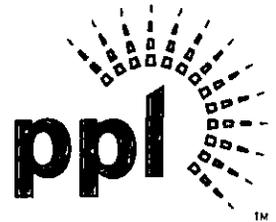


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**FEDERAL EXPRESS**

September 30, 2014

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120

RECEIVED

SEP 30 2014

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: PPL Electric Utilities Corporation's Universal Service and  
Energy Conservation Plan for 2014-2016  
Docket No. M-2013-2367021**

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Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is an updated Universal Service and Energy Conservation Plan ("USECP") for 2014-2016. In an Order entered on September 11, 2014 regarding the above-captioned proceeding, the Commission directed PPL Electric to amend and file a revised USECP to reflect various changes identified by the Commission.

Per the Commission's direction, PPL Electric has incorporated these revisions in the enclosed USECP for 2014-2016. By universal service program, the changes appear on the following pages of the USECP:

- OnTrack – pages 5-9, page 11, page 16 and page 21
- WRAP – pages 3-4, page 9, page 11 and page 19
- Operation HELP – page 5
- CARES – page 4

If you have questions regarding the revised USECP, please call me (610/774-4254), or Timothy R. Dahl, PPL Electric's Manager- Regulatory Programs & Business Services, at (484/634-3297).

Very truly yours,

Paul E. Russell

cc: Ms. Tanya McCloskey, OCA  
Mr. Harry Geller, CAUSE-PA  
Mr. Joseph Vullo  
Ms. Grace McGovern, BCS  
Mr. Joseph Magee, BCS



RECEIVED

SEP 30 2014

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

## PPL Electric Utilities Corporation

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Proposed 2014-2016 Universal Service and Energy  
Conservation Plan

September 30, 2014

**OnTrack**

# **PPL Electric Utilities Corporation OnTrack Payment Program**

## **1. Program Description**

### **a. Overview**

OnTrack is a special payment program for low-income households at or below 150 percent of the federal poverty level who are payment troubled. OnTrack is PPL Electric Utilities Corporation's ("PPL Electric" or the "Company") Customer Assistance Program ("CAP") and is one of its Universal Service Programs ("USP"). This program, funded by residential customers and administered by community-based organizations, started as a pilot in 1993.

The primary features of OnTrack include:

- A reduced payment arrangement based on ability to pay
- Arrearage forgiveness over a specified period of time
- Protection against shutoff of electric service
- Referrals to other programs and services

PPL Electric establishes an 18-month debt forgiveness timetable for all customers who participate in OnTrack. The customer's outstanding balance amount is reviewed at the time of enrollment and the overdue amount is frozen. The outstanding balance is forgiven in a straight-line method. Equal installments are forgiven over the 18-month time period. These installments are shown on the customer's account and in the Company's Customer Service System ("CSS") as arrearage forgiveness credits. The 18-month debt forgiveness timetable in this proposed Universal Service Plan ("Plan") is a change compared to the 2011-2013 Plan. The prior Plan's debt forgiveness timetable was a four-tiered timeline that ranged from 12 months for customers with an overdue amount less than \$1,000 up to 36 months for customers with an overdue amount of \$3,001 or more.

The 18-month forgiveness timetable provides benefits to customers and the Company. From customers' perspectives, they are able to see significant progress every month as the debt owed to PPL Electric becomes smaller and smaller. This helps motivate customers to keep making on-time payments and managing their usage to remain in the program and ultimately see the overdue balance get to zero. The Company benefits by a more timely recovery of costs and ultimately lower overdue receivables. In addition, the 18-month debt

forgiveness timetable mirrors the new recertification timeline, which is also 18 months as opposed to 12 months under the Company's prior Plan.

**b. Background**

In July 1992, the Pennsylvania Public Utility Commission ("PUC" or the "Commission") adopted a Policy Statement that established guidelines for Customer Assistance Programs. The Commission encouraged all electric and gas utilities to implement CAP pilots.

After receiving approval from the Commission for its pilot proposal, PPL Electric implemented OnTrack in December 1993. The pilot began in one region and expanded to all regions by June 1994. The Company agreed to enroll 2,000 low-income customers in OnTrack. PPL Electric stopped the pilot program enrollments on July 31, 1995.

On December 3, 1996, Governor Tom Ridge signed a law that increased competition in the electric utility industry. The new law gave consumers the opportunity to choose their electric generation supplier. The legislation required electric distribution companies to continue their various assistance programs (e.g., CARES, Operation HELP, OnTrack and WRAP).

As a result of its August 12, 1998 Restructuring Settlement Agreement with all interested parties, PPL Electric agreed to significantly expand OnTrack expenditures from 1999 through 2002. During this four-year period, the program's annual budget increased from \$5.875 million in 1999 to \$11.7 million in 2002. In December 2007, as part of base rate case proceeding at Docket No. R-00072155, the Commission approved an annual funding level of \$19.0 million for OnTrack.

**c. Objectives**

PPL Electric recovers its universal service program costs through the Universal Service Rider ("USR")<sup>1</sup>. The Company has proposed CAP expenditure funding of approximately \$56.6 million in 2014, \$62.8 million in 2015, and \$65.4 million in 2016. PPL Electric has increased the number of active OnTrack participants by 50 percent to 33,000 (as of April 30, 2013) from 22,000 in

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<sup>1</sup> As part of the settlement agreement for PPL's 2007 distribution rate case, the Commission approved a reconcilable USR to recover appropriate costs for PPL Electric's CAP and weatherization program (WRAP).

2007. For the 2014 through 2016 period, the Company projects growth rates of approximately four to five percent per year. PPL Electric has developed a strategy to increase the Company's ability to target low-income customers that are overdue and payment troubled. The key policy objectives for OnTrack are to:

1. Administer a cost-effective program;
2. Provide expanded services to low-income households;
3. Identify for enrollment those customers who meet the OnTrack guidelines;
4. Adhere to all PUC reporting requirements and policies; and
5. Identify and implement improvements to strengthen the effectiveness of OnTrack.

**d. Statement of Purpose**

In performing collection functions, PPL Electric gives careful attention to the wide variety of circumstances that can affect customers. Financial hardships, physical disabilities, family problems and poor money management are but a few of the factors that can lead to non-payment of electric bills and, ultimately, overdue receivables and write-offs. The Company considers each customer's situation in determining the appropriate collection action. PPL Electric has structured and implemented OnTrack to address the needs of low-income customers while balancing financial, regulatory and social interests.

The four primary operating objectives of the OnTrack program are to:

1. Improve customers' bill payment habits and attitudes;
2. Stabilize or reduce customers' energy usage;
3. Eliminate uncollectible balances for program participants; and
4. Provide the customer with other beneficial services and/or programs through a network of local community-based organizations ("CBOs" or "agencies").

**e. Payment Plan Design**

A key feature of the OnTrack program is to establish payment plans based on the customer's ability to pay. To provide sufficient flexibility in the selection process and an appropriate payment plan, the computer system calculates a Percent of Bill and Minimum Payment plan option for each OnTrack

participant. The system also has an Agency Selected (or custom) payment option for situations where the Percent of Bill or Minimum Payment option does not offer the best fit given the customer's situation.

For discussion purposes, it is important to note the difference between the Minimum Payment plan option that is calculated by PPL Electric's computer system versus the minimum payment control feature that is built-in to the system. The Minimum Payment plan option is one of the three plans that an OnTrack customer could be placed on (discussed in more detail below), whereas the minimum payment control feature is a failsafe feature that does not allow a system user (e.g., OnTrack caseworker) to process a payment amount in the Agency Selected plan option field that is lower than \$30 for electric heat customers or \$12 for non-electric heat customers.

The table below shows the percent amounts that are used when the system calculates the Percent of Bill payment option.

<b>Income Level (Percent of Poverty Level)</b>	<b>Percent of Bill Payment Option Amount</b>
0% - 50%	50%
51% - 100%	70%
101% - 150%	80%

PPL Electric calculates the Percent of Bill payment by multiplying the estimated annual bill by the applicable percent of bill amount, adding the \$60 annual arrearage co-payment and dividing the total by 12 months. The amount entered into the Agency Selected blank field is an amount close to the Percent of Bill amount, but takes into account extenuating circumstances that may be present within the customer's household and/or the financial situation the customer is facing. Regardless of which payment option is selected for the customer, the system will not allow a payment amount to be lower than the minimum payment control feature of \$30 for electric heat customers or \$12 for non-electric heat customers. The Minimum Payment plan option amount is calculated by taking the customer's estimated monthly budget amount and subtracting the billing deficiency (i.e., \$180/month for electric heat and \$71/month for non-electric heat) and adding the \$5 arrearage co-payment.

Under the Company's prior Plan there were four payment plan options calculated by the system, plus the availability of using the Agency Selected payment option. The Company moved from five payment options to three to simplify the program. Having three payment plan options makes the program easier to understand for those enrolling customers, PPL employees, and active participants. In addition, the design of having the three payment plan options directly supports the Company's shopping process discussed later in this Plan. The two payment options provide an automatic adjustment mechanism for gains or losses realized due to a customer's electric generation shopping choice.

The purpose is not simply to find the lowest payment amount; rather, the Company is trying to identify the payment amount that most closely matches the customer's ability to pay. PPL Electric believes that establishing a payment agreement amount that is too low results in greater costs for other residential customers who pay for the program through the USR. In addition, if a payment amount is selected that is too low and not in-line with the customer's ability to pay, the customer would risk reaching the maximum CAP credit amount. This situation would result in early removal from the program.

CAP evaluation work done by the Applied Public Policy Research Institute for Study and Evaluation has demonstrated that the best predictor of customers' success or failure is the difference between their CAP payment amounts and what they managed to pay prior to joining the program. In other words, if CAP payment plans are set too high, even though they are within the percentage of income guidelines, customers default because they cannot make the payments. This is particularly true for electric heat customers. Compared with other electric utilities in Pennsylvania, PPL Electric has the highest saturation of electrically-heated homes.

In late 2012, PPL Electric analyzed the annual electric bills of customers enrolled in OnTrack to determine the average benefits received through enrollment. The average monthly bills for electric heating and non-electric heating customers were \$130 and \$86, respectively. The average monthly OnTrack bills for electric heating and non-electric heating customers were \$100 and \$64, respectively.

Some OnTrack customers may pay ahead on their accounts and create an excess credit. By January 2016 or earlier, PPL Electric will change its

customer information system to apply these excess credits to any existing program arrears and then to the next month's OnTrack bill.

The average OnTrack bill amounts mentioned above exclude the CAP Plus amount that was added to customers' bills beginning in late 2011. The 2011-2012 CAP Plus amount was \$8 and the 2012-2013 CAP Plus amount is \$5. CAP Plus amount stems from the Company's 2010 distribution rate case settlement (Docket No. R-2010-2161694). The purpose of CAP Plus is to help offset program expenses for all residential customers who pay for OnTrack through the reconcilable Universal Service Rider. The Company determines the CAP Plus amount by taking the total amount of LIHEAP funding received by OnTrack participants, dividing that dollar amount by the number of active OnTrack accounts as of September 30, and then dividing that annual amount by 12 months. The CAP Plus payment amount is applicable to all OnTrack participants and may change annually depending on the level of federal funding available for LIHEAP. PPL Electric will include the CAP Plus payment amount in the formulas for the various OnTrack payment options. OnTrack customers who have a credit balance due to a LIHEAP grant are exempt from the CAP Plus charge until they have exhausted their credit balance.

PPL Electric chose a three-tiered payment plan approach for several reasons:

1. The three payment plans design simplifies the core component of the program. The program is easier to understand for those enrolling customers, PPL Electric employees, and active participants.
2. Historically, the Percent of Bill, Minimum Payment, and Agency Selected options were the most popular options selected for OnTrack customers. When the Company had five payment options, the Percent of Bill, Minimum Payment, and Agency Selected plans made up approximately 80 percent of the plan types selected for OnTrack customers.
3. A three-tiered plan approach gives the OnTrack agencies flexibility in selecting appropriate payment agreements. If there are special circumstances or needs facing the customer, the agencies have the option of setting a custom plan amount (the Agency Selected option).

4. One of the primary objectives of OnTrack is to improve customers' bill-payment habits. The ability to offer three payment options and select the one that fits the customers' circumstances should help increase on-time payments.

OnTrack customers receive arrearage forgiveness for each timely and in-full monthly payment, regardless of arrears, and retroactive forgiveness for any months missed once they have made their catch-up payments for their account.

## **2. Eligibility Criteria**

### **a. Eligibility Rules for Participation in the Program**

OnTrack offers qualified customers payments less than current bills, arrearage forgiveness and a chance to get a fresh start with PPL Electric. In addition, the Company coordinates referrals with other low-income assistance programs such as WRAP, Operation HELP and LIHEAP, as well as other programs administered by the CBOs that administer OnTrack.

PPL Electric designed OnTrack specifically for low-income customers with household income at or below 150 percent of the poverty level who are unable to pay their electric service bills in full. Eligibility criteria for OnTrack include:

- Households at or below 150 percent of the poverty level.
- Customer is payment troubled. Specifically, the Company defines payment troubled as having entered into a payment agreement within the last 12 months.
- Must have a source of household income.
- OnTrack participants who own a rental unit must be one of the occupants at the premise and cannot own multiple properties.
- OnTrack applicant household members must permanently reside in the Company's Pennsylvania service territory.
- OnTrack graduates are eligible to reapply after one year from the removal date. The Company defines OnTrack graduates as customers who have cleared their debt with PPL and are able to maintain either a regular payment agreement or budget billing payment with the Company at time of OnTrack removal.

When it comes to determining household income for a self-employed potential OnTrack customer, the CBO caseworkers follow the Pennsylvania Department of Public Welfare's LIHEAP guidelines. These guidelines are included in DPW's annual LIHEAP State Plan.

Caseworkers count all OnTrack applicant household members, regardless of relationship, when determining household size and income. Caseworkers will include Social Security Income ("SSI") or Social Security Disability ("SSD") received for children as household income. There is a special household situation where the Company allows enrollment in OnTrack for six months. The Company refers to this special situation as OnTrack Lifestyle. The purpose of the Lifestyle feature is to address situations where customers' incomes are less than or equal to their mortgage payments or rent, but they are not in foreclosure or facing eviction. In effect, customers reported that they did not have enough income but somehow managed to pay their mortgage/rent and OnTrack payments. This gave rise to concerns that customers might not be reporting all sources of household income or other resources.

