

PPL Electric Utilities Corporation
2014 “Prepare Now” Campaign

In a letter dated October 24, 2014, the Commissioners urged utilities to participate in the annual “Prepare Now” campaign. PPL Electric’s responses to the various actions suggested by the Commission are as follows.

1.) Improve efforts to link consumers to programs that are available to help them restore and maintain service such as CAP, LIHEAP and utility and local hardship funds.

Response: PPL Electric uses an automated system to refer low-income customers to its CAP. Through this system, the Company makes over 130,000 referrals annually to CAP. PPL Electric has implemented a variety of CAP outreach initiatives in 2014 and has increased program participation by 8%. LIHEAP promotional efforts included targeted mailings, phone campaigns, e-mail reminders and bill messages. PPL Electric will send a letter to nearly 70,000 low-income customers encouraging them to apply for LIHEAP benefits. The LIHEAP link in PPL Electric’s website allows customers to download the application, and Customer Service Representatives (“CSRs”) refer customers to the program. The Company will use social media as well to promote LIHEAP. CSRs also refer customers to Operation HELP, which is PPL Electric’s hardship fund. About 4,000 customers receive assistance annually through the hardship fund. The Company uses 15 human service agencies to administer the program.

2.) Refer low-income consumers to CAP when they call to make payment arrangements. We expect our utilities to do everything possible to get eligible consumers into CAP, especially if a termination-related problem exists.

Response: When customers call to make payment arrangements, PPL Electric’s computer system will automatically refer eligible customers to CAP and electronically inform the CAP administering agencies about the referrals. The Company has also integrated CAP into its call-flow process used by CSRs who handle collection-related calls. A referral to CAP stops all collection activities, including termination of service. In addition, if a customer uses PPL Electric’s web or IVR (“interactive voice response) to set up a payment agreement, we also refer them to CAP.

3.) Increase corporate donations to utility Hardship Funds and other local programs that assist consumers who need help in paying their utility bills.

Response: In 2015, PPL Electric will continue its fund-raising activities for Operation HELP and expects to raise approximately \$450,000 in donations from customers, employees and Company retirees. Due to the very cold winter of 2013-2014, the Company gave an additional \$250,000 to the program. PPL Electric will also use social media to encourage contributions to Operation HELP. PPL Electric will conduct its annual fund-raising campaign in December. The Company also conducted a solicitation campaign in July 2014 and added several hundred more contributors to Operation HELP.

4.) Review company procedures to ensure that automatic payments and online payments allow for consumer contributions to Hardship Funds.

Response: Since 1983, customers have been able to contribute to Operation HELP via their electric bill. PPL Electric encourages monthly donation options of \$1, \$2 or \$5; however, the

billing system has the flexibility to allow customers to donate any amount and, if requested, for specific periods of time (e.g., \$15 monthly over the winter). In addition, paperless billing customers can contribute to Operation HELP.

5.) Restore service to low-income consumers upon enrollment into the company's CAP for the first time.

Response: PPL Electric's long-time practice is to restore service within 24 hours when eligible customers enroll in CAP.

6.) Limit the number of terminations of confirmed low-income consumers by scaling back the company's termination program as the cold weather approaches. This includes reviewing termination and reconnection procedures to allow consumers who are making a good faith effort to pay their bills to keep utility service whenever possible.

Response: In November, PPL Electric typically begins to scale back its collection activities. PPL Electric gives special consideration to households with vulnerable occupants (i.e., young children, elderly and disabled). As part of the Commission's annual winter survey, the Company works diligently to reconnect all households before December 1, including providing an information packet about available assistance programs like CAP and LIHEAP. The Company may accept 25% of the amount needed to restore service. During the last week of November, PPL Electric reviews all winter survey accounts not yet reconnected or verified as vacant. The Company conducts a special outreach campaign in an attempt to restore service to these accounts and typically has very few customers without service at the start of winter. PPL Electric offers reduced payment plans to residential customers in an attempt to reconnect service before the start of winter.

7.) Waive or reduce security deposits, reconnection fees and late payment charges if they are a barrier to restoration of service or establishing a payment arrangement. As previously noted, utilities have more discretion in waiving these fees than does the Commission. If a security deposit or reconnection fee is necessary, consider adding it to the consumer's bill instead of making it an initial condition of providing service.

