



Report on **2017** Universal Service Programs & Collections Performance

of the Pennsylvania
Electric Distribution Companies &
Natural Gas Distribution Companies

Pennsylvania Public Utility Commission
Bureau of Consumer Services



Table of Contents

1. Introduction.....	3
Treatment of Confirmed Low-Income Data Among the Collections Performance Data	3
Universal Service Programs.....	4
Hardship Funds	4
LIURP and Universal Service Programs Review.....	4
CAP Policy Statement.....	4
Treatment of PECO Data	5
Responsible Utility Customer Protection Act	5
2. Collection Performance.....	6
Number of Residential Customers.....	6
Payment Troubled Customers.....	8
Number of Payment Arrangements	9
Termination of Service.....	10
Reconnection of Service.....	13
Number of Customers in Debt.....	16
Percent of Customers in Debt	20
Residential Customer Debt in Dollars Owed	22
Percent of Total Dollars Owed – On an Agreement Versus Not on an Agreement	26
Average Arrearage	28
Accounts Exceeding \$10,000 in Arrearages.....	31
Revenues (Billings)	35
Percent of Revenues (Billings) in Debt	36
Gross Residential Write-Offs in Dollars	38
Percentage of Gross Residential Billings Written Off as Uncollectible	41
Annual Collection Operating Expenses.....	43
3. Universal Service Programs.....	44
Demographics	44
Average Household Income and Size	44
Source of Income.....	45
Low Income Usage Reduction Program (LIURP)	46
LIURP Spending.....	47
LIURP Production.....	48
LIURP Average Job Costs	49
LIURP Energy Savings and Bill Reduction	50
Customer Assistance Programs (CAPs).....	50
CAP Participation Rate.....	51
CAP Default Rate.....	53

CAP Benefits – Bills & Credits.....	54
CAP Benefits - Arrearage Forgiveness.....	56
Percent of CAP Bill Paid	57
CAP Payment Rate.....	58
CAP Costs.....	58
CARES.....	61
CARES-LIHEAP.....	61
CARES Costs, Direct Dollars and Net Benefits.....	62
Utility Hardship Fund Programs.....	64
Ratepayer and Shareholder Contributions	64
Hardship Fund Benefits.....	65
Total Universal Service Program Spending.....	67
4. Small Utilities’ Universal Service Programs.....	68
5. Appendices	69
Appendix 1 - When is an Account Considered to be Overdue?.....	69
Appendix 2 - When Does an Account Move from Active to Inactive Status?	70
Appendix 3 – 2016 and 2017 Federal Poverty Guidelines	71
Appendix 4 - Instructions to Access Universal Service Reports, Plans and Evaluations on PUC Website	72
To Access Universal Service Programs & Collections Performance Reports:	72
To Access Universal Service Plans and Evaluations:.....	72
Appendix 5 - Universal Service Programs 2017 Spending Levels & Cost Recovery Mechanisms	73

1. Introduction

The **Pennsylvania Public Utility Commission's** (PUC) Annual Report on 2017 Universal Service Programs and Collections Performance includes data and performance measures for the seven major Pennsylvania electric distribution companies (EDCs) and the eight major natural gas distribution companies (NGDCs), during the 2017 calendar year.

The Electricity Generation Customer Choice and Competition Act¹ and the Natural Gas Choice and Competition Act² opened the electric generation and natural gas supply markets to competition. In doing so, the General Assembly wanted to ensure that electric and natural gas service remain universally available to all customers in the state. Consequently, both Acts contain provisions relating to universal electric and gas service, and require the Commission to maintain, at a minimum, the protections, policies, and services that assist customers who are low-income to afford electric and gas service.³ The Acts also require the Commission to ensure that universal service and energy conservation policies are appropriately funded and available in each electric and natural gas distribution territory.⁴

To assist in fulfilling its universal service obligations, the Commission established standard reporting requirements for universal service and energy conservation for both the EDCs and the NGDCs.⁵ The Universal Service and Energy Conservation Reporting Requirements⁶ (USRR) became effective Aug. 8, 1998, for EDCs and Dec. 16, 2000, for NGDCs. This data assists the Commission in monitoring the progress of the EDCs and NGDCs in achieving universal service in their respective service territories. Beginning with 2003 data, FirstEnergy Corp. requested permission to identify and report separately on the four FirstEnergy companies: Metropolitan Edison (Met-Ed), Pennsylvania Electric (Penelec), Penn Power and West Penn Power (West Penn, formerly Allegheny Power). The other utilities subjected to these reporting requirements are Duquesne Light, PECO-Electric, PPL, Columbia, NFG, PECO-Gas, Peoples (formerly Dominion Peoples), Peoples-Equitable,⁷ PGW, UGI Penn Natural, and UGI-Gas.

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

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

A low-income customer is defined as one whose household income is at or below 150 percent of the federal poverty income guidelines (FPIG).⁸ A Confirmed Low-Income (CLI) customer is one whose gross household income has been verified as meeting the FPIG. We have included collection data about confirmed low-income customers for only a select number of collections performance measures. The confirmed low-income data tables are subsets of the Residential data tables appearing in Chapter 2 and are reported separately in the USRR.

¹ 66 Pa. C.S. §§ 2801-2812

² 66 Pa. C.S. Chapter 22

³ 66 Pa. C.S. §§ 2203(7), §§ 2802(10)

⁴ 66 Pa. C.S. §§ 2203(8), §§ 2804(9)

⁵ 52 Pa. Code §§ 54.71–54.78, §§ 62.1-62.8

⁶ 52 Pa. Code § 54.75(2)(ii)(C)(III) for EDCs and 52 Pa. Code § 62.5 (2)(ii)(C)(III) for NGDCs

⁷ On Dec. 18, 2013, Equitable Gas Company was merged into Peoples Natural Gas Company LLC (Peoples). The 2017 Universal Services Report reflects separate data for Peoples and Peoples-Equitable.

⁸ See Appendix 3

Universal Service Programs

Universal Service is a collective name applied to the policies, protections and services that help low-income customers maintain utility service and includes payment assistance programs, termination of service protections, energy reduction programs, and consumer education.⁹ The Commission has made the Bureau of Consumer Services (BCS) **responsible for monitoring and evaluating utilities' universal service programs**. The goal in monitoring these programs is to **increase the effectiveness of utility collections while protecting the public's health and safety**. There are four individual universal service programs.

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

Customer Assistance Program (CAPs) are payment assistance and debt forgiveness programs for payment-troubled households. CAPs are intended to provide affordable monthly bills based on a set energy burden standard. These lower rates are applied to ongoing usage as long as the household remains current and timely paying its monthly customer assistance payments. CAP rates may take the form of a discounted price on actual usage on either all or a portion of the usage, a percentage of the monthly bill, or a monthly amount that is calculated upon a percentage of the household income. Percentage of income plans are correlated **directly to the household's income** and the Commission-determined allowable energy burden percentage. **CAP's debt forgiveness feature freezes a household's unpaid past debt upon entry into the program**. As long as the household remains current and timely on their future payments, the past debt is not collected and is eventually forgiven in incremental amounts over time.

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

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

LIURP and Universal Service Programs Review

On December 16, 2016, the Commission issued a Secretarial Letter entitled Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1 – 58.18, under Docket No. L-2016-2557886. The proceeding is still ongoing at the time of this publication.¹⁰

CAP Policy Statement

On April 9, 2010, the PUC suspended portions¹¹ of the CAP policy statement. The Department of Human Services' (DHS, formerly the Department of Welfare) policy change regarding the application of LIHEAP grants to a distribution company's CAP made those sections inconsistent with its administration of LIHEAP.¹² The suspension of Sections 69.265(9)(ii-iii) of the Commission's regulations is still in effect.

⁹ Electricity Generation Customer Choice and Competition Act at 66 Pa.C.S.A. §2803 and Natural Gas Choice Competition Act at 66 Pa.C.S.A. §2202.

¹⁰ In addition to the LIURP proceeding, the Commission issued the *Energy Affordability for Low-Income Customers*, Docket No. M-2017-2587711 (Opinion and Order entered May 5, 2017), and a *Review of Universal Service and Energy Conservation Programs*, Docket No. M-2017-2596907 (Order entered May 10, 2017). Both proceedings are ongoing at the time of this publication.

¹¹ 52 Pa. Code §§ 69.265(9)(ii-iii)

¹² Set forth in DPW's 2010 Final State Plan

Treatment of PECO Data

PECO serves three types of customers: those who receive only electric service (electric only); those who receive both electric and gas service (combination/electric and gas); and those who receive only gas service (gas only). PECO also reports the electric and gas data separately. In order to split the second group (combination/electric and gas) for some of the data variables, PECO uses **an allocation factor consistent with PECO's gas base rate filing of March 31, 2008**. The updated annual allocation factor for 2017 splits the combination group into 86 percent electric and 14 percent gas. However, for other data variables, PECO does not apply the allocation method. Instead, PECO includes the combination group in both the electric and gas totals.

Responsible Utility Customer Protection Act

Act 201 of 2004¹³ changed the rules that apply to cash deposits, reconnection of service, termination of service, payment arrangements, and the filing of termination complaints by consumers for electric, gas, and water. The goal was to increase timely collections while ensuring that service is available to all customers based on equitable terms and conditions.¹⁴ The law is applicable to EDCs, water distribution companies, and NGDCs with an annual operating income in excess of \$6,000,000.¹⁵ Steam and wastewater utilities are not covered by Chapter 14. The Commission amended Chapter 56 to make these regulations consistent with Chapter 14.¹⁶ On Oct. 22, 2014, Chapter 14 was renewed for a period of 10 years. The next Report is due in Dec. 2019.

¹³ 66 Pa.C.S. §§1401-1418

¹⁴ 66 Pa. C.S. §1402

¹⁵ Small natural gas companies **may voluntarily "opt in" to Chapter 14. 66 Pa. C.S. §1403.**

¹⁶ Docket no. L-00060182, published in Pennsylvania Bulletin Oct. 8, 2011.

2. Collection Performance

The regulations require EDCs and NGDCs to report various Residential and Confirmed Low-Income (CLI) collection data. The following report content reviews each of the collection measures by presenting the raw data itself and by using the data to arrive at calculated variables that are more useful in analyzing collection performance. All of the data and statistics used in this chapter are drawn from information submitted by the companies. Industry Averages are calculated based on category totals and may not represent an average of rates shown in the tables.

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. Most confirmed low-income households are verified through the customer's receipt of a LIHEAP grant, enrollment in a Universal Service program or determined during the course of making a payment arrangement. The Estimated Low-Income customers represent the company's approximation of its total universe of low-income customers, and is based on the latest census data available at the time of reporting. Census data is compiled by Pennsylvania State University annually and sent to the Commission for distribution to the companies for use in determining the estimated number of low-income customers.

Number of Residential Customers

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

Number of Residential Electric Customers

Company	Number of Residential Customers
Duquesne	532,204
Met-Ed	499,192
PECO-Electric	1,463,266
Penelec	501,533
Penn Power	144,286
PPL	1,223,076
West Penn	624,914
Total	4,988,471

Number of Residential Natural Gas Customers

Company	Number of Residential Customers
Columbia	393,410
NFG	196,950
PECO-Gas	480,586
Peoples	333,761
Peoples-Equitable	247,930
PGW	474,960
UGI-Gas	352,720
UGI Penn Natural	154,319
Total	2,634,636

*Number of Confirmed Low-Income Electric Customers **

Company	Number of Confirmed Low-Income Customers	Percent of Customers
Duquesne	48,500	9.1%
Met-Ed	69,787	14.0%
PECO-Electric	155,803	10.6%
Penelec	88,036	17.6%
Penn Power	19,695	13.6%
PPL	181,782	14.9%
West Penn	68,644	11.0%
Total/Industry Average	632,247	12.7%

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

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

Company	Number of Confirmed Low-Income Customers	Percent of Customers
Columbia	67,959	17.3%
NFG	25,612	13.0%
PECO-Gas	27,784	5.8%
Peoples	60,077	18.0%
Peoples-Equitable	44,627	18.0%
PGW	146,488	30.8%
UGI-Gas	33,508	9.5%
UGI Penn Natural	21,973	14.2%
Total/Industry Average	428,028	16.3%

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

*Number of Estimated Low-Income Electric Customers **

Company	Number of Estimated Low-Income Customers	Percent of Customers
Duquesne	134,808	25.3%
Met-Ed	126,209	25.3%
PECO-Electric	386,185	26.4%
Penelec	166,354	33.2%
Penn Power	38,499	26.7%
PPL	262,000	21.4%
West Penn	171,806	27.5%
Total/Industry Average	1,285,861	25.8%

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

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

Company	Number of Estimated Low-Income Customers	Percent of Customers
Columbia	101,375	25.8%
NFG	58,785	29.8%
PECO-Gas	73,381	15.3%
Peoples	89,417	26.8%
Peoples-Equitale	65,056	26.2%
PGW	172,885	36.4%
UGI-Gas	92,051	26.1%
UGI Penn Natural	49,394	32.0%
Total/Industry Average	702,344	26.7%

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

Payment Troubled Customers

A payment troubled customer is a customer who has failed to maintain one or more payment arrangements in a 1-year period.¹⁷ A payment arrangement¹⁸ is an agreement in which a customer who admits liability for billed service is permitted to pay the unpaid balance in one or more payments. The PUC can only offer a payment arrangement **to a payment troubled customer when all “catch-up” arrears are paid**, or when a previous agreement has been satisfied. The companies have no restrictions on the number or terms of any payment arrangements they may choose to offer to payment troubled customers.

The following tables reflect an average of the 12 months of month-end data reported by the companies for payment troubled customer totals,¹⁹ and include both all residential and confirmed low-income categories to allow for the presentation of the percent of payment troubled customers which are confirmed low-income.

Electric Payment Troubled Customers

Company	All Residential	Confirmed Low-Income	Percent of Payment Troubled Customers which are Confirmed Low-Income
Duquesne	640	64	10.0%
Met-Ed	701	448	63.9%
PECO-Electric	2,317	432	18.6%
Penelec	721	490	68.0%
Penn Power	172	117	68.0%
PPL	212,257	66,576	31.4%
West Penn	537	286	53.3%
Total/Industry Average	217,345	68,413	31.5%

¹⁷ 52 Pa. Code § 54.72 or § 62.2

¹⁸ 52 Pa. Code, Chapter 56

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

Natural Gas Payment Troubled Customers

Company	All Residential	Confirmed Low-Income	Percent of Payment Troubled Customers which are Confirmed Low-Income
Columbia	12,968	8,080	62.3%
NFG	819	478	58.4%
PECO-Gas	626	121	19.3%
Peoples	13,983	6,354	45.4%
Peoples-Equitable	8,640	4,052	46.9%
PGW	43,340	37,242	85.9%
UGI-Gas	8,882	7,973	89.8%
UGI Penn Natural	4,760	4,203	88.3%
Total/Industry Average	94,018	68,503	72.9%

Number of Payment Arrangements

The method²⁰ by which utilities determine the total number of payment arrangements for reporting also takes into consideration the limitations in documenting and tracking payment arrangements. This results in treating a broken payment arrangement **that is reinstated due to a “catch-up” payment as a new** payment arrangement. The utility and PUC-granted payment arrangement requests are included in this category. However, CAP payment plans are not included in the count of payment arrangements.

