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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

June 22, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

RE: PPL Electric Utilities Corporation's Proposed Universal Service and Energy Conservation Plan for 2017-2019, Docket Nos. M-2016-2554787 and M-2013-2367021

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are PPL Electric's Reply Comments in the above captioned proceeding. These Reply Comments are being filed pursuant to the Tentative Order issued on April 6, 2017.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on June 22, 2017, which is the date it was filed electronically using the Commission's E-filing system.

If you have questions, please contact me directly (610/774-4254) or Melinda Stumpf, PPL Electric's Manager-Regulatory Programs & Business Services, at 484/634-3297.

Sincerely,

Amy E Hirakis

Amy E. Hirakis

Enclosure

cc via email: Mr. Joe Magee
Ms. Sarah Dewey
Ms. Louise Fink-Smith
Ms. Christy Appleby
Mr. Patrick Cicero

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2012-2019 Submitted in Compliance with 52 Pa. Code § 54.74	: : : :	Docket No. M-2016-2554787

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PA PUBLIC UTILITY COMMISSION
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PPL Electric Utilities Corporation's
Reply Comments

I. INTRODUCTION

On April 6, 2017, the Pennsylvania Public Utility Commission ("Commission") entered a Tentative Order at the above referenced docket regarding PPL Electric Utilities Corporation's ("PPL Electric" or "the Company") proposed Universal Service and Energy Conservation Plan for 2017-2019 ("Plan"). The Tentative Order withheld approval of the Plan pending review of additional requested information, and submission of comments and reply comments. On April 26, 2017, PPL Electric filed Supplemental Information responding to the questions contained in the Tentative Order. On May 3, 2017, the Commission issued a Secretarial Letter seeking additional information regarding the Plan, which PPL Electric provided on May 18, 2017. On June 7, 2017, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") and the Pennsylvania Office of Consumer Advocate ("OCA") filed comments regarding PPL Electric's proposed Plan. In these reply comments, the Company addresses the recommendations, issues and concerns raised by the OCA and CAUSE-PA in their comments.

At the outset, the Company believes that there are many areas of agreement between PPL Electric and the other parties. PPL Electric highlights these areas below, and is agreeable to modifying its proposed Plan to reflect these areas of agreement, with the Commission's approval. Regarding the parties' recommendations to the Plan to which PPL Electric opposes, PPL Electric provides the following responses to explain the Company's position. Despite there being outstanding disagreements between the parties on some issues, there does not appear to be any substantive factual disagreements among the parties. Accordingly, PPL Electric does not believe that there is any need to refer this matter to the Office of Administrative Law Judge for further review and respectfully requests that the Commission enter a Final Order approving the Company's USP Plan, as modified by these reply comments.

II. COMMENTS

A. OnTrack

1. Telephone and Web Enrollments

PPL Electric continuously seeks to identify and utilize effective enrollment practices for eligible customers. The proposed Plan provides PPL Electric with the option to enroll customers into OnTrack via a telephone enrollment initiative and the internet. To address the Commission's concern that such enrollment options may limit customer education, the Company explained in its Supplemental Information submitted on April 26, 2017, the education component that will be used for customers that are enrolled via the telephone enrollment initiative and the internet. Neither CAUSE-PA nor OCA opposed PPL Electric's plan to use these enrollment methods as part of the Plan. Indeed, CAUSE-PA recommended that PPL Electric utilize the telephone enrollment initiative at least once a year. CAUSE-PA Comments at 8-9. CAUSE-PA also recommended that PPL Electric include a follow-up education component for those customers enrolled via these two methods. *Id.* at 11.

Although PPL Electric appreciates CAUSE-PA's support in using these two methods of customer enrollment, the Company does not agree with either of CAUSE-PA's recommendations. Regarding the recommendation that PPL Electric be required to utilize the telephone enrollment initiative at least once each year, the Company believes that such a mandate is not necessary and could actually limit the Company's ability to increase enrollment. PPL Electric shares CAUSE-PA's goal of increasing OnTrack enrollment, which is why the Company voluntarily designed and implemented the telephone enrollment initiative, and has included it in the proposed Plan to be utilized *as needed.* However, providing the Company discretion in whether to utilize this enrollment initiative provides the Company the flexibility to identify the outreach methods that will be most effective and responsive to the customer's needs during the duration of the plan period. The Company submits that it is in the best position to determine if and when this initiative should be utilized, and fully intends to utilize this outreach method at those appropriate times. In addition, the Company intends to continue exploring new platforms that may allow the Company to engage in different and/or more frequent types of enrollment efforts.

