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October 31, 2013

Honorable Robert F. Powelson, Chairman
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: 2013 Prepare Now Campaign

Dear Chairman Powelson:

We are writing in response to the Commission's 2013 Prepare Now Campaign letter dated October 16, 2013. Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company ("the Companies") are supporting the Commission's 2013 Prepare Now Campaign by helping customers restore and maintain service, prepare for winter's utility costs by providing energy conservation and universal service programs, and promoting customer awareness. To that end, the following highlights some of the Companies' initiatives currently underway:

Initiatives to Restore and Maintain Electric Service

- The Companies are accepting any combination of "assistance grants", as being sufficient to avoid service termination or restore service. Although in many instances a lesser amount may be required than allowed by regulation to restore service, we will work with customers who also commit to address their unpaid balances.
- Eligible low-income customers will be encouraged to enroll (or recertify) in the Pennsylvania Customer Assistance Program ("CAP"). The successful enrollment or recertification will avoid termination or assist with service restoration during the winter months. The appropriate commitment on any unpaid balance will also be anticipated.
- During the last quarter of 2013, our Companies are placing less emphasis on residential terminations and focusing resources towards helping customers restore service. These efforts include the Cold Weather Survey initiative. To help customers maintain service we are also expanding our customer communication efforts through the use of telephone calls, individual letters, and field visits to encourage customers to contact our Credit Department for payment arrangements.
- The Companies are also working with customers to avoid termination by allowing more than one payment agreement in certain situations. When given a payment agreement, customers are placed on budget billing, thereby providing an additional opportunity for customers to effectively manage their electric bills. Customers with existing agreements may be asked to make up any missed payments to resume the terms of their previous

commitments. Additionally, please note that the Company's payment agreement guidelines are designed to be sensitive to the payment troubled customers between 150% and 250% of the Federal Poverty Level (i.e., those who do not qualify for customer assistance programs but still need help).

Initiatives to Promote Energy Conservation

During the past year (October 1, 2012 to September 30, 2013) for the Low Income Usage Reduction Program (LIURP)/WARM, the Companies have invested approximately \$10 million in energy conservation and education measures at approximately 5,400 low income homes. For Act 129, Phase I (from inception through May 31, 2013), preliminary numbers indicate that the Companies invested approximately \$16.3 million in energy conservation and education measures at approximately 54,200 homes. Note that Act 129 Phase II program statistics are not provided as these programs are in their initial stages. The Companies' portfolio of programs includes:

- LIURP/WARM (energy conservation measures and education)
- Act 129 Phase I, Low Income Energy Efficiency Program (LIEEP)
- Act 129 Phase I, Joint Utility Usage Management Program (coordination of services with the natural gas company)
- Act 129 Phase I, Low Income Low Use Program (kits to low energy consumption homes containing energy conservation literature and energy saving items)
- Act 129 Phase I, WARM Extra Measures Program (offers expanded conservation items in addition to WARM measures installed in customers' homes already participating in the Low Income Usage Reduction Program ("LIURP")/WARM)
- Act 129 Phase I, WARM Plus Program (an expansion of the Low Income Usage Reduction Program ("LIURP")/WARM that serves additional participants)

Initiatives to Provide Universal Service Programs

During the past year, the Companies have applied approximately \$54.3 million in electric bill assistance to over 96,000 low income household accounts, via the Companies' portfolio of assistance programs and LIHEAP, and will continue to do so in accordance with their Universal Service Plans. The various programs comprising this portfolio include:

- Dollar Energy Fund (emergency hardship fund)
- Low Income Payment & Usage Reduction Program ("LIPURP") (customer assistance program)
- Pennsylvania Customer Assistance Program ("PCAP")
- Pennsylvania Low Income Home Energy Assistance Program ("LIHEAP") (Federally-funded State grant program)

At the present time, the Dollar Energy Fund is open and awarding cash grants, and LIPURP and PCAP enrollments continue to be processed by a large network of over forty community-based organizations ("CBOs") at more than fifty locations throughout the Companies' service territories.

Initiatives to Promote Customer Awareness

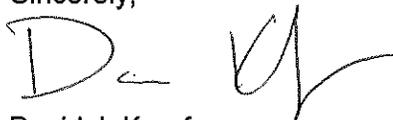
The Companies are continuing to utilize various methods to educate and make customers aware of available assistance and energy efficiency programs, including:

- Attending senior and energy fairs, including the 2013 Be UtilityWise events in various Counties within the FirstEnergy service territory. These programs assist in educating participants by providing beneficial information about PCAP, LIPURP, WARM, payment agreements, budget billing and third party notification. Promoting Third Party Notification is especially beneficial to customers who are elderly, ill, away from home for long periods of time, or who do not always remember to pay their electric bill on time.
- Providing the Companies' Universal Service Programs and Very Important Programs ("VIP") bill inserts, which outline customer programs including those to provide help during times of need.
- Utilizing a bill insert in October to make customers aware of the LIHEAP, and making referrals during interactions with customers.
- Utilizing a bill insert in November to remind customers of the availability of the Dollar Energy Fund – both for those customers in need and for those interested in contributing to this fund.
- Promoting the Home Energy Analyzer on the Companies' website, which can educate customers about energy efficiency opportunities in the home, and which can be utilized at the customer's convenience.
- Promoting the Companies' Act 129 and LIURP programs through direct mail campaigns, radio, newspaper and www.energysavepa.com.
- Referring low income customers to PCAP or LIPURP when customers call to make payment arrangements.

The Companies appreciate the opportunity to share these initiatives and look forward to continuing to work with the Commission on these important efforts. We are hopeful that the Prepare Now Campaign will assist customers by raising their awareness of energy costs, energy conservation measures, and the availability of budget bill and low income assistance programs.

Please call me if you have any questions or would like additional information.

Sincerely,



David J. Karafa
President-PA Operations

Enclosures

- c: The Honorable John F. Coleman, Jr., Vice Chairman
The Honorable James H. Cawley, Commissioner
The Honorable Pamela A. Witmer, Commissioner
The Honorable Gladys M. Brown, Commissioner
Ms. Sasha Oberheim, Bureau of Consumer Services