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**Federal Express**

November 3, 2017

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

**RE: PPL Electric Utilities Corporation's Universal  
Service and Energy Conservation Plan for 2017-2019,  
Docket No. M-2016-2554787**

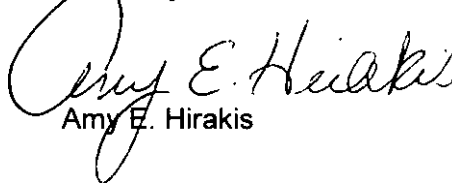
Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are clean and redline versions of PPL Electric's Revised Universal Service and Energy Conservation Plan. This Revised Plan is being filed pursuant to the Order issued October 5, 2017 in the above captioned proceeding.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on November 3, 2017, which is the date it was deposited with an overnight delivery service.

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

Enclosure

cc: Mr. Joe Magee  
Ms. Sarah Dewey  
Ms. Louise Fink-Smith  
Certificate of Service

**RECEIVED**

NOV 03 2017

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Universal Service & Energy Conservation Plan  
(USECP)

2017-2019 Plan For CAP, LIURP, Operation HELP, CARES

~~July 2016~~ November 3, 2017

**RECEIVED**

NOV 03 2017

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Program design and implementation for CAP (OnTrack), LIURP (WRAP), Operation HELP, and CARES.

**OnTrack Program  
Customer Assistance Program (CAP)**

## **PPL Electric Utilities Corporation**

### **OnTrack Program**

#### **1. Program Description**

##### **1.2. Overview**

OnTrack is a special payment program for low-income households at or below 150 percent of the federal poverty level who have trouble paying the full cost of their electric bill. OnTrack is PPL Electric Utilities Corporation's (PPL Electric, PPL, 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 fixed payment amount based on ability to pay
- Arrearage forgiveness over a specified period of time (18 months)
- Protection against shutoff of electric service
- Referrals to other programs and services

PPL Electric establishes an 18-month debt forgiveness timetable for all new OnTrack enrollees. 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. The debt forgiveness installments are shown on the customer's statement of account and in the Company's Customer Service System (CSS) as arrearage forgiveness credits.

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 continue making on-time payments and managing their usage to remain in the program and ultimately see the pre-program arrears amount (overdue balance) get to zero. The Company benefits by receiving a timely recovery of costs and ultimately lower overdue receivables.

##### **1.3. 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 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 Re-structuring Settlement Agreement with all interested parties, PPL Electric agreed to expand OnTrack expenditures significantly 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. Actual total program expenditures for OnTrack over the past five years has been as follows: \$54M in 2011, \$47.1M in 2012, \$55.2M in 2013, \$72M in 2014, and \$83.6M in 2015.

#### **1.4. 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 \$106 million in 2017, \$118 million in 2018, and \$129 million in 2019. PPL Electric has increased the number of active OnTrack participants by 26 percent to approximately 47,000 in 2015 from 37,200 in 2014 (as of December 31 for each year noted). For the 2010 through 2015 period, the Company had year-over-year growth rates of 16 percent, 8 percent, 2 percent, 2 percent, 9 percent, and 19 percent. 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:

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<sup>1</sup> As a 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).

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.

### **1.5. Statement of Purpose & Operating Objectives**

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 overdue 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).

### **1.6. 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 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.

Income Level (Percent of Poverty Level)	Percent of Bill Option Percentage Factor (Used Within The Calculation)
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 percentage factor (see table above), adding the \$60 annual arrearage co-payment (if the customer has pre-program arrearage), and dividing the total by 12 months in order to get the fixed monthly OnTrack payment (or installment) amount. The \$60 annual arrearage co-payment is broken up in \$5 monthly installments and is applied only to the pre-program arrearage balance for the account for which it was paid. The last step in this calculation is to add the CAP Plus amount to the installment amount (see page 7 and the CAP Plus table below). The estimated annual bill amount is defined as a rolling twelve-month view of the average actual bills. For example, if the average actual bill over the last twelve months equals \$150, the estimated annual bill used in the Percent of Bill calculation would be \$1,800 (\$150 x 12). The Percent of Bill calculation using the 51% to 100% income level would be  $\$1,800 \times 70\% = \$1,260$ .  $\$1,260 + \$60$  annual arrearage co-pay = \$1,320.  $\$1,320$  divided by 12 months = \$110 monthly OnTrack installment amount.

The Minimum Payment plan option amount is calculated by taking the customer's estimated monthly budget amount and subtracting the straight-line monthly OnTrack credit amount (i.e., \$185/month for an electric heat customer or \$73/month for a non-electric heat customer within the 101% to 150% income level), and adding the \$5 arrearage co-payment (if the customer has pre-program arrearage). For example, the Minimum Payment calculation

for a non-electric heat customer with a \$200 estimated monthly budget would be  $(\$200 - \$73) + (\$5) = \$132$ . The Percent of Bill and Minimum Payment options provide an automatic adjustment mechanism for gains or losses realized due to a customer's electric generation shopping choice.