The purpose of OnTrack Lifestyle is to give these customers six months of benefits. The Company removes the OnTrack Lifestyle participant from the program if the situation does not change (e.g., newly documented income) after six months in the program. The OnTrack Lifestyle program is specific to the premise. Customers are eligible to participate in Lifestyle for a period of six months at one location. As long as a customer does not spend more than six months in the Lifestyle program at one location, he or she can remain in the program.

PPL Electric will allow OnTrack customers to remain in the program on budget billing after they have reached their CAP credit limit. The Company will continue its practice of sending letter to OnTrack participants when they reach 50, 80 and 100 percent of the CAP credits limit. PPL Electric will send a new letter to these customers explaining that they will be required to pay the budget amount monthly until their next OnTrack recertification. However, they will continue to receive arrearage forgiveness for full and timely monthly payments. The Company will update its customer service computer system by January 2016 or earlier to accommodate this improvement.

By January 2016 or earlier, PPL Electric will also update its customer information system to allow OnTrack customers to remain in the program when they move to another location within the Company's service area. For OnTrack customers who move to a new location, PPL Electric will send a letter to their new residence reminding them to re-apply for OnTrack. If the customer re-applies for the program at the new residence within 60 days of

program removal, the Company will waive the income documentation requirements to expedite application processing. If PPL Electric becomes aware that loss of OnTrack benefits during the relocation and prior to re-enrollment has resulted in burdensome arrears for a previously good-paying customer, the Company will apply OnTrack benefits retroactively to non-OnTrack bills issues during the program interruption.

**b. Potential Participants**

Matching the proper assistance program with each potential applicant is an overriding objective in PPL Electric's administration of the Universal Service Programs. PPL Electric personnel, as well as the community-based organizations that cooperate with the Company in administering these programs, seek to ensure that eligible residential customers have an opportunity to successfully maximize the benefits available to them via OnTrack, WRAP, Operation HELP, LIHEAP and other related programs.

The Company used the 2012 U.S. Census data provided by the PUC as well as past program performance to arrive at the recommended funding level. The 2012 U.S. Census data indicates the following:

- Approximately 26.5 percent (322,500) of PPL Electric's residential customers had an annual household income at or below 150 percent of the federal poverty level.

The Company's past performance indicates the following (data 12/31/12):

- Approximately 12 percent (143,000) of PPL Electric's residential customers have an overdue balance; of that number, 50 percent (71,000) report an annual household income at or below 150 percent of federal poverty level.
- Approximately 66 percent of the 22,000 residential customers with active PPL Electric payment plans report an annual household income at or below 150 percent of federal poverty level (as of December 2012 PPL Electric had 1,217,399 total residential customers).

To assist the most needy, PPL Electric regularly identifies and contacts residential customers who meet the income guidelines and have overdue balances. Depending on factors such ability to pay, payment history and

extenuating circumstances, the Company routinely refers these customers to OnTrack, Operation HELP, CARES and LIHEAP.

**c. Referrals**

PPL Electric has found that the primary source of potential OnTrack participants is referrals from the Company's Customer Service Representatives ("CSRs"). CSRs have daily contacts with low-income, payment-troubled customers with overdue balances and routinely refer these customers to the CBOs who administer the program. During 2012, for example, CSRs made nearly 120,000 referrals to OnTrack administering organizations prompted by information provided by customers.

The Company takes steps to contact hard-to-reach customers within its service territory. A team of employees within the Customer Services Department is responsible for communicating the Company's programs and services offerings at local events such as senior citizen fairs, community events, and school events. Employees engage with participants at these events, educate customers about program benefits, and provide program information. PPL Electric also has a language phone line to communicate with customers in approximately 170 languages.

In addition other sources of potential participants include the following:

- Company-generated lists of low-income customers who currently have overdue balances
- OnTrack administering agencies
- Other CBOs
- Other programs such as WRAP, CARES and Operation HELP

**3. Control Features**

**a. Minimum Payment Amount and Annual CAP Credits**

The minimum payment control feature within the system will not allow a monthly payment amount to be less than \$30 for electric heat customers and \$12 for non-electric heat customers. The maximum 18-month revenue shortfall contributions (also referred to as CAP credits or benefits) for electric

heat customers and non-electric heat customers are restricted to \$3,240 and \$1,275, respectively. These 18-month total amounts equate to \$180 per month for electric heat customers and \$71 per month non-electric heat customers.

PPL Electric has proposed to have the CAP credits exhausted over an 18-month period as opposed to a 12-month period, which was the case in its 2011-2013 Plan. The reason for this change is to align the CAP credit timeline with the new recertification timeline, which is 18 months. This makes the program *easier to understand and communicate to customers, regulators, employees, and agencies.*

**b. Consumption Limits**

Participants are encouraged to maintain or reduce their pre-program energy usage. Failure to maintain pre-program kWh consumption can lead to dismissal from the program. Exceptions apply when there are extenuating circumstances, such as:

- Addition of a family member
- Serious illness or medical condition
- kWh consumption increase beyond control of customer
- Severe weather conditions
- Structural damage to home

To help facilitate awareness and education regarding a customer's CAP credit usage level, the Company's system automatically sends letters to OnTrack customers at specific points in time. The first letter is sent when an OnTrack customer reaches 50 percent of his or her CAP credit maximum. A second letter is sent when the customer reaches 80 percent of his or her CAP credit maximum.

A third letter is sent to the customer if he or she reaches the CAP credit maximum. At this point, the customer is informed that he or she has been removed from the program due to exceeding the CAP credit maximum. This third letter, referred to as the 100 percent letter and/or the removal letter, directs the customer to contact the Company and inquire about budget billing and/or a payment arrangement. This third letter also provides the customer with the earliest date he or she could re-apply to the program, which is the anniversary date. However, effective January 2016 or earlier, PPL Electric will change its computer system to allow these customers to remain on the OnTrack program with budget billing.

### **c. Customer Education**

OnTrack administering agencies are responsible for providing energy education information to program participants. The material provided to OnTrack customers at the time of enrollment explains the customer's responsibility related to their annual kWh usage restriction. The energy education material distributed by the agencies also provides the customer with energy conservation tips and recommendations for controlling and/or decreasing their electricity consumption.

Energy conservation education plays an important role in helping OnTrack customers achieve success in the program. Through the OnTrack and the Winter Relief Assistance Program ("WRAP") partnership, PPL Electric attempts to increase customers' awareness about using energy wisely and to offer ideas for reducing kWh consumption. Specifically, customers may receive consumer education in the following areas:

- Energy conservation tips
- Electric bill and analysis of usage
- Compact Fluorescent Lights ("CFL")
- Promotion of PPL Electric's online Bill Analyzer tool

PPL Electric channels this aspect of the program through WRAP, which is a partnership program that helps qualified customers reduce their energy use, lower their electric bills and make their homes more comfortable year-round.

### **d. Weatherization**

If applicable, CBOs and PPL Electric refer OnTrack participants to WRAP<sup>2</sup>. The Company offers WRAP to OnTrack customers who have electric heat or electric water heating, as well as baseload customers who have the potential to receive energy-saving measures<sup>3</sup>. Under the umbrella of Universal Service Programs, the Company provides weatherization measures, specifically approved appliance replacements and energy conservation education services to qualified customers. All installed measures must meet the PUC's payback criteria. Weatherization activities for WRAP include energy audits, infiltration control,

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<sup>2</sup> Premises who have received WRAP services within the last seven years are ineligible.

<sup>3</sup> There is no minimum kWh threshold for WRAP.

insulation measures, water heating treatment, appliance replacement and energy education.

Enrollment in OnTrack does not automatically qualify an applicant for WRAP measures (e.g., the premise may have been weatherized within the last seven years). The Company's normal business process does not give any sort of preference or priority to OnTrack customers who are seeking or waiting to receive WRAP services. However, the Company will accelerate WRAP activities if the customer or caseworker reaches out to PPL Electric and makes such a request. The Company takes proactive steps regarding WRAP outreach activities for newly enrolled OnTrack customers. As a part of its normal business process, PPL Electric contacts new enrollees and encourages them to apply for WRAP services. The preference order for this outreach contact work is to contact new enrollees with the highest usage before enrollees that are showing a lower usage amount.

*It is not PPL Electric's intent to make WRAP services available only to OnTrack customers at the expense of other deserving customers. However, the Company believes that expediting a WRAP services request from an OnTrack customer may result in greater post-weatherization savings due to strong interest from the customer.*

WRAP has incorporated the OnTrack high-energy usage approach as a best practice. In addition, PPL Electric provides energy education for OnTrack customers who are ineligible for WRAP. This includes households that received WRAP within the past seven years and homes that do not receive property owner consent.

**e. Efficient Practices**

Staff from the PUC's Bureau of Consumer Services and PPL Electric discussed recommendations and findings regarding the latest six-year evaluation of the Company's Universal Service Programs. The Company has already implemented key findings that will add value to the program. In addition, PPL Electric has a number of smaller projects planned or underway that should help make the program easier to understand for participants and employees as well as streamline some current internal processes.

The PPL Electric management team and the ten OnTrack CBOs have demonstrated a capacity to administer the program; however, it is evident that PPL Electric must employ additional means to meet the present and future production requirements and to keep administrative costs at a reasonable level. In 2012, the administrative costs, as a percentage of total program costs, were five percent. The Company plans to implement or has already implemented the following improvements or changes:

1. Manage administrative costs by continuing to use PPL Electric's Customer Service Representatives to work OnTrack collection issues, rather than CBO caseworkers.
2. Continue to automate call handling processes and improve scripting to communicate any issues or action items the OnTrack customer needs to take.
3. If the customer's account shows LIHEAP funds posted within the last heating season (defined as the last 16 months to include situations when currently in a heating season), the Company's system will automatically recertify the customer for another 18 months in the OnTrack program at the same payment amount. The automatic recertification is in effect for the second consecutive program year – defined as 18 months. The agency will request proof of income to evaluate the payment plan and update information at the end of the 18-month period.
4. At the initial program application and enrollment stage, the customer does not need to provide proof of income if he or she received LIHEAP funds within the last LIHEAP program year.
5. If the customer's main source of income is Supplemental Security Income or those with third-party verification and the most recent income statement is less than 375 days, the Company's computer system will automatically recertify the customer for another 18 months in the OnTrack program at the same payment amount. The automatic recertification is in effect for the second consecutive program year – defined as 18 months. The agency will request proof of income to evaluate the payment plan and update data at the end of 18 months.

6. Utilize analytical reporting tools to identify customers currently not in the program but who appear to be a good fit and reach out to them with application materials and/or program information.
7. Contact customers who did not respond to the initial referral. The OnTrack application is sent (via U.S. mail) shortly after the referral is generated in the system. If the Company does not receive application material back from the customer, a follow up contact will be made to encourage and remind the customer.
8. Contact customers who are late submitting payments. After active participants are identified as late, PPL Electric will contact those customers, remind them how making on-time payments is important for remaining in the program, and provide them with options to make a payment at that point in time.
9. Include OnTrack program information when sending termination notices as a part of the normal collections process. This wording informs the customer about the availability of OnTrack and the benefits.
10. Provide PPL Electric representatives and/or agency caseworkers' with refresher training on key components of OnTrack.
11. Implement a new enrollment package that educates the customer about OnTrack in a concise and easy-to-understand format. This new package also informs the customer who to call to expedite their WRAP application.
12. Revise an existing maximum CAP credit "warning letter" to inform customers about the availability of WRAP services and how to expedite the process.
13. Streamline the process that occurs between the initial OnTrack referral and the mailing of the application materials.
14. Improve the bill design for OnTrack customers by adding a simple to understand graphic that shows the CAP credit usage level.

The Pennsylvania Department of Public Welfare has determined that utilities cannot use LIHEAP cash grants to offset the costs of CAP credits (i.e., the difference between actual bills and CAP payments). As a result, PPL Electric has changed its processes regarding how LIHEAP money is applied to a customer's account.

The financial posting order for LIHEAP cash or crisis grants is as follows:

- Missed OnTrack payments
- Current OnTrack bill due
- Payment of future OnTrack bills

If the OnTrack customer has a current account (defined as zero overdue money), any remaining grant monies will appear as an excess credit on the customer's account. The customer is not required to make their monthly OnTrack payments until the LIHEAP credit is exhausted. PPL Electric will not apply any of the LIHEAP cash or crisis grants to offset the cost of the OnTrack program.

#### **f. Shopping for Electric Generation Supply**

The information presented below is PPL Electric's proposal regarding changes to procedures for OnTrack participants who shop for their generation supply. In its Final Order, entered on September 11, 2014, the Commission declined to approve changes related to electric shopping by OnTrack customers. The Commission instructed PPL Electric to address these matters in a Default Service Program and Procurement Plan proceeding. Given the Commission's direction, the Company will not implement the shopping proposal discussed below for OnTrack customers and will continue its current procedures.

OnTrack customers can shop for an electric generation supplier ("EGS"). The section below describes the Company's process for handling OnTrack customers who shop. PPL Electric is interested in providing the customer with positive rewards for making a wise shopping decision. Conversely, if a participant makes shopping choices that result in costs higher than the price-to-compare ("PTC"), the Company will implement measures to increase a customer's OnTrack plan amount. Regardless of what the outcome is for the customer, the Company is focused on balancing the customers' right to choose an EGS with higher or lower program costs that are ultimately paid for by non-participating residential customers.

There are two different treatment paths that take place when an OnTrack customer chooses to shop for generation and transmission. The first treatment is for customers who are shopping and on the Company's Percent of Bill payment plan. For customers on the Percent of Bill plan, the customer's shopping choice(s) will be adjusted to reflect the lower or higher costs paid for generation and transmission, compared to the price-to-compare ("PTC"). This adjustment takes place at the 18-month recertification point.

At recertification the system calculates the customer's new Percent of Bill payment amount. The savings or costs associated with the shopping decisions made over the prior 18 months are embedded in the Percent of Bill payment calculation. The estimated annual bill amount is the starting point for the Percent of Bill calculation. This estimated annual bill amount calculated for a shopping customer will take into account customers' shopping decisions. After the updated estimated annual bill is calculated, the system will apply the appropriate guideline amounts (50%, 70%, or 80%) and the annual arrearage co-payment amount. The output of this calculation will be the customer's new Percent of Bill payment amount, adjusted for the shopping. This process also applies to the Minimum Payment calculation.

