



Report on 2015 Universal Service Programs & Collections Performance

of the Pennsylvania
Electric Distribution Companies &
Natural Gas Distribution Companies

Pennsylvania Public Utility Commission
Bureau of Consumer Services



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1. Introduction

The Pennsylvania Public Utility Commission's (PUC) Annual Report on 2015 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).

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 territory⁴.

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 NGDCs⁵. 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-Equitable⁷, 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 2014 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 education⁹. 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.

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 allocation factor for 2015 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.

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.

Responsible Utility Customer Protection Act

Act 201 of 2004¹⁰ 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.¹¹ The law is applicable to EDCs, water distribution companies, and NGDCs with an annual operating income in excess of \$6,000,000.¹² Steam and wastewater utilities are not covered by Chapter 14. The Commission amended Chapter 56 to make these regulations consistent with Chapter 14¹³. On Oct. 22, 2014, Chapter 14 was renewed for a period of 10 years. The next Report is due in Dec. 2019.

CAP Rulemaking and Policy Statement

As the result of an investigation into CAP funding levels and cost recovery mechanisms¹⁴, the Commission began the process to revise its policy statement¹⁵ and regulations¹⁶ regarding CAPs. In May 2012, the Commission discontinued the rulemaking and the proposed revisions to the CAP policy statement¹⁷ due to several developments since the initiation of these two proceedings. The developments included changes to the application of **Low Income Home Energy Assistance Program (LIHEAP)** funds in a distribution company's CAP. In addition, stakeholders are studying the treatment of universal service customers in an enhanced competitive retail electricity market and this subgroup may recommend regulatory changes or revisions to the CAP policy statement. The Commission indicated that a new rulemaking and amended policy statement may be initiated in the future.

On April 9, 2010, the PUC suspended portions¹⁸ 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.¹⁹ The suspension of Sections 69.265(9)(ii-iii) of the Commission's regulations is still in effect.

¹⁰ 66 Pa.C.S. §§1401-1418

¹¹ 66 Pa. C.S. §1402

¹² Small natural gas companies may voluntarily "opt in" to Chapter 14. 66 Pa. C.S. §1403.

¹³ Docket no. L-00060182, published in Pennsylvania Bulletin Oct. 8, 2011.

¹⁴ Final Order entered Dec. 18, 2006 at docket no. M-00051923

¹⁵ 52 Pa. Code §§ 69.261-69.267. Policy statement proposal docket no. M-00072036.

¹⁶ 52 Pa. Code § 54.74 and § 62.4. Proposed rulemaking docket no. L-00070186.

¹⁷ Docket Nos. L-00070186 (Rulemaking) and M-00072036 (Policy Statement)

¹⁸ 52 Pa. Code §§ 69.265(9)(ii-iii)

¹⁹ Set forth in DPW's 2010 Final State Plan

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.

Number of Residential Customers

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

Number of Residential Electric Customers

Company	Number of Residential Customers
Duquesne	525,714
Met-Ed	492,501
PECO-Electric	1,440,188
Penelec	502,415
Penn Power	142,591
PPL	1,226,583
West Penn	622,404
Total	4,952,396

Number of Residential Natural Gas Customers

Company	Number of Residential Customers
Columbia	387,782
NFG	199,061
Peoples	331,587
Peoples-Equitable	245,930
PECO-Gas	465,404
PGW	470,788
UGI-Gas	338,929
UGI Penn Natural	151,648
Total	2,591,129

Number of Confirmed Low-Income Electric Customers*

Company	Number of Confirmed Low-Income Customers	Percent of Customers
Duquesne	51,374	9.8%
Met-Ed	65,425	13.3%
PECO-Electric	174,618	12.1%
Penelec	81,896	16.3%
Penn Power	18,848	13.2%
PPL	173,806	14.2%
West Penn	58,606	9.4%
Total/Industry Average	624,573	12.6%

*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	68,877	17.8%
NFG	27,932	14.0%
Peoples	59,708	18.0%
Peoples-Equitable	44,173	18.0%
PECO-Gas	31,961	6.9%
PGW	161,961	34.4%
UGI-Gas	38,489	11.4%
UGI Penn Natural	24,956	16.5%
Total/Industry Average	458,057	17.7%

*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	136,152	25.9%
Met-Ed	122,592	24.9%
PECO-Electric	381,417	26.5%
Penelec	188,209	37.5%
Penn Power	37,844	26.5%
PPL	325,879	26.6%
West Penn	168,625	27.1%
Total/Industry Average	1,360,718	27.5%

*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	104,869	27.0%
NFG	59,002	29.6%
Peoples	91,092	27.5%
Peoples-Equitable	62,658	25.5%
PECO-Gas	71,995	15.5%
PGW	178,899	38.0%
UGI-Gas	84,809	25.0%
UGI Penn Natural	48,409	31.9%
Total/Industry Average	701,733	27.1%

* 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.²⁰ A **payment arrangement**²¹ 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” arrearages 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,²² 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	3,112	401	12.9%
Met-Ed	1,041	718	69.0%
PECO-Electric	2,309	615	26.6%
Penelec	1,041	773	74.3%
Penn Power	255	190	74.5%
PPL	5,149	4,736	92.0%
West Penn	800	499	62.4%
Total/Industry Average	13,707	7,932	57.9%

²⁰ 52 Pa. Code § 54.72 or § 62.2

²¹ 52 Pa. Code, Chapter 56

²² 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	16,202	10,540	65.1%
NFG	5,556	3,250	58.5%
Peoples	15,959	9,158	57.4%
Peoples-Equitable	1,540	861	55.9%
PECO-Gas	691	155	22.4%
PGW	33,896	25,442	75.1%
UGI-Gas	11,334	9,840	86.8%
UGI Penn Natural	6,864	5,786	84.3%
Total/Industry Average	92,042	65,032	70.7%

Number of Payment Arrangements

The method²³ 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 Agreements which are Confirmed Low-Income
Duquesne	35,521	17,418	49.0%
Met-Ed	42,880	26,815	62.5%
PECO-Electric	58,602	8,693	14.8%
Penelec	40,992	28,449	69.4%
Penn Power	10,175	6,698	65.8%
PPL	125,618	82,254	65.5%
West Penn	36,749	21,672	59.0%
Total/Industry Average	350,537	191,999	54.8%

²³ 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	31,047	19,922	64.2%
NFG	21,093	13,547	64.2%
Peoples	17,866	8,588	48.1%
Peoples-Equitable	11,023	5,425	49.2%
PECO-Gas	24,840	2,563	10.3%
PGW	73,903	52,309	70.8%
UGI-Gas	39,287	33,303	84.8%
UGI Penn Natural	23,850	19,664	82.4%
Total/Industry Average	242,909	155,321	63.9%

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	2013 Terminations	2014 Terminations	2015 Terminations	Change 2013-15
Duquesne	25,649	23,853	*16,601	-35.3%
Met-Ed	23,672	25,071	25,136	6.2%
PECO-Electric	83,185	88,802	85,897	3.3%
Penelec	20,544	20,657	21,579	5.0%
Penn Power	4,999	4,482	4,951	-1.0%
PPL	47,759	56,777	52,229	9.4%
West Penn	13,904	12,133	12,551	-9.7%
Total/Industry Avg	219,712	231,775	218,944	-0.3%

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

Terminations - Residential Natural Gas Customers

Company	2013 Terminations	2014 Terminations	2015 Terminations	Change 2013-15
Columbia	12,030	11,252	12,664	5.3%
NFG	9,576	9,942	9,025	-5.8%
Peoples	7,229	9,436	7,894	9.2%
Peoples-Equitable	8,507	7,607	*3,562	-58.1%
PECO-Gas	22,054	23,538	22,277	1.0%
PGW	28,497	29,769	29,602	3.9%
UGI-Gas	9,055	11,149	9,658	6.7%
UGI Penn Natural	6,214	7,242	6,829	9.9%
Total/Industry Avg	103,162	109,935	101,511	-1.6%

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

Terminations - Confirmed Low-Income Electric Customers

Company	2013 Terminations	2014 Terminations	2015 Terminations	Change 2013-15
Duquesne	12,671	11,631	*1,410	-88.9%
Met-Ed	11,999	12,718	13,092	9.1%
PECO-Electric	23,431	30,866	28,259	20.6%
Penelec	11,672	12,085	12,940	10.9%
Penn Power	2,675	2,610	2,744	2.6%
PPL	25,950	39,104	33,186	27.9%
West Penn	6,919	6,215	6,820	-1.4%
Total/Industry Avg	95,317	115,229	98,451	3.3%