The following tables reflect year-end payment arrangement totals, and include both 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
Duquesne	28,691	5,881	20.5%
Met-Ed	38,305	22,669	59.2%
PECO-Electric	65,563	8,417	12.8%
Penelec	39,435	26,002	65.9%
Penn Power	8,260	5,303	64.2%
PPL	122,421	80,109	65.4%
West Penn	33,632	18,389	54.7%
Total/Industry Average	336,307	166,770	49.6%

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

Natural Gas Payment Arrangements

Company	All Residential	Confirmed Low-Income	Percent of Payment Agreements which are Confirmed Low-Income
Columbia	24,597	15,339	62.4%
NFG	10,836	6,194	57.2%
PECO-Gas	24,896	2,422	9.7%
Peoples	15,752	7,654	48.6%
Peoples-Equitable	13,073	6,816	52.1%
PGW	83,184	61,301	73.7%
UGI-Gas	28,770	23,772	82.6%
UGI Penn Natural	14,857	12,024	80.9%
Total/Industry Average	215,965	135,522	62.8%

Termination of Service

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

Terminations - Residential Electric Customers

Company	2015 Terminations	2016 Terminations	2017 Terminations	Change 2015-17
Duquesne	*16,601	*12,726	21,575	30.0%
Met-Ed	25,136	25,276	23,870	-5.0%
PECO-Electric	85,897	84,736	89,257	3.9%
Penelec	21,579	22,121	21,096	-2.2%
Penn Power	4,951	4,651	4,360	-11.9%
PPL	52,229	40,849	42,216	-19.2%
West Penn	12,551	14,878	14,234	13.4%
Total/Industry Avg	218,944	205,237	216,608	-1.1%

*DLC performed limited credit and collection activities in 2015-2016 due to a system conversion.

Terminations - Residential Natural Gas Customers

Company	2015 Terminations	2016 Terminations	2017 Terminations	Change 2015-17
Columbia	12,664	9,945	10,728	-15.3%
NFG	9,025	*1,422	5,490	-39.2%
PECO-Gas	22,277	20,755	19,813	-11.1%
Peoples	7,894	7,536	9,744	23.4%
Peoples-Equitable	*3,562	5,845	7,757	117.8%
PGW	29,602	25,805	27,443	-7.3%
UGI-Gas	9,658	12,029	8,580	-11.2%
UGI Penn Natural	6,829	6,826	4,840	-29.1%
Total/Industry Avg	101,511	90,163	94,395	-7.0%

*Peoples-Equitable and NFG performed limited credit and collections activities in 2015, 2016 due to a system conversion.

Terminations - Confirmed Low-Income Electric Customers

Company	2015 Terminations	2016 Terminations	2017 Terminations	Change 2015-17
Duquesne	*1,410	*438	4,301	205.0%
Met-Ed	13,092	13,638	12,769	-2.5%
PECO-Electric	28,259	23,801	21,950	-22.3%
Penelec	12,940	13,631	12,910	-0.2%
Penn Power	2,744	2,764	2,484	-9.5%
PPL	33,186	33,075	30,717	-7.4%
West Penn	6,820	8,090	7,860	15.2%
Total/Industry Avg	98,451	95,437	92,991	-5.5%

*DLC performed limited credit and collection activities in 2015-2016 due to a system conversion.

Terminations - Confirmed Low-Income Natural Gas Customers

Company	2015 Terminations	2016 Terminations	2017 Terminations	Change 2015-17
Columbia	7,498	6,030	6,425	-14.3%
NFG	5,220	*861	3,835	-26.5%
PECO-Gas	6,797	5,390	4,917	-27.7%
Peoples	2,052	1,959	2,535	23.5%
Peoples-Equitable	*643	1,106	1,397	117.3%
PGW	20,788	18,757	19,887	-4.3%
UGI-Gas	6,943	7,716	5,649	-18.6%
UGI Penn Natural	4,883	4,459	3,357	-31.3%
Total/Industry Avg	54,824	46,278	48,002	-12.4%

*Peoples-Equitable and NFG performed limited credit and collection activities in 2015, 2016 due to a system conversion.

Termination Rate - Residential Electric Customers

Company	2015 Termination Rate	2016 Termination Rate	2017 Termination Rate	Change 2015-17
Duquesne	*3.2%	*2.4%	4.1%	28.1%
Met-Ed	5.1%	5.1%	4.8%	-5.9%
PECO-Electric	6.0%	5.8%	6.1%	1.7%
Penelec	4.3%	4.4%	4.2%	-2.3%
Penn Power	3.5%	3.2%	3.0%	-14.3%
PPL	4.3%	3.3%	3.5%	-18.6%
West Penn	2.0%	2.4%	2.3%	15.0%
Total/Industry Avg	4.4%	4.1%	4.3%	-2.3%

*DLC performed limited credit and collection activities in 2015-2016 due to a system conversion.

Termination Rate - Residential Natural Gas Customers

Company	2015 Termination Rate	2016 Termination Rate	2017 Termination Rate	Change 2015-17
Columbia	3.3%	2.5%	2.7%	-18.2%
NFG	4.5%	*0.7%	2.8%	-37.8%
PECO-Gas	4.8%	4.4%	4.1%	-14.6%
Peoples	2.4%	2.3%	2.9%	20.9%
Peoples-Equitable	*1.4%	2.4%	3.1%	121.4%
PGW	6.3%	5.5%	5.8%	-7.9%
UGI-Gas	2.8%	3.5%	2.4%	-14.3%
UGI Penn Natural	4.5%	4.5%	3.1%	-31.1%
Total/Industry Avg	3.9%	3.5%	3.6%	-7.7%

*Peoples-Equitable and NFG performed limited credit and collection activities in 2015, 2016 due to a system conversion.

Termination Rate - Confirmed Low-Income Electric Customers

Company	2015 Termination Rate	2016 Termination Rate	2017 Termination Rate	Change 2015-17
Duquesne	*2.7%	*1.0%	8.9%	229.6%
Met-Ed	20.0%	20.2%	18.3%	-8.5%
PECO-Electric	16.2%	14.1%	14.1%	-13.0%
Penelec	15.8%	16.1%	14.7%	-7.0%
Penn Power	14.6%	14.3%	12.6%	-13.7%
PPL	19.1%	18.7%	16.9%	-11.5%
West Penn	11.6%	12.6%	11.5%	-0.9%
Total/Industry Avg	15.8%	15.2%	14.7%	-7.0%

*DLC performed limited credit and collection activities in 2015-2016 due to a system conversion.

Termination Rate - Confirmed Low-Income Natural Gas Customers

Company	2015 Termination Rate	2016 Termination Rate	2017 Termination Rate	Change 2015-17
Columbia	10.9%	8.8%	9.5%	-12.8%
NFG	18.7%	*3.3%	15.0%	-19.8%
PECO-Gas	21.3%	16.8%	17.7%	-16.9%
Peoples	3.4%	3.3%	4.2%	23.5%
Peoples-Equitable	*1.5%	2.5%	3.1%	106.7%
PGW	12.8%	12.6%	13.6%	6.2%
UGI-Gas	18.0%	22.5%	16.9%	-6.1%
UGI Penn Natural	19.6%	19.3%	15.3%	-21.9%
Total/Industry Avg	12.0%	10.6%	11.2%	-6.7%

*Peoples-Equitable and NFG performed limited credit and collection activities in 2015, 2016 due to a system conversion.

Reconnection of Service

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

Reconnections - Residential Electric Customers

Company	2015 Reconnections	2016 Reconnections	2017 Reconnections	Change 2015-17
Duquesne	*10,578	*8,710	15,622	47.7%
Met-Ed	20,503	20,811	19,607	-4.4%
PECO-Electric	66,008	69,913	74,228	12.5%
Penelec	16,506	16,942	15,957	-3.3%
Penn Power	4,880	4,201	3,415	-30.0%
PPL	39,083	30,669	31,280	-20.0%
West Penn	9,732	11,744	10,812	11.1%
Total/Industry Avg	167,290	162,990	170,921	2.2%

*DLC performed limited credit and collection activities in 2015-2016 due to a system conversion.

Reconnections - Residential Natural Gas Customers

Company	2015 Reconnections	2016 Reconnections	2017 Reconnections	Change 2015-17
Columbia	7,088	5,199	5,878	-17.1%
NFG	6,081	*913	4,578	-24.7%
PECO-Gas	17,618	17,242	17,061	-3.2%
Peoples	5,597	5,081	5,884	5.1%
Peoples-Equitable	*2,361	4,006	5,171	119.0%
PGW	19,672	16,771	18,324	-6.9%
UGI-Gas	5,559	7,556	4,816	-13.4%
UGI Penn Natural	4,222	4,318	2,799	-33.7%
Total/Industry Avg	68,198	61,086	64,511	-5.4%

*Peoples-Equitable and NFG performed limited credit and collection activities in 2015, 2016 due to a system conversion.

Reconnections - Confirmed Low-Income Electric Customers

Company	2015 Reconnections	2016 Reconnections	2017 Reconnections	Change 2015-17
Duquesne	*1,150	*336	3,233	181.1%
Met-Ed	9,264	10,110	9,461	2.1%
PECO-Electric	23,074	20,081	19,077	-17.3%
Penelec	8,595	9,266	8,898	3.5%
Penn Power	2,124	2,041	1,660	-21.9%
PPL	23,877	19,365	21,207	-11.2%
West Penn	4,381	5,643	5,098	16.4%
Total/Industry Avg	72,465	66,842	68,634	-5.3%

*DLC performed limited credit and collection activities in 2015-2016 due to a system conversion.

Reconnections - Confirmed Low-Income Natural Gas Customers

Company	2015 Reconnections	2016 Reconnections	2017 Reconnections	Change 2015-17
Columbia	3,731	2,753	3,123	-16.3%
NFG	3,616	*435	2,137	-40.9%
PECO-Gas	5,081	4,201	4,022	-20.8%
Peoples	1,453	1,321	1,528	5.2%
Peoples-Equitable	*453	*720	929	105.1%
PGW	15,010	13,492	14,702	-2.1%
UGI-Gas	2,771	4,362	2,511	-9.4%
UGI Penn Natural	2,098	2,430	1,566	-25.4%
Total/Industry Avg	34,213	29,714	30,518	-10.8%

*Peoples-Equitable and NFG performed limited credit and collection activities in 2015, 2016 due to a system conversion.

Reconnection Rate - Residential Electric Customers

Company	2015 Reconnection Rate	2016 Reconnection Rate	2017 Reconnection Rate	Change 2015-17
Duquesne	63.7%	68.4%	72.4%	13.7%
Met-Ed	81.6%	82.3%	82.1%	0.6%
PECO-Electric	76.8%	82.5%	83.2%	8.3%
Penelec	76.5%	76.6%	75.6%	-1.2%
Penn Power	98.6%	90.3%	78.3%	-20.6%
PPL	74.8%	75.1%	74.1%	-0.9%
West Penn	77.5%	78.9%	76.0%	-1.9%
Total/Industry Avg	76.4%	79.4%	78.9%	3.3%

Reconnection Rate - Residential Natural Gas Customers

Company	2015 Reconnection Rate	2016 Reconnection Rate	2017 Reconnection Rate	Change 2015-17
Columbia	56.0%	52.3%	54.8%	-2.1%
NFG	67.4%	64.2%	83.4%	23.7%
PECO-Gas	79.1%	83.1%	86.1%	8.8%
Peoples	70.9%	67.4%	60.4%	-14.8%
Peoples-Equitable	66.3%	68.5%	66.7%	0.6%
PGW	66.5%	65.0%	66.8%	0.5%
UGI-Gas	57.6%	62.8%	56.1%	-2.6%
UGI Penn Natural	61.8%	63.3%	57.8%	-6.5%
Total/Industry Avg	67.2%	67.8%	68.3%	1.6%

Reconnection Rate - Confirmed Low-Income Electric Customers

Company	2015 Reconnection Rate	2016 Reconnection Rate	2017 Reconnection Rate	Change 2015-17
Duquesne	81.6%	76.7%	75.2%	-7.8%
Met-Ed	70.8%	74.1%	74.1%	4.7%
PECO-Electric	81.7%	84.4%	86.9%	6.4%
Penelec	66.4%	68.0%	68.9%	3.8%
Penn Power	77.4%	73.8%	66.8%	-13.7%
PPL	71.9%	58.5%	69.0%	-4.0%
West Penn	64.2%	69.8%	64.9%	1.1%
Total/Industry Avg	73.6%	70.0%	73.8%	0.3%

Reconnection Rate - Confirmed Low-Income Natural Gas Customers

Company	2015 Reconnection Rate	2016 Reconnection Rate	2017 Reconnection Rate	Change 2015-17
Columbia	49.8%	45.7%	48.6%	-2.4%
NFG	69.3%	50.5%	55.7%	-19.6%
PECO-Gas	74.8%	77.9%	81.8%	9.4%
Peoples	70.8%	67.4%	60.3%	-14.8%
Peoples-Equitale	70.5%	65.1%	66.5%	-5.7%
PGW	72.2%	71.9%	73.9%	2.4%
UGI-Gas	39.9%	56.5%	44.5%	11.5%
UGI Penn Natural	43.0%	54.5%	46.6%	8.4%
Total/Industry Avg	62.4%	64.2%	63.6%	1.9%

Number of Customers in Debt

Two categories exist for reporting customers overdue or in debt. The first includes customers who are on a payment arrangement, and the second includes customers who are not on a payment arrangement. **Those “on a payment arrangement” include both** utility and PUC-granted payment arrangements. Debt that is on a payment arrangement is considered active and is often easier to collect than debt not on a payment arrangement. Uncollectible debt represents more risk for the utility and often leads to higher write-offs.

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

One of the stated purposes of the Chapter 56 regulations²¹ is to “provide functional alternatives to termination.” Customers who make a payment arrangement on an outstanding balance have acknowledged that they are aware of the outstanding debt, and have avoided any imminent threat of termination.²²

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

Duquesne Light, Met-Ed, Penelec, Penn Power, West Penn, Columbia, Peoples-Equitale, UGI Penn Natural and UGI-Gas reported according to the method requested. The variance among the other EDCs and NGDCs shows a difference of no more than 20 days from that method. PECO Electric and Gas, PPL, Peoples and PGW report debt that is 10 days old, meaning these companies are overstating the debt compared to companies that reported debt as 30 days overdue. NFG reports debt that is about 40 days old, meaning NFG is understating its debt relative to the other companies. Appendix 1 contains company specific information.