The second treatment is for customers who are shopping and have an Agency Selected Payment plan. If a customer is being recertified and was previously on the Agency Selected plan, the first course of action for the caseworker is to evaluate the possibility of moving the customer to the Percent of Bill payment plan where shopping decisions and prices will be included in the new payment plan amount. If, for some reason, the Percent of Bill payment plan is still not a feasible option for the customer due to special circumstances within the household, the caseworker will manually review the account and follow guidelines for setting a new Agency Selected payment amount. The caseworker will look at the estimated monthly bill amount, which is the average of the most recent 12 months of billings. The new Agency Selected plan amount will be within a guideline amount of plus or minus 10 percent of the 12-month estimated average monthly bill amount.

#### **4. Default and Appeal Process**

##### **a. Default Process**

The OnTrack payment plan cannot function properly without the commitment and cooperation of customers, social services agencies and PPL Electric. Customers' non-compliance with any of the primary OnTrack components could lead to dismissal from the program. Failure to perform one or more of the following OnTrack customer responsibilities could also result in dismissal from the program.

1. Customers are responsible to make their OnTrack payment by the due date during each current billing period. Customers who are late submitting payments will fall into the Company's collection process and risk termination of electric service. If a customer fails to submit two consecutive payments, the customer is automatically defaulted (removed) from OnTrack.
2. Participants are encouraged to control or decrease their electric consumption usage. The customer is automatically removed from OnTrack if he or she fails to control his or her usage and exceeds the maximum allowable CAP credits (revenue shortfall credits) for the 18-month period. The earliest the customer is eligible to re-apply to the program is 18 months after their enrollment date. For example, if a customer enrolled in on March 15, 2014 and was removed on December 15, 2014, the earliest date for re-enrollment back into the program would be September 15, 2015.
3. OnTrack program participants must provide access to their electric meters.
4. OnTrack customers are encouraged to comply with the WRAP process. Failure to comply may result in removal from OnTrack.
5. OnTrack participants must provide verification of household income during the enrollment and/or recertification stage. There are exceptions. First, if a potential enrollee received a LIHEAP grant within the last 18 months there is no need to provide proof of income with the application. Second, if a potential enrollee receives Supplement Security Income there is no need to provide proof of household income with the application.

6. Follow applicable provisions outlined in Chapter § 56.116 for OnTrack customers with medical certifications: “Whenever service is restored or termination postponed under the medical emergency procedures, the ratepayer shall retain a duty to equitably arrange to make payment on all bills.” If an OnTrack customer fails to comply with this provision, the Company may remove the customer from OnTrack and advise the customer to establish a regular payment agreement with the Company.

PPL Electric dismisses customers from OnTrack for other reasons such as voluntary withdrawal or they are no longer customers. Those customers who voluntarily withdraw are subject to the Company’s normal collection process.

#### **b. Appeal Process**

OnTrack participants maintain all their PUC dispute and complaint rights as outlined in 52 Pa. Code Chapter 56. Clearly, PPL Electric does not accept all applicants and it dismisses others for defaulting on OnTrack requirements. For those who believe they were treated unfairly, the following appeal procedures are available.

Step 1: The applicant discusses his or her rejection/dismissal from the program with the regional Customer Programs Director, who investigates the reasons for rejection or dismissal.

Step 2: If the customer is dissatisfied with the results of the discussion with the regional Customer Programs Director, he or she may file an informal complaint with the PUC.

#### **5. Customer Encouragement**

Success in the OnTrack program demands focus from the customer and the Company. PPL Electric is committed to providing the customer with all the information, education material, and tools to make on-time payments and control energy usage. In many cases, the customer needs to change existing habits that will keep his or her payment plan current and the usage under control. To further strengthen this partnership between the two parties, the Company attempts to partner other services that may help the customer remain in the program.

Since applicants can choose where to send their LIHEAP payments (primary or secondary fuel vendor), eligible OnTrack participants are encouraged to apply for LIHEAP and to direct the grant to their electric bill. The Company will conduct outreach mailings to eligible participants to encourage increased awareness of LIHEAP. The Company will continue to have its Customer Programs Directors meet with the CBOs and evaluate current issues facing OnTrack customers and, in some cases, develop action plans that could minimize or eliminate these concerns. Participation in programs such as weatherization, energy conservation education, budget counseling (provided by some agencies depending on location) and other related services are some of the other opportunities available to OnTrack participants.

The case management approach for the OnTrack program requires the coordination of both internal and external resources. These resources allow OnTrack customers to have a greater degree of control over their lives. The CBOs provide a post-enrollment package that contains all of the key information and actions the customer should take in order to remain in the program.

## **6. Reinstatement Policy**

Involuntary removal from the OnTrack program occurs due to one or more of the following reasons: failing to submit their OnTrack payment by the due date two consecutive times, not providing access to their meter, failing to provide the necessary proof of income documentation during the recertification stage, and failing to comply with WRAP if eligible. Reinstatement into the program occurs when a customer does the following:

- Customers who miss two consecutive payments: Reinstatement occurs if customers make up all missed OnTrack payments within the six-month "OnTrack catch-up window." The six-month OnTrack catch-up window is defined as the six months following the dismissal date.
- Customers who failed to provide access to their meter: Reinstatement occurs when the Company confirms that the customer has provided access to the meter.
- Customers who fail to provide the necessary proof of income during recertification: Reinstatement occurs if the customer responds to the

contact(s) made the by caseworker and provides the necessary proof of income information.

- Customers removed for failure to comply with WRAP: Reinstatement occurs when the Company confirms that the customer completed the required WRAP action (audit appointment, installation of measures, etc.).

OnTrack Lifestyle participants present a special circumstance because they are allowed to be in the program as participant for a maximum of six months. The Lifestyle participant is removed from OnTrack at the end of the six-month time period. Reinstatement back into OnTrack as a “normal” participant could occur if the customer provides documentation of income that shows household income is greater than household expenses. The customer also needs to meet the other eligibility rules stated in this Plan.

### **7. Projected Participation Levels**

PPL Electric will attempt to increase enrollments through process improvements and the expanded use of existing systems and analytical tools. The Company projects active participants to increase from approximately 40,000 in 2014 to 44,000 by 2016. Projected active enrollment levels are:

<b>Year</b>	<b>OnTrack Active Customers (Target)</b>
2014	40,000
2015	42,000
2016	44,000

### **8. Projected Funding Levels**

PPL Electric projects the following level of expenditures for OnTrack from 2014 through 2016.

<b>Year</b>	<b>Projected Program Expenditures, in millions</b>
2014	\$65.0M
2015	\$68.0M
2016	\$71.0M

## **9. Resource Plan**

PPL Electric uses a combination of internal resources, contractors, and CBOs to manage and deliver the OnTrack program. The PPL Electric management team of six employees consists of a Program Manager and Customer Programs Directors who are responsible for the strategic and day-to-day management of the program. Other internal resources, such as administrative employees, training staff, Customer Services supervisors, and analysts provide support functions for program communications and changes that need to be managed over the course of the year. The Company uses Customer Service Representatives (“CSRs”) and Universal Service Representatives (“USRs”) to handle some of the daily/weekly account-level work that needs to take place after an OnTrack customer contacts PPL Electric. For example, CSRs or USRs will handle any account maintenance work including items such as: billing issues, payment issues, explaining OnTrack plan details, issuing referrals, customers who fall into the collections process and rate class investigations.

CBOs and other contractors also play a critical role in the delivery of the OnTrack program. PPL Electric will continue to use CBOs for eligibility screening, enrollment and recertification. The screening and enrollment work involves tasks such as, assessing documentation submitting by the potential enrollee, determining eligibility, and establishing the OnTrack payment plan in the system. The CBO staff completes similar tasks for customers during the recertification stage. The Company utilizes other contractors to handle some of the up-front work that is needed after a referral to OnTrack is made.

Administering agencies enroll and maintain customers on-line in real time through direct connections with PPL Electric's Customer Service System (“CSS”). The Company has provided appropriate letters to aid in customer contact, along with the necessary training in the use of CSS and the administration of OnTrack. The Company has given this information to each agency and their caseworkers in a comprehensive manual entitled “OnTrack Payment Program Procedures and Processes.” The list of OnTrack agencies, phone numbers and counties served follows. Presently, these ten (10) CBOs have 65 caseworkers at 27 sites (main office locations and satellite offices) using PPL Electric-provided personal computers to administer the program.

**OnTrack Agencies – Counties Served**

<b>Organization</b>	<b>Telephone</b>	<b>Served Counties</b>
Community Action Committee of the Lehigh Valley 1337 East 5 <sup>th</sup> Street Bethlehem, PA 18015	610/691-5620	Lehigh, Monroe, Northampton, Bucks, Montgomery
Community Action Commission of the Capital Region 1514 Derry Street Harrisburg, PA 17104	717/232-9757	Dauphin, Juniata, Perry, Cumberland, York
Schuylkill Community Action 217 Center Street Tamaqua, PA 18252 <i>or</i> 225 North Centre Street Pottsville, PA 17901	570/622-1995	Schuylkill
TREHAB, Inc. 100 4 <sup>th</sup> Street, Suite 20 Honesdale, PA 18431	570/253-8941	Susquehanna, Pike, Wayne, Wyoming, Lackawanna
Community Action Program of Lancaster County 601 South Queen Street P. O. Box 599 Lancaster, PA 17608	717/299-7301	Lancaster, Lebanon, Berks, Chester, York
STEP, Inc. 2138 Lincoln Street P. O. Box 3568 Williamsport, PA 17701	570/327-5485	Clinton, Lycoming
Union-Snyder Community Action Agency 713 Bridge Street, Suite 10 Selinsgrove, PA 17870	570/374-0181	Union, Snyder, Northumberland
Columbia County Department of Human Services 11 W. Main Street P. O. 380 Bloomsburg, PA 17815	570/387-6501	Columbia
Commission on Economic Opportunity 165 Amber Lane, P. O. Box 1127 Wilkes-Barre, PA 18702	570/826-0510	Luzerne, Carbon
Montour County Department of Human Services 112 Woodbine Lane, Suite 3 Danville, PA 17821	570/271-3028	Montour

## **10. Organizational Structure of PPL Electric Staff**

Corporate administration of PPL Electric's OnTrack Payment Program is the responsibility of the Regulatory Programs & Business Services group of the Customer Services Department. The staff provides program management and field personnel are responsible for the day-to-day administration of OnTrack. The key personnel include the following:

### **Program Management Staff:**

- Robert Geneczko, Vice President – Customer Services
- Timothy Dahl, Manager – Regulatory Programs & Business Services
- Michael Wukitsch – Customer Relations Specialist

### **Regional Customer Programs Directors:**

- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Northeast and Central Regions
- Joy Schmalzle – Northeast and Susquehanna Regions
- Chris Schoemaker, Jr. – Lehigh Region
- Angela Tracy – Susquehanna and Harrisburg Regions

### **Administrative Support Staff:**

- Melissa Manning – Steno/Clerk
- Joanna Walakovits – Steno/Clerk
- June Schaffer – Universal Service Representative

**11. Summary of Differences Between Proposed Plan (2014-2016) and Current Plan (2011-2013)**

The table below provides a description of the key program changes that will take place.

ID #	Category	Current Plan	Proposed Plan
1	Payment Design	Customer could be enrolled in one of five payment plan options. The five options were: Minimum Payment, Percent of Bill, Percent of Income, Annualized Average, and Agency Selected.	Customer could be enrolled in one of three payment plan options. The three options are: Percent of Bill, Minimum Payment, and Agency Selected.
2	Shopping Adjustments	Manual, complex, adjustment process was needed in order to identify shoppers and make adjustments based on "split savings" rules.	Shopping choices made by customers will be automatically taken into account (via percent of bill calculation or minimum payment calculation) and the "new" payment amount set at recertification time will reflect shopping choices. Customers on agency selected plan will still require some manual work.

<b>ID #</b>	<b>Category</b>	<b>Current Plan</b>	<b>Proposed Plan</b>
3	Recertification	Recertification took place on an annual basis. At the 11 <sup>th</sup> month after the customer's enrollment (or recertification) the system issues an electronic work order which starts the process for the agency to complete.	Recertification occurs at the 18-month point. At the 17 <sup>th</sup> month after the customer's enrollment (or recertification) the system issues an electronic work order, which starts the process for the agency to complete.
4	Debt Forgiveness	Four tiered forgiveness timeline based on total overdue amount. Timeline ranged from 12 months to 36 months.	Eighteen-month debt forgiveness timeline for all participants regardless of the overdue balance amount.
5	Eligibility	Potential enrollee must have had at least one broken payment arrangement with the Company over the prior 12 months.	Potential enrollee must have had at least one payment arrangement with the Company over the prior 12 months.
6	Eligibility	At enrollment, customer needs to provide proof of income even if he/she previously received LIHEAP funds	At enrollment, customer does not need to provide proof of income if he/she previously received LIHEAP funds within the prior LIHEAP program year.

<b>ID #</b>	<b>Category</b>	<b>Current Plan</b>	<b>Proposed Plan</b>
7	Payment & Collection Process	For non-OnTrack accounts: The system will restore a payment agreement and send a confirmation letter if a payment is equal to the amount required to activate a defaulted payment agreement.	Change the system to allow the option described in the prior column to occur for OnTrack accounts. This will eliminate the following possible situation: Previously active OnTrack customer is scheduled to have service shut off. The customer mails a payment that is received on time. Since the customer did not call the payment in, he/she may still get shut off.
8	Efficient Practice (Referral Work)	After the system generates the electronic work order for a referral, a manual process is followed in order to sort, organize, and mail the material to the customer.	After the system generates the electronic work order for a referral, the application material is automatically printed and mailed to the customer.