Regarding CAUSE-PA's recommendation that the Company include a follow-up education component for those customers enrolled via telephone and internet, PPL Electric submits that its plan to provide each new enrollee with the post-enrollment package provides the customer with the necessary information to understand the program and with information on how to reach out to the Company if the customer has any questions or concerns. PPL Electric notes that all new OnTrack enrollees receive the same post enrollment package, regardless of how the customers were enrolled into the program. This post enrollment package is a brochure explaining how the program works plus a one-page customer agreement form showing the customer's OnTrack payment amount and other account-specific information. PPL Electric submits that the post enrollment package has been designed to be user-friendly and the Company has not seen any indication that customers are experiencing trouble understanding the program. As such, PPL Electric believes CAUSE-PA's recommendation will add an unnecessary cost to the program.

Regarding PPL Electric's use of an on-line application, the Company agrees with CAUSE-PA that applicants should not be required to enroll in OnTrack via the online application. PPL Electric wishes to clarify that it will *not* require applicants to apply to OnTrack via the future online application. The Company has no plans to direct all applicants to an online application. PPL Electric understands the different levels of comfort with technology and availability of computers and internet access. The existence of an online application will only add to the delivery offerings provided by PPL Electric. Customers will have the option to apply online, by mail/hard copy, or in-person. The submission of income documentation or supporting documents by applicants will not be limited to the online application only. Customers will be able to submit documents by uploading them to the online application, mailing them in, or hand delivering them to a local Community-Based Organization (CBO).

2. <u>Energy Burden Levels and Affordability</u>

The Tentative Order indicated concern with the energy burdens of the Company's OnTrack customers. In its supplemental information responding to the Tentative Order, PPL Electric provided data showing the average energy burdens for customers broken out by income and heating type. This data revealed that the Company's customers with incomes above 50% of

Poverty, regardless of heating type, generally meet the Commission's recommended energy burden targets. However, as CAUSE-PA and OCA point out in their comments, the data indicates that customers at or below 50% of poverty are not meeting the Commission's energy burden targets. *See*, CAUSE-PA Comments at 12; OCA Comments at 9-10. Even though historical averages are not significantly higher compared to the Commission's energy burden targets, PPL Electric shares the concern regarding customers at the lower end of the poverty groups and analyzed this group of customers further to determine why these customers are averaging energy burdens above the Commission's targets. PPL Electric believes that one contributing factor is the interplay between a very low monthly/annual income and the OnTrack minimum payment amounts.

PPL Electric has a minimum payment of $15/month for non-electric heat customers and $30/month for electric heat customers. Upon further review of the data, PPL Electric determined that some OnTrack customers within the lowest poverty group (0-50% of poverty) will likely have a high calculated energy burden even with the minimum payment amounts, which is the lowest payment an OnTrack customer is eligible to receive. For example, a customer with a monthly income of $200 who receives a minimum payment amount of $15 or $30 would have an energy burden of 7.5% (non-electric heat) and 15% (electric heat).

Despite the minimum payment amounts of $15 and $30 resulting in energy burdens higher than the Commission's guidelines, PPL Electric maintains that its inclusion of minimum payments as a control feature is consistent with the Commission's CAP Policy Statement's Minimum Payment Terms in Section 69.265(3)(i). The Company further notes that the Commission recently approved Duquesne Light Company's minimum payment requirements, which has a higher minimum payment for electric heating customers than PPL Electric, in

Duquesne's 2016-2018 Universal Service Plan. *See Duquesne USECP for 2016-2018*, Docket No. M-2016-2534323 (Order entered March 23, 2017).

In order to better address this income group's needs, however, PPL Electric does propose implementing process enhancements to improve affordability for customers within this income group. Specifically, PPL Electric will add a control feature to its Agency Selected Payment Plan that will cap a customer's OnTrack payment at 5% (non-heating) and 13% (electric heating) of income for customers with household incomes at or below 50% of Poverty. Minimum payment amounts would still apply, however. Although some of these customers may continue to have energy burdens that exceed the Commission's energy burden targets due to the minimum payment requirement, this proposed system enhancement will improve affordability for customers within this income group.