The second factor affecting the arrearage data uniformity is when a company moves a terminated or discontinued account from active status (included in the reporting) to inactive status (excluded from the reporting).

²¹ 52 Pa. Code § 56.1

²² 52 Pa. Code § 56.97

Company collection policies and accounting practices affect the timing. Appendix 2 contains company specific information.

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

See Appendix 1 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 2 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 Electric Customers in Debt

Company	Number of Customers in Debt on an Agreement	Number of Customers in Debt Not on an Agreement	Total Number of Customers in Debt
Duquesne	12,989	33,160	46,149
Met-Ed	18,647	24,093	42,740
PECO-Electric	17,777	79,109	96,886
Penelec	20,757	27,187	47,944
Penn Power	5,050	6,783	11,833
PPL	76,680	135,494	212,174
West Penn	17,933	30,617	48,550
Total	169,833	336,443	506,276

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	15,329	11,290	26,619
NFG	10,136	13,624	23,760
PECO-Gas	5,912	19,066	24,978
Peoples	7,633	17,152	24,785
Peoples-Equitable	5,405	14,561	19,966
PGW	22,758	63,471	86,229
UGI-Gas	6,152	28,942	35,094
UGI Penn Natural	3,281	12,674	15,955
Total	76,606	180,780	257,386

Number of Confirmed Low-Income Electric Customers in Debt

Company	Customers in Debt on an Agreement	Customers in Debt Not on an Agreement	Total of Customers in Debt
Duquesne	1,564	5,944	7,508
Met-Ed	11,637	9,186	20,823
PECO-Electric	2,561	7,492	10,053
Penelec	14,029	12,244	26,273
Penn Power	3,320	2,768	6,088
PPL	23,494	43,082	66,576
West Penn	9,733	10,326	20,059
Total	66,338	91,042	157,380

Number of Confirmed Low-Income Natural Gas Customers in Debt

Company	Customers in Debt on an Agreement	Customers in Debt Not on an Agreement	Total of Customers in Debt
Columbia	7,609	3,450	11,059
NFG	5,464	3,789	9,253
PECO-Gas	805	1,687	2,492
Peoples	3,788	4,826	8,614
Peoples-Equitale	2,813	3,918	6,731
PGW	16,072	3,379	19,451
UGI-Gas	5,341	6,706	12,047
UGI Penn Natural	2,852	3,745	6,597
Total	44,744	31,500	76,244

Number of Residential Electric Customers in Debt

Company	2015 Total Number of Customers in Debt	2016 Total Number of Customers in Debt	2017 Total Number of Customers in Debt	Change 2015-17
Duquesne	54,220	78,459	46,149	-14.9%
Met-Ed	46,919	46,457	42,739	-8.9%
PECO-Electric	99,216	96,065	96,886	-2.3%
Penelec	48,867	50,197	47,943	-1.9%
Penn Power	12,215	12,840	11,833	-3.1%
PPL	140,265	215,376	212,174	51.3%
West Penn	49,537	50,734	48,549	-2.0%
Total/Industry Avg	451,239	550,128	506,273	12.2%

Number of Residential Natural Gas Customers in Debt

Company	2015 Total Number of Customers in Debt	2016 Total Number of Customers in Debt	2017 Total Number of Customers in Debt	Change 2015-17
Columbia	29,830	27,691	26,619	-10.8%
NFG	10,644	17,853	23,760	123.2%
PECO-Gas	24,847	24,841	24,978	0.5%
Peoples	27,227	25,098	24,786	-9.0%
Peoples-Equitable	19,865	21,300	19,965	0.5%
PGW	80,205	81,596	86,230	7.5%
UGI-Gas	32,324	29,428	35,094	8.6%
UGI Penn Natural	15,483	12,953	15,955	3.0%
Total/Industry Avg	240,425	240,760	257,387	7.1%

Number of Confirmed Low-Income Electric Customers in Debt

Company	2015 Total Number of CLI Customers in Debt	2016 Total Number of CLI Customers in Debt	2017 Total Number of CLI Customers in Debt	Change 2015-17
Duquesne	5,293	4,152	7,508	41.8%
Met-Ed	22,903	22,789	20,823	-9.1%
PECO-Electric	12,091	11,593	10,052	-16.9%
Penelec	26,565	27,379	26,273	-1.1%
Penn Power	6,376	6,624	6,087	-4.5%
PPL	69,215	65,279	66,576	-3.8%
West Penn	19,610	20,927	20,058	2.3%
Total/Industry Avg	162,053	158,743	157,377	-2.9%

Number of Confirmed Low-Income Natural Gas Customers in Debt

Company	2015 Total Number of CLI Customers in Debt	2016 Total Number of CLI Customers in Debt	2017 Total Number of CLI Customers in Debt	Change 2015-17
Columbia	13,975	12,294	11,059	-20.9%
NFG	4,965	6,324	9,252	86.3%
PECO-Gas	2,668	2,911	2,493	-6.6%
Peoples	9,804	8,608	8,613	-12.1%
Peoples-Equitable	7,273	6,773	6,731	-7.5%
PGW	21,237	15,733	19,451	-8.4%
UGI-Gas	14,962	12,260	12,046	-19.5%
UGI Penn Natural	8,406	6,542	6,598	-21.5%
Total/Industry Avg	83,288	71,445	76,243	-8.5%

Percent of Customers in Debt

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

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

Percent of Total Residential Electric Customers in Debt

Company	Customers in Debt on an Agreement	Customers in Debt Not on an Agreement	Total Percent of Customers in Debt
Duquesne	2.4%	6.2%	8.6%
Met-Ed	3.7%	4.8%	8.5%
PECO-Electric	1.2%	5.4%	6.6%
Penelec	4.1%	5.4%	9.5%
Penn Power	3.5%	4.7%	8.2%
PPL	6.3%	11.1%	17.4%
West Penn	2.9%	4.9%	7.8%
Total/Industry Average	3.4%	6.7%	10.1%

Percent of Total Residential Natural Gas Customers in Debt

Company	Customers in Debt on an Agreement	Customers in Debt Not on an Agreement	Total Percent of Customers in Debt
Columbia	3.9%	2.9%	6.8%
NFG	5.1%	6.9%	12.0%
PECO-Gas	1.2%	4.0%	5.2%
Peoples	2.3%	5.1%	7.4%
Peoples-Equitable	2.2%	5.9%	8.1%
PGW	4.8%	13.4%	18.2%
UGI-Gas	1.7%	8.2%	9.9%
UGI Penn Natural	2.1%	8.2%	10.3%
Total/Industry Average	2.9%	6.9%	9.8%

Percent of Confirmed Low-Income Electric Customers in Debt

Company	Customers in Debt on an Agreement	Customers in Debt Not on an Agreement	Total Percent of Customers in Debt
Duquesne	3.2%	12.3%	15.5%
Met-Ed	16.7%	13.2%	29.9%
PECO-Electric	1.6%	4.8%	6.4%
Penelec	15.9%	13.9%	29.8%
Penn Power	16.9%	14.1%	31.0%
PPL	12.9%	23.7%	36.6%
West Penn	14.2%	15.0%	29.2%
Total/Industry Average	10.5%	14.4%	24.9%

Percent of Confirmed Low-Income Natural Gas Customers in Debt

Company	Customers in Debt on an Agreement	Customers in Debt Not on an Agreement	Total Percent of Customers in Debt
Columbia	11.2%	5.1%	16.3%
NFG	21.3%	14.8%	36.1%
PECO-Gas	2.9%	6.1%	9.0%
Peoples	6.3%	8.0%	14.3%
Peoples-Equitable	6.3%	8.8%	15.1%
PGW	11.0%	2.3%	13.3%
UGI-Gas	15.9%	20.0%	35.9%
UGI Penn Natural	13.0%	17.0%	30.0%
Total/Industry Average	10.5%	7.4%	17.9%

Residential Customer Debt in Dollars Owed

The amount of money owed has an impact on company expenses, making up part of the **company's** distribution charge. Higher dollars not on agreement represent greater risk for those dollars to be uncollectible.

See Appendix 1 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 2 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	Dollars in Debt on an Agreement	Dollars in Debt Not on an Agreement	Total Dollars in Debt
Duquesne	\$9,879,948	\$11,247,244	\$21,127,192
Met-Ed	\$11,118,050	\$6,145,435	\$17,263,485
PECO-Electric	\$8,188,325	\$18,128,630	\$26,316,955
Penelec	\$12,642,835	\$6,662,367	\$19,305,202
Penn Power	\$3,572,723	\$1,777,878	\$5,350,601
PPL	\$38,349,880	\$55,587,734	\$93,937,614
West Penn	\$9,727,486	\$7,614,339	\$17,341,825
Total	\$93,479,247	\$107,163,627	\$200,642,874

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	\$8,556,444	\$3,569,470	\$12,125,914
NFG	\$1,997,736	\$2,970,767	\$4,968,503
PECO-Gas	\$3,180,480	\$6,538,489	\$9,718,969
Peoples	\$3,256,517	\$3,454,267	\$6,710,784
Peoples-Equitable	\$2,177,075	\$2,617,389	\$4,794,464
PGW	\$13,457,054	\$27,397,061	\$40,854,115
UGI-Gas	\$2,596,127	\$5,337,792	\$7,933,919
UGI Penn Natural	\$1,494,891	\$2,986,949	\$4,481,840
Total	\$36,716,324	\$54,872,184	\$91,588,508

Dollars in Debt - Confirmed Low-Income Electric Customers

Company	Dollars in Debt on an Agreement	Dollars in Debt Not on an Agreement	Total Dollars in Debt
Duquesne	\$1,721,153	\$5,896,923	\$7,618,076
Met-Ed	\$7,421,354	\$2,894,013	\$10,315,367
PECO-Electric	\$1,661,847	\$3,298,271	\$4,960,118
Penelec	\$8,871,609	\$3,578,732	\$12,450,341
Penn Power	\$2,434,992	\$863,754	\$3,298,746
PPL	\$9,940,503	\$36,519,141	\$46,459,644
West Penn	\$5,395,693	\$3,390,281	\$8,785,974
Total	\$37,447,151	\$56,441,115	\$93,888,266

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	\$4,828,385	\$1,250,706	\$6,079,091
NFG	\$1,194,615	\$1,448,355	\$2,642,970
PECO-Gas	\$615,456	\$1,324,553	\$1,940,009
Peoples	\$1,841,163	\$1,529,928	\$3,371,091
Peoples-Equitable	\$1,293,325	\$1,012,018	\$2,305,343
PGW	\$8,767,467	\$2,136,334	\$10,903,801
UGI-Gas	\$2,333,248	\$2,415,320	\$4,748,568
UGI Penn Natural	\$1,347,720	\$1,433,842	\$2,781,562
Total	\$22,221,379	\$12,551,056	\$34,772,435

Dollars in Debt - Residential Electric Customers

Company	2015 Total Dollars in Debt	2016 Total Dollars in Debt	2017 Total Dollars in Debt	Change 2015-17
Duquesne	\$20,130,626	\$23,421,163	\$21,127,172	5.0%
Met-Ed	\$21,256,721	\$20,089,702	\$17,263,485	-18.8%
PECO-Electric	\$33,191,355	\$27,459,958	\$26,316,954	-20.7%
Penelec	\$19,886,564	\$20,488,054	\$19,305,202	-2.9%
Penn Power	\$5,201,900	\$6,183,118	\$5,350,600	2.9%
PPL	\$88,587,481	\$101,379,527	\$93,937,614	6.0%
West Penn	\$15,811,977	\$17,604,367	\$17,341,825	9.7%
Total/Industry Avg	\$204,066,624	\$216,625,889	\$200,642,852	-1.7%

Dollars in Debt - Residential Natural Gas Customers

Company	2015 Total Dollars in Debt	2016 Total Dollars in Debt	2014 Total Dollars in Debt	Change 2015-17
Columbia	\$16,137,535	\$12,198,817	\$12,125,914	-24.9%
NFG	\$4,115,375	\$4,686,567	\$4,968,503	20.7%
PECO-Gas	\$11,528,490	\$9,987,500	\$9,718,969	-15.7%
Peoples	\$9,786,548	\$4,990,890	\$6,710,784	-31.4%
Peoples-Equitable	\$7,376,609	\$4,041,024	\$4,794,464	-35.0%
PGW	\$48,289,912	\$42,492,338	\$40,854,115	-15.4%
UGI-Gas	\$9,421,096	\$6,348,278	\$7,933,919	-15.8%
UGI Penn Natural	\$6,293,576	\$3,783,649	\$4,481,840	-28.8%
Total/Industry Avg	\$112,949,141	\$88,529,063	\$91,588,508	-18.9%

Dollars in Debt – Confirmed Low-Income Electric Customers

Company	2015 Total CLI Dollars in Debt	2016 Total CLI Dollars in Debt	2017 Total CLI Dollars in Debt	Change 2015-17
Duquesne	\$3,560,825	\$3,392,854	\$7,618,075	113.9%
Met-Ed	\$13,069,427	\$12,278,506	\$10,315,367	-21.1%
PECO-Electric	\$7,464,062	\$6,229,415	\$4,960,119	-33.6%
Penelec	\$13,287,670	\$13,562,576	\$12,450,341	-6.3%
Penn Power	\$3,287,802	\$3,834,917	\$3,298,746	0.3%
PPL	\$60,385,578	\$50,120,887	\$46,459,644	-23.1%
West Penn	\$7,899,153	\$8,943,780	\$8,785,974	11.2%
Total/Industry Avg	\$108,954,517	\$98,362,935	\$93,888,266	-13.8%

Dollars in Debt – Confirmed Low-Income Natural Gas Customers

Company	2015 Total CLI Dollars in Debt	2016 Total CLI Dollars in Debt	2017 Total CLI Dollars in Debt	Change 2015-17
Columbia	\$8,659,860	\$6,512,732	\$6,079,091	-29.8%
NFG	\$2,478,235	\$2,469,326	\$2,642,970	6.6%
PECO-Gas	\$2,605,830	\$2,411,765	\$1,940,009	-25.6%
Peoples	\$4,512,975	\$2,218,184	\$3,371,091	-25.3%
Peoples-Equitable	\$3,470,698	\$1,713,919	\$2,305,343	-33.6%
PGW	\$14,958,895	\$9,572,276	\$10,903,801	-27.1%
UGI-Gas	\$6,150,502	\$4,026,123	\$4,748,568	-22.8%
UGI Penn Natural	\$4,330,362	\$2,553,107	\$2,781,563	-35.8%
Total/Industry Avg	\$47,167,357	\$31,477,432	\$34,772,436	-26.3%

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. Higher percentages of dollars not on agreement represent greater uncollectible risk.