Appendix 1

<b>List of OnTrack Outreach Activities, Timeline, and/or Need</b>	
<b>Activity</b>	<b>Timeline and/or Need</b>
Develop outreach queries by operating area	As Needed
Monitor volume of referrals pre-cut and post-cut season	March, April, July, September, October, November
Review, monitor and track: <ul style="list-style-type: none"> <li>• Referral WFM activity</li> <li>• Budget activity</li> </ul>	Ongoing
Advertising: <ul style="list-style-type: none"> <li>• Newspapers</li> <li>• Presentations at non-USP agencies</li> </ul>	As Needed
Outreach mailings: <ul style="list-style-type: none"> <li>• To customers identified by various queries</li> <li>• To non-USP agencies</li> </ul>	As Needed
Internal presentations: <ul style="list-style-type: none"> <li>• To the collection group to encourage referrals to OnTrack, Operation HELP, WRAP and LIHEAP</li> </ul>	Before Cut Season
OnTrack/WRAP referrals: <ul style="list-style-type: none"> <li>• Enhancements</li> <li>• Training of CSRs</li> </ul>	Before Cut Season 4 <sup>th</sup> Quarter
Bill Insert: <ul style="list-style-type: none"> <li>• To help promote OnTrack, WRAP, Operation HELP and LIHEAP</li> </ul>	Before Cut Season

**WRAP**

**PPL Electric Utilities Corporation**  
**WRAP**

**1. Program Description**

**a. Overview**

The Winter Relief Assistance Program (“WRAP”) reduces electric bills and improves comfort for low-income customers. PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) has funded and administered the program since 1985. Contractors conduct energy surveys or “audits,” install weatherization measures and provide energy education. The Company also uses contractors to conduct third-party inspections of completed work.

The WRAP services and measures installed by contractors depend on the customer’s use of electricity and the results of an energy audit. PPL Electric encourages customers to participate as “partners” in the audit and energy education session(s) so that they can maximize their savings’ success.

In 1985, with approval from the Pennsylvania Public Utility Commission (“PUC” or the “Commission”), the Company developed and implemented a \$2,000,000 weatherization program for customers at or below 150 percent of poverty level. At that time, customers needed to have electric heat or an electric water heater to qualify for the program.

In 1988, the PUC required that all covered electric and gas utilities in Pennsylvania establish a Low-Income Usage Reduction Program (“LIURP”) for customers in their territories. WRAP became PPL Electric’s LIURP and the Company agreed to expand funding to \$3,023,000. The Company also added energy education as part of WRAP. In 1998, PPL Electric conducted a *refrigerator pilot that included the installation of “baseload” measures for households without electric heat or electric water heating.*

In 1998, PPL Electric implemented the concept of universal service programs for low-income customers as part of the settlement agreement associated with electric utility industry restructuring. Universal service programs include WRAP (LIURP), OnTrack (Customer Assistance Program or “CAP”), CARES and Operation HELP. The Company agreed to expand its annual funding to \$4,700,000 and serve “an appropriate” amount of non-heating or baseload customers as part of its settlement agreement. PPL Electric also incorporated \$1,000,000 annual funding from its “Keep Warm” Program, targeted at customers between 150 and 200 percent of poverty level, as part of LIURP.

PPL Electric increased its LIURP funding in conjunction with its 2005, 2007 and 2011 distribution rate case proceedings. The current annual program funding is \$8,000,000. The Company also spent an additional \$29,000,000 between November 2009 and May 2013 as part of its Act 129 Phase I Energy Efficiency and Conservation Plan. PPL Electric expects to spend an additional \$13.2 million on low-income weatherization between June 1, 2013 and May 30, 2016 in compliance with Act 129 Phase II.

**b. Objectives**

The primary objectives for WRAP are to:

1. Reduce the energy usage and electric bills of low-income customers; and
2. Increase the ability to pay and decrease the arrearages of low-income customers.

Secondary objectives include:

1. Improve comfort for low-income customers;
2. Promote safer living conditions through the reduction of secondary heating devices;
3. Maintain/establish partnerships with social service agencies, community-based organizations and local private contractors to promote maximum and timely assistance; and
4. Make tailored referrals to Company and other assistance programs, such as OnTrack, LIHEAP, Act 129 programs and other weatherization programs.

**c. Participation Eligibility**

PPL Electric requires that customers meet the following criteria to qualify for WRAP:

- Household income is at or below 200 percent of the federal poverty level.
- Customer is at least 18 years old.
- The premise is in PPL Electric's service area and has its own electric meter.
- Customer's home is the primary home, not a "second" or vacation home.
- The electric service is the name of one of the household's occupants. (Exception: home is part of a multi-unit project and service is temporarily in the landlord's name).
- The premise did not receive LIURP WRAP or Act 129 WRAP services in the past seven years. (Exceptions made with Company approval).
- The customer has at least nine months usage history at the premise. (Exceptions made with Company approval).

If an apartment building contains at least three units and at least 50 percent of the tenants qualify for WRAP, PPL Electric may provide weatherization measures and services to all tenants in the building. Each tenant must provide written consent for WRAP.

A customer does not need to have an overdue amount with PPL Electric to qualify for WRAP. However, the Company prioritizes the promotion of WRAP to customers who have the highest electric usage history and greatest arrearages, including OnTrack customers.

PPL will not categorically exclude premises from further consideration for additional WRAP services if they had previously received only baseload measures or energy efficiency kits through Act 129. Changes at the premise or new weatherization equipment or techniques may help further reduce energy consumption.

### **Customer Consent**

The Company requires written customer consent prior to the start of any WRAP work. In addition to authorizing WRAP, the customer agrees to participate in the energy audit and energy education session(s).

### **Landlord Consent**

Homeowners and renters are eligible for WRAP. PPL Electric requires that the landlord sign a consent form before a tenant receives most measures. If the landlord does not sign the consent form, the Company will offer one of the following to the tenant:

1. Limited Baseload WRAP – This includes energy education, the installation of CFLs and refrigerator replacement if the tenant owns the refrigerator.
2. Phone or home energy education – PPL Electric will offer energy education for OnTrack customers who are in danger of exceeding their benefits.
3. Energy-saving kit – Provided either through WRAP or a referral to PPL Electric's Act 129 E-Power Wise Program

### **Lifestyle**

PPL Electric provides baseload or partial WRAP where lifestyle choices account for the major usage in the household. The Company also offers baseload WRAP

when a family's income is less than their monthly rent or mortgage payment. PPL Electric allows households with income that is less than rent or mortgage payments to demonstrate how they will meet those expenses prior to disqualification from WRAP. This enables the Company to serve more customers through WRAP and allows the program to operate more efficiently and cost effectively.

### **Usage Criteria**

While customers do not need a minimum usage threshold for WRAP, some families do not have the potential for electric energy-saving measures. These households may have received measures through previous WRAP, Act 129 programs, state weatherization or purchased measures and services on their own. PPL Electric will refer these customers to other utility programs, other weatherization programs (if not previously received) and to LIHEAP Crisis when available. The Company also provides energy education to low-income customers not qualified for WRAP measures at the customer or caseworker's request.

### **d. Promoting WRAP**

Well-planned outreach is an essential component of WRAP. PPL Electric advertises WRAP in its bill insert annually and promotes WRAP on its website so residential programs can learn about the program.

The Company also requires that all eligible OnTrack customers participate in WRAP. PPL Electric informs OnTrack customers about the program through the OnTrack Customer Agreement, outbound calls and mailings. The Company will generate a list of high-use customers quarterly and encourage them via letter, e-mail or reminder phone calls to apply for WRAP services.

In addition, the Company may use some or all of the following outreach methods to reach potentially eligible customers:

- Presentations and communications to PPL Electric employees, including program information on the Customer Services internal website
- Cross marketing with other weatherization and utility programs
- Program information on PPL Electric's website ([www.pplelectric.com](http://www.pplelectric.com))
- Presentations and mailings to social service agencies, senior citizens groups, neighborhood groups and other organizations such as Head Start
- Telephone and personal contact of housing authorities and multi-project managers
- Press releases and public service announcements

- Print and media advertising
- Word-of-mouth/WRAP contractor referrals
- Other

PPL Electric tracks the number of qualified WRAP participants and “how they heard about WRAP” through its internal database system.

#### **e. Intake**

PPL Electric uses five methods of intake to generate program participants:

1. Customer Contact Center referrals – Customer Service Representatives (“CSRs”) refer payment-troubled customers or customers experiencing a financial hardship to WRAP. The Company’s Universal Service Representative (“USR”) follows up with a letter or phone call.
2. OnTrack Agency referrals – Customers who apply for OnTrack are encouraged to apply for WRAP. The Company provides a list of newly-enrolled OnTrack customers to a designated call center for WRAP intake and follow-up. OnTrack agencies also make electronic referrals to PPL Electric. The Company may remove customers from OnTrack who do not comply with WRAP.
3. Direct referrals – The customer or caseworker calls PPL Electric’s Customer Contact Center (1-800-342-5775) or the WRAP toll free number (1-888-232-6302). A CSR responds to inquiries and mails the customer an application or completes the application with the customer over the phone. The customer can also request WRAP information or complete an application via PPL Electric’s website.<sup>4</sup>
4. Inter-utility coordination – A representative from the gas utility or a state weatherization agency may refer a customer through an electronic mailbox ([WRAPReferrals@pplweb.com](mailto:WRAPReferrals@pplweb.com)) or directly to the Customer Programs Director. The USR follows up with a telephone call or letter. Or, an agency obtains a completed WRAP application while performing state weatherization work and sends the application to PPL Electric’s USR.
5. Advertising – Customers call a designated call center in response to WRAP outreach or advertising. The representative usually completes the application over the phone. PPL Electric uses a call center to conduct outbound calling; the call center has access to a translation center for

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<sup>4</sup> The Company expects to have an on-line WRAP Application in 2014.

over 60 languages. Note: The Company's Customer Contact Center uses another service that offers about 170 languages.

**f. Energy Survey**

PPL Electric uses the energy survey or “audit” to identify what measures and services the contractor will install in the customer’s home. Decisions made during the audit are based on:

- Customer interview/occupant practices
- Electric usage history
- Site-specific diagnosis
- Prioritization of measures
- PUC payback criteria

WRAP auditors recommend measures in compliance with the priority lists contained in the WRAP Standards and Field Guide. The objectives of the priority lists are to:

1. Reduce electric consumption installed through WRAP measures and occupant education;
2. Comply with PA State Weatherization Health and Safety standards; and
3. Provide all customers in PPL Electric’s distribution service area with an equal opportunity for receiving WRAP services and measures.

*PPL Electric staff and WRAP contractors developed the 2012 WRAP Standards, which will undergo periodic revisions. The content on the priority lists may change based on the Company’s evaluation results, changes in state regulations, the implementation of new measures and technologies, and changes in customer demographics and housing stock.*

PPL Electric categorizes WRAP as Full Cost (“heating”) Jobs, Low Cost (“water heating”) Jobs and Baseload (“lighting and appliances”) Jobs in accordance with the criteria established by the PUC. The Company generally assigns a premise with installed electric heat for a full cost audit and a premise with less than 50 percent installed electric heat for a baseload audit. If the customer is a renter, PPL Electric must obtain landlord permission before assigning a premise for full cost audit. If the customer has an electric water heater, the auditor must conduct a water heating assessment (contingent upon landlord approval when required.)

The auditor can change the job type based on audit findings and the potential for usage reduction measures. For example, a baseload job with high summer usage attributed to central cooling may become a full cost job, whereas WRAP

contractors may only have the opportunity to install baseload/low cost measures in a home that received heating measures through previous weatherization.

#### **g. Installation of Measures - Baseload**

All WRAP customers are eligible for baseload measures. Standard measures and services include:

- Energy education
- Installation of Compact Fluorescent Lights (“CFLs”)
- Refrigerator replacement;
- Window air conditioner replacement
- Dehumidifier replacement
- *Waterbed replacement with a mattress*
- Changing or cleaning of heating/cooling filters
- Dryer venting (electric dryer)
- Clothesline installation
- Water heater set-back (electric water heater)
- Power Strip/Smart Plug
- Appliance replacement, with PPL Electric’s approval
- Carbon monoxide detector

If the baseload customer has an electric water heater and has the potential for water heating measures, the WRAP auditor may upgrade the job to “low cost” at the time of the baseload audit (or downgrade the job during the full cost audit).

#### **h. Installation of Measures - Low Cost**

If the baseload customer has an electric water heater and has the potential for water heating measures, the WRAP auditor may upgrade the job to “low cost” at the time of the baseload audit (or downgrade the job during the full cost audit).

Low cost measures include:

- Water heater replacement with a Heat Pump Water Heater (“HPWH”) or a standard domestic electric water heater
- Gravity Film Exchange
- Repair of water leaks
- Water pipe insulation
- Installation of energy/efficient showerhead(s)
- Installation of energy-efficient aerator(s)

- All baseload measures
- Other measures that meet PUC payback criteria

The Company has no expenditure limit on low cost jobs. However, measures must meet the PUC payback criteria described in PPL Electric's WRAP Standards and Field Guide. PPL Electric requires that contractors install HPWHs when the site meets the criteria for a standard replacement.

**i. Installation of Measures – Full Cost**

Customers with installed electric heat in 50 percent or more of the premise are eligible for a full cost audit. The baseload auditor can upgrade a job in a home with high seasonal usage where full cost measures may reduce heating and/or cooling costs. Conversely, the auditor may downgrade a job if there is no potential to install electric heating/cooling measures or the home is beyond the scope of weatherization. PPL Electric staff makes the final determination as to the “job type” based on the measures installed.

Full cost measures include:

- Blower door testing and associated air sealing
- Attic, wall and floor insulation
- Sealing of attic bypasses
- Attic vents and hatches
- Crawlspace and header insulation
- Heating equipment repair/retrofit/replacement
- Duct insulation and repair
- Caulking and weather-stripping
- Door sweeps
- Storm windows
- Window tints
- Window replacement
- Thermostat replacement
- Water heating measures, if the premise has an electric water heater
- Baseload measures
- Other measures that meet the PUC payback criteria

The PUC's LIURP guidelines suggest a seven- or twelve-year payback for most measures. In 2002, PPL Electric implemented an aggregate payback formula based on the customer's electric seasonal usage. The Company assigns a “shell allowance” for each full cost job based on the payback formula. The shell allowance serves as a spending guideline for full cost measures in order to reduce electric usage. Examples of shell measures include insulation and air sealing.