CAUSE-PA asserts in its comments that the energy burden for the poorest households is further impacted by the addition of the CAP-Plus payment and $5 arrearage co-payment. CAUSE-PA Comments at 12. By way of background, the CAP-Plus amounts were added to customers' bills beginning in late 2011 pursuant to the Company's 2010 distribution rate case settlement (Docket No. R-2010-2161694). The purpose of CAP-Plus is to help lower program costs for all residential customers who pay for OnTrack through the Universal Service Rider. The actual CAP-Plus amount paid by full year participants for the calendar year 2016 was $37.66. If the CAP-Plus amount was eliminated, the annual increase to the program is estimated to be $2,071,300. This was calculated by assuming an active monthly OnTrack count of 55,000 (55,000 x $37.66 = $2,071,300).

PPL Electric's position on the $5 arrearage co-payment remains unchanged. The arrearage co-payment policy has been in place since the inception of the program. The co-payment is a fee paid by all active OnTrack customers and goes toward the arrearage forgiveness benefit of the program. The Company strives to strike a balance between affordability for low-income customers and the program costs paid for by all residential ratepayers. Eliminating the co-payment would increase program costs. Using the most recent (May 31, 2017) OnTrack data, if the co-payment were to be removed from all active OnTrack accounts and it is assumed that the number of accounts (55,018) holds steady for the calendar year, the estimated *monthly* increase to OnTrack would be approximately $275,090 and the estimated *annual* increase would be approximately $3,301,080.[1] Twenty-nine percent (29%) or 16,096 OnTrack accounts had a status indicating zero overdue balance. If the co-payment were to be removed only from accounts with the zero overdue balance, which is 16,096 accounts as of May 31, 2017, and it is assumed that this number holds steady for the calendar year, the estimated *monthly* increase to OnTrack credits would be approximately $80,480, and the estimated annual increase would be approximately $965,760.[2]

The two co-payment removal scenarios described above could be summarized by stating the increase to annual OnTrack expenditures could range from $965,000 up to $3,300,000, depending upon how many customers would have the co-payment removed. If both the Cap-Plus and the $5 co-payment were removed, the estimates for annual program expenditure increases are $2,965,000 (removing co-payment for only zero overdue accounts) or $5,300,000 (removing co-payment for all accounts).

CAUSE-PA also requested that the Commission direct PPL Electric to reinstate its percentage of income payment option as a way for the Company to improve affordability.

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[1] The monthly increase was calculated by taking 55,018 account multiplied by $5 and the annual increase was calculated by multiplying $275,090 by twelve months.

[2] Eighty thousand four hundred eighty dollars ($80,480) was calculated by taking 16,096 accounts multiplied by $5 and $965,760 was calculated by multiplying $80,480 by twelve months.

CAUSE-PA Comments at 14. PPL Electric opposes CAUSE-PA's recommendation. The 2014-2016 Plan moved from five possible OnTrack payment plans to three, retiring the percent of income (POI) and annualized average payment amount in order to simplify the program design for customers and those CBO case managers completing the enrollment steps. Having five options to choose from made it difficult to decide what plan would fit the customer best. There were times when the POI and percent of bill (POB) options were similar and other times when they were drastically different. It depended on the situation. The POB option aligns the customer's interest with what is going on with the bill – meaning the usage and price. The customer has some level of control over these variables, given the shopping environment in the State, the availability of LIURP services, and usage analysis tools provided by utilities.

3. <u>No Income, Unearned Income and OnTrack Lifestyle</u>

The Tentative Order requested PPL Electric to clarify its position on unearned income and the OnTrack Lifestyle program. Additionally, CAUSE-PA and OCA, through their comments, expressed disagreement with how the Company proposed to handle customers who claimed to have no income. PPL Electric agrees with some of the points raised by CAUSE-PA and OCA, and as such, is agreeable to modifying its Plan regarding these issues.

Regarding zero income situations, PPL Electric agrees with the argument raised whereby households may report zero income but be able to obtain funds or using savings to make some type of payment. In effect, households may be able to make a full OnTrack payment. As such, PPL Electric is willing to adjust its position on zero income situations so customers who claim zero income can be enrolled in OnTrack. Specifically, the Company will investigate and will implement some version of a zero income form. The Company notes that customers with zero income will receive minimum payment amounts, which will result in energy burdens for these customers that do not meet the Commission's energy burden targets.