Response: PPL Electric does not charge security deposits for low-income residential customers. The Company includes a reconnection fee on customers' bills, but the charge is relatively low (\$30 normal hours and \$50 after hours). PPL Electric will waive the reconnection fee under the appropriate circumstances. PPL Electric also waives late payment charges for low-income customers on payment agreements, for CAP participants and for LIHEAP recipients.

8.) Accept any combination of LIHEAP grant, crisis grant, and Hardship Fund grant as sufficient funds to initiate or reconnect service for low-income consumers. If a consumer payment is also necessary, we encourage you to be as lenient as possible.

Response: PPL Electric uses LIHEAP grants hardship fund grants either to stop termination or to reconnect service for low-income households. The Company will accept a minimum payment as low as \$50 to reconnect service prior to winter. PPL Electric will negotiate a lower catch-up amount to reconnect service if customers have experienced critical life events (e.g., job loss, death of primary wage earner or unexpected medical problems) or have demonstrated a good-faith effort to pay their bills.

9.) Exercise leniency when establishing payment arrangement plans for all consumers. Again, utilities have more discretion in making payment arrangements than does the Commission. When assessing whether to grant a payment arrangement, please consider:

- **Changes in circumstances such as lost or reduce income,**
- **Extended illness of the ratepayer or a household member, or**
- **Increased household size and accompanying expenses.**

Response: As indicated above, the Company will accept \$50 to reconnect residential service before winter and will waive any security deposit requirement for low-income households. For defaulted payment agreements, PPL Electric will negotiate to 50% of the total catch-up amount or 25% if there is a life event (such as those described above) affecting the household. The Company also encourages low-income customers to enroll in CAP because of benefits such as an affordable payment plan, arrearage forgiveness and access to free weatherization services, including energy conservation education.

10.) Provide customers with information about home heating safety and work to get consumers who have been “red tagged” the assistance or information needed to help in obtaining repairs to furnaces or heating systems. Refer low-income consumers to the LIHEAP crisis program for emergency repairs.

Response: “Red tagged” situations apply to customers who heat their homes with natural gas. However, PPL Electric has established an inter-utility coordination process to refer customers who heat with natural gas to UGI’s Low-Income Usage Reduction Program (“LIURP”).

11.) Promote the use of budget billing programs and third-party notification forms.

Response: The Company has offered budget billing and third-party notification programs for many years. In addition to offering budget billing when negotiating payment plans, PPL Electric promotes the program annually in a bill insert to all customers. As of October 31, 2014, there were nearly 245,000 customers enrolled in budget billing (about 20% of all residential customers), and about 17,000 customers have enrolled in the third-party notification program.

12.) Provide information to consumers on how they can reduce their heating costs through conservation including information on weatherization programs as well as cost-effective steps they can do themselves.

Response: PPL Electric’s CSRs will continue to refer low-income customers to WRAP, which is the Company’s LIURP program. PPL Electric has promoted WRAP through bill inserts, call campaigns, bus ads, targeted mailings and newspaper advertising. PPL Electric offers additional weatherization funding as part of Phase 2 of Act 129. The Company will expend nearly \$15 million for low-income weatherization efforts in 2015. WRAP contactors will continue their efforts to refer customers to the state Weatherization Assistance Program for additional services, including furnace repair or replacement. In Phase 2 of Act 129, PPL Electric will continue offering its E-Power Wise program, which provides energy-saving kits.

PPL Electric’s Energy Analyzer allows customers to create a home profile of their energy usage. Using the Energy Analyzer allows customers to understand how and when they are using energy, as well as to receive no cost/low cost tips to reduce their usage. They can also view information on all the E-power programs the Company offers under its Act 129 plan. The

various Act 129 programs help customers save energy. PPL Electric's E-Power Team consists of skilled energy educators who participate in numerous high-traffic events throughout the service area. E-Power Team members provide energy conservation tips and ideas, including Act 129 program information, and they can show customers how to use the Energy Analyzer. The Company's web-based Energy Learning Center provides customers with a broad range of information regarding energy usage and conservation suggestions.

November 6, 2014