PPL Electric plans to continue using the shell allowance as a guideline for full cost expenditures. However, the Company will allow WRAP contractors to exceed the shell allowance for “high” priority measures such as attic insulation and associated air sealing and electric heat repair for homes under 3,000 square feet without PPL Electric’s approval.

**Incidental Repairs** – Contractors can make small incidental repairs as needed for the installation of other weatherization measures. As a general guideline, the suggested spending allowance for incidental repairs is 30 percent above the shell allowance limit.

**Health and Safety** – In its current plan, contractors can spend up to \$200 in diagnostic measures and corrective actions without PPL Electric’s approval. Beginning in 2014, contractors can spend up to \$250 in health and safety measures for baseload jobs (LIURP and Act 129) and up to \$650 in health and safety measures for full-cost jobs without Company approval. This includes diagnostic testing and the installation of CO detectors, smoke alarms and exhaust fans. The proposed health and safety figures align with the state Weatherization Assistance Program, where contractors can spend up to 15 percent on the total job (approximately \$675 per job) to address health and safety issues.

**Indoor Air Quality** – Contractors may choose to do air sealing in homes where there are comfort and/or moisture problems or when the electric usage is high, even if the home is below the minimum ventilation guidelines (“MVG”). If the home is below the MVG before or after the installation of WRAP measures, contractors should add mechanical ventilation to ensure proper indoor air quality; this cost is included as a health and safety measure.

#### **j. Energy Education**

Energy education is an important component of WRAP. All WRAP customers are eligible for at least one home energy education session. There are several types of sessions.

**Initial** – The educator works with the customer to itemize electric costs and to influence choices that will save energy and improve comfort and safety. The educator conducts the initial session prior to the installation of measures, usually during the audit.

**Additional Session** – The educator offers a follow-up session to customers in conjunction with a post-installation inspection or within six months after the installation of all measures. If a full cost recipient does not receive a site

inspection, PPL Electric will offer follow-up education via a phone call or postcard.

Educators can conduct follow-up education as a site visit or phone session. The educator reviews the installed measures, discusses any changes in electric usage with the household and continues to work with the household to influence good choices.

WRAP contactors are required to integrate education into all aspects of WRAP. This is especially critical for the auditor who uses the customer interview and analysis to make key recommendations.

**OnTrack Education** – PPL Electric offers remedial education to OnTrack customers who are likely to exceed their benefit level but are not eligible for WRAP. The educator explains the customer's OnTrack bill and benefit limit, identifies reasons for consumption, works with the customer to influence choices that will reduce electric usage, and refers the customers to other programs when applicable. Educators conduct the session in-person or by phone and the session information is captured in the WRAP database.

PPL Electric sends letters to OnTrack customers when they have used 50 percent and 80 percent of their OnTrack benefit limits; in 2014, the Company will include energy education contact information in these letters.

**Education Reinforcement** – PPL Electric's annual LIURP reports show that some customers increase space heating usage and/or cooling usage after receiving WRAP. Starting in 2014, the Company plans on offering seasonal educational "reminders" to WRAP customers by mail, phone, or electronic mail. The Company will report the overall cost and the number of customers served.

#### **k. Quality Assurance**

PPL Electric will target a minimum of 30 percent of all full cost jobs for a site inspection. The Company will conduct phone inspections for a minimum of 25 percent of baseload and low-cost recipients. PPL Electric may choose to inspect all jobs with new or pilot measures.

The objectives of the inspection are to:

1. Ensure that all measures and services listed on the WRAP Job Ticket are installed in accordance with WRAP standards;
2. Identify major missed opportunities and adherence to the priority lists;  
and

### 3. Gather customer satisfaction data.

The inspector verifies the installation of measures on the Job Ticket Measures Report checklist and notes any concerns or problems on the Inspection Action Sheet. The contractor has 30 days in which to respond to a customer. The Company uses contractors to conduct most inspections. WRAP installers can be inspectors as long as they do not inspect their own work.

## 2. Funding and Enrollment Levels

PPL Electric's current WRAP budget is \$8,000,000 annually. The Company is also spending about \$13.2 million in Act 129 Low Income WRAP from June 2013 to May 2016. Over this three-year period of Act 129 WRAP Phase II, CBOs and contractors will provide baseload WRAP services to approximately 9,000 customers and will install 600 Heat Pump Water Heaters.

PPL Electric proposes to increase the annual WRAP (LIURP) funding to \$9,500,000 for years 2014-2016. The Company expects to see an increase in the number of heating and water heating customers and a significant decrease in the number of customers served through baseload jobs.

The chart below depicts the 2014-2016 funding levels and projected enrollment by job type:

<b>Year</b>	<b>Expenditures</b>	<b>Full Cost (Heating)</b>	<b>Low Cost (Water Heating)</b>	<b>Baseload</b>
2014	\$9,500,000	1,900	800	400
2015	\$9,500,000	1,900	800	400
2016	\$9,500,000	1,900	800	400

In addition to the projected numbers by WRAP job type listed above, the Company expects to provide energy education, energy-saving kits and referral services for low-income customers not eligible for WRAP measures in conjunction with the LIURP budget.

## 3. Needs Assessment

Based on the 2012 U.S. Census data, PPL Electric estimates that there are approximately 322,500 households with an annual income at or below 150 percent of poverty level. This equates to 26.5 percent of the Company's residential rate base.

PUC guidelines allow PPL Electric to provide WRAP for up to 20 percent of total WRAP recipients that are between 150-200 percent of poverty level. Census

data does not track customers at this income level. The Company promotes the maximum income guidelines in all WRAP communications and accepts all qualified candidates that apply for the program. PPL Electric's weatherization database does not track the number of customers that are under 18-years old, are living in secondary homes, or living in a home without nine months usage history.

The Company usually disqualifies a WRAP application if the premise received WRAP within the past seven years. PPL Electric served 23,000 customers through LIURP WRAP from 2006-2012 and 13,000 customers through Act 129 WRAP between October 2009 and March 2013. An additional 8,000 low income customers received energy-saving kits through the Act 129 E-Power Wise Program.

Historical data reveals that the number of customers that "need" or can benefit from WRAP is less than the number of potential customers. Some factors to consider include:

- The percentage of renters applying for WRAP in the past two years has increased from 45 to 55 percent, whereas the number of landlords that do not sign the WRAP Consent Form has remained at approximately 30 percent. PPL Electric offers limited services to renters who do not receive landlord approval for WRAP or refers them to other programs.
- Almost 30 percent of customers that apply and qualify for WRAP do not receive WRAP measures. Reasons include lack of customer or landlord cooperation, customer moved, previous weatherization, or contractor deferral due to health and safety issues.
- A total of 28 percent of WRAP recipients between the years 2011-2012 received less than \$750 of installed measures for the reasons listed above. Contractors also reported an increase in the presence of CFLs in customers' homes, possibly as a result of consumer awareness and discounted products.<sup>5</sup>
- Only one-third of households has installed electric heat and is potentially eligible for full cost measures. PPL Electric provides full cost measures for households with high cooling usage and/or de facto heat on a case-by-case basis. However, homes with combustion fuel(s) must pass a series of health and safety tests prior to receiving most full cost measures.

- The Company weatherized 53,000 households prior to 2006. Even though these homes are eligible for WRAP, each time a home receives WRAP the potential for major measures diminishes.
- PPL Electric's data shows that approximately 71,000 low-income customers have an overdue balance. While WRAP eligibility is not restricted to customers with overdue balances, reducing arrearages is one of the primary objectives of the program.

Finally, the Company's data shows that, despite varied and continuous outreach, some customers choose not to participate in the program. For example, the PPL Solutions call center conducted outreach for 6,059 "high usage" LIHEAP recipients in 2010. The Company's research shows that 53 percent of customers did not respond to phone contacts and letters, 11 percent refused WRAP, and 6 percent of enrolled participants dropped out prior to scheduling work.

As noted in section I, the Company will continue promoting WRAP through an array of methods including phone calls and marketing to new OnTrack enrollees. PPL Electric is also requesting an increase in its health and safety budget to increase heating measures for some households.

#### **4. Organizational Structure of PPL Electric Staff**

The Regulatory Programs & Business Services work group at PPL Electric administers WRAP. The staff provides oversight and reporting, and the Customer Programs Directors manage the regional WRAP budget and contractors. A team of Universal Service Representatives is responsible for the daily operations of universal service and Act 129 WRAP. Key personnel include:

##### **Program Management Staff:**

- Robert Geneczko – Vice President - Customer Services
- Timothy Dahl – Manager - Regulatory Programs & Business Services
- Linda Melenchek – Customer Relations Specialist

##### **Regional Customer Services Directors:**

- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Central and Northeast Regions
- Chris Schoemaker, Jr. – Lehigh Region

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<sup>5</sup> The Company does not track the number of CFLs purchased by WRAP customers.

- Joy Schmalzle – Northeast and Susquehanna Regions
- Angela Tracy – Harrisburg and Susquehanna Regions

### **Universal Service Reps**

- Linda Banzhof – Lancaster Region
- Kimberly Brummett – Central, Northeast and Susq. Regions
- Brad Eidemiller – Lancaster Region
- James Matter – Harrisburg Region
- Ann Miller – Susquehanna Region
- Zachary Reynolds – Harrisburg Region
- June Schaffer – Lehigh Region
- TBD – Lehigh Region
- Andrea Walsh – Northeast and Susquehanna Regions
- Pamela Yale – Central and Northeast Regions

## **5. Contractor Selection, Requirements and Support**

### **a. Contractor Selection and Requirements**

PPL Electric uses contractors to install weatherization measures and conduct audits, inspections and energy education sessions. The Company's Customer Programs Directors select contractors from qualified and reputable weatherization agencies and local private contractors. Weatherization contractors may use sub-contractors for specialized work (e.g. electrical, plumbing and heating equipment repair).

The Company issues contracts on a three-year basis with the opportunity for annual adjustments. PPL Electric staff will select the contractors through a request for proposal process, in accordance with the Company's procurement guidelines and policies.

The Company expects contractors to conform to all federal, state and local requirements. Materials and the installation of materials must comply with WRAP standards. All Full Cost auditors, inspectors and at least one member of each installation agency must have an active Building Performance Institute (BPI) – Analyst I Certification or PA weatherization certification equivalent.

In addition, contractors must meet the following requirements:

1. Adhere to PPL Electric's standard WRAP contractual terms and conditions.
2. Complete and invoice work within a specified time mutually agreed upon by PPL Electric and the contractor.

3. Complete an approved WRAP assessment form and adhere to the priority lists as a guideline for each job.
4. Submit a web-based job ticket invoice that includes itemized material and labor costs for each job.
5. Submit invoices in accordance with the policies issued by the Company's Financial Department.
6. Procure all materials, including CFLs.
7. Provide a one-year warranty on all labor and materials, unless otherwise noted in the contract.
8. Address problems upon notification and no later than 30 days.
9. Correct problems identified by PPL Electric as emergencies within 24 hours. Contractors should provide customers with their names and phone number upon completion of work.
10. Attend required meetings and training provided by PPL Electric.
11. Adhere to a performance review, minimum of once per year.

PPL Electric assigns work to contractors based on customer need, location, skill sets, experience and ability to handle increased workload. Habitual delays may result in the assignment of work to another contractor.

#### **b. Training**

PPL Electric will continue to reserve a portion of its annual field support budget for existing WRAP contractors. Training funds will be used to:

1. Sponsor and/or provide contractor sponsorships to conferences and special events (e.g., National Affordable Comfort Conference);
2. Sponsor and coordinate training for specialized work (e.g., combustion testing, infrared training, heat pump water heater installation); and
3. Develop and implement training that is PPL Electric specific (e.g., OnTrack education, new pilots or measures).

The Company offers a stipend to contractors who attend mandatory training. This is to help offset productivity losses and does not apply to training at the job site. PPL Electric will not fund basic weatherization training, or BPI certification, recertification or testing from the WRAP budget.

#### **c. Performance**

PPL Electric conducts a performance review with individual WRAP contractors at least once per year. The Company evaluates contractors on their ability to complete assigned work on time, quality of their work, cost-effectiveness and customer satisfaction. The performance review gives contractors the

opportunity to express any problems or concerns and to make suggestions for improvement.

In addition to the annual performance review, PPL Electric staff performs periodic field observations of auditors, crew leaders, energy educators to include observations of new personnel. The Company's staff may also conduct field inspections of jobs that do not require diagnostic testing.

PPL Electric may request additional meetings and/or training for contractors that do not meet WRAP requirements. If performance does not improve, the Company may terminate the WRAP contract.

## **6. Contractor Selection, Requirements and Support**

### **a. Inter-Utility Coordination**

PPL Electric provides and accepts referrals to the gas utilities' weatherization programs and the state Weatherization Assistance Program. Appendix 1 illustrates PPL Electric's coordination processes by job type, which the Company developed in conjunction with the Commission's Universal Service Coordination Working Group. PPL Electric also offers an electronic mailbox to receive inter-utility referrals.

In 2014, the Company plans on coordinating bi-annual conference calls with gas utilities in its distribution area to better coordinate weatherization services.

### **b. Program and Computer Enhancements**

PPL Electric is committed to the continuous improvement of WRAP. In 2010, the Company established the WRAP Technical Team of six PPL Electric staff and seven contractors. The team provided recommendations for WRAP standards and training and all WRAP organizations had the opportunity to review the standards prior to publication. PPL Electric plans to revise its field standards "as needed," using the technical expertise of WRAP contractors and home performance consultants.

PPL Electric implemented the WRAP V Reporting and Database System in 2001 and the web-based WRAP Job Ticket in 2006. The Company plans on re-writing WRAP V to comply with current industry software standards during this plan period. The Company also plans to use an external evaluator to prepare the statistical portion of the Annual LIURP Report.

The Company will reserve a portion of its WRAP field support budget each calendar year for process improvements, technical enhancements, consulting

services and evaluation. If the money is not used, the funds will go towards the installation of direct measures.

### **c. Pilots**

The Company periodically pilots new products, measures, techniques or approaches to weatherization as part of WRAP. Pilot suggestions come from regulators, WRAP contractors, customers and PPL Electric staff.