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

Terminations - Confirmed Low-Income Natural Gas Customers

Company	2013 Terminations	2014 Terminations	2015 Terminations	Change 2013-15
Columbia	7,030	6,610	7,498	6.7%
NFG	5,640	5,825	5,220	-7.4%
Peoples	1,373	2,453	2,052	49.5%
Peoples-Equitable	5,477	4,757	*643	-88.3%
PECO-Gas	5,191	7,444	6,797	30.9%
PGW	18,672	15,503	20,788	11.3%
UGI-Gas	6,674	8,018	6,943	4.0%
UGI Penn Natural	4,552	5,212	4,883	7.3%
Total/Industry Avg	54,609	55,822	54,824	0.4%

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

Termination Rate - Residential Electric Customers

Company	2013 Termination Rate	2014 Termination Rate	2015 Termination Rate	Change 2013-15
Duquesne	4.9%	4.5%	*3.2%	-34.7%
Met-Ed	4.8%	5.1%	5.1%	6.3%
PECO-Electric	5.9%	6.2%	6.0%	1.7%
Penelec	4.1%	4.1%	4.3%	4.9%
Penn Power	3.5%	3.2%	3.5%	0.0%
PPL	3.9%	4.6%	4.3%	10.3%
West Penn	2.2%	2.0%	2.0%	-9.1%
Total/Industry Avg	4.5%	4.7%	4.4%	-2.2%

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

Termination Rate - Residential Natural Gas Customers

Company	2013 Termination Rate	2014 Termination Rate	2015 Termination Rate	Change 2013-15
Columbia	3.1%	2.9%	3.3%	6.5%
NFG	4.8%	5.0%	4.5%	-6.3%
Peoples	2.2%	2.9%	2.4%	9.1%
Peoples-Equitable	3.5%	3.1%	*1.4%	-60.0%
PECO-Gas	4.8%	5.1%	4.8%	0.0%
PGW	6.1%	6.3%	6.3%	3.3%
UGI-Gas	2.8%	3.4%	2.8%	0.0%
UGI Penn Natural	4.2%	4.8%	4.5%	7.1%
Total/Industry Avg	4.0%	4.3%	3.9%	-2.5%

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

Termination Rate - Confirmed Low-Income Electric Customers

Company	2013 Termination Rate	2014 Termination Rate	2015 Termination Rate	Change 2013-15
Duquesne	21.8%	19.8%	*2.7%	-87.6%
Met-Ed	19.5%	20.1%	20.0%	2.6%
PECO-Electric	14.4%	17.6%	16.2%	12.5%
Penelec	14.9%	15.1%	15.8%	6.0%
Penn Power	14.4%	14.0%	14.6%	1.4%
PPL	15.6%	22.8%	19.1%	22.4%
West Penn	15.4%	11.9%	11.6%	-24.7%
Total/Industry Avg	16.1%	18.6%	15.8%	-1.9%

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

Termination Rate - Confirmed Low-Income Natural Gas Customers

Company	2013 Termination Rate	2014 Termination Rate	2015 Termination Rate	Change 2013-15
Columbia	10.4%	9.7%	10.9%	4.8%
NFG	19.0%	20.3%	18.7%	-1.6%
Peoples	2.3%	4.1%	3.4%	47.8%
Peoples-Equitable	12.7%	11.0%	*1.5%	-88.2%
PECO-Gas	16.1%	23.5%	21.3%	32.3%
PGW	11.9%	10.7%	12.8%	7.6%
UGI-Gas	16.9%	19.3%	18.0%	6.5%
UGI Penn Natural	17.5%	19.7%	19.6%	12.0%
Total/Industry Avg	12.0%	12.6%	12.0%	0.0%

*Peoples-Equitable performed limited credit and collection activities in 2015 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	2013 Reconnections	2014 Reconnections	2015 Reconnections	Change 2013-15
Duquesne	20,355	18,523	*10,578	-48.0%
Met-Ed	19,046	20,185	20,503	7.6%
PECO-Electric	61,493	67,142	66,008	7.3%
Penelec	16,184	15,959	16,506	2.0%
Penn Power	4,740	3,925	4,880	3.0%
PPL	34,910	42,767	39,083	12.0%
West Penn	11,089	9,472	9,732	-12.2%
Total/Industry Avg	167,817	177,973	167,290	-0.3%

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

Reconnections - Residential Natural Gas Customers

Company	2013 Reconnections	2014 Reconnections	2015 Reconnections	Change 2013-15
Columbia	6,490	6,212	7,088	9.2%
NFG	6,453	6,753	6,081	-5.8%
Peoples	5,426	5,210	5,597	3.2%
Peoples-Equitable	6,453	5,620	*2,361	-63.4%
PECO-Gas	16,565	18,059	17,618	6.4%
PGW	19,907	19,836	19,672	-1.2%
UGI-Gas	4,322	5,240	5,559	28.6%
UGI Penn Natural	3,483	4,008	4,222	21.2%
Total/Industry Avg	69,099	70,938	68,198	-1.3%

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

Reconnections - Confirmed Low-Income Electric Customers

Company	2013 Reconnections	2014 Reconnections	2015 Reconnections	Change 2013-15
Duquesne	9,932	11,208	*1,150	-88.4%
Met-Ed	8,273	8,964	9,264	12.0%
PECO-Electric	21,763	25,540	23,074	6.0%
Penelec	8,020	8,217	8,595	7.2%
Penn Power	2,048	1,900	2,124	3.7%
PPL	21,849	26,429	23,877	9.3%
West Penn	4,568	4,135	4,381	-4.1%
Total/Industry Avg	76,453	86,393	72,465	-5.2%

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

Reconnections - Confirmed Low-Income Natural Gas Customers

Company	2013 Reconnections	2014 Reconnections	2015 Reconnections	Change 2013-15
Columbia	3,245	3,223	3,731	15.0%
NFG	3,908	4,012	3,616	-7.5%
Peoples	1,031	1,354	1,453	40.9%
Peoples-Equitable	3,969	3,321	*453	-88.6%
PECO-Gas	4,837	5,810	5,081	5.0%
PGW	13,043	10,815	15,010	15.1%
UGI-Gas	2,832	3,242	2,771	-2.2%
UGI Penn Natural	2,051	2,300	2,098	2.3%
Total/Industry Avg	34,916	34,077	34,213	-2.0%

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

Reconnection Rate - Residential Electric Customers

Company	2013 Reconnection Rate	2014 Reconnection Rate	2015 Reconnection Rate	Change 2013-15
Duquesne	79.4%	77.7%	63.7%	-19.8%
Met-Ed	80.5%	80.5%	81.6%	1.4%
PECO-Electric	73.9%	75.6%	76.8%	3.9%
Penelec	78.8%	77.3%	76.5%	-2.9%
Penn Power	94.8%	87.6%	98.6%	4.0%
PPL	73.1%	75.3%	74.8%	2.3%
West Penn	79.8%	78.1%	77.5%	-2.9%
Total/Industry Avg	76.4%	76.8%	76.4%	0.0%

Reconnection Rate - Residential Natural Gas Customers

Company	2013 Reconnection Rate	2014 Reconnection Rate	2015 Reconnection Rate	Change 2013-15
Columbia	53.9%	55.2%	56.0%	3.9%
NFG	67.4%	67.9%	67.4%	0.0%
Peoples	75.1%	55.2%	70.9%	-5.6%
Peoples-Equitable	75.9%	73.9%	66.3%	-12.6%
PECO-Gas	75.1%	76.7%	79.1%	5.3%
PGW	71.0%	66.6%	66.5%	-6.3%
UGI-Gas	47.7%	47.0%	57.6%	20.8%
UGI Penn Natural	56.1%	55.3%	61.8%	10.2%
Total/Industry Avg	67.0%	64.5%	67.2%	0.3%

Reconnection Rate - Confirmed Low-Income Electric Customers

Company	2013 Reconnection Rate	2014 Reconnection Rate	2015 Reconnection Rate	Change 2013-15
Duquesne	78.4%	96.4%	81.6%	4.1%
Met-Ed	68.9%	70.5%	70.8%	2.8%
PECO-Electric	92.9%	82.7%	81.7%	-12.1%
Penelec	68.7%	68.0%	66.4%	-3.3%
Penn Power	76.6%	72.8%	77.4%	1.0%
PPL	84.2%	67.6%	71.9%	-14.6%
West Penn	66.0%	66.5%	64.2%	-2.7%
Total/Industry Avg	80.2%	75.0%	73.6%	-8.2%

Reconnection Rate - Confirmed Low-Income Natural Gas Customers

Company	2013 Reconnection Rate	2014 Reconnection Rate	2015 Reconnection Rate	Change 2013-15
Columbia	46.2%	48.8%	49.8%	7.8%
NFG	69.3%	68.9%	69.3%	0.0%
Peoples	75.1%	55.2%	70.8%	-5.7%
Peoples-Equitable	72.5%	69.8%	70.5%	-2.8%
PECO-Gas	93.2%	78.0%	74.8%	-19.7%
PGW	69.9%	69.8%	72.2%	3.3%
UGI-Gas	42.4%	40.4%	39.9%	-5.9%
UGI Penn Natural	45.1%	44.1%	43.0%	-4.7%
Total/Industry Avg	63.9%	61.0%	62.4%	-2.3%

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, 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 regulations²⁴ 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 termination²⁵.