See Appendix 1 for a chart showing the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue). See Appendix 2 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 Dollars Owed on an Agreement - Residential Electric Customers

Company	Percent of Dollars Owed – On an Agreement	Percent of Dollars Owed – Not on an Agreement
Duquesne	46.8%	53.2%
Met-Ed	64.4%	35.6%
PECO-Electric	31.1%	68.9%
Penelec	65.5%	34.5%
Penn Power	66.8%	33.2%
PPL	40.8%	59.2%
West Penn	56.1%	43.9%
Total/Industry Average	46.6%	53.4%

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

Company	Percent of Dollars Owed – On an Agreement	Percent of Dollars Owed – Not on an Agreement
Columbia	70.6%	29.4%
NFG	40.2%	59.8%
PECO-Gas	32.7%	67.3%
Peoples	48.5%	51.5%
Peoples-Equitable	45.4%	54.6%
PGW	32.9%	67.1%
UGI-Gas	32.7%	67.3%
UGI Penn Natural	33.4%	66.6%
Total/Industry Average	40.1%	59.9%

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

Company	Percent of Dollars Owed – on an Agreement	Percent of Dollars Owed – Not on an Agreement
Duquesne	22.6%	77.4%
Met-Ed	71.9%	28.1%
PECO-Electric	33.5%	66.5%
Penelec	71.3%	28.7%
Penn Power	73.8%	26.2%
PPL	21.4%	78.6%
West Penn	61.4%	38.6%
Total/Industry Average	39.9%	60.1%

*Percent of Dollars Owed 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	79.4%	20.6%
NFG	45.2%	54.8%
PECO-Gas	31.7%	68.3%
Peoples	54.6%	45.4%
Peoples-Equitable	56.1%	43.9%
PGW	80.4%	19.6%
UGI-Gas	49.1%	50.9%
UGI Penn Natural	48.5%	51.5%
Total/Industry Average	63.9%	36.1%

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.

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

Average Arrearage - Residential Electric Customers

Company	Average Arrearage on an Agreement	Average Arrearage Not on an Agreement	Overall Average Arrearage
Duquesne	\$760.64	\$339.18	\$457.80
Met-Ed	\$596.24	\$255.07	\$403.93
PECO-Electric	\$460.61	\$229.16	\$271.63
Penelec	\$609.09	\$245.06	\$402.67
Penn Power	\$707.47	\$262.11	\$452.18
PPL	\$500.13	\$410.26	\$442.74
West Penn	\$542.43	\$248.70	\$357.20
Industry Average	\$550.42	\$318.52	\$396.31

Average Arrearage - Residential Natural Gas Customers

Company	Average Arrearage on an Agreement	Average Arrearage Not on an Agreement	Overall Average Arrearage
Columbia	\$558.19	\$316.16	\$455.54
NFG	\$197.09	\$218.05	\$209.11
PECO-Gas	\$537.97	\$342.94	\$389.10
Peoples	\$426.64	\$201.39	\$270.75
Peoples-Equitable	\$402.79	\$179.75	\$240.14
PGW	\$591.31	\$431.65	\$473.78
UGI-Gas	\$422.00	\$184.43	\$226.08
UGI Penn Natural	\$455.62	\$235.68	\$280.91
Industry Average	\$479.29	\$303.53	\$355.84

Average Arrearage - Confirmed Low-Income Electric Customers

Company	Average Arrearage on an Agreement	Average Arrearage Not on an Agreement	Overall Average Arrearage
Duquesne	\$1,100.48	\$992.08	\$1,014.66
Met-Ed	\$637.74	\$315.05	\$495.38
PECO-Electric	\$648.91	\$440.24	\$493.45
Penelec	\$632.38	\$292.28	\$473.88
Penn Power	\$733.43	\$312.05	\$541.93
PPL	\$423.11	\$847.67	\$697.84
West Penn	\$554.37	\$328.32	\$438.03
Industry Average	\$564.49	\$619.95	\$596.58

Average Arrearage - Confirmed Low-Income Natural Gas Customers

Company	Average Arrearage on an Agreement	Average Arrearage Not on an Agreement	Overall Average Arrearage
Columbia	\$634.56	\$362.52	\$549.70
NFG	\$218.63	\$382.25	\$285.66
PECO-Gas	\$764.54	\$785.15	\$778.23
Peoples	\$486.05	\$317.02	\$391.38
Peoples-Equitable	\$459.77	\$258.30	\$342.47
PGW	\$545.51	\$632.24	\$560.59
UGI-Gas	\$436.86	\$360.17	\$394.20
UGI Penn Natural	\$472.55	\$382.87	\$421.59
Industry Average	\$496.63	\$398.45	\$456.07

Average Arrearage – Residential Electric Customers

Company	2015 Overall Average Arrearage	2016 Overall Average Arrearage	2017 Overall Average Arrearage	Change 2015-17
Duquesne	\$371.28	\$298.51	\$457.80	23.3%
Met-Ed	\$453.05	\$432.44	\$403.93	-10.9%
PECO-Electric	\$334.54	\$285.85	\$271.63	-18.8%
Penelec	\$406.95	\$408.15	\$402.67	-1.1%
Penn Power	\$425.86	\$481.55	\$452.18	6.2%
PPL	\$631.57	\$470.71	\$442.74	-29.9%
West Penn	\$319.20	\$346.99	\$357.20	11.9%
Total/Industry Avg	\$452.24	\$393.77	\$396.31	-12.4%

Average Arrearage – Residential Natural Gas Customers

Company	2015 Overall Average Arrearage	2016 Overall Average Arrearage	2017 Overall Average Arrearage	Change 2015-17
Columbia	\$540.98	\$440.53	\$455.54	-15.8%
NFG	\$386.64	\$262.51	\$209.11	-45.9%
PECO-Gas	\$463.98	\$402.06	\$389.10	-16.1%
Peoples	\$359.44	\$198.86	\$270.75	-24.7%
Peoples-Equitable	\$371.34	\$189.72	\$240.14	-35.3%
PGW	\$602.08	\$520.76	\$473.78	-21.3%
UGI-Gas	\$291.46	\$215.72	\$226.08	-22.4%
UGI Penn Natural	\$406.48	\$292.11	\$280.91	-30.9%
Total/Industry Avg	\$469.77	\$367.71	\$355.84	-24.3%

Average Arrearage – Confirmed Low-Income Electric Customers

Company	2015 Overall CLI Average Arrearage	2016 Overall CLI Average Arrearage	2017 Overall CLI Average Arrearage	Change 2015-17
Duquesne	\$672.74	\$817.16	\$1,014.66	50.8%
Met-Ed	\$570.64	\$538.79	\$495.38	-13.2%
PECO-Electric	\$617.32	\$537.34	\$493.45	-20.1%
Penelec	\$500.19	\$495.36	\$473.88	-5.3%
Penn Power	\$515.65	\$578.94	\$541.93	5.1%
PPL	\$872.43	\$767.79	\$697.84	-20.0%
West Penn	\$402.81	\$427.38	\$438.03	8.7%
Total/Industry Avg	\$672.34	\$619.64	\$596.58	-11.3%

Average Arrearage – Confirmed Low-Income Natural Gas Customers

Company	2015 Overall CLI Average Arrearage	2016 Overall CLI Average Arrearage	2017 Overall CLI Average Arrearage	Change 2015-17
Columbia	\$619.67	\$529.75	\$549.70	-11.3%
NFG	\$499.14	\$390.47	\$285.66	-42.8%
PECO-Gas	\$976.70	\$828.50	\$778.23	-20.3%
Peoples	\$460.32	\$257.69	\$391.38	-15.0%
Peoples-Equitable	\$477.20	\$253.05	\$342.47	-28.2%
PGW	\$704.38	\$608.42	\$560.59	-20.4%
UGI-Gas	\$411.07	\$328.40	\$394.20	-4.1%
UGI Penn Natural	\$515.15	\$390.26	\$421.59	-18.2%
Total/Industry Avg	\$566.32	\$440.58	\$456.07	-19.5%

Accounts Exceeding \$10,000 in Arrearages

On December 22, 2014, Act 155 became effective, reauthorizing and amending Chapter 14 of the Public Utility Code (66 Pa. C.S. §§ 1401-1419), Responsible Utility Customer Protection. Act 155 implemented a new reporting requirement²³ for the utilities to report data regarding the number of active (*i.e.* accounts not final billed) residential accounts that exceed \$10,000 in arrearages at the end of each calendar year, along with those account balances.²⁴ We present that data in the tables below, noting that PECO has reported electric and gas accounts together. Peoples and Peoples-Equitable have also reported combined data. The Average Arrearage is calculated by dividing the Total Arrearage (sum of all account balances over \$10,000) by the Number of Accounts.

²³ Final Order Chapter 14 Implementation Docket No. M-2014-2448824, order entered 7/9/2015. Section 1410.1(3) (Public utility duties) (Reporting Requirements re: Accounts Exceeding \$10,000 in Arrearages), pp 32-33.

²⁴ The utilities report several data points under Section 1410.1(3), however, only data relevant to the Universal Service Programs & Collections Performance has been included in this report. All utility annual 1410.1(3) reports are available at Docket No. M-2014-2448824.

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

Company	2015 Total Number of Accounts over 10k	2016 Total Number of Accounts over 10k	2017 Total Number of Accounts over 10k	Change 2015-17
Duquesne	21	16	51	142.9%
Met-Ed	78	53	34	-56.4%
PECO-Electric/Gas	92	53	53	-42.4%
Penelec	73	66	48	-34.2%
Penn Power	13	23	19	46.2%
PPL	227	169	168	-26.0%
West Penn	34	93	51	50.0%
Total/Industry Average	538	473	424	-21.2%

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

Company	2015 Total Number of Accounts over 10k	2016 Total Number of Accounts over 10k	2017 Total Number of Accounts over 10k	Change 2015-17
Columbia	0	0	0	0.0%
NFG	0	0	0	0.0%
Peoples/Peoples-EQT	68	52	27	-60.3%
PGW	345	299	224	-35.1%
UGI-Gas	0	0	2	n/a
UGI Penn Natural	0	0	1	n/a
Total/Industry Average	413	351	254	-38.5%

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

Company	2015 Total Arrearages of Accounts over 10k	2016 Total Arrearages of Accounts over 10k	2017 Total Arrearages of Accounts over 10k	Change 2015-17
Duquesne	\$281,460.64	\$204,389.77	\$651,869.38	131.6%
Met-Ed	\$960,905.89	\$680,193.14	\$442,145.68	-54.0%
PECO-Electric/Gas	\$1,232,331.65	\$687,746.57	\$777,082.08	-36.9%
Penelec	\$931,180.45	\$861,338.33	\$634,487.66	-31.9%
Penn Power	\$183,481.42	\$340,016.40	\$316,219.72	72.3%
PPL	\$2,956,909.51	\$2,277,802.42	\$2,325,907.76	-21.3%
West Penn	\$409,396.32	\$1,200,619.68	\$642,125.51	56.8%
Total/Industry Average	\$6,955,665.88	\$6,252,106.31	\$5,789,837.79	-16.8%

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

Company	2015 Total Arrearages of Accounts over 10k	2016 Total Arrearages of Accounts over 10k	2017 Total Arrearages of Accounts over 10k	Change 2015-17
Columbia	\$0.00	\$0.00	\$0.00	0%
NFG	\$0.00	\$0.00	\$0.00	0%
Peoples/Peoples-EQT	\$877,933.74	\$683,785.82	\$351,533.98	-60.0%
PGW	\$4,930,634.18	\$4,122,060.98	\$2,922,472.66	-40.7%
UGI-Gas	\$0.00	\$0.00	\$22,304.89	n/a
UGI Penn Natural	\$0.00	\$0.00	\$10,362.38	n/a
Total/Industry Average	\$5,808,567.92	\$4,805,846.80	\$3,306,673.91	-43.1%

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

Company	2015 Average Arrearage of Accounts over 10k	2016 Average Arrearage of Accounts over 10k	2017 Average Arrearage of Accounts over 10k	Change 2015-17
Duquesne	\$13,402.89	\$12,774.36	\$12,781.75	-4.6%
Met-Ed	\$12,319.31	\$12,833.83	\$13,004.28	5.6%
PECO-Electric/Gas	\$13,394.91	\$12,976.35	\$14,661.93	9.5%
Penelec	\$12,755.90	\$13,050.58	\$13,218.49	3.6%
Penn Power	\$14,113.96	\$14,783.32	\$16,643.14	17.9%
PPL	\$13,026.03	\$13,478.12	\$13,844.69	6.3%
West Penn	\$12,041.07	\$12,909.89	\$12,590.70	4.6%
Total/Industry Average	\$12,928.75	\$13,217.98	\$13,655.28	5.6%

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

Company	2015 Average Arrearage of Accounts over 10k	2016 Average Arrearage of Accounts over 10k	2017 Average Arrearage of Accounts over 10k	Change 2015-17
Columbia	\$0.00	\$0.00	\$0.00	0%
NFG	\$0.00	\$0.00	\$0.00	0%
Peoples/Peoples-EQT	\$12,910.79	\$13,149.73	\$13,019.78	0.8%
PGW	\$14,291.69	\$13,786.16	\$13,046.75	-8.7%
UGI-Gas	\$0.00	\$0.00	\$11,152.45	n/a
UGI Penn Natural	\$0.00	\$0.00	\$10,362.38	n/a
Total/Industry Average	\$14,064.33	\$13,691.87	\$13,018.40	-7.4%

Revenues (Billings)

Revenues (Billings) are the cumulative, year-end total dollars collected by the utility for the previous year and reported in the USRR for both the Residential and Confirmed Low-Income categories. Billings are used in the calculation of other collection performance measures, and include dollars collected from Universal Service program recipients, including CAP customers' billings.