In 2014, PPL Electric will continue to investigate pilot opportunities and, if feasible, seek approval from the Commission to implement. The Company will continue to maintain an open process towards pilot suggestions. Interested parties should submit a brief proposal to the PPL Electric WRAP Customer Relations Specialist that includes the pilot description, objectives, rationale, and suggestions for evaluation. The WRAP Technical Team will need to approve any pilot suggestions that involve field or technical applications prior to regulatory submission.

### **d. Weatherization Innovation Pilot Project ("WIPP")**

In 2011-2013, PPL Electric provided referrals and evaluation support for an in-home energy display pilot as implemented by the Commission on Economic Opportunity and funded by the U.S. Department of Energy. In 2014, PPL Electric may offer an approved feed-back device as a WRAP measure in the following situations:

1. The household has very high annual electrical usage (36,000 kWhs or more); or
2. The household participates in OnTrack and is in danger of exceeding the annual benefit limit of CAP credits.

WRAP will not fund any electrical permits or inspections as required by some municipalities to install the device. The Company will consider additional applications after completion of the WIPP evaluation.

## **7. Reporting and Evaluation**

PPL Electric is required to submit the following annual reports to the PUC on or near the following dates:

1. LIURP Productivity Report – March 1
2. USP Report (LIURP Section) – April 1
3. LIURP Annual Report – April 30
4. LIURP Annual Narrative Report – April 30

The reports due at the end of April are PPL Electric's "self-evaluation" of its LIURP program two years prior to the submission date. In other words, the 2014 LIURP Report will evaluate jobs completed in 2012. This allows the Company to collect 12 months of post-weatherization data.

Effective 2014, PPL Electric is proposing the following changes to its Annual LIURP Report.

1. Use a third-party evaluator to weather-normalize WRAP consumption data, prepare the pre-and post-analysis of the statistical portion of the LIURP Report, and submit the pre-and-post data to Penn State for comparison analysis.

PPL Electric currently does not have "real time" post-weatherization consumption data. The Company runs a manual program to capture data for all cases once per year, using algorithms to adjust for temperature fluctuations. PPL Electric proposes using an external consultant with proven impact evaluation experience to provide data to the Commission. The cost of the consultant will not exceed \$50,000 per program year.

The Company plans on capturing "real time" non-weather normalized consumption data in the next version of its WRAP database to facilitate remedial energy education.

2. Change the demarcation date, or the date that segregates the pre- and post-periods. PPL Electric currently uses the date that the contractor installed the last major measure. WRAP recipients often have several measure installation dates, especially in situations that call for seasonal or specialty work. Some customers also receive baseload and/or water heating measures at the time of audit.

A study conducted by the Cadmus Group in 2012 showed higher savings when analyzing consumption data prior to the audit. To depict a more accurate measurement of the impact of WRAP, PPL Electric is proposing to use consumption data prior to the audit or the initial visit as the "pre-period" and data after the installation date as the post-period.

PPL Electric's third-party evaluator may conduct an impact evaluation of premises weatherized in conjunction with Act 129 WRAP. These cases will not be included in the LIURP analysis.

### 8. Summary of Differences Between Proposed and Current Plans

The table below depicts the key program changes between the current plan (2011-2013) and the proposed plan (2014-2016).

<b>ID #</b>	<b>Category</b>	<b>Plan (2011-2013)</b>	<b>Plan (2014-2016)</b>
1	Funding	\$8,000,000	\$9,500,000
2	Projected-Customers Served	1,300 Full Cost 300 Low Cost 1,800 Baseload	1,900 Full Cost 800 Low Cost 400 Baseload
3	Eligibility	If an apartment building contains at least 3 units, at least 66% of the tenants must qualify for all tenants to receive WRAP.	If an apartment building contains at least three units, at least 50% of the tenants must qualify for all tenants to receive WRAP
4	Eligibility-Landlord Consent	If a landlord refuses WRAP, PPL will offer limited baseload services, or an energy education session, or an energy-saving kit.	If a landlord refuses WRAP, PPL will offer limited baseload services, or an energy education session, or an energy-saving kit through WRAP or E-Power Wise (Act 129).
5	Baseload Measures	WRAP contractors can spend up to \$200 per job on comfort and safety measures.	WRAP contractors can spend up to \$250 on on comfort and safety measures.
6	Low Cost Measures	Solar Water Heating Maintenance is an approved measure.	Eliminate solar water heating measures. Contractors must install a heat pump water heater when the site meets the criteria for replacement.

<b>ID #</b>	<b>Category</b>	<b>Plan (2011-2013)</b>	<b>Plan (2014-2016)</b>
7	Full Cost Measures - Shell Allowance	The shell allowance is a spending guideline for full cost measures.	Contractors can exceed the shell allowance for attic insulation and air sealing, and electric heating equipment repair.
8	Full Cost Measures - Health and Safety	Contractors can spend up to \$250 in diagnostic health and safety measures.	Contractors can spend up to \$650 in health and safety measures without PPL approval.
9	OnTrack Education	Remedial education is offered to OnTrack customers that are in danger of exceeding benefit level.	Provide contact information for remedial education in OnTrack shortfall warning levels.
10	Education Reinforcement		Provide seasonal educations reminders to customers that received WRAP measures.
11	Quality Assurance	PPL requires an attempted site inspection on at least 60% full cost jobs.	PPL will target a minimum of 30% inspections for full cost jobs.
12	Contractor Training	PPL reserves up to \$50,000 for Contractor training.	PPL will continue to provide training for conference sponsorships, specialty work or Company-specific work.
13	Inter-utility Coordination	Refer to matrix developed by PUC Working Group.	In addition to the matrix, PPL will coordinate bi-annual conference calls with the gas utilities for better coordination of services.
14	Reporting and Evaluation	PPL provides weather-normalized data to Penn State for consumption analysis	PPL will hire a third-party evaluator to weather-normalize data and send to Penn State.
15	Reporting and Evaluation	PPL uses the installation date as the date that segregates the pre and post analysis periods.	PPL will use the audit date as the date that segregates the pre and post analysis periods.

## **9. Conclusion**

PPL Electric has nearly 30 years of experience in administering its Winter Relief Assistance Program and is committed to the continuous improvement of the program. The Company relies on community-based organizations and local contractors not just to provide services to customers, but to offer technical expertise and program input.

As part of its 2014-2016 Plan, the Company proposes to increase funding to serve more households with installed electric heat and water heating. The Company also plans on providing more post-WRAP education and improving coordination between other utility and weatherization programs where practical. Finally, PPL Electric plans on developing and implementing a new WRAP database and reporting system during the plan period and in using a third-party evaluator to analyze consumption changes attributed to WRAP.

## PPL ELECTRIC UTILITIES IDENTIFICATION AND COORDINATION PROCESS BY JOB TYPE

<b>Job Type</b>	<b>First In Contractor</b>	<b>PPL Electric Utilities Coordination Process</b>
1. EDC LIURP Electric Heating	WAP Agency	The WAP agency provides a full array of LIURP or Act 129 measures that meet program guidelines. The WAP agency coordinates with traditional WAP in situations where the household can benefit from measures that exceed LIURP payback criteria.
2. EDC LIURP Electric Heating	Non-WAP Contractor	The non-WAP contractor provides a full array of LIURP or Act 129 measures that meet program guidelines – If the non-WAP agency is a county agency; the agency coordinates with county weatherization where the household can benefit from measures that exceed LIURP criteria.
3. EDC LIURP Electric Non-Heating/Gas Heating	WAP Agency	The WAP agency provides baseload and when applicable, water heating and seasonal measures through LIURP or Act 129. The WAP agency screens the customer for WAP or gas company weatherization when providing baseload measures. Some agencies also prioritize the work so that LIURP/Act 129 and WAP are done concurrently, particularly if the household can benefit from the Crisis Interface Program. If the WAP contractor identifies a major gas safety problem while conducting LIURP, the WAP contractor or PPL Electric will notify the gas company.

4. EDC LIURP Electric Non-Heating/Gas Heating	Non-WAP Contractor	The non-WAP contractor provides baseload and when applicable, water heating and seasonal measures through LIURP or Act 129. If the non-WAP contractor also provides gas weatherization, the contractor screens the customer for gas weatherization. Non-WAP contractors also provide the customer with the appropriate WAP and gas utility contact information as part of the energy education process. PPL Electric will notify the WAP agency in situations where the customer can benefit from the Crisis Interface Program. If the non-WAP contractor identifies a major safety problem while conducting LIURP, PPL Electric will notify the gas company.
5. EDC LIURP Electric Non-Heating/Deliverable Fuel Heating	WAP Agency	The WAP agency provides baseload and when applicable, water heating and seasonal measures through LIURP or Act 129. The WAP agency screens the customer for WAP when providing baseload measures. Some agencies also prioritize the work so that LIURP/Act 129 and WAP is done concurrently, particularly if the household can benefit from the Crisis Interface Program.
6. EDC LIURP Electric Non-Heating/Deliverable Fuel Heating	Non-WAP Contractor	The non-WAP contractor provides baseload and when applicable, water heating and seasonal measures through LIURP or Act 129. Non-WAP contractors provide the customer with the appropriate WAP contact information as part of the energy education process. PPL Electric notifies the WAP agency if the customer can benefit from the Crisis Interface Program. The Company will also provide a list of LIURP/Act 129 recipients to WAP agencies upon request.

7. NGDC LIURP Gas Heating	WAP Agency or Non-WAP Contractor	If the WAP agency identifies an opportunity for electric savings not funded through gas company LIURP, the agency asks the customer to complete a WRAP application and will complete baseload and/or water heating measures at the same time as gas LIURP when feasible. PPL Electric also accepts ongoing referrals from the gas company or gas weatherization recipients. PPL Electric will prioritize the job if there is an immediate need (e.g., leaking water heater). The Company has an electronic mailbox to accept referrals from the gas company.
8. Traditional WAP - Heating is Other Than Electric	WAP Agency	If the WAP agency identifies the opportunity for electric savings not funded through WAP, the agency asks the customer to complete a WRAP application. PPL Electric determines if the customer qualifies for LIURP or Act 129. The WAP agency completes baseload and/or water heating measures at the same time as traditional WAP when feasible (e.g., landlord consent obtained). Some agencies scan and e-mail the paperwork to the Company to expedite the process. PPL Electric also has a "mailbox" to receive referrals from WAP agencies, especially from those agencies that are not under contract to perform LIURP or Act 129.
9. WAP – Heating is Other Than Electric	WAP Agency	Same as above

**PPL Electric Utilities: WRAP Contractors  
March 12, 2012**

<b>Business</b>	<b>Type of WRAP work</b>	<b>Contact (s)</b>	<b>Office #</b>	<b>Fax #</b>	<b>E-mail Address</b>
<b>Adams, John "kip"</b> 1464 Silver Spring Rd. Drumore, PA 17518	Auditor, Baseload Contractor	John "Kip" Adams	717-341-2409		Kipadams@yahoo.com
<b>A.J. Bair Mechanical</b> 421 E. Bell Ave. Nazareth PA 18064	CACLV Sub- Contractor- Auditor, Installer and Education (all job types)	Tony Bair Tara Bair	610-746-5055 845-551-8100 484-895-8520		bairenergy@hotmail.com
<b>Billiard, John</b> 1201 South Blvd. Bethlehem, PA 18017	Baseload Contractor	John Billiard	610-865-9788	610-868-2766	Jbilliard@aol.com
<b>Carbon County Action Committee (CCAC)</b> 267 S. Second St. Lehighton, PA 18235	Auditor, Installer and Education (all job types)	Brian Kroboth Weatherization Supervisor	610-377-5004	610-377-5113	<a href="mailto:bkroboth@pplweb.com">bkroboth@pplweb.com</a>
<b>Commission on Economic Opportunity (CEO)</b> 32-34 Union St. Kingston, PA 18704	Auditor, Installer, and Education (all job types), SWH Maintenance	Jeff Rysz, Weatherization Operations Manager Roderick Blaine, Administrator	570-288-8458 570-826-0510	570-287-6921	<a href="mailto:jrysz@ceopeoplehelpingpeople.org">jrysz@ceopeoplehelpingpeople.org</a> <a href="mailto:rblaine@ceopeoplehelpingpeople.org">rblaine@ceopeoplehelpingpeople.org</a>
<b>Community Action Committee of Lehigh Valley (CACLV)</b> 1337 E. 5 <sup>th</sup> . St. Bethlehem, PA 18015	Weatherization Coordination/Inspect ion (all job types), SWH Maintenance	Tim Werner, Weatherization Field Operations Manager Rick Amador - Inspector	610-691-5620	610-691-6582	<a href="mailto:twerner@caclv.org">twerner@caclv.org</a> <a href="mailto:ramador@caclv.org">ramador@caclv.org</a>

<b>Custom Weatherization</b> 2045 Willow Park Rd. Bethlehem, PA 18020	CACLV Sub-Contractor – Auditor Installer and Education (all job types)	Otis McNeil Robert Moux	610-861-5290		<a href="mailto:omcneil@trueenergysaver.com">omcneil@trueenergysaver.com</a> <a href="mailto:rmoux@trueenergysaver.com">rmoux@trueenergysaver.com</a>
<b>Donley's Heating &amp; Air Conditioning</b> PO Box 7454 Steelton, PA 17713	HVAC/Plumbing	Don Donley Sr., Owner	717-939-1139		<a href="mailto:donleyshvac@aol.com">donleyshvac@aol.com</a>
<b>DRD Energy</b> 401 Hemlock Circle Dauphin, PA 17018	HVAC/Plumbing	Donald Donley Jr., Owner	717-648-9534		<a href="mailto:Draydonley17@comcast.net">Draydonley17@comcast.net</a>
<b>EIC, Inc.</b> 592 Rt. 940 Pocono Plaza - ste 103 Pocono Lake, PA 18347	Auditor, Installer, and Education (all job types)	Kyle Haddock, Regional Manager Jessica Raby Tom Grlica	973-398-3800 973-214-2451	973-398-0090	<a href="mailto:KHaddock@comforthome.com">KHaddock@comforthome.com</a> <a href="mailto:jraby@comforthome.com">jraby@comforthome.com</a> <a href="mailto:tgrlica@comforthome.com">tgrlica@comforthome.com</a>
<b>Gochenaur's Appliances</b> 5939 E. Main St. East Petersburg, PA 17520	Appliance Vendor	Ken Gochenaur	717-569-0493	717-569-6594	<a href="mailto:Gochenaur.appliance@verizon.net">Gochenaur.appliance@verizon.net</a>
<b>J&amp;F Energy Solutions</b> 3701 Derry St. Harrisburg, PA 17111	Auditor, Installer, and Education (all job types), Inspection	Joseph A. Nunley, owner Ben Clemente, CFO Jim Nunley	717-439-6731 717-214-4403		<a href="mailto:joe@jfesinc.com">joe@jfesinc.com</a> <a href="mailto:bclemente@jfennergysolutions.com">bclemente@jfennergysolutions.com</a> <a href="mailto:jim@jfesinc.com">jim@jfesinc.com</a>
<b>Lancaster Community Action Program/The Energy Conservation Center</b> 1840 Auction Rd. Manheim, PA 17545	Installer	Cathy Rychalsky, Director	717-492-0102	717-390-8857	<a href="mailto:crvchalsky@caplanc.org">crvchalsky@caplanc.org</a>
<b>Ohm Weatherization and Building Science</b> 3208 Easton Ave. Bethlehem, PA 18020	CACLV Sub-Contractor – Auditor, Installer and Education (all job types)	Michael Ohm	610-882-9927 484-542-1506	610-882-9709	<a href="mailto:michaeljohnohm@gmail.com">michaeljohnohm@gmail.com</a>
<b>Ohm Weatherization and Renewable Energy</b> 3208 Easton Ave Bethlehem, PA 18020	Auditor, Installer and Education (all job types), SWH Maintenance	John Ohm	610-758-8271 610-442-0519		<a href="mailto:Johm@rcn.com">Johm@rcn.com</a>