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. 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-Equitable, UGI Penn Natural and UGI-Gas reported according to the method requested. The variance among the other EDCs and NGDCs shows a difference of no more than 20 days from that method. PECO Electric and Gas, PPL, 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). Company collection policies and accounting practices affect the timing. Appendix 2 contains company specific information.

²⁴ 52 Pa. Code § 56.1

²⁵ 52 Pa. Code § 56.97

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	11,997	42,223	54,220
Met-Ed	25,131	21,788	46,919
PECO-Electric	18,035	81,181	99,216
Penelec	24,958	23,909	48,867
Penn Power	6,047	6,168	12,215
PPL	47,523	92,742	140,265
West Penn	21,329	28,208	49,537
Total	155,020	296,219	451,239

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	19,012	10,818	29,830
NFG	5,199	5,445	10,644
Peoples	10,719	16,508	27,227
Peoples-Equitable	6,757	13,108	19,865
PECO-Gas	6,442	18,405	24,847
PGW	21,193	59,012	80,205
UGI-Gas	4,862	27,462	32,324
UGI Penn Natural	3,417	12,066	15,483
Total	77,601	162,824	240,425

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	1,309	3,984	5,293
Met-Ed	15,964	6,939	22,903
PECO-Electric	4,256	7,835	12,091
Penelec	17,529	9,036	26,565
Penn Power	4,158	2,218	6,376
PPL	27,733	41,482	69,215
West Penn	12,381	7,229	19,610
Total	83,330	78,723	162,053

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	10,309	3,665	13,975
NFG	3,000	1,964	4,965
Peoples	5,155	4,649	9,804
Peoples-Equitable	3,476	3,797	7,273
PECO-Gas	1,127	1,541	2,668
PGW	14,444	6,793	21,237
UGI-Gas	4,130	10,832	14,962
UGI Penn Natural	2,844	5,562	8,406
Total	44,485	38,803	83,288

Number of Residential Electric Customers in Debt

Company	2013 Total Number of Customers in Debt	2014 Total Number of Customers in Debt	2015 Total Number of Customers in Debt	Change 2013-15
Duquesne	21,956	22,508	*54,220	146.9%
Met-Ed	44,990	48,176	46,919	4.3%
PECO-Electric	120,703	109,398	99,216	-17.8%
Penelec	45,989	49,405	48,867	6.3%
Penn Power	10,706	11,427	12,215	14.1%
PPL	134,751	141,194	140,265	4.1%
West Penn	43,765	47,601	49,537	13.2%
Total/Industry Avg	422,860	429,709	451,239	6.7%

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

Number of Residential Natural Gas Customers in Debt

Company	2013 Total Number of Customers in Debt	2014 Total Number of Customers in Debt	2015 Total Number of Customers in Debt	Change 2013-15
Columbia	30,157	32,770	29,830	-1.1%
NFG	9,811	10,884	10,644	8.5%
Peoples	30,099	27,551	27,227	-9.5%
Peoples-Equitable	18,826	19,232	19,865	5.5%
PECO-Gas	31,679	27,658	24,847	-21.6%
PGW	77,839	83,705	80,205	3.0%
UGI-Gas	29,534	32,724	32,324	9.4%
UGI Penn Natural	14,908	16,141	15,483	3.9%
Total/Industry Avg	242,853	250,665	240,425	-1.0%

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	2.3%	8.0%	10.3%
Met-Ed	5.1%	4.4%	9.5%
PECO-Electric	1.3%	5.6%	6.9%
Penelec	5.0%	4.8%	9.8%
Penn Power	4.2%	4.3%	8.5%
PPL	3.9%	7.6%	11.5%
West Penn	3.4%	4.5%	7.9%
Total/Industry Average	3.1%	6.0%	9.1%

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	4.9%	2.8%	7.7%
NFG	2.6%	2.7%	5.3%
Peoples	3.2%	5.0%	8.2%
Peoples-Equitable	2.7%	5.3%	8.0%
PECO-Gas	1.4%	4.0%	5.4%
PGW	4.5%	12.5%	17.0%
UGI-Gas	1.4%	8.1%	9.5%
UGI Penn Natural	2.3%	8.0%	10.3%
Total/Industry Average	3.0%	6.3%	9.3%

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	2.5%	7.8%	10.3%
Met-Ed	24.4%	10.6%	35.0%
PECO-Electric	2.4%	4.5%	6.9%
Penelec	21.4%	11.0%	32.4%
Penn Power	22.1%	11.8%	33.9%
PPL	16.0%	23.9%	39.9%
West Penn	21.1%	12.3%	33.4%
Total/Industry Average	13.3%	12.6%	25.9%

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	15.0%	5.3%	20.3%
NFG	10.7%	7.0%	17.7%
Peoples	8.6%	7.8%	16.4%
Peoples-Equitable	7.9%	8.6%	16.5%
PECO-Gas	3.5%	4.8%	8.3%
PGW	8.9%	4.2%	13.1%
UGI-Gas	10.7%	28.1%	38.8%
UGI Penn Natural	11.4%	22.3%	33.7%
Total/Industry Average	9.7%	8.5%	18.2%

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	\$8,475,599	\$11,655,027	\$20,130,626
Met-Ed	\$16,068,324	\$5,188,397	\$21,256,721
PECO-Electric	\$9,496,265	\$23,695,090	\$33,191,355
Penelec	\$15,044,320	\$4,842,244	\$19,886,564
Penn Power	\$3,846,100	\$1,355,800	\$5,201,900
PPL	\$22,412,561	\$66,174,920	\$88,587,481
West Penn	\$10,341,255	\$5,470,722	\$15,811,977
Total	\$85,684,424	\$118,382,200	\$204,066,624

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	\$12,193,864	\$3,943,671	\$16,137,535
NFG	\$2,339,898	\$1,775,477	\$4,115,375
Peoples	\$5,558,597	\$4,222,286	\$9,780,883
Peoples-Equitable	\$5,032,096	\$2,344,513	\$7,376,609
PECO-Gas	\$3,757,012	\$7,771,478	\$11,528,490
PGW	\$13,389,757	\$34,900,155	\$48,289,912
UGI-Gas	\$2,241,630	\$7,179,466	\$9,421,096
UGI Penn Natural	\$1,830,146	\$4,463,430	\$6,293,576
Total	\$46,343,000	\$66,600,476	\$112,943,476

Dollars in Debt - Confirmed Low-Income Electric Custome

Company	Dollars in Debt on an Agreement	Dollars in Debt Not on an Agreement	Total Dollars in Debt
Duquesne	\$1,061,156	\$2,499,669	\$3,560,825
Met-Ed	\$10,947,284	\$2,122,143	\$13,069,427
PECO-Electric	\$2,789,568	\$4,674,494	\$7,464,062
Penelec	\$11,050,780	\$2,236,890	\$13,287,670
Penn Power	\$2,725,270	\$562,532	\$3,287,802
PPL	\$15,116,573	\$45,269,005	\$60,385,578
West Penn	\$6,185,136	\$1,714,017	\$7,899,153
Total	\$49,875,767	\$59,078,750	\$108,954,517

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	\$7,232,765	\$1,427,095	\$8,659,860
NFG	\$1,496,516	\$981,719	\$2,478,235
Peoples	\$2,387,402	\$2,125,573	\$4,512,975
Peoples-Equitable	\$2,641,103	\$829,595	\$3,470,698
PECO-Gas	\$919,207	\$1,686,623	\$2,605,830
PGW	\$8,618,074	\$6,340,821	\$14,958,895
UGI-Gas	\$1,956,803	\$4,193,699	\$6,150,502
UGI Penn Natural	\$1,565,517	\$2,764,845	\$4,330,362
Total	\$26,817,387	\$20,349,970	\$47,167,357