Residential Revenues (Billings) - Electric Customers

Company	All Residential	Confirmed Low-Income	Percent Confirmed Low-Income
Duquesne	\$513,411,625	\$57,808,005	11.3%
Met-Ed	\$600,897,860	\$98,387,630	16.4%
PECO-Electric	\$1,939,642,652	\$150,647,421	7.8%
Penelec	\$556,183,104	\$118,186,420	21.2%
Penn Power	\$177,401,888	\$26,828,355	15.1%
PPL	\$1,971,162,280	\$364,200,480	18.5%
West Penn	\$671,511,234	\$91,770,888	13.7%
Total/Industry Average	\$6,430,210,643	\$907,829,199	14.1%

Residential Revenues (Billings) - Natural Gas Customers

Company	All Residential	Confirmed Low-Income	Percent Confirmed Low-Income
Columbia	\$392,397,339	\$69,240,784	17.6%
NFG	\$135,825,959	\$20,147,400	14.8%
PECO-Gas	\$354,125,048	\$20,302,061	5.7%
Peoples	\$268,489,281	\$69,807,213	26.0%
Peoples-Equitable	\$189,938,343	\$34,188,902	18.0%
PGW	\$489,888,426	\$126,245,374	25.8%
UGI-Gas	\$251,118,904	\$23,801,557	9.5%
UGI Penn Natural	\$143,466,246	\$18,933,593	13.2%
Total/Industry Average	\$2,225,249,546	\$382,666,884	17.2%

Percent of Revenues (Billings) in Debt

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

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

Company	2015	2016	2017	Change 2015-17
Duquesne	3.9%	4.4%	4.1%	5.1%
Met-Ed	3.7%	3.5%	2.9%	-21.6%
PECO-Electric	1.6%	1.3%	1.4%	-12.5%
Penelec	4.0%	3.9%	3.5%	-12.5%
Penn Power	3.0%	3.4%	3.0%	0.0%
PPL	4.4%	5.0%	4.8%	9.1%
West Penn	2.6%	2.7%	2.6%	0.0%
Industry Average	3.1%	3.3%	3.1%	0.0%

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

Company	2015	2016	2017	Change 2015-17
Columbia	4.2%	3.6%	3.1%	-26.2%
NFG	3.1%	4.2%	3.7%	19.4%
PECO-Gas	2.7%	3.1%	2.7%	0.0%
Peoples	3.4%	2.1%	2.5%	-26.5%
Peoples-Equitable	3.6%	2.5%	2.5%	-30.6%
PGW	9.9%	10.4%	8.3%	-16.2%
UGI-Gas	4.6%	3.4%	3.2%	-30.4%
UGI Penn Natural	3.8%	2.9%	3.1%	-18.4%
Industry Average	4.9%	4.6%	4.1%	-16.3%

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

Company	2015	2016	2017	Change 2015-17
Duquesne	7.1%	6.0%	13.2%	85.9%
Met-Ed	13.5%	13.4%	10.5%	-22.2%
PECO-Electric	6.2%	5.6%	3.3%	-46.8%
Penelec	12.3%	12.3%	10.5%	-14.6%
Penn Power	12.1%	13.8%	12.3%	1.7%
PPL	16.6%	13.4%	12.8%	-22.9%
West Penn	9.8%	10.5%	9.6%	-2.0%
Industry Average	12.9%	11.5%	10.3%	-20.2%

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

Company	2015	2016	2017	Change 2015-17
Columbia	13.1%	11.4%	8.8%	-32.8%
NFG	14.5%	18.2%	13.1%	-9.7%
PECO-Gas	14.9%	17.6%	9.6%	-35.6%
Peoples	6.0%	3.7%	4.8%	-20.0%
Peoples-Equitable	9.4%	5.8%	6.7%	-28.7%
PGW	11.1%	7.8%	8.6%	-22.5%
UGI-Gas	17.8%	17.5%	20.0%	12.4%
UGI Penn Natural	13.6%	12.4%	14.7%	8.1%
Industry Average	11.4%	9.2%	9.1%	-20.2%

Gross Residential Write-Offs in Dollars

The tables below represent the gross residential write-offs in dollars for EDCs and NGDCs. Write-offs are the final treatment of overdue accounts. A residential account is written off after all pre-write-off collection actions are taken and the customer fails to make payment on the balance owed. Generally, a company writes off accounts on either a monthly or annual basis. The gross write-offs figures do not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs in Dollars - Electric Customers

Company	All Residential	Confirmed Low-Income	Percent Confirmed Low-Income
Duquesne	\$18,617,640	\$7,593,815	40.8%
Met-Ed	\$12,158,927	\$9,426,686	77.5%
PECO-Electric	\$27,484,369	\$6,679,875	24.3%
Penelec	\$11,516,271	\$9,316,626	80.9%
Penn Power	\$2,851,522	\$2,411,836	84.6%
PPL	\$50,434,096	\$36,254,853	71.9%
West Penn	\$12,673,729	\$10,061,834	79.4%
Total/Industry Average	\$135,736,554	\$81,745,525	60.2%

Gross Write-Offs in Dollars - Natural Gas Customers

Company	All Residential	Confirmed Low-Income	Percent Confirmed Low-Income
Columbia	\$7,722,801	\$5,417,332	70.1%
NFG	\$2,616,334	\$1,116,455	42.7%
PECO-Gas	\$1,956,647	\$577,754	29.5%
Peoples	\$8,722,734	\$2,267,911	26.0%
Peoples-Equitable	\$4,985,137	\$897,325	18.0%
PGW	\$47,487,882	\$30,648,945	64.5%
UGI-Gas	\$6,329,806	\$2,148,256	33.9%
UGI Penn Natural	\$3,384,812	\$1,312,505	38.8%
Total/Industry Average	\$83,206,153	\$44,386,483	53.3%

Gross Write-Offs in Dollars - Residential Electric Customers

Company	2015 Gross Write-Offs in Dollars	2016 Gross Write-Offs in Dollars	2017 Gross Write-Offs in Dollars	Change 2015-17
Duquesne	\$11,249,134	\$8,688,610	\$18,617,640	65.5%
Met-Ed	\$14,112,271	\$13,557,436	\$12,158,927	-13.8%
PECO-Electric	\$30,272,765	\$24,328,821	\$27,484,369	-9.2%
Penelec	\$12,311,625	\$12,745,926	\$11,516,271	-6.5%
Penn Power	\$2,579,296	\$2,930,804	\$2,851,522	10.6%
PPL	\$66,007,829	\$56,183,980	\$50,434,096	-23.6%
West Penn	\$10,531,117	\$12,404,107	\$12,673,729	20.3%
Total/Industry Avg	\$147,064,037	\$130,839,684	\$135,736,554	-7.7%

Gross Write-Offs in Dollars - Residential Natural Gas Customers

Company	2015 Gross Write-Offs in Dollars	2016 Gross Write-Offs in Dollars	2017 Gross Write-Offs in Dollars	Change 2015-17
Columbia	\$9,437,857	\$7,405,860	\$7,722,801	-18.2%
NFG	\$4,483,553	\$3,650,873	\$2,616,334	-41.7%
PECO-Gas	\$2,346,798	\$829,122	\$1,956,647	-16.6%
Peoples	\$12,278,610	\$10,256,963	\$8,722,734	-29.0%
Peoples-Equitable	\$2,189,341	\$3,659,582	\$4,985,137	127.7%
PGW	\$48,411,806	\$61,371,552	\$47,487,882	-1.9%
UGI-Gas	\$6,842,786	\$4,725,255	\$6,329,806	-7.5%
UGI Penn Natural	\$4,419,332	\$2,534,491	\$3,384,812	-23.4%
Total/Industry Avg	\$90,410,083	\$94,433,698	\$83,206,153	-8.0%

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

Company	2015 Gross Write-Offs in Dollars CLI	2016 Gross Write-Offs in Dollars CLI	2017 Gross Write-Offs in Dollars CLI	Change 2015-17
Duquesne	\$1,613,191	\$1,738,898	\$7,593,815	370.7%
Met-Ed	\$10,138,588	\$9,765,101	\$9,426,686	-7.0%
PECO-Electric	\$6,415,266	\$5,655,959	\$6,679,875	4.1%
Penelec	\$9,273,621	\$9,732,711	\$9,316,626	0.5%
Penn Power	\$1,868,502	\$2,005,630	\$2,411,836	29.1%
PPL	\$46,028,913	\$39,337,372	\$36,254,853	-21.2%
West Penn	\$7,520,820	\$9,317,684	\$10,061,834	33.8%
Total/Industry Avg	\$82,858,901	\$77,553,355	\$81,745,525	-1.3%

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

Company	2015 Gross Write-Offs in Dollars CLI	2016 Gross Write-Offs in Dollars CLI	2017 Gross Write-Offs in Dollars CLI	Change 2015-17
Columbia	\$6,435,961	\$4,986,181	\$5,417,332	-15.8%
NFG	\$2,790,871	\$2,227,918	\$1,116,455	-60.0%
PECO-Gas	\$1,712,047	\$208,706	\$577,754	-66.3%
Peoples	\$3,192,952	\$2,666,811	\$2,267,911	-29.0%
Peoples-Equitable	\$394,081	\$658,724	\$897,325	127.7%
PGW	\$34,508,963	\$25,758,078	\$30,648,945	-11.2%
UGI-Gas	\$5,199,633	\$3,749,968	\$2,148,256	-58.7%
UGI Penn Natural	\$3,769,000	\$2,337,406	\$1,312,505	-65.2%
Total/Industry Avg	\$58,003,508	\$42,593,792	\$44,386,483	-23.5%

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, and is called the Gross Write-Offs Ratio. This measure is calculated by dividing the annual total gross dollars written off for residential accounts by the annual total dollars of residential billings. The measure offers an equitable basis for comparison of gross residential dollars written off to the annual total dollars of residential billings. Figures used in the tables below do not include CAP Credits or Arrearage Forgiveness.

Gross Write-Offs Ratio - Electric Customers

Company	All Residential Gross Write-Offs Ratio	Confirmed Low-Income Gross Write-Offs Ratio
Duquesne	3.6%	13.1%
Met-Ed	2.0%	9.6%
PECO-Electric	1.4%	4.4%
Penelec	2.1%	7.9%
Penn Power	1.6%	9.0%
PPL	2.6%	10.0%
West Penn	1.9%	11.0%
Industry Average	2.1%	9.0%

Gross Write-Offs Ratio - Natural Gas Customers

Company	All Residential Gross Write-Offs Ratio	Confirmed Low-Income Gross Write-Offs Ratio
Columbia	2.0%	7.8%
NFG	1.9%	5.5%
PECO-Gas	0.6%	2.8%
Peoples	3.2%	3.2%
Peoples-Equitable	2.6%	2.6%
PGW	9.7%	24.3%
UGI-Gas	2.5%	9.0%
UGI Penn Natural	2.4%	6.9%
Industry Average	3.7%	11.6%

Gross Write-Offs Ratio - Residential Electric Customers

Company	2015 Gross Write-Offs Ratio	2016 Gross Write-Offs Ratio	2017 Gross Write-Offs Ratio	Change 2015-17
Duquesne	2.2%	1.6%	3.6%	63.6%
Met-Ed	2.4%	2.4%	2.0%	-16.7%
PECO-Electric	1.4%	1.2%	1.4%	0.0%
Penelec	2.5%	2.4%	2.1%	-16.0%
Penn Power	1.5%	1.6%	1.6%	6.7%
PPL	3.3%	2.8%	2.6%	-21.2%
West Penn	1.7%	1.9%	1.9%	11.8%
Industry Average	2.3%	2.0%	2.1%	-8.7%

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2015 Gross Write-Offs Ratio	2016 Gross Write-Offs Ratio	2017 Gross Write-Offs Ratio	Change 2015-17
Columbia	2.5%	2.2%	2.0%	-20.0%
NFG	3.3%	3.2%	1.9%	-42.4%
PECO-Gas	0.6%	0.3%	0.6%	0.0%
Peoples	4.3%	4.4%	3.2%	-25.6%
Peoples-Equitable	1.1%	2.2%	2.6%	136.4%
PGW	10.0%	15.0%	9.7%	-3.0%
UGI-Gas	3.3%	2.5%	2.5%	-24.2%
UGI Penn Natural	2.7%	1.9%	2.4%	-11.1%
Industry Average	3.9%	5.0%	3.7%	-5.1%

Annual Collection Operating Expenses

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

The tables below include both the 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 for Confirmed Low-Income Customers
Duquesne	\$8,639,362	\$7,041,080	81.5%
Met-Ed	\$15,034,489	\$10,827,650	72.0%
PECO-Electric	\$14,136,203	\$1,647,873	11.7%
Penelec	\$14,238,435	\$10,808,363	75.9%
Penn Power	\$3,739,461	\$2,868,631	76.7%
PPL	\$11,439,560	\$6,062,967	53.0%
West Penn	\$15,221,444	\$11,114,416	73.0%
Total/Industry Avg	\$82,448,954	\$50,370,980	61.1%

Annual Natural Gas Collection Operating Expenses

Company	All Residential	Confirmed Low-Income	Percent of Collection Operating Expenses for Confirmed Low-Income Customers
Columbia	\$5,072,461	\$2,493,510	49.2%
NFG	\$685,670	\$238,866	34.8%
PECO-Gas	\$1,747,171	\$105,869	6.1%
Peoples	\$2,184,813	\$568,051	26.0%
Peoples-Equitable	\$1,636,909	\$294,644	18.0%
PGW	\$3,470,457	\$1,070,365	30.8%
UGI-Gas	\$4,805,837	\$2,151,573	44.8%
UGI Penn Natural	\$1,982,632	\$1,030,969	52.0%
Total/Industry Avg	\$21,585,950	\$7,953,847	36.8%

3. Universal Service Programs

Demographics

The USRR requires EDCs and NGDCs to report the demographics of program recipients, including the number of household members under age 18 and over age 62, household size, income, and source of income. A low-income customer is defined²⁵ as a residential utility customer whose household income is at or below 150 percent of FPIG. Appendix 3 shows poverty levels in relation to household size and income. The following tables present some of the demographic information for low-income customers who participate in the universal service programs during 2017.

Average Household Income and Size

Electric customers who received LIURP services in 2017 had average annual household incomes of \$16,854, while gas customers' average income was \$16,679. Electric and natural gas households receiving CAP benefits in 2016 have average annual household incomes of \$14,171 per year. For all 2016 participants in universal service programs, average annual household income for electric customers was \$16,896, and \$15,211 for natural gas customers. In general, the households participating in universal service programs average three persons, with at least one member under 18 years old. Approximately one in three of these households has a member over the age of 62.

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

Program	2015	2016	2017	Change 2015-17
LIURP	\$16,722	\$16,144	\$16,854	0.8%
CAP	\$14,044	\$14,298	\$14,391	2.5%
CARES	\$16,250	\$16,046	\$15,901	-2.2%
Hardship Fund	\$19,909	\$19,651	\$20,438	2.7%
Total/Industry Avg	\$16,731	\$16,535	\$16,896	1.0%

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

Program	2015	2016	2017	Change 2015-17
LIURP	\$16,864	\$16,667	\$16,679	-1.1%
CAP	\$13,397	\$13,674	\$13,979	4.3%
CARES	\$16,571	\$15,081	\$14,848	-10.4%
Hardship Fund	\$17,909	\$17,578	\$15,337	-14.4%
Total/Industry Avg	\$16,185	\$15,750	\$15,211	-6.0%

²⁵ 52 Pa. Code § 54.72

Source of Income

The majority of electric and gas customers participating in universal service programs have incomes from employment or pension/retirement benefits.