<b>Pure Energy</b> 10 N. Bausman Dr. Lancaster, PA 17603	Auditor, Baseload Contractor, Inspection, Education	A. Tamasin Sterner, Owner	717-293-8990	717-293-1952	Tsterner@pureenergycoach.com
<b>Redevelopment Authority of the County of Wayne (WCRA)</b> 99B Beach Lake Highway Honesdale, PA 18431	Auditor, Installer, Education (all job types)	Jackie Young, Director	570-253-4882	570-253-8932	Jyoung5@ptd.net
<b>Rovegno's of Carlisle</b> 401 E. Louther St. Carlisle, PA 17013	Auditor, Installer and Education (all job types)	Rick Rovegno, Owner Sandy Gensler, Administrator	717-249-6061	717-249-2407	<a href="mailto:Gensler@pa.net">Gensler@pa.net</a>
<b>Rozman Brothers</b> 1711 Cameron St. Steelton, PA 17104	Appliance Vendor	Betsy Baker	717-236-9351		betsy@roz-man.com
<b>Schuylkill Community Action</b> 206 N 2 <sup>nd</sup> St. Pottsville, PA 17901	Auditor, Installer, Education (all job types)	Terry Sadusky, Weatherization Director	570-622-0568	570-622-0832	tsadusky@schuylkillcommunityaction.com
<b>SEDA-Council of Governments (SEDA-COG)</b> 201 Furnace Rd. Lewisburg, PA 17837	Auditor, Installer, and Education (all job types), SWH maintenance	Doug Diehl, Director of Weatherization Mandy Fox, Administrator	570-524-4491	570-524-9190	<a href="mailto:mfox@seda-cog.org">mfox@seda-cog.org</a> <a href="mailto:DDiehl@seda-cog.org">DDiehl@seda-cog.org</a>
<b>Sellair, Inc.</b> 924 Marcon Blvd. Ste 105 Allentown, PA 18109	CACLV Sub- Contractor – Auditor, Installer, and Education (all job types)	Carlos Jaramillo	484-245-0048	888-243-3005	<a href="mailto:carlos@sellairllc.com">carlos@sellairllc.com</a>
<b>K.E. Barnes Consulting</b> 20 E. Pine St. Apt. 1 Cleona, PA 17042	Baseload Contractor	Kathy Barnes - Inspector	717-379-6036		kebarnesconsulting@yahoo.com
<b>Smith, John</b> 1446 Bunting St. Pottsville, PA 17901	Inspection, Education	John Smith	570-544-2613		JohO1@comcast.net
<b>Solair Energy, Inc.</b> P.O. Box 275 Ralston, PA 17763	Auditor, Installer, and Education (all job types), SWH Maintenance	Pam Denlinger, President	570-995-5747	570-995-9116	<a href="mailto:pam@solaireenergy.com">pam@solaireenergy.com</a>

<b>STEP, Inc.</b> 2130 Lincoln St., P.O. Box 3568 Williamsport, PA 17701	Auditor, Installer, Education	Kevin Mitcheltree, Director of Weatherization	570-326-0587	570-322-2197	<a href="mailto:Klmitcheltree@stepcorp.org">Klmitcheltree@stepcorp.org</a>
<b>Therma View</b> 2877 Euclid Ave. S. Williamsport, PA 17701	Technical Specialist, Inspection	Larry Armanda, Owner	570-326-6240 570-916-5481		larmanda@comcast.net
<b>Williams, Michael W.</b> <b>/The Energy</b> <b>Conservation Center</b> 3946 Haycreek Rd. Birdsboro, PA 19508	Installer, SWH Inspection	Mike Williams	610-913-6397		mikeww@ptd.net
<b>Frisk, Lynn M.</b> 14 Westside Dr. Newfoundland, PA 18445	Inspection, Education	Lynn Wright	570-676-5850 570-493-9786		lmwright18445@yahoo.com

# **Operation HELP**

## **PPL Electric Utilities Corporation Operation HELP**

### **1. Program Description**

#### **a. Overview**

Operation HELP is a hardship fund supported by donations from PPL Corporation, its employees, retirees and customers. The program targets low-income customers who have overdue balances and an inability to pay the full amount of their energy bills. Operation HELP defines low income as households that have annual incomes at or below 200 percent of the federal poverty level ("FPL").

The primary features of Operation HELP include:

- Direct financial assistance for overdue energy bills
- Protection against shutoffs
- Referrals to other programs and services

Operation HELP is available on a year-round basis throughout the Company's service area. However, due to the demand for energy assistance, some agencies may stop taking applications for a period of time because they have exhausted their current funding. Because of ongoing donations from contributors, PPL Electric Utilities Corporation ("PPL Electric" or the "Company") disburses funding quarterly to the 15 community-based organizations ("CBOs") that administer Operation HELP. Funding for the program pays for any type of home energy bill (e.g., gas, coal, oil and electric).

#### **b. Background**

Begun in March 1983, Operation HELP was one of the early utility-sponsored hardship funds in the nation. Through its annual promotional campaign, PPL Electric encourages customers to contribute by adding an extra \$1, \$2, or \$5 to their monthly electric bill or by sending in one-time, lump-sum checks. Approximately 15,000 customers give to Operation HELP via their electric bill payments. PPL Electric's customer service billing system has the flexibility to allow customers to give any amount to the program and to choose a specific period (e.g., contribute \$10 monthly over the winter).

Employees may support Operation HELP as customers or through payroll deduction. About 1,500 employees give to the program via payroll deduction. In addition, PPL Electric encourages retirees to give in two ways: pension deduction or a one-time separate check donation.

**c. Objectives**

The overall objectives of Operation HELP are as follows:

1. Provide financial assistance to qualified low-income families who are having difficulty paying the full amount of their energy bills;
2. Offer financial assistance to low-income households that are ineligible for the federally funded Low-Income Home Energy Assistance Program ("LIHEAP");
3. Expand the capabilities of CBOs that provide energy-related assistance; and
4. Administer a year-round program as funding permits.

**d. General Administration**

To administer Operation HELP, PPL Electric partners with 15 CBOs that have extensive experience in delivering human services. The administration of the program is collaboration between these organizations and the Company. The primary duties include the following.

**PPL Electric:**

- Collect and disburse contributions to the CBOs.
- Provide corporate funding to support program administration.
- Process Operation HELP payments.
- Solicit donations annually from customers, employees and retirees.
- Oversee the administration of the program.
- Maintain close working relationships with the CBOs.
- Conduct procedural audits to review performance.
- Complete PUC-required reports.

**Operation HELP CBOs:**

- Conduct intake and verify applicants' eligibility.
- Process Operation HELP authorization forms.
- Send timely payments directly to energy vendors.

- Refer applicants to other assistance programs.
- Establish a separate account for processing donations and disbursements.
- Maintain detailed program records and arrange for an annual financial audit of Operation HELP.

## **2. Control Features**

The decision to give to any charitable cause involves several factors. One of the most important is the belief by contributors that the charitable organization uses their funds properly. PPL Electric encourages the Operation HELP administering organizations to have a Certified Public Accounting (“CPA”) firm conduct an annual financial audit of the program. Most of the CBOs complete their Operation HELP audit in conjunction with their annual federal and state-funded program audits.

To supplement the CPA audit, PPL Electric conducts annual procedural audits of the CBOs that administer Operation HELP. The primary purposes of the audit include:

1. Review the CBOs’ record keeping procedures;
2. Discuss the findings with the CBOs and implement corrective action where necessary;
3. Monitor the CBOs adherence to Operation HELP guidelines and procedures; and
4. Ensure the proper expenditure of donations.

PPL Electric prepares monthly reports that monitor and track the CBOs’ performance. The Company provides monthly feedback (e.g., electronic copy of reports) to the agencies regarding Operation HELP results. PPL Electric also conducts an annual meeting with the CBOs to discuss its low-income programs, including Operation HELP.

The Company uses its outside auditor to review internal procedures and records regarding Operation HELP. The audit includes, among other things, a review of record-keeping procedures and a reconciliation of donations from a sampling of customers.

PPL Electric has registered Operation HELP with the Pennsylvania Department of State’s Bureau of Charitable Organizations. The Company provides a report (e.g., projected receipts) to the Bureau as part of the annual registration process.

### **3. Eligibility Criteria**

PPL Electric established the eligibility criteria in cooperation with the Operation HELP administering organizations. As a general rule, customers with household incomes at or below 200 percent of the FPL and other hardships are eligible for assistance.

Under the Operation HELP guidelines, a customer can receive assistance once in a calendar year. However, the Company gives the CBOs the flexibility to review referrals on a case-by-case basis if customers have compelling and extenuating circumstances. The Operation HELP organizations must consult with PPL Electric's Customer Programs Directors ("CPDs") to discuss the individual cases with extenuating circumstances. The CPDs have responsibility for the day-to-day administration of the Company's universal service programs.

Operation HELP applicants are not automatically eligible for assistance by virtue of their income, age or family circumstances. The Company targets program funds for income-eligible customers who face hardships and have an inability to pay the full amount of their energy bills. PPL Electric does not use customer, employee or retiree donations for administrative expenses, weatherization measures, food, winter clothing or promotional activities.

When interviewing applicants for Operation HELP, the CBOs generally consider the following factors:

- Death of primary wage earner
- Serious injury or illness to primary wage earner
- Life-threatening or health-threatening situations
- Families with infants
- Households with elderly or disabled occupants
- Eligibility for LIHEAP
- PPL Electric overdue amount and payment history

### **4. Projected Needs Assessment**

The need for energy assistance exceeds the resources currently available through Operation HELP. Although donations have increased over the years, they have leveled off since 2008 at approximately \$1.4 million annually from all sources. PPL Electric started Operation HELP to address customers' needs and to supplement LIHEAP's efforts. Nevertheless, the Company is committed to increasing donations and to improving implementation processes.

The Company used the 2012 U.S. Census data as well as past program performance to arrive at the projected enrollment level. The 2010 U.S. Census data indicates that approximately 26.5 percent (322,500) of PPL Electric's residential customers had an annual household income at or below 150 percent of the federal poverty level.

Collection data as of December 31, 2012 indicates that approximately 143,000 (12 percent) of PPL Electric's residential customers had an overdue balance; of that number, more than 71,000 (50 percent) report an annual household income at or below 150 percent of federal poverty level.

Depending on factors such as overdue amount, payment history and extenuating circumstances, the Company's Customer Service Representatives refer these customers to programs like the Customer Assistance Program ("CAP") known as OnTrack, the Company's Low-Income Usage Reduction Program ("LIURP") known as the Winter Referral Assistance Program ("WRAP"), Customer Assistance and Referral Evaluation Service ("CARES"), Operation HELP and LIHEAP when available.

Because the Company uses 200 percent of the federal poverty guidelines for the Operation HELP program, PPL Electric projects it can assist about 4,100 customers annually (2014 through 2016) with estimated funding of \$1.4 million yearly.

## **5. Projected Enrollment Levels**

PPL Electric based its projected enrollment levels for 2014 through 2016 on an estimated \$1.4 million in funding for Operation HELP from all donation sources (e.g., PPL Corporation, customers and employees) and a historical average grant amount. The projection also considers that the Company earmarks about 11 percent of its corporate contribution for agencies' administrative expenses. From 2009 through 2012, the average Operation HELP grant was \$307 per customer. The projected enrollment levels are as follows:

<b>Year</b>	<b>Enrollment Level</b>
2014	4,100
2015	4,100
2016	4,100

## 6. Program Budget

The projected level of donations from PPL Electric, its customers, employees and retirees determines the number of customers assisted annually. The Company will actively solicit donations from these groups from 2014 through 2016. Solicitation activities will include, but are not limited to, the following:

<b>Method</b>	<b>Timeframe</b>	<b>Audience</b>
Bill Insert and Bill Message	December	All Customers
Enrollment Form	December	All Customers
Return Postcard	December	EFT Customers <sup>6</sup>
PPL Electric President Letter	December	Employees and Retirees
News Release	December	General Public
Response to Customer Inquiries	December	All Customers
Internal Electronic Newsletter	December	Employees

In addition, PPL Electric conducts other fund-raising activities for Operation HELP (e.g., golf tournament). The Company's tariff has a provision that directs all final bills with balances less than five dollars to the Operation HELP hardship fund.

The projected budget amounts shown below for 2014 through 2016 will remain relatively flat.

<b>Year</b>	<b>Funding Level</b>
2014	\$1,400,000
2015	\$1,400,000
2016	\$1,400,000

## 7. Plans to Use Community-Based Organizations

PPL Electric collaborates with 15 CBOs to administer Operation HELP throughout its 10,000 square mile service area in central and eastern Pennsylvania. Almost all of these CBOs have administered the program since its inception in March 1983. Many were involved in the planning meetings the Company conducted in 1982 to develop the guidelines and procedures for Operation HELP. The CBOs use approximately 40 caseworkers at 25 sites (main offices and satellite locations) to administer the program. Not all of these caseworkers focus solely on Operation HELP.