PPL Electric is also agreeable to modifying the OnTrack Lifestyle program. The purpose of OnTrack Lifestyle is to address situations where customers' incomes are less than or equal to their mortgage payments or rent. At the nine (9) month enrollment period in OnTrack Lifestyle, the customer has the opportunity to provide updated information regarding their financial situation. Currently, the Plan provides that the customer will be removed from OnTrack Lifestyle if the customer's income situation has not changed. PPL Electric proposes modifying the proposed Plan to read that customers must recertify their income at the nine month enrollment period, but that customers will not be removed from the program if their income situation has not changed. This provides a check-up for the customer, which ensures that we are accurately documenting their income situation and aligning their payment with the most recent information.

Although PPL Electric agreed with many of the points raised by the parties regarding income, the Company disagrees with CAUSE-PA's recommendation that the Company adopt the LIHEAP definition of household, which states that a household is "an individual or group of individuals, including related roomers, who are living together as one economic unit." CAUSE-PA Comments at 32. PPL Electric submits that the income of all adults in the household are appropriate to consider since all adults are benefiting from the utility service.

4. Recertification of OnTrack Budget Billing Customers

As provided in its Supplemental Responses, PPL Electric is agreeable to modifying its Plan to implement automatic recertification to allow eligible OnTrack Budget Billing customers[3] to reenroll in OnTrack. No party opposed this change in their comments.

5. Reenrollment Procedure for Former OnTrack Participants

In the Tentative Order, the Commission requested clarification on the Company's practices relating to reenrollment into the OnTrack program. In its supplemental responses, the Company provided an explanation of its practices related to reenrollment into OnTrack. CAUSE-PA, however, indicated that the Company's policy remains unclear as it relates to households which are between 7 and 18 months into the OnTrack program cycle. CAUSE-PA Comments at 17. CAUSE-PA goes on to state that these households should be permitted to "re-apply" for the program before their recertification date. *Id.* at 18.

PPL Electric disagrees with CAUSE-PA's position that households that fall within months 7 and 18 of their OnTrack cycle, but are no longer enrolled in the program, should be permitted to re-apply for the program. The OnTrack program is designed as an 18 month program. As a general rule, PPL Electric does not allow a customer to withdraw from and reenroll in the program throughout this 18 month time period. The exception to this general rule is the six-month opportunity window. The six-month opportunity window opens up after a customer is removed for non-payment (referred to as defaulted; occurs when customer is two or more installments behind). During this six-month window, the customer has the opportunity to pay the OnTrack catch-up amount. The OnTrack catch-up amount is the difference between what the customer should have paid (the billed OnTrack installment amounts) and the payments

[3] Eligible OnTrack Budget Billing customers are those customers who have previously received LIHEAP or are on a fixed income. See PPL Electric proposed Universal Service and Energy Conservation Plan at 16.

actually received from the customer. If, during this six-month opportunity window, the customer submits a payment that is equal to the OnTrack catch-up amount, the Company's system will automatically reenroll the customer back into the program at his/her prior OnTrack installment amount. Essentially, the payment of the OnTrack catch-up amount during the opportunity window restores the customer back into the program as if he/she never left. The phrase "reenroll the customer back into the program" may be confusing because it implies reenrollment within the 18-month program timeline. The word reinstate may be a better way to describe this situation.

For those customers who withdraw from the program voluntarily, or miss the opportunity window, the customer must wait for their recertification date to reenroll into the program. The reasons for this rule are – (1) to dissuade participants from withdrawing during those months that their monthly bill may be lower than their OnTrack bill[4] and (2) the OnTrack CAP credit amount is based on the 18 month program design. If participants were able to withdraw from the program and then reapply and reenroll into the program, the program would be ripe for abuse.

6. OnTrack Budget

The Commission, in its Tentative Order, questioned the Company's proposed OnTrack budget. In response to the Tentative Order, PPL Electric provided an explanation for its proposed budget. CAUSE-PA found the Company's cost drivers to be reasonable, while the OCA has "significant" concern with the proposed budget. *See*, CAUSE-PA Comments at 26-31; OCA Comments at 5-7. PPL Electric, in developing its Universal Service programs, strives to achieve a balance between the costs of the programs and the benefits provided to the participating customers, as the costs of the programs and the level of benefits provided are

[4] Seasonal fluctuations in usage may, in some rare cases, result in an OnTrack payment amount that is lower compared to the actual bill. This may occur if a non-normal weather month occurs (i.e. a warmer March/April or a cooler July/August) and actual usage is significantly lower compared to historical averages.

directly related. PPL Electric submits that its proposed budget is supported by the level of benefits the programs provide participating customers and requests that the Commission approve its proposed Plan with the current budget.