Participants in Universal Service Programs Source of Household Income - Summary for All Electric Customers

	LIURP	CAP	Hardship Fund
Employment	32.7%	30.6%	45.2%
Pension or Retirement	19.5%	21.6%	20.4%
Unemployment Compensation	16.0%	2.6%	3.3%
Disability	12.5%	24.2%	12.9%
Public Assistance	3.0%	3.4%	4.3%
Other	16.3%	17.5%	14.0%

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

	LIURP	CAP	Hardship Fund
Employment	29.0%	29.8%	45.2%
Pension or Retirement	28.0%	29.3%	17.2%
Unemployment Compensation	9.4%	2.3%	3.2%
Disability	16.8%	20.9%	15.1%
Public Assistance	3.7%	4.5%	2.9%
Other	13.2%	13.3%	16.3%

Demographic data from the USRR reporting shows that **“working poor” households** in Pennsylvania do not always have incomes that exceed 150 percent of FPIG. According to the U.S. Bureau of Labor Statistics, the definition of a **“working poor” household begins with a wage-earner** who works full time (35+ hrs/week) at a minimum-wage job. In 2017, minimum wage in Pennsylvania was \$7.25 per hour, the same as it has been since 2011.²⁶ Annual income for an individual wage earner who works at a full time (40hr/week) minimum-wage job is \$15,080. By comparison, the average electric CAP household (three persons) had an income of \$14,391 in 2017, which placed **these households’ incomes at** approximately 71 percent of FPIG (for three persons) for 2017, and 69 percent for 2018. The average natural gas CAP household had an income of \$13,979, which placed the household at approximately 69 percent of FPIG for 2017, and 67 percent for 2018. The industry average of household incomes for universal service program participants is approximately 83% FPIG for the EDCs and 75% for NGDCs, well below 150 percent of FPIG for three persons (\$30,630 in 2017; \$31,170 in 2018). See Appendix 3.

²⁶<http://www.dol.gov/whd/minwage/america.htm> The Pennsylvania state minimum wage law adopted the federal minimum wage rate by reference for 2017.

Low Income Usage Reduction Program (LIURP)

LIURP is a statewide, utility-sponsored, residential usage-reduction program mandated by the PUC.²⁷ The primary goal of LIURP is to assist low-income residential customers to reduce energy bills through usage reduction (energy conservation) and, as a result, to make bills more affordable.

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

The LIURP funds are often included in utility rates as part of the distribution cost passed on to all residential customers. The LIURP funding levels, which are often modified in rate case proceedings, are reviewed as part of the **company's** most recently filed universal service plans. The utilities file universal service plans approximately every three years, and the plans are reviewed by BCS. The utility is required to develop a LIURP funding level based upon a needs assessment,²⁸ which, in turn, will likely be based on census and utility data.

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

Program measures are installed on a simple payback recovery basis of seven years or less for most program measures. Some exceptions must meet a 12-year simple payback recovery. The exceptions include sidewall insulation, attic insulation, furnace replacement, water heater replacement and refrigerator replacement. Recovery is the time it takes to recover the cost of the installed program measure through projected energy savings. Examples of 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, faucet aerators, light-emitting diode (LED) lighting, refrigerator replacement, incidental repairs (not home rehabilitation), health and safety measures such as smoke and carbon monoxide detectors, and energy conservation education.

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

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

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

²⁷ 52 Pa. Code, Chapter 58

²⁸ 52 Pa. Code, § 58.4(c)(1-4)

In addition, this report also includes data on completed jobs provided by EDCs and NGDCs in accordance with the LIURP Codebook.²⁹

LIURP Spending

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

LIURP Spending - Electric Utilities

Company	2017 Actual Spending	2018 Projected Spending*
Duquesne	\$1,189,179	\$3,098,741
Met-Ed	\$4,664,642	\$5,670,358
PECO-Electric	\$5,997,252	\$7,300,000
Penelec	\$5,212,543	\$7,152,457
Penn Power	\$2,266,670	\$3,155,330
PPL	\$9,984,911	\$10,301,695
West Penn	\$4,699,352	\$4,649,000
Total	\$34,014,549	\$41,327,581

*Includes carryover of unspent funds from previous Program Year.

LIURP Spending - Natural Gas Utilities

Company	2017 Actual Spending	2018 Projected Spending*
Columbia	\$4,492,304	\$5,007,696
NFG	\$1,047,123	\$2,039,835
PECO-Gas	\$2,250,000	\$2,250,000
Peoples	\$1,250,322	\$1,250,000
Peoples-Equitable	\$800,198	\$800,000
PGW	\$5,239,743	\$7,988,818
UGI-Gas	\$1,217,159	\$1,731,439
UGI Penn Natural	\$926,789	\$1,026,380
Total	\$17,223,638	\$22,094,168

* Includes carryover of unspent funds from previous Program Year.

²⁹ Originally based in the LIURP regulations at 52 Pa. Code § 58.15 and incorporated in the Universal Service Reporting Requirements regulations

LIURP Production

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

LIURP Electric Production

Company	2017 Actual Production			2018 Projected Production		
	Heating Jobs	Water Heating Jobs	Baseload Jobs*	Heating Jobs	Water Heating Jobs	Baseload Jobs*
Duquesne	16	0	2,644	225	0	2,875
Met-Ed	682	623	360	625	540	355
PECO-Electric	943	0	6,081	850	0	5,500
Penelec	497	1,309	759	440	1,190	670
Penn Power	228	307	355	230	320	315
PPL	1,970	803	1,029	1,970	803	1,029
West Penn	415	576	159	565	345	110
Total	4,751	3,618	11,387	4,905	3,198	10,854

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

LIURP Natural Gas Production

Company	2017 Actual Production Heating Jobs	2018 Projected Production Heating Jobs
Columbia	440	490
NFG	143	304
PECO-Gas	1,117	1,000
Peoples	195	157
Peoples-Equitable	135	114
PGW	2,113	3,293
UGI-Gas	184	247
UGI Penn Natural	153	147
Total	4,480	5,752

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 LIURP gas jobs are classified as heating. For electric jobs, the determination of the job type depends on whether the customer heats with electricity. If most of the dollars spent on the completed job are on heating-related program measures, then the job is classified as a heating job. 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 Average Job Costs

Company	2017 Heating Jobs	2017 Water Heating Jobs	2017 Baseload Jobs
Duquesne	\$4,181	\$0	\$424
Met-Ed	\$2,868	\$1,813	\$1,828
PECO-Electric	\$1,818	\$0	\$535
Penelec	\$2,467	\$1,586	\$1,308
Penn Power	\$2,730	\$1,718	\$1,403
PPL	\$3,552	\$1,820	\$1,101
West Penn	\$3,401	\$2,619	\$2,441

LIURP Natural Gas Average Job Cost

Company	2017 Heating Jobs
Columbia	\$6,709
NFG	\$4,567
PECO-Gas	\$2,001
Peoples	\$5,236
Peoples-Equitable	\$4,827
PGW	\$1,651
UGI-Gas	\$5,822
UGI Penn Natural	\$5,212

LIURP Energy Savings and Bill Reduction

LIURP energy savings are determined by calculating the difference in a **customer's usage during the 12 months** following the installation of the LIURP measures (post period), from the usage during the 12 preceding months (pre period). The energy savings reported are based on weather-normalized data and represent an average of the company results for each job category. LIURP reporting results for the program year always trail two years behind the USRR reporting year due to the process of evaluating post-installation usage for 12 months, with analysis performed in the following year.³⁰

The estimated annual bill reduction is calculated by multiplying the average number of kWhs or Mcfs saved during the post-treatment period by the average price per kWh or Mcf during that period. Companies voluntarily report pricing information annually. The 2013-2015 estimated annual bill reductions presented below are based on the average of the company results from each category of LIURP jobs completed in the program year, evaluated in following year (post period), and reported in the year after that. Example: 2015 program year was evaluated in 2016 (post period) and reported to the Commission in 2017.

LIURP Energy Savings and Bill Reductions

Job Type	2013* Energy Savings	2014 Energy Savings	2015 Energy Savings
Electric Heating	5.8%	10.6%	11.3%
Electric Water Heating	5.0%	10.0%	14.3%
Electric Baseload	5.1%	8.8%	9.4%
Gas Heating	15.9%	14.4%	15.1%

Job Type	2013* Estimated Annual Bill Reduction	2014 Estimated Annual Bill Reduction	2015 Estimated Annual Bill Reduction
Electric Heating	\$108.00	\$168.00	\$243.00
Electric Water Heating	\$80.00	\$157.00	\$240.00
Electric Baseload	\$78.00	\$115.00	\$135.00
Gas Heating	\$317.00	\$257.00	\$254.00

* Electric Savings and Bill Reductions were lower due to the increased usage during the Polar Vortex.

Customer Assistance Programs (CAPs)

The PUC monitors implementation of the Commission's CAP Policy Statement and regulations³¹ by the seven largest EDCs and NGDCs serving more than 100,000 customers. The USRR requires the companies to report the number of customers enrolled in CAP. The Commission uses the number of participants enrolled in CAP at the end of the program year to quantify participation. **Each company's restructuring proceeding** established a program phase-in enrollment size. Since then, each company submits a three-year universal service plan for Commission approval. PUC regulations³² require the companies to submit a projected needs assessment and projected enrollment level for its universal service programs. **Universal Service Plans and Evaluations are posted on the Commission's website** (Appendix 4 contains viewing instructions).

³⁰ Example: 2015 LIURP program year installations were completed and evaluated after the post-installation period ended in 2016. Those results were then reported in 2017. LIURP program year 2016 results will be available in the 2018 version of this report.

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

³² 52 Pa. Code § 54.74 for EDCs and 52 Pa. Code §62.4 for NGDCs

CAP Participation Rate

The CAP Participation Rate is defined as the number of participants enrolled as of Dec. 31, 2017, divided by the number of confirmed low-income customers served by the EDC or NGDC. The Commission expects a utility to **maintain open enrollment to meet the need in each utility's service territory. The CAP participation rate would be much lower if the rate reflected estimated rather than confirmed low-income customers, as estimated numbers are much higher.**

CAP Participation - Electric Utilities

Company	2016		2017	
	Participants Enrolled as of 12/31/16	CAP Participant Rate	Participants Enrolled as of 12/31/17	CAP Participant Rate
Duquesne	40,521	90%	34,445	71%
Met-Ed	14,896	22%	14,801	21%
PECO-Electric	132,898	78%	119,552	77%
Penelec	21,528	25%	20,956	24%
Penn Power	4,646	24%	4,650	24%
PPL	56,223	32%	51,692	28%
West Penn	24,538	38%	25,700	37%
Total	295,250		271,796	
Weighted Avg.*		47%		43%

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

CAP Participation - Natural Gas Utilities

Company	2016		2017	
	Participants Enrolled as of 12/31/16	CAP Participant Rate	Participants Enrolled as of 12/31/17	CAP Participant Rate
Columbia	20,405	30%	22,255	33%
NFG	8,040	31%	8,021	31%
PECO-Gas	22,984	71%	20,723	75%
Peoples	19,333	32%	17,565	29%
Peoples-Equitable	13,289	30%	12,921	29%
PGW	49,321	33%	49,310	34%
UGI-Gas	7,725	23%	8,169	24%
UGI-Penn Natural	5,684	25%	5,353	24%
Total	146,781		144,317	
Weighted Avg.*		34%		34%

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

Monthly Average Electric CAP Participation by Poverty Level

Company	2016			2017		
	0%-50% FPIG	51%-100% FPIG	101%-150% FPIG	0%-50% FPIG	51%-100% FPIG	101%-150% FPIG
Duquesne	8,050	19,654	11,015	7,814	18,726	11,056
Met-Ed	3,102	6,819	4,829	3,308	6,839	4,728
PECO-Electric	30,399	64,441	42,001	28,556	60,672	37,172
Penelec	3,777	10,681	6,832	3,893	10,418	6,843
Penn Power	793	2,181	1,622	833	2,195	1,640
PPL	8,629	25,240	20,101	8,262	25,232	19,231
West Penn	5,623	11,009	7,261	4,921	12,253	8,395
Total/Avg	60,374	140,026	93,660	57,587	136,335	89,065

Monthly Average Natural Gas CAP Participation by Poverty Level

Company	2016			2017		
	0%-50% FPIG	51%-100% FPIG	101%-150% FPIG	0%-50% FPIG	51%-100% FPIG	101%-150% FPIG
Columbia	4,537	9,922	7,050	5,068	10,409	7,444
NFG	1,078	4,519	3,018	977	4,153	2,884
PECO-Gas	5,278	9,593	9,044	5,114	9,066	7,718
Peoples	4,164	9,100	6,542	3,917	8,367	5,910
Peoples-Equitable	3,869	6,807	2,889	3,519	6,286	3,205
PGW	16,374	29,555	6,839	15,324	27,267	5,881
UGI-Gas	2,530	3,799	1,697	2,652	3,918	1,755
UGI Penn Natural	1,489	2,900	1,727	1,376	2,733	1,557
Total/Avg.	39,320	76,194	38,804	37,947	72,199	36,354

CAP Default Rate

The CAP default rate is calculated by dividing the average monthly CAP participation at each poverty level, by the total annual number of defaults for each poverty level. CAP customers are considered non-compliant with program requirements and in default when they miss payments, make late payments, or fail to recertify. CAP customers who voluntarily leave the program are not counted in the default rate.

Annual Electric CAP Default Rate by Poverty Level

Company	2016			2017		
	0%-50% FPIG	51%-100% FPIG	101%-150% FPIG	0%-50% FPIG	51%-100% FPIG	101%-150% FPIG
Duquesne	13.1%	7.49%	7.55%	47.7%	32.2%	33.3%
Met-Ed	54.6%	42.8%	46.2%	63.7%	45.1%	50.2%
PECO-Electric	51.1%	34.7%	43.8%	36.4%	24.6%	30.8%
Penelec	57.1%	36.4%	39.9%	66.6%	41.6%	45.0%
Penn Power	61.0%	38.3%	39.6%	64.1%	39.3%	42.1%
PPL	22.2%	14.7%	12.5%	29.3%	18.1%	15.6%
West Penn	46.7%	49.8%	58.5%	66.6%	34.6%	41.9%
Total/Avg	42.2%	29.0%	33.7%	53.5%	33.6%	37.0%

Annual Natural Gas CAP Default Rate by Poverty Level

Company	2016			2017		
	0%-50% FPIG	51%-100% FPIG	101%-150% FPIG	0%-50% FPIG	51%-100% FPIG	101%-150% FPIG
Columbia	18.4%	15.0%	17.6%	14.7%	11.9%	14.2%
NFG	10.9%	10.8%	10.9%	7.6%	7.5%	7.5%
PECO-Gas	57.8%	44.9%	51.3%	32.6%	23.0%	30.8%
Peoples	19.2%	12.5%	25.0%	24.5%	16.6%	33.4%
Peoples-Equitable	29.7%	22.6%	56.6%	27.2%	18.5%	61.6%
PGW	20.8%	17.0%	23.5%	15.2%	11.7%	13.9%
UGI-Gas	12.2%	11.7%	13.0%	20.1%	22.0%	29.2%
UGI Penn Natural	10.6%	9.9%	10.2%	20.9%	23.2%	32.6%
Total/Avg.	25.0%	19.3%	29.6%	20.4%	16.8%	27.9%

CAP Benefits – Bills & Credits

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

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

Average CAP bills and CAP credits fluctuate due to several factors: different CAP payment plans based on different income levels; type of usage (heating or non-heating); and changes in usage, weather and/or rates.