Dollars in Debt - Residential Electric Customers

Company	2013 Total Dollars in Debt	2014 Total Dollars in Debt	2015 Total Dollars in Debt	Change 2013-15
Duquesne	\$11,271,501	\$12,670,756	\$20,130,626	78.6%
Met-Ed	\$23,740,747	\$23,792,172	\$21,256,721	-10.5%
PECO-Electric	\$53,030,783	\$41,535,061	\$33,191,355	-37.4%
Penelec	\$21,016,356	\$21,322,501	\$19,886,564	-5.4%
Penn Power	\$5,015,168	\$4,922,175	\$5,201,900	3.7%
PPL	\$83,490,365	\$87,267,271	\$88,587,481	6.1%
West Penn	\$12,424,966	\$14,365,935	\$15,811,977	27.3%
Total/Industry Avg	\$209,989,886	\$205,875,871	\$204,066,624	-2.8%

Dollars in Debt - Residential Natural Gas Customers

Company	2013 Total Dollars in Debt	2014 Total Dollars in Debt	2015 Total Dollars in Debt	Change 2013-15
Columbia	\$10,343,332	\$15,037,395	\$16,137,535	56.0%
NFG	\$3,489,351	\$4,145,413	\$4,115,375	17.9%
Peoples	\$11,787,163	\$10,476,276	\$9,780,883	-17.0%
Peoples-Equitable	\$6,593,921	\$7,920,021	\$7,376,609	11.9%
PECO-Gas	\$18,707,389	\$13,785,110	\$11,528,490	-38.4%
PGW	\$46,967,191	\$41,372,532	\$48,289,912	2.8%
UGI-Gas	\$7,184,309	\$10,093,006	\$9,421,096	31.1%
UGI Penn Natural	\$4,982,221	\$6,529,849	\$6,293,576	26.3%
Total/Industry Avg	\$110,054,877	\$109,359,602	\$112,943,476	2.6%

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	42.1%	57.9%
Met-Ed	75.6%	24.4%
PECO-Electric	28.6%	71.4%
Penelec	75.7%	24.3%
Penn Power	73.9%	26.1%
PPL	25.3%	74.7%
West Penn	65.4%	34.6%
Total/Industry Average	42.0%	58.0%

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	75.6%	24.4%
NFG	56.9%	43.1%
Peoples	56.8%	43.2%
Peoples-Equitable	68.2%	31.8%
PECO-Gas	32.6%	67.4%
PGW	27.7%	72.3%
UGI-Gas	23.8%	76.2%
UGI Penn Natural	29.1%	70.9%
Total/Industry Average	41.0%	59.0%

**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	29.8%	70.2%
Met-Ed	83.8%	16.2%
PECO-Electric	37.4%	62.6%
Penelec	83.2%	16.8%
Penn Power	82.9%	17.1%
PPL	25.0%	75.0%
West Penn	78.3%	21.7%
Total/Industry Average	45.8%	54.2%

**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	83.5%	16.5%
NFG	60.4%	39.6%
Peoples	52.9%	47.1%
Peoples-Equitable	76.1%	23.9%
PECO-Gas	35.3%	64.7%
PGW	54.3%	45.7%
UGI-Gas	31.8%	68.2%
UGI Penn Natural	36.2%	63.8%
Total/Industry Average	55.8%	44.2%

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	\$706.48	\$276.04	\$371.28
Met-Ed	\$639.38	\$238.13	\$453.05
PECO-Electric	\$526.55	\$291.88	\$334.54
Penelec	\$602.79	\$202.53	\$406.95
Penn Power	\$636.03	\$219.81	\$425.86
PPL	\$471.62	\$713.54	\$631.57
West Penn	\$484.84	\$193.94	\$319.20
Industry Average	\$552.73	\$399.64	\$452.24

Average Arrearage - Residential Natural Gas Customers

Company	Average Arrearage on an Agreement	Average Arrearage Not on an Agreement	Overall Average Arrearage
Columbia	\$641.38	\$364.55	\$540.98
NFG	\$450.07	\$326.07	\$386.64
Peoples	\$518.57	\$255.77	\$359.23
Peoples-Equitable	\$744.72	\$178.86	\$371.34
PECO-Gas	\$583.21	\$422.25	\$463.98
PGW	\$631.80	\$591.41	\$602.08
UGI-Gas	\$461.05	\$261.43	\$291.46
UGI Penn Natural	\$535.60	\$369.92	\$406.48
Industry Average	\$597.20	\$409.03	\$469.77

Average Arrearage - Confirmed Low-Income Electric Customers

Company	Average Arrearage on an Agreement	Average Arrearage Not on an Agreement	Overall Average Arrearage
Duquesne	\$810.66	\$627.43	\$672.74
Met-Ed	\$685.75	\$305.83	\$570.64
PECO-Electric	\$655.44	\$596.62	\$617.32
Penelec	\$630.43	\$247.55	\$500.19
Penn Power	\$655.43	\$253.62	\$515.65
PPL	\$545.08	\$1,091.29	\$872.43
West Penn	\$499.57	\$237.10	\$402.81
Industry Average	\$598.53	\$750.46	\$672.34

Average Arrearage - Confirmed Low-Income Natural Gas Customers

Company	Average Arrearage on an Agreement	Average Arrearage Not on an Agreement	Overall Average Arrearage
Columbia	\$701.60	\$389.38	\$619.67
NFG	\$498.84	\$499.86	\$499.14
Peoples	\$463.12	\$457.21	\$460.32
Peoples-Equitable	\$759.81	\$218.49	\$477.20
PECO-Gas	\$815.62	\$1,094.50	\$976.70
PGW	\$596.65	\$933.43	\$704.38
UGI-Gas	\$473.80	\$387.16	\$411.07
UGI Penn Natural	\$550.46	\$497.10	\$515.15
Industry Average	\$602.84	\$524.44	\$566.32

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	\$517,693,491	\$50,395,901	9.7%
Met-Ed	\$580,097,486	\$96,783,122	16.7%
PECO-Electric	\$2,113,723,422	\$119,548,745	5.7%
Penelec	\$501,135,992	\$107,918,111	21.5%
Penn Power	\$173,081,319	\$27,074,000	15.6%
PPL	\$2,027,064,362	\$364,017,879	18.0%
West Penn	\$612,001,071	\$80,814,140	13.2%
Total/Industry Average	\$6,524,797,143	\$846,551,898	13.0%

Residential Revenues (Billings) - Natural Gas Customers

Company	All Residential	Confirmed Low-Income	Percent Confirmed Low-Income
Columbia	\$382,178,953	\$66,237,666	17.3%
NFG	\$134,831,811	\$17,053,733	12.6%
Peoples	\$288,744,126	\$75,073,473	26.0%
Peoples-Equitable	\$204,966,830	\$36,894,029	18.0%
PECO-Gas	\$424,687,769	\$17,453,231	4.1%
PGW	\$486,111,491	\$134,713,519	27.7%
UGI-Gas	\$205,051,789	\$34,646,285	16.9%
UGI Penn Natural	\$164,358,415	\$31,863,165	19.4%
Total/Industry Average	\$2,290,931,184	\$413,935,101	18.1%

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	2013	2014	2015	Change 2013-15
Duquesne	2.8%	2.9%	3.9%	39.3%
Met-Ed	4.2%	4.5%	3.7%	-11.9%
PECO-Electric	2.6%	2.0%	1.6%	-38.5%
Penelec	4.4%	4.7%	4.0%	-9.1%
Penn Power	3.6%	3.6%	3.0%	-16.7%
PPL	4.8%	4.5%	4.4%	-8.3%
West Penn	2.5%	2.8%	2.6%	4.0%
Industry Average	3.6%	3.4%	3.1%	-13.9%

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

Company	2013	2014	2015	Change 2013-15
Columbia	3.1%	3.9%	4.2%	35.5%
NFG	2.2%	2.4%	3.1%	40.9%
Peoples	3.9%	3.2%	3.4%	-12.8%
Peoples-Equitale	2.7%	3.0%	3.6%	33.3%
PECO-Gas	4.4%	2.9%	2.7%	-38.6%
PGW	9.9%	8.0%	9.9%	0.0%
UGI-Gas	3.3%	4.4%	4.6%	39.4%
UGI Penn Natural	3.0%	3.7%	3.8%	26.7%
Industry Average	4.7%	4.3%	4.9%	4.3%

