Income reflects upper limit of the poverty guideline for each column.				
Effective: 1/23/09. SOURCE: Federal Register, Vol. 74, No. 14, January 23, 2009 pp. 4199-4201.				

Appendix 5 - Source of Income for Universal Service Participants

Source of Income for Electric Universal Service Participants

	LIURP	CAP	Hardship Fund
Employment	39%	40%	47%
Public Assistance	6%	8%	7%
Pension or Retirement	11%	16%	13%
Unemployment Compensation	16%	3%	4%
Disability	17%	21%	16%
Other	11%	12%	13%

Source of Income for Natural Gas Universal Service Participants

	LIURP	CAP	Hardship Fund
Employment	27%	35%	40%
Public Assistance	4%	9%	10%
Pension or Retirement	24%	22%	6%
Unemployment Compensation	6%	4%	4%
Disability	17%	20%	20%
Other	22%	10%	20%

Appendix 6 - Percent of Spending by CAP Component

Percent of EDC Spending by CAP Component

EDC	% of Total CAP Spending			% of Total CAP Spending		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
	2007*			2008		
Allegheny	8%	75%	17%	8%	72%	20%
Duquesne	10%	70%	20%	8%	76%	16%
Met-Ed	8%	68%	24%	7%	80%	13%
PECO	20%	65%	15%	21%	60%	19%
Penelec	9%	70%	21%	7%	81%	12%
Penn Power	10%	90%	0%	6%	82%	12%
PPL	11%	59%	30%	9%	62%	29%
Weighted Avg.	**15%**	**67%**	**18%**	**15%**	**66%**	**19%**

*Rounding errors in the 2007 data have been corrected since the release of the 2007 Universal Service Report.

Percent of NGDC Spending by CAP Component

NGDC	% of Total CAP Spending			% of Total CAP Spending		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
	2007*			2008		
Columbia	3%	96%	1%	4%	91%	5%
Dominion	2%	50%	48%	6%	92%	2%
Equitable	7%	86%	7%	5%	89%	6%
NFG	6%	82%	12%	4%	87%	9%
PECO-Gas	48%	51%	1%	54%	45%	1%
PGW	2%	90%	8%	2%	89%	9%
UGI	9%	72%	19%	6%	74%	20%
UGI Penn Natural	16%	72%	12%	9%	82%	9%
Weighted Avg.	**5%**	**83%**	**12%**	**6%**	**87%**	**7%**

*Rounding errors in the 2007 data have been corrected since the release of the 2007 Universal Service Report.

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

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

- From the Consumer Education page, under the section Energy Assistance Information, click on Energy Assistance, Tips for Saving Energy.

- From the Energy Assistance page, scroll down to Assistance Programs, Various Programs to Assist with Energy Savings, and click on Assistance Programs.

- From the Energy Assistance Programs page, scroll down to the last section titled "Universal Service Plans and Evaluations," and click on either the Universal Service Plan or Universal Service Evaluation of the company of your choice.

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

Universal Service Programs 2008 Spending Levels and Cost Recovery Mechanisms						
Utility	Cost Recovery Mechanism1	CAP Spending (Annual)	Total Universal Service Spending2 (Annual)	% of Universal Service Spending Assessed on Residential Customers	Average # Residential Customers	Avg. Universal Service Spending Per Residential Customer (Annual)
Allegheny	Base Rates	$7,680,209	$9,529,797	100%	612,896	$15.55
Duquesne	Base Rates	$13,460,999	$14,816,236	100%	524,296	$28.26
Met-Ed	USC Rider-Annual	$14,167,515	$16,144,867	100%	482,596	$33.45
PECO	Base Rates & Universal Service Fund Charge	$104,895,741	$111,184,891	100%	1,403,813	$79.20
Penelec	USC Rider-Annual	$19,470,323	$21,988,893	100%	504,968	$43.55
Penn Power	USC Rider-Annual	$5,346,829	$6,183,737	100%	139,701	$44.27
PPL	US Rider-Annual	$24,149,702	$31,868,731	100%	1,204,132	$26.47
EDC Total		**$189,171,318**	**$211,717,152**		**4,872,402**	
EDC Weighted Avg.						**$43.45**
Columbia	Rider CAP	$24,358,427	$25,879,596	100%	369,922	$69.96
Dominion	Base Rates	$8,645,396	$9,448,364	95.74%	326,622	$28.93
Equitable	Rider D	$15,735,516	$16,675,577	100%	239,185	$69.72
NFG	Rider F	$8,118,056	$9,420,781	100%	197,850	$47.92
PECO	Base Rates & Universal Service Fund Charge	$8,404,423	$9,420,620	100%	438,232	$21.50
PGW	USEC Surcharge	$102,525,112	$105,892,522[5]	75%[4]	481,218	$220.05
UGI	Rider LISHP	$4,721,569	$5,749,679	100%	298,547	$19.26
UGI Penn Natural	Base Rates	$1,989,428	$2,963,411	81%[3]	143,718	$20.62
NGDC Total		**$174,497,927**	**$185,450,550**		**2,495,294**	
NGDC Weighted Avg.						**$74.32**

[1]Riders and USEC/USFM Surcharge are charges for CAP costs, in addition to base rates, that are adjusted quarterly or annually.
[2]Universal Service costs include CAP costs, LIURP costs, and CARES costs.
[3]CAP costs assessed in following manner: residential (81 percent), general service (16 percent), interruptible (1 percent), HV Firm (2 percent).
[4]CAP costs assessed in following manner: residential (75 percent), commercial (20 percent), industrial (2 percent), municipal service (2 percent), PHA (Philadelphia Housing Authority (1 percent).
[5]PGW universal service costs do not include Senior Citizen Discount (SCD) costs. Because income is not an eligibility criterion, the SCD does not meet the definition of universal service.

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