B. WRAP

1. <u>APPRISE Evaluation</u>

In its comments, the OCA asserts that the savings achieved by WRAP, as cited in PPL's 2014 APPRISE Evaluation, are significantly below the Penn State Study's statewide average for savings. *See* OCA Comments at 16. PPL Electric disagrees with this comment.

The APPRISE Evaluation reported a savings of 8.1% for 2012 baseload recipients and 9.7% for Full Cost or electric heat recipients. This analysis included 24% of participants whose usage increased during the post-WRAP period. The OCA stated that "the Penn State LIURP study for the Commission reported that the average electric heat savings is 20.3% while the average baseload savings were 19.1%." OCA Comments at 16. PPL Electric believes that the OCA is referencing Table 17 (page 28) of the study. Table 17 depicts the average unit (kWH) change in consumption from the pre-to-post period for households that reduced their energy consumption. Table 15 (page 27) reveals that over one-third of statewide LIURP participants increased usage during the post-treatment period. Simply put, "gainers" were not included in Table 17. Table 19 of the study (page 30) includes data for both households that reduced their energy consumption and those that did not. (Refer to footnote on page 29.) Table 19 offers the following comparisons:

Type of Job	Average kWh Saved Statewide	Average kWh Saved - PPL	% Change Statewide	% Change PPL
Heating	1,748 kWhs	1,629 kWh	9.5%	9.3%
Water Heating	793 kWhs	613 kWh	5.8%	6.1%
Baseload	750 kWhs	1,019 kWhs	8.3%	6.8%

PPL Electric asserts that Table 19 represents an appropriate comparison between the APPRISE and PA LIURP study, and that the Company's results are in sync with the savings of other electric utilities.

PPL Electric agrees with the OCA's comment that "it is important to have an effective LIURP program which maximizes the available savings for WRAP participants." OCA Comments at 16. The Company is continuously exploring new ways to improve the cost-effectiveness of its programs and has reported an increase in overall savings since the APPRISE study. Penn State, in accordance with the Bureau of Consumer Services, conducts an annual impact evaluation of all LIURP Programs. In addition, PPL undergoes a third-party evaluation of all its universal service programs every six years. The Company believes further evaluation from third-parties would duplicate efforts. However, the Company is agreeable to sharing LIURP evaluation findings through stakeholders' meeting or collaboratives with the opportunity for participants to provide feedback and suggestions for improvement.

2. <u>WRAP and OnTrack Lifestyle</u>

CAUSE-PA asserts that OnTrack Lifestyle participants should not be categorically excluded from WRAP jobs. CAUSE-PA Comments at 16. PPL Electric agrees that OnTrack Lifestyle customers should not be excluded from WRAP services. The Company agrees to remove any references to OnTrack Lifestyle within the LIURP section of the proposed Plan.

3. Automatic Referrals To WRAP

In its response to the Tentative Order, PPL Electric indicated that it intends to begin the development of the automatic referral process of OnTrack customers into WRAP by June 2018, or earlier. CAUSE-PA states that it is still unclear whether PPL Electric intends to screen and refer new OnTrack enrollees for WRAP services. CAUSE-PA Comments at 18. CAUSE-PA submits that an early screening process would be beneficial for new OnTrack enrollees by providing energy conservation assistance before the symptoms result in loss of service. *Id.* PPL Electric agrees with early enrollment but cautions that the best time for enrollment into LIURP is when the customer has 12 months consumption at the existing premise. The WRAP provider uses consumption history to help recommend measures and services for the participant. Additionally, the effectiveness of LIURP is evaluated using 9 months pre-and-post treatment history for the account. The Company currently offers Act 129 WRAP and energy education services for qualified applicants with limited consumption history (i.e., less than 9 months) with the potential to receive LIURP measures at a later date.

4. Coordination with Act 129

CAUSE-PA submits that "[i]t is unclear what level of services are provided under Act 129 [WRAP], and whether [Act 129 WRAP] CSPs provide appropriately prescriptive usage reduction programming comparable to that provided through LIURP. More information about the number of jobs completed and the types of measures installed is necessary to adequately assess whether the triage system is appropriately functioning to match services with applicants' needs." CAUSE-PA Comments at 24. A description of the level of services, eligible measures, and method for determining the energy savings (i.e. usage reductions) for Act 129 WRAP are described in Section 3.2.1 of PPL Electric's approved Act 129 Energy Efficiency &

Conservation Plan (EE&C Plan). The method for determining usage reductions for Act 129 WRAP may differ from the method used for LIURP WRAP. That section of the approved EE&C Plan also describes how PPL Electric will coordinate Act 129 WRAP with LIURP WRAP to maximize the effectiveness of measures and services provided to participants.