Gross Residential Write-Offs in Dollars

The tables below represent the gross residential write-offs in dollars for EDCs and NGDCs in 2015. 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	\$11,249,134	\$1,613,191	14.3%
Met-Ed	\$14,112,271	\$10,138,588	71.8%
PECO-Electric	\$30,272,765	\$6,415,266	21.2%
Penelec	\$12,311,625	\$9,273,621	75.3%
Penn Power	\$2,579,296	\$1,868,502	72.4%
PPL	\$66,007,829	\$46,028,913	69.7%
West Penn	\$10,531,117	\$7,520,820	71.4%
Total/Industry Average	\$147,064,037	\$82,858,901	56.3%

Gross Write-Offs in Dollars - Natural Gas Customers

Company	All Residential	Confirmed Low-Income	Percent Confirmed Low-Income
Columbia	\$9,437,857	\$6,435,961	68.2%
NFG	\$4,483,553	\$2,790,871	62.2%
Peoples	\$12,278,610	\$3,192,952	26.0%
Peoples-Equitable	\$2,189,341	\$394,081	18.0%
PECO-Gas	\$2,346,798	\$1,712,047	73.0%
PGW	\$48,411,806	\$34,508,963	71.3%
UGI-Gas	\$6,842,786	\$5,199,633	76.0%
UGI Penn Natural	\$4,419,332	\$3,769,000	85.3%
Total/Industry Average	\$90,410,083	\$58,003,508	64.2%

Gross Write-Offs in Dollars - Residential Electric Customers

Company	2013 Gross Write-Offs in Dollars	2014 Gross Write-Offs in Dollars	2015 Gross Write-Offs in Dollars	Change 2013-15
Duquesne	\$5,258,566	\$3,199,684	\$11,249,134	113.9%
Met-Ed	\$10,760,304	\$12,186,981	\$14,112,271	31.2%
PECO-Electric	\$38,006,588	\$33,631,526	\$30,272,765	-20.3%
Penelec	\$8,990,906	\$9,939,670	\$12,311,625	36.9%
Penn Power	\$1,873,734	\$1,888,898	\$2,579,296	37.7%
PPL	\$53,609,736	\$61,828,466	\$66,007,829	23.1%
West Penn	\$6,072,775	\$8,180,202	\$10,531,117	73.4%
Total/Industry Avg	\$124,572,609	\$130,855,427	\$147,064,037	18.1%

Gross Write-Offs in Dollars - Residential Natural Gas Customers

Company	2013 Gross Write-Offs in Dollars	2014 Gross Write-Offs in Dollars	2015 Gross Write-Offs in Dollars	Change 2013-15
Columbia	\$6,630,828	\$8,357,228	\$9,437,857	42.3%
NFG	\$3,458,420	\$3,543,650	\$4,483,553	29.6%
Peoples	\$10,678,789	\$8,426,426	\$12,278,610	15.0%
Peoples-Equitable	\$4,786,037	\$5,304,131	\$2,189,341	-54.3%
PECO-Gas	\$2,268,138	\$2,190,933	\$2,346,798	3.5%
PGW	\$49,563,281	\$46,746,444	\$48,411,806	-2.3%
UGI-Gas	\$4,756,334	\$7,052,238	\$6,842,786	43.9%
UGI Penn Natural	\$2,664,482	\$3,869,792	\$4,419,332	65.9%
Total/Industry Avg	\$84,806,309	\$85,490,842	\$90,410,083	6.6%

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	2.2%	3.2%
Met-Ed	2.4%	10.5%
PECO-Electric	1.4%	5.4%
Penelec	2.5%	8.6%
Penn Power	1.5%	6.9%
PPL	3.3%	12.6%
West Penn	1.7%	9.3%
Industry Average	2.3%	9.8%

Gross Write-Offs Ratio - Natural Gas Customers

Company	All Residential Gross Write-Offs Ratio	Confirmed Low-Income Gross Write-Offs Ratio
Columbia	2.5%	9.7%
NFG	3.3%	16.4%
Peoples	4.3%	4.3%
Peoples-Equitable	1.1%	1.1%
PECO-Gas	0.6%	9.8%
PGW	10.0%	25.6%
UGI-Gas	3.3%	15.0%
UGI Penn Natural	2.7%	11.8%
Industry Average	3.9%	14.0%

Gross Write-Offs Ratio - Residential Electric Customers

Company	2013 Gross Write-Offs Ratio	2014 Gross Write-Offs Ratio	2015 Gross Write-Offs Ratio	Change 2013-15
Duquesne	1.3%	0.7%	2.2%	69.2%
Met-Ed	1.9%	2.3%	2.4%	26.3%
PECO-Electric	1.9%	1.6%	1.4%	-26.3%
Penelec	1.9%	2.2%	2.5%	31.6%
Penn Power	1.3%	1.4%	1.5%	15.4%
PPL	3.1%	3.2%	3.3%	6.5%
West Penn	1.2%	1.6%	1.7%	41.7%
Industry Average	2.1%	2.2%	2.3%	9.5%

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2013 Gross Write-Offs Ratio	2014 Gross Write-Offs Ratio	2015 Gross Write-Offs Ratio	Change 2013-15
Columbia	2.0%	2.2%	2.5%	25.0%
NFG	2.2%	2.1%	3.3%	50.0%
Peoples	3.6%	2.6%	4.3%	19.4%
Peoples-Equitable	1.9%	2.0%	1.1%	-42.1%
PECO-Gas	0.5%	0.5%	0.6%	20.0%
PGW	10.4%	9.0%	10.0%	-3.8%
UGI-Gas	2.2%	3.0%	3.3%	50.0%
UGI Penn Natural	1.6%	2.2%	2.7%	68.8%
Industry Average	3.7%	3.3%	3.9%	5.4%

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	\$7,405,412	\$6,035,411	81.5%
Met-Ed	\$16,926,682	\$11,512,412	68.0%
PECO-Electric	\$13,101,829	\$1,772,148	13.5%
Penelec	\$15,011,373	\$10,741,269	71.6%
Penn Power	\$3,444,506	\$2,320,086	67.4%
PPL	\$12,669,951	\$6,715,074	53.0%
West Penn	\$12,771,498	\$8,407,714	65.8%
Total/Industry Avg	\$81,331,251	\$47,504,114	58.4%

Annual Natural Gas Collection Operating Expenses

Company	All Residential	Confirmed Low-Income	Percent of Collection Operating Expenses for Confirmed Low-Income Customers
Columbia	\$2,635,931	\$1,777,959	67.5%
NFG	\$650,180	\$252,661	38.9%
Peoples	\$2,501,252	\$650,326	26.0%
Peoples-Equitable	\$2,417,037	\$435,066	18.0%
PECO-Gas	\$1,619,327	\$117,987	7.3%
PGW	\$1,200,173	\$412,884	34.4%
UGI-Gas	\$3,548,792	\$1,643,091	46.3%
UGI Penn Natural	\$1,454,435	\$789,758	54.3%
Total/Industry Avg	\$16,027,127	\$6,079,732	37.9%

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 defined²⁶ 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.

Source of Income, Average Household Size and Income

For all 2015 universal service program customers (both electric and gas), average household incomes are below \$15,704. Electric and natural gas households receiving CAP benefits in 2015 have average household incomes that are less than \$13,073 per year. Electric customers who receive LIURP service have average yearly household incomes at \$16,722, while gas customers average \$15,486. These households average three persons, with at least one member under 18 years old. Average household incomes for universal service and energy conservation program participants are well below 150 percent of FPIG for three persons (\$30,135 in 2015; \$30,240 in 2016). See Appendix 3.

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

“Working poor” households do not always have incomes that exceed 150 percent of FPIG. A definition of a “working poor” household begins with a wage-earner who works full time at a minimum-wage job. In 2015, minimum wage was \$7.25 per hour, the same as it has been since 2011.²⁷ Annual income for a wage earner who works at a minimum-wage job is \$15,080. A typical 2015 CAP customer (household) had an income of approximately \$13,073, which placed these households’ incomes at 65 percent of FPIG (for three persons) for 2015, and just under 65 percent for 2016.

Finally, it is important to understand the relationship between household income and the percent of income a household spends on energy. Energy burden was defined in 2002 as the percentage of household income that a household spends on total home energy needs.²⁸ In most instances without CAP programs, calculations made using the 2014 median income for Pennsylvania²⁹ show CAP eligible households in 2015 would pay about 14.5 percent of their household income for energy compared with a typical Pennsylvania household that pays about 3.6 percent of its income for home energy needs.