Average Monthly Electric CAP Bill

Company	2015	2016	2017	Change 2015-17
Duquesne	\$66	\$79	\$70	6.1%
Met-Ed	\$72	\$68	\$67	-6.9%
PECO-Electric	\$71	\$68	\$65	-8.5%
Penelec	\$57	\$56	\$57	0.0%
Penn Power	\$60	\$63	\$61	1.7%
PPL	\$85	\$90	\$92	8.2%
West Penn	\$100	\$77	\$70	-30.0%
Industry Average	\$74	\$73	\$70	-5.4%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

Average Monthly Natural Gas CAP Bill

Company	2015	2016	2017	Change 2015-17
Columbia	\$55	\$51	\$48	-12.7%
NFG	\$64	\$52	\$61	-4.7%
PECO-Gas	\$58	\$48	\$45	-22.4%
Peoples	\$74	\$68	\$68	-8.1%
Peoples-Equitable	\$106	\$66	\$66	-37.7%
PGW	\$80	\$73	\$80	0.0%
UGI-Gas	\$74	\$64	\$60	-18.9%
UGI Penn Natural	\$86	\$72	\$66	-23.3%
Industry Average	\$74	\$63	\$64	-13.5%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

Average Annual Electric CAP Credits

Company	2015	2016	2017	Change 2015-17
Duquesne	\$386	\$396	\$439	13.7%
Met-Ed	\$756	\$763	\$793	4.9%
PECO-Electric	\$594	\$588	\$491	-17.3%
Penelec	\$660	\$691	\$728	10.3%
Penn Power	\$684	\$754	\$763	11.5%
PPL	\$1,187	\$1,024	\$1,031	-13.1%
West Penn	\$482	\$763	\$748	55.2%
Industry Average	\$549	\$676	\$646	17.7%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

Average Annual Natural Gas CAP Credits

Company	2015	2016	2017	Change 2015-17
Columbia	\$736	\$567	\$742	0.8%
NFG	\$97	\$76	\$99	2.1%
PECO-Gas	\$150	\$78	\$71	-52.7%
Peoples	\$461	\$142	\$232	-49.7%
Peoples-Equitable	\$532	\$172	\$258	-51.5%
PGW	\$800	\$695	\$819	2.4%
UGI-Gas	\$328	\$163	\$253	-22.9%
UGI Penn Natural	\$400	\$193	\$229	-42.8%
Industry Average	\$669	\$382	\$478	-28.6%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

CAP Benefits - Arrearage Forgiveness

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

Average Annual Electric Utilities Arrearage Forgiveness

Company	2015	2016	2017	Change 2015-17
Duquesne	\$101	\$109	\$133	31.7%
Met-Ed	\$125	\$118	\$106	-15.2%
PECO-Electric	\$73	\$64	\$43	-41.1%
Penelec	\$83	\$80	\$76	-8.4%
Penn Power	\$75	\$73	\$79	5.3%
PPL	\$587	\$525	\$441	-24.9%
West Penn	\$206	\$197	\$231	12.1%
Industry Average	\$80	\$170	\$152	90.0%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

Average Annual Natural Gas Utilities Arrearage Forgiveness

Company	2015	2016	2017	Change 2015-17
Columbia	\$47	\$15	\$64	36.2%
NFG	\$39	\$32	\$23	-41.0%
PECO-Gas	\$28	\$20	\$13	-53.6%
Peoples	\$99	\$138	\$153	54.5%
Peoples-Equitable	\$43	\$49	\$87	102.3%
PGW	\$112	\$177	\$163	45.5%
UGI-Gas	\$110	\$112	\$100	-9.1%
UGI Penn Natural	\$121	\$122	\$108	-10.7%
Industry Average	\$173	\$100	\$104	-39.9%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

Percent of CAP Bill Paid

The percentage of CAP bill paid by CAP customers is calculated by dividing the total annual CAP payments by the total annual CAP amount billed. The higher the percent of CAP bill paid by the customer, the less the utility may have to recover in uncollectibles.

Percentage of CAP Bill Paid by Electric CAP Customers

Company	2015	2016	2017	Change 2015-17
Duquesne	65.9%	62.0%	73.9%	12.1%
Met-Ed	83.0%	87.2%	88.8%	7.0%
PECO-Electric	88.0%	83.0%	87.0%	-1.1%
Penelec	86.8%	91.2%	90.8%	4.6%
Penn Power	88.4%	91.4%	85.4%	-3.4%
PPL	94.2%	78.4%	76.9%	-18.4%
West Penn	78.6%	75.4%	83.6%	6.4%
Industry Average	85.4%	79.0%	82.8%	-3.0%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

Percentage of CAP Bill Paid by Natural Gas CAP Customers

Company	2015	2016	2017	Change 2015-17
Columbia	81.2%	75.1%	71.8%	-11.6%
NFG	78.6%	56.5%	68.9%	-12.3%
PECO-Gas	88.1%	83.0%	87.0%	-1.2%
Peoples	71.5%	67.4%	69.6%	-2.7%
Peoples-Equitable	54.3%	66.6%	68.1%	25.4%
PGW	83.1%	84.2%	71.6%	-13.8%
UGI-Gas	80.0%	78.5%	71.9%	-10.1%
UGI Penn Natural	77.0%	73.3%	68.0%	-11.7%
Industry Average	77.9%	77.0%	72.5%	-6.9%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

CAP Payment Rate

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

CAP Payment Rate Electric CAP Customers

Company	2015	2016	2017	Change 2015-17
Duquesne	53.3%	40.5%	41.7%	-21.8%
Met-Ed	63.3%	66.3%	64.3%	1.6%
PECO-Electric	66.4%	67.7%	60.5%	-8.9%
Penelec	68.9%	70.5%	69.9%	1.5%
Penn Power	67.9%	69.2%	71.4%	5.2%
PPL	64.7%	60.3%	58.1%	-10.2%
West Penn	43.2%	54.7%	56.9%	31.7%
Industry Average	62.7%	61.8%	58.1%	-7.3%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

CAP Payment Rate Natural Gas CAP Customers

Company	2015	2016	2017	Change 2015-17
Columbia	64.0%	56.3%	53.1%	-17.0%
NFG	62.6%	67.3%	72.7%	16.1%
PECO-Gas	66.3%	68.0%	53.1%	-19.9%
Peoples	50.3%	51.1%	47.1%	-6.4%
Peoples-Equitable	53.6%	47.3%	43.9%	-18.1%
PGW	78.7%	80.1%	88.5%	12.5%
UGI-Gas	64.1%	62.4%	59.3%	-7.5%
UGI Penn Natural	60.0%	54.9%	56.3%	-6.2%
Industry Average	66.9%	65.7%	64.5%	-3.6%

*Industry average is based on industry totals and does not necessarily represent an average of the rates in the table.

CAP Costs

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

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

Percent of Electric Total CAP Spending by CAP Component

Company	2016			2017		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Duquesne	8%	72%	20%	7%	72%	22%
Met-Ed	9%	79%	12%	9%	80%	11%
PECO-Electric	3%	87%	10%	4%	88%	8%
Penelec	10%	81%	9%	10%	82%	9%
Penn Power	11%	81%	8%	11%	80%	8%
PPL	3%	64%	33%	4%	67%	29%
West Penn	7%	74%	19%	8%	70%	22%
Weighted Avg.*	4.96%	76.0%	19.1%	5.9%	76.2%	18.0%

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

Percent of Natural Gas Total CAP Spending by CAP Component

Company	2016			2017		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Columbia	8%	90%	2%	6%	87%	8%
NFG	20%	56%	24%	19%	66%	15%
PECO-Gas	18%	65%	17%	22%	66%	12%
Peoples	16%	42%	42%	14%	52%	34%
Peoples-Equitable	22%	61%	17%	16%	63%	21%
PGW	3%	77%	20%	3%	81%	16%
UGI-Gas	10%	53%	36%	8%	66%	26%
UGI Penn Natural	10%	55%	35%	8%	62%	29%
Weighted Avg.*	6.79%	73.8%	19.4%	6.3%	77.0%	16.7%

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

Electric Gross CAP Costs

Company	2016			2017		
	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
Duquesne	\$21,244,454	38,719	\$549	\$23,083,236	37,596	\$614
Met-Ed	\$14,313,820	14,750	\$970	\$14,758,527	14,875	\$992
PECO-Electric	\$92,369,577	136,841	\$675	\$70,653,278	126,401	\$559
Penelec	\$18,254,884	21,291	\$857	\$18,852,006	21,154	\$891
Penn Power	\$4,275,287	4,596	\$930	\$4,435,519	4,667	\$950
PPL	\$86,446,411	53,970	\$1,602	\$80,923,575	52,726	\$1,535
West Penn	\$24,609,316	23,892	\$1,030	\$27,280,111	25,568	\$1,067
Total	\$261,513,749	294,059		\$239,986,252	282,987	
Weighted Avg.*			\$889			\$848

*Weighted Averages are based on industry totals and do not represent an average of the participation rates shown in the tables.

Natural Gas Gross CAP Costs

Company	2016			2017		
	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
Columbia	\$13,544,667	21,509	\$630	\$19,668,704	22,921	\$858
NFG	\$1,169,595	8,615	\$136	\$1,199,650	8,014	\$150
PECO-Gas	\$2,857,660	23,915	\$119	\$2,357,836	21,898	\$108
Peoples	\$6,606,963	19,807	\$334	\$8,102,420	18,194	\$445
Peoples-Equitable	\$3,826,459	13,564	\$282	\$5,328,722	13,009	\$410
PGW	\$47,310,248	52,767	\$897	\$49,005,928	48,471	\$1,011
UGI-Gas	\$2,470,474	8,026	\$308	\$3,187,005	8,326	\$383
UGI Penn Natural	\$2,137,095	6,116	\$349	\$2,088,411	5,666	\$369
Total	\$79,923,161	154,318		\$90,938,676	146,499	
Weighted Avg.*			\$518			\$621

*Weighted Averages are based on industry totals and do not represent an average of the participation rates shown in the tables.

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 and maintain safe and adequate utility service. CARES staff provide three primary services: case management; maintaining a network of service providers; and making referrals to services that provide assistance.

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

A utility CARES representative performs the task of strengthening and maintaining a network of community organizations and government agencies that can provide services to the program clients. CARES staff conduct outreach and make referrals to programs that provide energy assistance grants, such as LIHEAP,³³ hardship funds, and to other agencies that provide cash assistance. LIHEAP outreach and networking are vital pieces of CARES, especially when addressing important health and safety concerns relating to utility service.

CARES-LIHEAP

USRR requires companies to report data on their CARES program. CARES benefits are defined in the USRR as the total number and dollar amount of all LIHEAP benefits applied to all low-income customer accounts. LIHEAP benefits include both LIHEAP cash grants, sent directly to the utility company, and LIHEAP crisis grants for households in immediate danger of being without heat. The tables show the number of households receiving just LIHEAP cash grants, but the **“Total LIHEAP Grants”** dollar amounts include both cash and crisis LIHEAP benefits. The data is presented in this manner to avoid double counting, because typically, households that receive LIHEAP crisis grants also receive cash benefits. The total amount of LIHEAP dollars each utility receives depends primarily on the amount of the LIHEAP appropriation to the state and the number of low-income customers in each company’s service territory.

2017 Electric CARES-LIHEAP

Company	Low-Income Households who Received LIHEAP Cash Grants		Low-Income Households who Received LIHEAP Crisis Grants		Total LIHEAP Grants for Low-Income Customers*	
	2016	2017	2016	2017	2016	2017
Duquesne	4,537	9,853	81	1,037	\$1,340,031	\$2,963,843
Met-Ed	8,284	8,350	1,679	2,141	\$2,903,012	\$3,329,526
PECO-Electric	96,707	66,469	8,873	6,291	\$14,971,213	\$12,916,755
Penelec	11,425	12,369	2,662	3,586	\$4,377,878	\$5,033,379
Penn Power	3,227	3,059	1,043	1,104	\$1,265,993	\$1,273,640
PPL	26,139	21,709	3,008	2,874	\$8,816,935	\$7,777,324
West Penn	12,148	12,964	1,868	3,145	\$4,234,893	\$5,107,303
Total	162,467	134,773	19,214	20,178	\$37,909,955	\$38,401,770

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

³³ LIHEAP is a federally-funded program administered by the Pennsylvania Department of Human Services.

2017 Natural Gas CARES-LIHEAP

Company	Low-Income Households who Received LIHEAP Cash Grants		Low-Income Households who Received LIHEAP Crisis Grants		Total LIHEAP Grants for Low-Income Customers*	
	2016	2017	2016	2017	2016	2017
Columbia	19,559	19,100	5,385	4,013	\$7,366,395	\$7,220,611
NFG	16,831	17,509	3,300	3,013	\$5,780,651	\$6,069,920
PECO-Gas	15,743	10,821	1,445	1,024	\$2,437,174	\$2,102,727
Peoples	31,643	17,994	5,615	4,618	\$7,141,239	\$6,460,971
Peoples-Equitable	20,823	12,044	4,642	4,841	\$4,839,611	\$4,673,506
PGW	47,159	60,960	14,472	8,054	\$20,049,783	\$22,340,502
UGI-Gas	9,808	12,441	2,008	957	\$3,854,194	\$3,538,766
UGI Penn Natural	10,353	10,847	1,553	707	\$3,641,270	\$3,164,107
Total	171,919	161,716	38,420	27,227	\$55,110,317	\$55,571,110

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

CARES Costs, Direct Dollars and Net Benefits

The regulations define³⁴ direct dollars as the total of all dollars **applied to a CARES customer's utility account**, from all sources of energy assistance such as LIHEAP, hardship fund grants, **and local agencies' grants**. However, in our report, **the column "Direct Dollars in Addition to LIHEAP for CARES Participants"** shows the total dollar benefits not related to LIHEAP. These non-LIHEAP additional dollars come from Hardship fund grants and other sources (*i.e.*, charities, community programs, etc).

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

³⁴ 52 Pa. Code § 54.72. Definitions.