CAUSE-PA also comments on PPL Electric's plan to serve individually metered multi-family units through WRAP, and recommends that the Company closely track the impact of its "adjusted multifamily high usage threshold" and share the results with stakeholder. CAUSE-PA Comments at 24. PPL Electric notes that it does not have an adjusted usage threshold for multi-family units that are coordinated with other programs or served exclusively through LIURP. PPL Electric statement regarding adjusted usage thresholds was not intended for multi-family units.

5. WRAP Needs Assessment

In its comments, CAUSE-PA states that "customers served through the federally funded Weatherization Assistance Program, gas utility, or county weatherization program should not be excluded from an assessment of need for electric utility customers." Cause-PA Comments at 24-25. PPL Electric agrees and encourages participants of other weatherization services to apply for WRAP.

CAUSE-PA goes on to state that "the fact that PPL has circulated thousands of energy efficiency kits to low-income households should not be used to artificially decrease PPL's WRAP Assessment...Indeed, the presence of increased baseload measures should not undercut need, it should only shift the focus of the programming to address energy efficiency and usage reduction on a deeper level." CAUSE-PA Comments at 25. PPL Electric submits that it offers WRAP to any qualified customer that receives an energy-saving kit. However the potential for deeper energy savings is sometimes limited due to LIURP cost-efficiency (payback) guidelines, deferral issues, or the presence of electric devices (e.g. medical equipment) not addressed through WRAP.

C. Operation HELP

No parties raised issues related to Operation Help; therefore, no response is required.

D. CARES Program

No parties raised issues related to the CARES program; therefore, no response is required.

E. Other Recommendations

In its comments, CAUSE-PA submits that PPL Electric should resurrect its Universal Services Advisory Committee which has been inactive for many years. CAUSE-PA Comments at 35-36. CAUSE-PA noted that PPL Electric has invited their organization to *ad hoc* meetings hosted for contractors and universal staff, and that these meetings have been "very helpful for identifying issues that arise in the context of universal services." Id. at 35. CAUSE-PA is requesting that PPL hold these types of meetings on a scheduled, rather than an ad hoc, basis. *Id.* at 36.

PPL Electric agrees with CAUSE-PA that it is important to share information and solicit feedback from stakeholders. For example, the Company held three stakeholders' meetings prior to the submission of its 2017-2019 Plan. PPL Electric is not opposed to the formation of a Universal Services Advisory Committee, but prefers stakeholders' meetings or collaboratives because they allow for maximum participation. The Company agrees that universal service stakeholder meetings should be held on a scheduled basis of twice per year, with the flexibility to add "ad hoc" meetings as the need permits.

III. PPL ELECTIC'S PROPOSED MODIFICATIONS TO USP PLAN

Although there is not agreement on all aspects of PPL Electric's proposed Plan, the Company believes that it has put forth a plan that complies with the requirements of 52 Pa. Code §§ 54.71 – 54.78. As discussed above, PPL Electric is agreeable to modifying its proposed Plan in order to resolve certain issues raised in the Tentative Order and by the OCA and CAUSE-PA. PPL Electric is agreeable to modifying its proposed Plan as follows:

- Add a control feature to its Agency Selected Payment Plan that will cap a customer's OnTrack payment at 5% (non-heating) and 13% (electric heating) of income for customers with household incomes at or below 50% of Poverty;
- Modifying OnTrack Lifestyle to provide that customers must recertify their income at the nine month enrollment period, but that customers will not be removed from the program if their income situation has not changed;
- Permit customers with zero income to enroll in OnTrack; and
- Implement automatic recertification to allow eligible OnTrack Budget Billing customers to reenroll in OnTrack.

IV. CONCLUSION

PPL Electric appreciates the opportunity to respond to the comments submitted by the OCA and CAUSE-PA regarding the Company's proposed Plan. Although there is not agreement on all aspects of PPL Electric's proposed USP Plan, the Company believes that it has put forth a plan that complies with the requirements of 52 Pa. Code §§ 54.71 – 54.78. As discussed above, PPL Electric, is agreeable to modifying its proposed USP Plan in order to address issues raised in the Tentative Order and in the comments of OCA and CAUSE-PA. PPL Electric respectfully requests that the Commission enter a Final Order approving the Company's USP Plan as modified by these reply comments.

Respectfully submitted,

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Date: June 22, 2017

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