²⁶ 52 Pa. Code § 54.72

²⁷ <http://www.dol.gov/whd/minwage/america.htm> The Pennsylvania state minimum wage law adopted the federal minimum wage rate by reference for 2015.

²⁸ U.S. Department of Health & Human Services, LIHEAP Home Energy Notebook for FY 2002: Appendix A Home energy estimates, p.45, 2004.

²⁹ <http://www.deptofnumbers.com/income/pennsylvania/> Derived from Census ACS 1-yr survey. 2014 data is most recent available.

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

	2014	2015
LIURP	\$16,826	\$16,722
CAP	\$14,304	\$14,044
CARES	\$15,580	\$16,250
Hardship Fund	\$19,940	\$19,909

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

	2014	2015
LIURP	\$14,899	\$15,486
CAP	\$11,964	\$12,223
CARES	\$14,683	\$15,634
Hardship Fund	\$16,161	\$16,416

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

	LIURP	CAP	Hardship Fund
Employment	31.3%	30.2%	45.3%
Public Assistance	2.2%	4.0%	3.6%
Pension or Retirement	19.4%	20.4%	17.9%
Unemployment Compensation	21.0%	3.3%	3.4%
Disability	10.7%	23.3%	17.3%
Other	15.5%	18.8%	12.5%

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

	LIURP	CAP	Hardship Fund
Employment	26.7%	29.5%	44.2%
Public Assistance	3.9%	5.5%	3.2%
Pension or Retirement	31.7%	25.8%	15.2%
Unemployment Compensation	8.7%	3.0%	3.2%
Disability	17.8%	23.4%	19.6%
Other	11.2%	12.8%	14.6%

Low Income Usage Reduction Program (LIURP)

LIURP is a statewide, utility-sponsored, residential usage-reduction program mandated by the PUC³⁰. The primary goal of LIURP is to assist low-income residential customers to reduce energy bills through usage reduction (energy conservation) and, as a result, to make bills more affordable.

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

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

The PUC has regulatory oversight of LIURP, and the utilities administer the program using both non-profit and for-profit contractors. The 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.

In addition, this report also includes data on completed jobs provided by EDCs and NGDCs in accordance with the LIURP Codebook³¹.

³⁰ 52 Pa. Code, Chapter 58

³¹ Originally based in the LIURP regulations at 52 Pa. Code § 58.15 and incorporated in the Universal Service Reporting Requirements regulations

LIURP Spending

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

LIURP Spending - Electric Utilities

Company	2015 Actual Spending	2016 Projected Spending*
Duquesne	\$2,244,667	\$1,655,700
Met-Ed	\$4,147,534	\$4,605,000
PECO-Electric	\$5,600,000	\$5,600,000
Penelec	\$4,565,730	\$5,536,000
Penn Power	\$1,794,913	\$2,371,000
PPL	\$9,371,754	\$10,128,246
West Penn	\$4,448,225	\$4,573,000
Total	\$32,172,823	\$34,468,946

*Includes carryover of unspent funds from previous Program Year.

LIURP Spending - Natural Gas Utilities

Company	2015 Actual Spending	2016 Projected Spending*
Columbia	\$4,847,387	\$4,906,581
NFG	\$1,002,398	\$1,626,491
Peoples	\$1,251,395	\$1,250,085
Peoples-Equitable	\$890,300	\$800,000
PECO-Gas	\$2,250,000	\$2,250,000
PGW	\$7,913,908	\$6,151,327
UGI-Gas	\$665,759	\$1,230,341
UGI Penn Natural	\$831,817	\$936,007
Total	\$19,652,964	\$19,150,832

* Includes carryover of unspent funds from previous Program Year.

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	2015 Actual Production			2016 Projected Production		
	Heating Jobs	Water Heating Jobs	Baseload Jobs*	Heating Jobs	Water Heating Jobs	Baseload Jobs*
Duquesne	499	0	2,375	75	0	3,025
Met-Ed	628	576	382	614	487	389
PECO-Electric	1,111	0	8,913	1,122	0	7,550
Penelec	433	1,302	685	410	1,106	749
Penn Power	209	300	293	215	325	305
PPL	1,579	519	807	1,800	600	650
West Penn	687	274	108	640	220	110
Total	5,146	2,971	13,563	4,876	2,738	12,778

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

LIURP Natural Gas Production

Company	2015 Actual Production Heating Jobs	2016 Projected Production Heating Jobs
Columbia	608	615
NFG	135	239
Peoples	246	245
Peoples-Equitable	160	155
PECO-Gas	1,293	1,136
PGW	3,722	2,893
UGI-Gas	106	176
UGI Penn Natural	125	134
Total	6,395	5,593

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	2015 Heating Jobs	2015 Water Heating Jobs	2015 Baseload Jobs
Duquesne	\$2,105	\$0.00	\$489
Met-Ed	\$2,476	\$1,496	\$1,224
PECO-Electric	\$1,411	\$0.00	\$388
Penelec	\$2,062	\$1,568	\$1,138
Penn Power	\$2,593	\$1,495	\$1,152
PPL	\$3,989	\$1,947	\$1,093
West Penn	\$3,211	\$2,765	\$1,740

LIURP Natural Gas Average Job Cost

Company	2015 Heating Jobs
Columbia	\$6,527
NFG	\$4,253
Peoples	\$4,122
Peoples-Equitable	\$4,540
PECO-Gas	\$1,727
PGW	\$1,657
UGI-Gas	\$5,411
UGI Penn Natural	\$5,596

LIURP Energy Savings and Bill Reduction

LIURP energy savings are determined by calculating the difference in a customer's usage during the 12 months following the installation of the LIURP measures, from the usage during the 12 preceding months. The energy savings reported are based on weather-normalized data and represent an average of the company results. 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 year³².

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

LIURP Energy Savings and Bill Reductions

Job Type	*2013 Energy Savings	*2013 Estimated Annual Bill Reduction
Electric Heating	5.8%	\$108
Electric Water Heating	5.0%	\$80
Electric Baseload	5.1%	\$78
Gas Heating	15.9%	\$317

* Savings and Bill Reductions are considerably lower due to the increased usage during the Polar Vortex extreme weather event.

Customer Assistance Programs (CAPs)

The PUC monitors implementation of the Commission's CAP Policy Statement and regulations³³ 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 regulations³⁴ 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).

The CAP Participation Rate is defined as the number of participants enrolled as of Dec. 31, 2015, 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.

³² Example: 2013 LIURP program year installations were completed and evaluated after the post-installation period ended in 2014. Those results were then reported in 2015. LIURP program year 2014 results will be available in the 2016 version of this report.

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

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

CAP Participation - Electric Utilities

Company	2014		2015	
	Participants Enrolled as of 12/31/14	CAP Participant Rate	Participants Enrolled as of 12/31/15	CAP Participant Rate
Duquesne	35,949	61%	35,865	70%
Met-Ed	16,290	26%	14,974	23%
PECO-Electric	140,514	80%	138,650	79%
Penelec	22,378	28%	21,195	26%
Penn Power	4,872	26%	4,558	24%
PPL	41,288	24%	46,936	27%
West Penn	22,090	42%	23,159	40%
Total	283,381		285,337	
Weighted Avg.*		46%		46%

*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	2014		2015	
	Participants Enrolled as of 12/31/14	CAP Participant Rate	Participants Enrolled as of 12/31/15	CAP Participant Rate
Columbia	20,589	30%	21,274	31%
NFG	9,998	35%	9,167	33%
Peoples	20,404	34%	19,591	33%
Peoples-Equitable	14,063	33%	13,799	31%
PECO-Gas	24,657	78%	24,454	77%
PGW	61,319	42%	58,282	36%
UGI-Gas	7,469	18%	7,962	21%
UGI-Penn Natural	5,798	22%	6,362	25%
Total	161,297		160,891	
Weighted Avg.*		37%		35%

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

CAP Benefits - Bills, Credits & Arrearage Forgiveness

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

The PUC has identified the three components of CAP benefits as the average CAP bill, average CAP credits, and average arrearage forgiveness. The average CAP bill is the total 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	2014	2015
Duquesne	\$69	\$66
Met-Ed	\$69	\$72
PECO-Electric	\$69	\$71
Penelec	\$55	\$57
Penn Power	\$57	\$60
PPL	\$83	\$85
West Penn	\$94	\$100