2017 Electric CARES Benefits

Company	CARES Administrative Costs	Direct Dollars in Addition to LIHEAP for CARES Participants	Net CARES Benefits (Includes LIHEAP)
Duquesne	\$135,000	\$216,397	\$2,722,139
Met-Ed	\$2,659	\$0	\$3,326,867
PECO-Electric	\$1,704,431	\$200,103	\$11,412,427
Penelec	\$3,696	\$480	\$5,030,163
Penn Power	\$428	\$500	\$1,273,712
PPL	\$0	\$300	\$7,772,804
West Penn	\$3,737	\$500	\$5,104,066
Total	\$1,849,951	\$418,280	\$36,642,178

2017 Natural Gas CARES Benefits

Company	CARES Administrative Costs	Direct Dollars in Addition to LIHEAP for CARES Participants	Net CARES Benefits (Includes LIHEAP)
Columbia	\$397,491	\$79,197	\$6,902,317
NFG	\$4,206	\$7,594	\$6,013,290
PECO-Gas	\$277,466	\$32,575	\$1,857,836
Peoples	\$111,455	\$10,325	\$6,359,841
Peoples-Equitable	\$80,496	\$3,808	\$4,596,818
PGW	\$424,669	\$55,000	\$21,970,833
UGI-Gas	\$70,454	\$22,826	\$3,491,138
UGI Penn Natural	\$40,413	\$1,028	\$3,124,722
Total	\$1,406,650	\$212,353	\$54,316,795

Utility Hardship Fund Programs

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

Ratepayer and Shareholder Contributions

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

2016-17 Electric Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Duquesne	\$204,243	\$0.38	\$369,741
Met-Ed	\$116,812	\$0.23	\$118,303
PECO-Electric	\$161,462	\$0.08	\$448,336
Penelec	\$73,444	\$0.15	\$72,755
Penn Power	\$37,244	\$0.26	\$36,195
PPL	\$423,109	\$0.35	\$780,221
West Penn	\$147,917	\$0.24	\$109,000
Total	\$1,164,231		\$1,934,551
Weighted Avg.*		\$0.23	

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

2016-17 Natural Gas Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Columbia	\$375,000	\$0.95	\$150,000
NFG	\$51,401	\$0.26	\$69,638
PECO-Gas	\$26,284	\$0.04	\$72,985
Peoples	\$241,450	\$0.72	\$1,211,679
Peoples-Equitable**	\$241,450	\$0.72	\$1,211,679
PGW	\$1,415	\$0.00	\$596,383
UGI-Gas	\$63,269	\$0.18	\$120,180
UGI Penn Natural	\$11,395	\$0.07	\$69,370
Total	\$770,214		\$2,290,235
Weighted Avg.*		\$0.29	

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

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

Hardship Fund Benefits

The USRR requires companies to also report data on hardship fund benefits. The Commission defines hardship fund benefits³⁵ as, "the total number and dollar amount of **cash benefits or bill credits.**" The cumulative total number and dollar amount of the grants disbursed for the program year are reported as of the end of the program year.

Electric Utility Hardship Fund Grant Benefits

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Duquesne	1,843	1,584	\$75	\$377	\$137,328	\$597,785
Met-Ed	666	626	\$351	\$374	\$234,000	\$234,000
PECO-Electric	523	773	\$561	\$518	\$293,530	\$400,205
Penelec	421	412	\$347	\$354	\$146,000	\$146,000
Penn Power	212	192	\$340	\$375	\$72,000	\$72,000
PPL	2,697	2,744	\$334	\$335	\$902,123	\$919,542
West Penn	679	610	\$321	\$357	\$218,000	\$218,000
Total	7,041	6,941			\$2,002,981	\$2,587,532
Weighted Avg.*			\$284	\$373		

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

³⁵ 52 Pa. Code § 54.72 and § 62.5

Natural Gas Utility Hardship Fund Grant Benefits

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Columbia	1,491	1,438	\$401	\$396	\$597,432	\$569,828
NFG	97	302	\$241	\$253	\$23,413	\$76,463
PECO-Gas	85	124	\$562	\$525	\$47,784	\$65,150
Peoples	3,019	3,160	\$364	\$349	\$1,100,000	\$1,101,526
Peoples-Equitable**	0	0	\$0	\$0	\$0	\$0
PGW	1,377	1,344	\$1,141	\$1,088	\$1,571,635	\$1,461,742
UGI-Gas	698	468	\$259	\$281	\$180,791	\$131,506
UGI Penn Natural	521	335	\$259	\$259	\$134,681	\$86,913
Total	7,288	7,171			\$3,655,736	\$3,493,128
Weighted Avg.*			\$502	\$487		

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

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

Total Universal Service Program Spending

Total annual Universal Service program spending is calculated by adding the total program costs for CAP, LIURP and CARES. Stakeholder and voluntary contributions to hardship fund grants are not recovered in utility base rates. Only hardship fund administrative costs are recoverable for most utilities, so hardship fund program costs are not included in the Total Universal Service Program Spending tables below.³⁶

Total Annual Electric Universal Service Program Spending

Company	2015	2016	2017	Change 2015-17
Duquesne	\$21,364,333	\$23,079,521	\$24,407,415	14.2%
Met-Ed	\$19,266,696	\$18,588,313	\$19,455,470	1.0%
PECO-Electric	\$103,732,193	\$99,321,130	\$78,354,961	-24.5%
Penelec	\$22,695,875	\$23,224,130	\$24,089,756	6.1%
Penn Power	\$5,765,980	\$6,692,707	\$6,714,043	16.4%
PPL	\$92,986,720	\$96,306,051	\$90,908,486	-2.2%
West Penn	\$20,989,720	\$29,038,484	\$32,014,170	15.3%
Industry Total	\$286,801,022	\$296,250,779	\$275,850,752	-3.8%

Total Annual Natural Gas Universal Service Program Spending

Company	2015	2016	2017	Change 2015-17
Columbia	\$23,284,881	\$18,786,181	\$24,628,083	5.8%
NFG	\$2,495,982	\$2,313,269	\$2,250,979	-9.8%
PECO-Gas	\$7,392,324	\$5,327,754	\$4,885,302	-33.9%
Peoples	\$13,959,572	\$7,976,736	\$9,464,197	-32.2%
Peoples-Equitable	\$9,609,317	\$4,711,659	\$6,209,416	-35.4%
PGW	\$65,502,542	\$55,613,766	\$54,930,489	-16.1%
UGI-Gas	\$4,875,929	\$3,392,125	\$4,474,618	-8.2%
UGI Penn Natural	\$4,603,845	\$3,055,000	\$3,055,613	-33.6%
Industry Total	\$131,303,428	\$101,176,490	\$109,568,964	-16.6%

³⁶ Only PGW is permitted to recover all utility expenses related to its hardship fund program from its ratepayers. As a city-owned utility, PGW receives no shareholder contributions for this program. Only **voluntary contributions to PGW's hardship fund** program are not recovered.

4. Small Utilities' Universal Service Programs

The USRR has fewer data requirements³⁷ for small utilities. EDCs with fewer than 60,000 residential customers and NGDCs with fewer than 100,000 residential customers must file universal service plans every three years, but the plans are not subject to the Commission's formal approval process. Instead, the plans are informally reviewed by the Bureau of Consumer Services (BCS). In the plans, small utilities must describe the level of services provided by their plans as well as the expenses associated with the programs.

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

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

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

Peoples Gas LLC (formerly Peoples TWP) operates hardship funds through the Dollar Energy Fund and offers a full-scale CAP program. As of Dec. 31, 2017, the program enrollment was approximately 3,028 customers. The company also operates a LIURP program, which completed 45 jobs in 2017.

UGI-Central Penn Gas offers a full-scale CAP program. As of Dec. 31, 2017, the program enrollment was approximately 2,041 customers. UGI-Central Penn Gas also administers a LIURP program, completing 54 jobs in 2017.

UGI Utilites Inc. (UGI-Electric) offers a full-scale CAP program. As of Dec. 31, 2017, the program enrollment was approximately 2,428 customers. The company operates its own hardship fund and also administers a LIURP program, completing 47 jobs in 2017.

UGI-Central Penn Gas and UGI Utilites Inc. also operate CARES and Hardship Funds (Operation Share).

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

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

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

5. Appendices

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

As mentioned previously in the sections dealing with “Debt”, two factors affect the uniformity of the data reported regarding the number of overdue customers and the dollars in debt associated with those customers. First, 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. For USR reporting and comparative purposes, companies are requested to consider the due date as day zero and to report debt that is at least 30 days overdue. Appendix 1 shows the different methods companies use to determine overdue accounts and how they compare to the preferred method (30 days overdue).

Company	When is Day Zero (0)	How Many Days Overdue	Days of Variance from BCS Interpretation*
Duquesne	Bill Due Date	30 Days	0 Days
Met-Ed and Penelec	Bill Due Date	30 Days	0 Days
PECO-Electric	Bill Transmittal Date	30 Days	20 Days Sooner
Penn Power	Bill Due Date	30 Days	0 Days
PPL	Bill Transmittal Date	30 Days	20 Days Sooner
West Penn	Bill Due Date	30 Days	0 Days
Columbia	Bill Due Date	30 Days	0 Days
NFG	Bill Rendition Date**	60 Days	9 Days Later
PECO-Gas	Bill Transmittal Date	30 Days	20 Days Sooner
Peoples	Bill Transmittal Date	30 Days	20 Days Sooner
Peoples-Equitable	Bill Due Date	30 Days	0 Days
PGW	Bill Transmittal Date	30 Days	20 Days Sooner
UGI-Gas	Bill Due Date	30 Days	0 Days
UGI Penn Natural	Bill Due Date	30 Days	0 Days

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

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

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

The second factor affecting the arrearage data uniformity is when a company moves a terminated or discontinued account from active status (included in the reporting) to inactive status (excluded from the reporting). Appendix 2 shows the methods companies use to determine when an account is removed from active status, after termination of service or discontinuance of service.

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

Appendix 3 – 2016 and 2017 Federal Poverty Guidelines

2017 Annual Federal Poverty Income Guidelines*				
Size of Household	0-50 percent of Poverty	51-100 percent of Poverty	101-150 percent of Poverty	151-200 percent of Poverty
1	\$6,030	\$12,060	\$18,090	\$24,120
2	\$8,120	\$16,240	\$24,360	\$32,480
3	\$10,210	\$20,420	\$30,630	\$40,840
4	\$12,300	\$24,600	\$36,900	\$49,200
5	\$14,390	\$28,780	\$43,170	\$57,560
6	\$16,480	\$32,960	\$49,440	\$65,920
7	\$18,570	\$37,140	\$55,710	\$74,280
8	\$20,660	\$41,320	\$61,980	\$82,640
For each additional person, add	\$2,090	\$4,180	\$6,270	\$8,360

* Income reflects upper limit of the poverty guideline for each column.
Effective: Jan.26, 2017. SOURCE: Federal Register, Vol. 82, Jan. 31, 2017, pp. 8831-8832.

2018 Annual Federal Poverty Income Guidelines*				
Size of Household	0-50 percent of Poverty	51-100 percent of Poverty	101-150 percent of Poverty	151-200 percent of Poverty
1	\$6,070	\$12,140	\$18,210	\$24,280
2	\$8,230	\$16,460	\$24,690	\$32,920
3	\$10,390	\$20,780	\$31,170	\$41,560
4	\$12,550	\$25,100	\$37,650	\$50,200
5	\$14,710	\$29,420	\$44,130	\$58,840
6	\$16,870	\$33,740	\$50,610	\$67,480
7	\$19,030	\$38,060	\$57,090	\$76,120
8	\$21,190	\$42,380	\$63,570	\$84,760
For each additional person, add	\$2,160	\$4,320	\$6,480	\$8,640

* Income reflects upper limit of the poverty guideline for each column.
Effective: Jan. 13, 2018. SOURCE: Federal Register, Vol. 83, Jan. 18, 2018, pp. 2642-2644.

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

To Access Universal Service Programs & Collections Performance Reports:

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

To Access Universal Service Plans and Evaluations:

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

Appendix 5 - Universal Service Programs 2017 Spending Levels & Cost Recovery Mechanisms

Company	CAP Cost Recovery Mechanism ¹	Annual CAP Spending	Annual Total Universal Service Spending ²	Universal Service Spending Assessed on Residential Customers	Average Number of Residential Customers	Average Annual Universal Service Spending per Residential Customer
Duquesne	Base Rates	\$23,083,236	\$24,407,415	100%	532,204	\$45.86
Met-Ed	USC Rider-Annual	\$14,758,527	\$19,425,828	100%	499,192	\$38.91
PECO-Electric	Base Rates & Univ. Service Fund Charge	\$70,653,278	\$78,354,961	100%	1,463,266	\$53.55
Penelec	USC Rider-Annual	\$18,852,006	\$24,068,245	100%	501,533	\$47.99
Penn Power	USC Rider-Annual	\$4,435,519	\$6,702,617	100%	144,286	\$46.45
PPL	US Rider-Annual	\$80,923,575	\$90,908,486	100%	1,223,076	\$74.33
West Penn	Base Rates	\$27,280,111	\$31,938,200	100%	624,914	\$51.18
EDC Total		\$239,986,252	\$275,850,752		4,988,471	
EDC Weighted Avg.*						\$55.30
Columbia	USP Rider	\$19,668,704	\$24,558,499	100%	393,410	\$62.42
NFG	Rider F	\$1,199,650	\$2,250,979	100%	196,950	\$11.43
PECO-Gas	Base Rates & Univ. Service Fund Charge	\$2,357,836	\$4,885,302	100%	480,586	\$10.17
Peoples	Rider F	\$8,102,420	\$9,464,197	100%	333,761	\$28.36
Peoples-Equitable	Rider D	\$5,328,722	\$6,209,416	100%	247,930	\$25.05
PGW ³	USEC Surcharge	\$49,005,928	\$54,670,340	70%	474,960	\$81.26
UGI-Gas	Rider LISHP	\$3,187,005	\$4,474,618	100%	352,720	\$12.69
UGI Penn Natural	Rider E	\$2,088,411	\$3,055,613	100%	154,319	\$19.80
NGDC Total		90,938,676	\$109,568,964		2,634,634	
NGDC Weighted Avg.*						\$35.49 ⁴

*Weighted Averages are based on industry totals and do not represent an average of the participation rates shown in the tables.

¹Riders and USEC/USFM Surcharges for CAP costs are recovery mechanisms, in addition to base rates, that are adjusted quarterly or annually. This list is provided to show general recovery mechanisms, and may not apply to all Universal Service programs.

²Universal Service costs include CAP costs, LIURP costs and CARES costs.

³PGW's 2017 CAP, LIURP and CARES program costs were assessed in the following manner: residential (70.6 percent), commercial (24.0 percent), industrial (2.0 percent), municipal service (2.1 percent) and Philadelphia Housing Authority (PHA) (1.3 percent). PGW's Annual Spending per Residential Customer is estimated by using 70.6% of PGW's Total Universal Service Spending: (\$54,670,340 * 70.6% = \$38,597,260)/474,960 = \$81.26.

⁴NGDC Weighted Average for Universal Service Spending per Residential Customer reflects adjusted PGW amount of \$38,597,260.