<sup>6</sup> EFT (electronic fund transfer) pertains to customers who have given PPL Electric permission to deduct their bill payments and donations automatically from their bank accounts.

They may have duties such as assisting in the administration of OnTrack or implementing other programs offered by their agencies.

The Operation HELP CBOs process referrals, schedule and conduct interviews, determine eligibility, refer applicants to other assistance programs, and send payments to energy vendors. In addition, the Company has implemented a process improvement whereby CBO caseworkers enter the information directly into a database via a web-based authorization form. PPL Electric's database is a repository for record keeping, analysis of program performance and to generate various reports. The authorization forms include demographic and funding data for every customer assisted by Operation HELP.

The following table shows the 15 Operation HELP administering organizations and counties they serve.

<b>Organization</b>	<b>Phone</b>	<b>Counties Served</b>
Carbon County Action Committee	610/377-6400	Carbon
Casa Guadalupe Center	610/435-9902	Bucks, Lehigh, Northampton
Christian Churches United	717/230-9550	Dauphin, York, Juniata, Cumberland
Columbia County Human Services	570/387-6501	Columbia
Commission on Economic Opportunity	570/826-0510	Luzerne
Community Action Program of Lancaster County	717/299-7301	Lancaster, Lebanon, Berks, Chester
Montour County Human Services	570/271-3028	Montour
Open Line, Inc.	215/679-4112	Montgomery
Perry County Family Center	717/582-3656	Perry
Schuylkill Community Action	570/622-1995	Schuylkill
STEP, Inc.	570/327-5485	Lycoming, Clinton
The Salvation Army	570/969-6399	Lackawanna
TREHAB, Inc.	570/253-8941	Monroe, Pike, Wayne, Wyoming, Susquehanna
Union-Snyder Office of Human Resources	570/374-0181	Union, Snyder, Northumberland
Upper Dauphin County Human Services	717/262-3321	Dauphin

## **8. Organizational Structure of PPL Electric Staff**

PPL Electric's Regulatory Programs & Business Services ("RP&BS") work group oversees the administration of Operation HELP. RP&BS is part of the Customer Services Department. RP&BS staff provides program oversight and field personnel manage the day-to-day administration of the program.

### **Program Management Staff:**

- Robert Geneczko - Vice President-Customer Services
- Timothy Dahl - Mgr.- Regulatory Programs & Business Services
- Michael Wukitsch - Customer Relations Specialist

### **Regional Customer Programs Directors:**

- Gladys Malone - Southwest Region, Lancaster
- Florence McNelis - Northeast Region, Hazleton
- Joy Schmalzle - Northeast Region, Scranton
- Chris Schoemaker, Jr. - Lehigh Region
- Angela Tracy - Susquehanna Region

### **Administrative Support:**

- Melissa Manning - Steno/Clerk
- Joanna Walakovits - Steno/Clerk

## **9. Differences Between Approved Plan and the Proposed Plan**

PPL Electric has consistently administered Operation HELP according to long-established guidelines and procedures. There have been no major changes in the program since the approval of the Company's Universal Service and Energy Conservation Plan for the years 2011-2013.

**CARES**

**PPL Electric Utilities Corporation  
CARES**

**1. Program Description**

**a. Overview**

The Customer Assistance and Referral Evaluation Service ("CARES") program is a special referral service for customers with temporary hardships, such as illness, injury, loss of job or high medical bills. The program recognizes that people are sometimes victims of circumstances beyond their control. These conditions create hardships that are difficult to address without some type of assistance. CARES plays a role in responding to customers who have special circumstances.

The primary features of CARES include:

- Protection against shutoff of electric service
- Referrals to other programs and services
- Possible financial assistance for overdue electric bills

The program is available to residential customers, regardless of income level, who face a temporary hardship that could result in the loss of electric service. PPL Electric Utilities Corporation ("PPL Electric" or the "Company") defines temporary as a time period of three months or less. The Company refers low-income customers with longer-term problems to its Customer Assistance Program ("CAP") known as OnTrack, which offers reduced payment amounts, arrearage forgiveness and referrals to other assistance programs.

**b. Background**

PPL Electric started CARES as a six-month pilot program in 1980-81. The Company conducted the pilot in three areas: Lancaster, Harrisburg and Hazleton. Following an evaluation of the pilot, the Company implemented CARES as a system-wide program in February 1982. PPL Electric appointed CARES Representatives in each region and they reported to the local Consumer Affairs Director.

In April 1995, PPL Electric merged the positions of Consumer Affairs Director and CARES Representative into a new position called Customer Assistance Representative. PPL Electric renamed this position as the Customer Programs Director ("CPD") in March 1997. The CPD provides the

day-to-day administration of the Company's four major universal service programs: WRAP, OnTrack, Operation HELP and CARES. In addition, the CPD develops and maintains effective working relationships with a variety of community-based organizations ("CBOs") and supports outreach efforts for the Low-Income Homes Energy Assistance Programs ("LIHEAP") in each of their operating areas.

The primary objectives of the CARES program are to:

1. Help customers who are experiencing temporary hardships to prevent termination of service and to manage their overdue electric bills by providing them with information and resources;
2. Make referrals to Company and/or community assistance programs; and
3. Act as an internal advocate for residential payment-troubled customers.

## **2. Program Design**

### **a. Referrals/Assistance Coordination**

PPL Electric's support staff communicates directly with CARES customers. They attempt to match customers' needs with existing Company and/or community programs. The CPDs or support staff analyzes customer accounts and circumstances to determine the basic cause(s) of their bill-payment problems. They may refer customers to appropriate programs and services offered by various agencies or PPL Electric.

### **b. Home Visits**

The CPDs do not normally conduct home visits for CARES participants. Given the breadth of the CPDs' responsibilities regarding all of PPL Electric's universal service programs, it is impractical for them to conduct home visits. If there were a particularly difficult and compelling situation, they would attempt to schedule a home visit. However, these types of situations are the exception. The CPDs may help coordinate home visits conducted by caseworkers from CBOs, such as the Area Agency on Aging ("AAA"). The frail elderly are especially vulnerable and the AAA caseworkers have the appropriate skills and experience to conduct effective home visits.

### **c. Networking**

Another key responsibility of the CPDs is to establish close working relationships with CBOs and departments within PPL Electric. Social service agencies and other community groups are essential to the success of CARES because they provide the needed services for payment-troubled customers. The CPDs have established a network of agencies throughout PPL Electric's service area. The Company has more than 30 years of experience in working effectively with various CBOs. The CPDs also work closely with internal work groups like the Customer Contact Center, Revenue Assurance, Field Operations and Corporate Communications.

### **d. CARES Credits**

A unique feature of PPL Electric's CARES program is a provision for CARES Credits. The CPDs use these credits to help pay electric bills for customers who have run out of options. There are circumstances where neither PPL Electric nor social service agencies can provide sufficient and/or timely assistance to customers. Programs may have closed (e.g., LIHEAP) or the customer is ineligible for services because his or her household income is above program guidelines.

The CPDs typically have a budget of \$54,000 annually in CARES Credits (\$10,800 per CPD), which comes from PPL Corporation's annual donation to Operation HELP. No formal guidelines exist for the use of CARES Credits because PPL Electric applies the funds on a case-by-case basis. The CPDs often use the credits for customers confronted with high medical bills or the death of the primary wage earner. From 2009 through 2012, an average of 215 customers per year received assistance through CARES Credits. The average grant was \$248 during this period.

## **3. Eligibility Criteria**

Referrals to the CARES program come from PPL Electric's Customer Contact Center ("CCC") Customer Service Representatives ("CSRs"), social agency caseworkers, and self-referrals. PPL Electric established referral criteria for CCC employees and CBO caseworkers to use as a screening device to ensure appropriate referrals to CARES services. In practice, the CCC's CSRs refer most customers to the program.

CSRs and CBO caseworkers refer customers to CARES when the following conditions exist:

- Illness, injury or high medical bills
- Previously good-paying customers with temporary hardship situation
- Recent loss of job or major reduction in household income
- Death of primary wage earner
- Confused and disoriented customer

The above referral criteria do not address every customer situation or hardship. The CCC representatives and agency caseworkers use their judgment and discretion in referring customers to CARES who may not precisely match the referral criteria. If unusual conditions exist, the support staff consults with the local CPD to discuss the situation.

#### **4. Projected Needs Assessment**

The program is available to any residential customer regardless of income. However, CARES bases eligibility on customers' individual needs and concerns, and targets households with temporary hardships.

The Company used the 2012 U.S. Census data as well as past program performance to arrive at the projected enrollment level. The 2012 U.S. Census data indicates that approximately 26.5 percent (322,500) of PPL Electric's residential customers had an annual household income at or below 150 percent of the federal poverty level.

Collection data as of December 31, 2012 indicates that proximately 143,000 (12 percent) of PPL Electric's residential customers have an overdue balance; of that number, more than 71,000 (50 percent) report an annual household income at or below 150 percent of federal poverty level.

The number of low-income households with overdue balances and other hardships has provided a sufficient number of referrals to CARES in the past. PPL Electric believes that CARES will continue to serve the needs of a specific segment of residential customers.

#### **5. Projected Enrollment Levels**

PPL Electric bases the projected enrollment levels on its historical experience with CARES. In 2012, for example, there were 830 customer referrals to the program. Of this total, 215 (26 percent) received CARES Credits applied to their account. The Company projects that the number of CARES referrals will likely remain at around 850 annually. PPL Electric now refers many low-income, payment-troubled customers to OnTrack,

which is a special payment program, instead of CARES. Because OnTrack offers a longer-term solution, it may be a better alternative than CARES.

The projected enrollment levels will remain flat as shown in the table below for 2014 through 2016:

<b>Year</b>	<b>Enrollment Level</b>
2014	850
2015	850
2016	850

## **6. Program Budget**

The annual expenditure for CARES is approximately \$94,000: \$40,000 for staff who support the program and \$54,000 for CARES Credits. There is no specific operating and maintenance budget for CARES per se. PPL Electric estimates that the time spent by PPL Electric staff in support of the program is valued at \$40,000 annually. These expenses are included in the Company's base rates. As noted earlier, the CPDs use the remaining \$54,000 of CARES Credits, which come from a donation by PPL Corporation, to assist customers who need help and have run out of options.

The projected budget amounts shown below for 2014 through 2016 will remain relatively flat.

<b>Year</b>	<b>Funding Level<sup>7</sup></b>
2014	\$94,000
2015	\$96,000
2016	\$98,000

## **7. Plans to Use Community-Based Organizations**

PPL Electric recognizes the importance of establishing and maintaining its network of contacts and working relationships with the CBOs. Public-private partnerships are essential in providing services and programs to residential customers, especially low-income households. Because of the significant expansion of funding for universal service programs at PPL Electric, the role of CBOs continues to be important. The following list is a fair representation of agencies that the CPDs work with to address customer problems.

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<sup>7</sup> The slight annual increase is due to higher salary expenses.

## **Lehigh Region**

- Area Agencies on Aging
- Carbon County Action Committee
- Casa Guadalupe
- Children and Youth Protective Services
- Community Action Committee of the Lehigh Valley
- Conference of Churches
- Consumer Credit Counseling Service
- Lehigh County Assistance Office
- Lehigh County Office of Adult Services
- Lehigh Valley Hospital Center
- Monroe County Assistance Office
- Northampton County Assistance Office
- Open Line, Inc.
- Pathways
- Second Harvest Food Bank
- The Salvation Army – Stroudsburg

## **Northeast Region**

- Area Agencies on Aging
- Columbia County Human Services
- Commission on Economic Opportunity
- Consumer Credit Counseling Service
- County Assistance Offices
- Penn State Cooperative Extension
- Schuylkill Community Action
- Scranton/Lackawanna Human Development Agency
- The Salvation Army
- TREHAB, Inc.

## **Susquehanna Region**

- Area Agencies on Aging
- Consumer Credit Counseling Services
- County Assistance Offices
- Lycoming County Task Force
- Interdiscipline Human Resource Council
- Montour County Human Services
- Penn State Cooperative Extension
- STEP, Inc.
- Union/Snyder Office of Human Resources

### **Southwest Region – Lancaster**

- Catholic Charities
- Central Pennsylvania Legal Services
- Community Action Program of Lancaster County
- Consumer Credit Counseling Service
- Council of Churches
- Hospice of Lancaster
- Spanish-American Civic Association
- Tabor Community Services
- United Way LINC

### **Southwest Region – Harrisburg**

- Area Agencies on Aging
- Christian Churches United
- Consumer Credit Counseling Service
- County Assistance Offices
- Cumberland County Community Services
- Cumberland County Human Services
- Dauphin County Food Bank
- New Hope Ministries
- The Salvation Army
- Tri-County Commission on Community Action
- Urban League of Metropolitan Harrisburg

## **8. Organizational Structure of PPL Electric Staff**

PPL Electric's Regulatory Programs & Business Services ("RP&BS") work group has oversight responsibility for CARES. RP&BS is part of the Customer Services Department and provides direction for the program. The Customer Programs Directors oversee the day-to-day administration of CARES.

### **Program Management Staff:**

- Robert Geneczko - Vice President - Customer Services
- Timothy Dahl - Mgr.- Regulatory Programs & Business Services
- Michael Wukitsch - Customer Relations Specialist

### **Administrative Support:**

- Melissa Manning - Steno/Clerk
- Joanna Walakovits - Steno/Clerk

### **Regional Customer Programs Directors:**

- Gladys Malone - Lancaster and Harrisburg Regions
- Florence McNelis - Central and Northeast
- Joy Schmalzle - Northeast and Susquehanna Regions
- Chris Schoemaker Jr.- Lehigh Region
- Angela Tracy - Susquehanna Region

### **Universal Service Representative:**

- June Schaffer - Lehigh

## **9. Differences between Approved Plan and the Proposed Plan**

PPL Electric is conducting CARES consistent with long-established guidelines and procedures. All major policies regarding eligibility, payment plans, referrals to other assistance programs, and application of CARES Credits remain the same.