Average Monthly Natural Gas CAP Bill

Company	2014	2015
Columbia	\$59	\$55
NFG	\$80	\$64
Peoples	\$67	\$74
Peoples-Equitable	\$77	\$106
PECO-Gas	\$67	\$58
PGW	\$86	\$80
UGI-Gas	\$76	\$74
UGI Penn Natural	\$86	\$86

Average Annual Electric CAP Credits

Company	2014	2015
Duquesne	\$347	\$386
Met-Ed	\$800	\$756
PECO-Electric	\$561	\$594
Penelec	\$690	\$660
Penn Power	\$646	\$684
PPL	\$1,300	\$1,187
West Penn	\$385	\$482

Average Annual Natural Gas CAP Credits

Company	2014	2015
Columbia	\$761	\$736
NFG	\$148	\$97
Peoples	\$415	\$461
Peoples-Equitable	\$676	\$532
PECO-Gas	\$164	\$150
PGW	\$1,008	\$800
UGI-Gas	\$230	\$328
UGI Penn Natural	\$275	\$400

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	2014	2015
Duquesne	\$65	\$101
Met-Ed	\$130	\$125
PECO-Electric	\$88	\$73
Penelec	\$87	\$83
Penn Power	\$78	\$75
PPL	\$512	\$587
West Penn	\$196	\$206

Average Annual Natural Gas Utilities Arrearage Forgiveness

Company	2014	2015
Columbia	\$40	\$47
NFG	\$31	\$39
Peoples	\$106	\$99
Peoples-Equitable	\$37	\$43
PECO-Gas	\$30	\$28
PGW	\$94	\$112
UGI-Gas	\$101	\$110
UGI Penn Natural	\$112	\$121

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.

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	2014			2015		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Duquesne	8%	77%	14%	9%	72%	19%
Met-Ed	9%	78%	13%	9%	78%	13%
PECO-Electric	3%	84%	13%	3%	86%	11%
Penelec	10%	80%	10%	10%	80%	10%
Penn Power	11%	79%	10%	11%	81%	9%
PPL	3%	69%	27%	3%	65%	32%
West Penn	5%	63%	32%	4%	67%	29%
Weighted Avg.*	5%	77%	18%	4%	76%	20%

*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	2014			2015		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Columbia	6%	89%	5%	6%	89%	6%
NFG	10%	75%	15%	13%	62%	25%
Peoples	9%	73%	19%	9%	75%	16%
Peoples-Equitable	5%	90%	5%	4%	89%	7%
PECO-Gas	9%	77%	14%	10%	76%	14%
PGW	2%	90%	8%	2%	86%	12%
UGI-Gas	11%	62%	27%	8%	69%	23%
UGI Penn Natural	11%	63%	26%	7%	72%	22%
Weighted Avg.*	4%	86%	10%	5%	83%	12%

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

CAP Electric Gross Costs

Company	2014			2015		
	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	\$15,888,626	35,352	\$449	\$18,984,666	35,602	\$533
Met-Ed	\$17,525,198	17,111	\$1,024	\$15,113,962	15,639	\$966
PECO-Electric	\$94,812,522	141,297	\$671	\$96,675,303	140,469	\$688
Penelec	\$20,236,493	23,440	\$863	\$18,127,221	21,865	\$829
Penn Power	\$4,287,789	5,277	\$812	\$3,970,526	4,678	\$849
PPL	\$72,016,857	38,373	\$1,877	\$83,614,471	45,801	\$1,826
West Penn	\$13,385,035	21,820	\$613	\$16,540,073	23,071	\$717
Total	\$238,152,520	282,669		\$253,026,222	287,125	
Weighted Avg.*			\$843			\$881

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

CAP Natural Gas Gross Costs

Company	2014			2015		
	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
Columbia	\$18,237,407	21,418	\$852	\$18,204,869	21,925	\$830
NFG	\$1,934,109	9,797	\$197	\$1,489,477	9,577	\$156
Peoples	\$11,270,401	19,762	\$570	\$12,607,004	20,432	\$617
Peoples-Equitable	\$9,988,104	13,334	\$749	\$8,614,710	14,333	\$601
PECO-Gas	\$5,294,959	24,667	\$215	\$4,905,156	24,813	\$198
PGW	\$71,187,450	63,578	\$1,120	\$56,502,542	60,507	\$934
UGI-Gas	\$2,482,458	6,709	\$370	\$4,145,889	8,693	\$477
UGI Penn Natural	\$2,299,074	5,279	\$436	\$3,747,453	6,717	\$558
Total	\$122,693,962	164,543		\$110,217,100	166,997	
Weighted Avg.*			\$746			\$660

*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 also 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, hardship funds, and 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 Benefits

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 and LIHEAP crisis grants. Typically, households that receive LIHEAP crisis grants also receive cash grants. Therefore, to avoid double counting the benefits, the table shows the number of households receiving LIHEAP cash grants. The dollar amount of LIHEAP benefits includes both cash and crisis LIHEAP benefits. The total amount of LIHEAP dollars each utility receives depends primarily on the amount of the LIHEAP appropriation to the state and the number of low-income customers in each company's service territory.

The regulations define³⁵ direct dollars as those applied to a CARES customer's utility account, including all sources of energy assistance such as LIHEAP, hardship fund grants, and local agencies' grants. The column "Direct Dollars in Addition to LIHEAP Grants for CARES Participants" is obtained by subtracting LIHEAP benefits from total/gross CARES benefits, to show the total dollar benefits not related to LIHEAP. Gross CARES benefits include all LIHEAP cash and crisis grants, plus direct dollars in addition to LIHEAP grants. The administrative costs of CARES are then deducted from the total/gross CARES benefits to equal net CARES benefits. Because the number of participants who receive the case management services of CARES is small, the direct dollars not related to LIHEAP grants will be a smaller number than the total LIHEAP dollars for all low-income customers.

³⁵ 52 Pa. Code § 54.72. Definitions.

2015 Electric CARES Benefits

Company	CARES Costs	Total LIHEAP Grants for Low-Income Customers*	Low-Income Households who Received LIHEAP Cash Grants	Direct Dollars in Addition to LIHEAP Grants for CARES Participants	Net CARES Benefits
Duquesne	\$135,000	\$2,362,104	8,126	\$202,742	\$2,429,846
Met-Ed**	\$5,200	\$2,608,698	8,525	\$0	\$2,603,498
PECO-Electric	\$1,456,890	\$13,402,428	40,288	\$166,707	\$12,112,245
Penelec**	\$2,924	\$3,652,613	9,859	\$500	\$3,650,189
Penn Power**	\$541	\$990,872	2,525	\$0	\$990,331
PPL	\$0	\$9,155,520	36,262	\$4,052	\$9,159,572
West Penn**	\$1,422	\$3,860,236	11,859	\$648	\$3,859,462
Total	\$1,601,977	\$36,032,471	117,444	\$374,649	\$34,805,143

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

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

2015 Natural Gas CARES Benefits

Company	CARES Costs	Total LIHEAP Grants for Low-Income Customers*	Low-Income Households who Received LIHEAP Cash Grants	Direct Dollars in Addition to LIHEAP Grants for CARES Participants	Net CARES Benefits
Columbia	\$232,625	\$6,313,419	22,000	\$87,642	\$6,168,436
NFG	\$4,107	\$5,664,797	19,204	\$150	\$5,660,840
Peoples	\$101,173	\$6,519,753	21,488	\$9,334	\$6,427,914
Peoples-Equitable	\$104,307	\$4,283,089	13,481	\$77,122	\$4,255,904
PECO-Gas	\$237,168	\$2,181,791	6,558	\$27,139	\$1,971,762
PGW	\$665,128	\$19,333,975	59,810	\$992	\$18,669,839
UGI-Gas	\$64,281	\$3,848,776	14,141	\$46,672	\$3,831,167
UGI Penn Natural	\$24,575	\$3,370,716	11,667	\$16,933	\$3,363,074
Total	\$1,433,364	\$51,516,316	168,349	\$265,984	\$50,348,936

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

Utility Hardship Fund Programs

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

Ratepayer and Shareholder Contributions

The USRR requires companies to report data on the amount of ratepayer and utility contributions to hardship funds. Shareholders contribute 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.

2014-15 Electric Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Duquesne	\$257,286	\$0.46	\$450,000
Met-Ed	\$142,424	\$0.29	\$145,245
PECO-Electric	\$166,707	\$0.09	\$396,826
Penelec	\$90,360	\$0.18	\$89,387
Penn Power	\$48,870	\$0.34	\$45,898
PPL	\$629,860	\$0.35	\$788,800
West Penn	\$165,222	\$0.27	\$109,000
Total	\$1,500,729		\$2,025,156
Weighted Avg.*		\$0.30	

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

2014-15 Natural Gas Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Columbia	\$487,500	\$0.39	\$150,000
NFG	\$52,908	\$0.26	\$67,000
Peoples	\$170,653	\$0.51	\$726,895
Peoples-Equitable	\$86,942	\$0.35	\$480,000
PECO-Gas	\$27,138	\$0.04	\$64,600
PGW	\$678	\$0.00	\$594,860
UGI-Gas	\$69,941	\$0.21	\$120,280
UGI Penn Natural	\$13,025	\$0.09	\$66,000
Total	\$908,785		\$2,269,635
Weighted Avg.*		\$0.35	

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

Hardship Fund Benefits

The USRR requires companies to also report data on hardship fund benefits. The Commission defines hardship fund benefits³⁶ 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	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Duquesne	1,843	1,845	\$407	\$407	\$750,000	\$750,000
Met-Ed	826	713	\$344	\$328	\$284,328	\$234,000
PECO-Electric	808	642	\$401	\$462	\$324,076	\$296,313
Penelec	610	420	\$338	\$348	\$206,000	\$146,000
Penn Power	301	223	\$332	\$323	\$99,928	\$72,000
PPL	3,686	3,956	\$328	\$346	\$1,208,759	\$1,369,915
West Penn	1,070	715	\$309	\$305	\$330,658	\$218,000
Total	9,144	8,514			\$3,203,749	\$3,086,228
Weighted Avg.*			\$350	\$362		

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

³⁶ 52 Pa. Code § 54.72 and § 62.5

Natural Gas Utility Hardship Fund Grant Benefits

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Columbia	3,051	1,565	\$402	\$407	\$1,227,073	\$636,415
NFG	546	316	\$253	\$254	\$138,218	\$80,360
Peoples	1,559	1,759	\$384	\$376	\$599,186	\$660,814
Peoples-Equitable	994	1,258	\$402	\$350	\$400,000	\$440,000
PECO-Gas	130	105	\$402	\$459	\$52,319	\$48,237
PGW	1,324	992	\$1,048	\$1,234	\$1,387,671	\$1,223,937
UGI-Gas	652	469	\$224	\$288	\$146,200	\$135,054
UGI Penn Natural	658	363	\$374	\$334	\$245,960	\$121,143
Total	8,914	6,827			\$4,196,627	\$3,345,960
Weighted Avg.*			\$471	\$490		

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

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

Peoples TWP (formerly T.W. Phillips Gas and Oil Company), operates hardship funds through the Dollar Energy Fund and offers a full-scale CAP program. As of Dec. 31, 2015, the program enrollment was approximately 2,985 customers. The company also operates a LIURP program, which completed 50 jobs in 2015.

UGI-Central Penn Gas offers a full-scale CAP program. As of Dec. 2015, the program enrollment was approximately 1,978 customers. UGI-Central Penn Gas also administers a LIURP program, completing 68 jobs in 2015.

UGI Utilites Inc. (UGI-Electric) offers a full-scale CAP program. As of Dec. 31, 2015, the program enrollment was approximately 2,084 customers. The company operates its own hardship fund and also administers a LIURP program, completing 24 jobs in 2015.

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 6,000 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?

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
Peoples	Bill Transmittal Date	30 Days	20 Days Sooner
Peoples-Equitale	Bill Due Date	30 Days	0 Days
PECO-Gas	Bill Transmittal Date	30 Days	20 Days Sooner
PGW	Bill Transmittal Date	30 Days	20 Days Sooner
UGI-Gas	Bill Due Date	30 Days	0 Days
UGI Penn Natural	Bill Due Date	30 Days	0 Days

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

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

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

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

Appendix 3 – 2015 and 2016 Federal Poverty Guidelines

2015 Annual Federal Poverty Income Guidelines*				
Size of Household	0-50 percent of Poverty	51-100 percent of Poverty	101-150 percent of Poverty	151-200 percent of Poverty
1	\$5,885	\$11,770	\$17,655	\$23,540
2	\$7,965	\$15,930	\$23,895	\$31,860
3	\$10,045	\$20,090	\$30,135	\$40,180
4	\$12,125	\$24,250	\$36,375	\$48,500
5	\$14,205	\$28,410	\$42,615	\$56,820
6	\$16,285	\$32,570	\$48,855	\$65,140
7	\$18,365	\$36,730	\$55,095	\$73,460
8	\$20,445	\$40,890	\$61,335	\$81,780
For each additional person, add	\$2,080	\$4,160	\$6,240	\$8,320

* Income reflects upper limit of the poverty guideline for each column.
Effective: Jan. 22, 2015. SOURCE: Federal Register, Vol. 80, Jan. 22, 2015, pp. 3236-3237.

2016 Annual Federal Poverty Income Guidelines*				
Size of Household	0-50 percent of Poverty	51-100 percent of Poverty	101-150 percent of Poverty	151-200 percent of Poverty
1	\$5,940	\$11,880	\$17,820	\$23,760
2	\$8,010	\$16,020	\$24,030	\$32,040
3	\$10,080	\$20,160	\$30,240	\$40,320
4	\$12,150	\$24,300	\$36,450	\$48,600
5	\$14,220	\$28,440	\$42,660	\$56,880
6	\$16,290	\$32,580	\$48,870	\$65,160
7	\$18,365	\$36,730	\$55,095	\$73,460
8	\$20,445	\$40,890	\$61,335	\$81,780
For each additional person, add	\$2,080	\$4,160	\$6,240	\$8,320

* Income reflects upper limit of the poverty guideline for each column.
Effective: Jan.25, 2016. SOURCE: Federal Register, Vol. 81, Jan. 25, 2016, pp. 4036 -4037

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 2015 Spending Levels & Cost Recovery Mechanisms

Company	Cost Recovery Mechanism ¹	Annual CAP Spending	Annual Total Universal Service Spending ²	Universal Service Spending Assessed on Residential Customers	Average Number of Residential Customers	Average Annual Universal Service Spending per Residential Customer
Duquesne	Base Rates	\$18,984,666	\$21,364,333	100%	525,714	\$40.64
Met-Ed	USC Rider-Annual	\$15,113,962	\$19,266,696	100%	492,501	\$39.12
PECO-Electric	Base Rates & Univ. Service Fund Charge	\$96,675,303	\$103,732,193	100%	1,440,188	\$72.03
Penelec	USC Rider-Annual	\$18,127,221	\$22,695,875	100%	502,415	\$45.17
Penn Power	USC Rider-Annual	\$3,970,526	\$5,765,980	100%	142,591	\$40.44
PPL	US Rider-Annual	\$83,614,471	\$92,986,720	100%	1,226,583	\$75.81
West Penn	Base Rates	\$16,540,073	\$20,989,720	100%	622,404	\$33.72
EDC Total		\$253,026,222	\$286,801,022		4,952,396	
EDC Weighted Avg.*						\$57.91
Columbia	USP Rider	\$18,204,869	\$23,284,881	100%	387,782	\$60.05
NFG	Rider F	\$1,489,477	\$2,495,982	100%	199,061	\$12.54
Peoples	Rider F	\$12,607,004	\$13,959,572	100%	331,587	\$42.10
Peoples-Equitable	Rider D	\$8,614,710	\$9,609,317	100%	245,930	\$39.07
PECO-Gas	Base Rates & Univ. Service Fund Charge	\$4,905,156	\$7,392,324	100%	465,404	\$15.88
PGW	USEC Surcharge	\$56,502,542	\$65,081,578	74% ⁴	470,788	\$138.24
UGI-Gas	Rider LISHP	\$4,145,889	\$4,875,929	100%	338,929	\$14.39
UGI Penn Natural	Rider E	\$3,747,453	\$4,603,845	100%	151,648	\$30.36
NGDC Total		\$110,217,100	\$131,303,428		2,591,129	
NGDC Weighted Avg.*						\$50.67

*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 Surcharge are charges for CAP costs, in addition to base rates, that are adjusted quarterly or annually.

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

³PGW universal service costs do not include Senior Citizen Discount (SCD) costs. Because income is not an eligibility criterion, the SCD does not meet the definition of universal service.

⁴PGW CAP and LIURP 2015 costs were assessed in the following manner: residential (73.8 percent), commercial (21.3 percent), industrial (1.7 percent), municipal service (2.1 percent) and Philadelphia Housing Authority (PHA) (1.1 percent).