The third payment plan option is Agency Selected Payment (ASP). This is a blank field where the caseworker enters a custom amount that is less than the Percent of Bill amount. The ASP plan takes into account extenuating circumstances that may be present within the customer's household and/or the financial situation the customer is facing. The ASP plan is also used to reset an OnTrack plan agreement after billing issues or account maintenance work is completed. 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-, and will also -have a control feature that will limit a customer's OnTrack payment consistent with the maximum energy burden levels in the CAP Policy Statement, subject to the minimum payment guidelines mentioned above.

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 the customer being automatically transitioned to the OnTrack Budget Billing (OTBB) status. The OTBB standing in the program is still beneficial because the customer receives debt forgiveness and OnTrack credits (if applicable), but the customer's fixed monthly payment amount is increased from his or her normal OnTrack amount to their budget billing amount.

OnTrack evaluation work done by the Applied Public Policy Research Institute for Study and Evaluation has demonstrated that a reliable predictor of customers' success or failure is the difference between their OnTrack payment amounts and what they managed to pay prior to joining the program. In other words, if OnTrack 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 a high saturation of electrically-heated homes.



The 2015 average monthly bill for an electric heat and non-electric heat customer were \$181 and \$118, respectively. The average monthly OnTrack bill for an electric heat and non-electric heat customer were \$107 and \$67. The average OnTrack bill amounts mentioned above exclude the CAP Plus amounts that were added to customers' bills beginning in late 2011. The historical CAP Plus amounts are shown in the table below.

Time Period	CAP Plus Amount
November 2011 – October 2012	\$8.00
November 2012 – October 2013	\$5.00
November 2013 – October 2014	\$2.50
November 2014 – October 2015	\$4.00
November 2015 – October 2016	\$3.00

The 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, as shown above, depending on the level of federal funding available for LIHEAP. PPL Electric includes the CAP Plus payment amount in the formulas for the Percent of Bill option and the Minimum Payment option. When the Agency Selected option is used, the CAP Plus amount is also included. 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 offers three payment plans approach for the following reasons:

1. The three payment plan design provides a simple model and sets the foundation for the core component of the program, but it also provides some flexibility for customers. Having three payment options relieves the "one size fits all" approach. PPL believes each household could present different situations, and having some flexibility regarding the payment amount allows the Company to take these situations into consideration.
2. The payment plan design is understood by customers and stakeholders. The calculations behind the payment plans do not include complex

~~algorithms~~ algorithms or assumptions, thereby making the OnTrack payment amounts relatively easy to understand.

3. All the payment plan designs result in a fixed monthly payment amount for the customer. Previous research conducted by Opinion Dynamics and APPRISE indicated the fixed monthly payment is a feature that OnTrack customers prefer and is tied to success, meaning retention, in the program.
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.

## 2. Eligibility

### 2.1. Eligibility Criteria for Participation in the Program & Removal Requests

OnTrack offers qualified customers payments less than their 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, 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:

1. The household must be at or below 150 percent of the poverty level.
2. The household must have a source of income or provide a form explaining their income situation. This form, and the parameters around it, will be submitted as an addendum within 60 days of plan approval. In the past, PPL has seen the topic of a customer claiming zero income to be one of confusion. In order to clarify zero income claims the Company will follow these guidelines, but is open to making exceptions for households based on specific circumstances.
  - a. ~~The OnTrack application has wording that tells the customer to specify income, even if the income is unearned. Some of the more common examples of unearned income could be in the form of government assistance (temporary or long-term) or money from friends, relatives, or other organizations. Unearned income can come in the form of government assistance (temporary or long-term), public~~

assistance grants, money from friends or relatives, and other one-time lump-sum payments. Examples include: Temporary Assistance for Needy Families (TANF); Diversion Program; State Blind Pension Program; Refugee Cash Assistance Program; and State Supplementary Payments. Support payments that are actually paid to the household can be included if verified and documented as such.

b.a. \_\_\_\_\_ When a customer's only source of income is unearned income of this type, a simple self-declaration statement needs to be submitted with the OnTrack application. This self-declaration statement does not need to be notarized. This statement is essentially the proof document that tells the Company how the customer is paying for basic living needs such as food, shelter, personal items, etc.

~~c. If a potential enrollee is dealing with the unfortunate situation of truly having zero income, he/she will not be eligible for OnTrack. A zero income situation means there is no ability for the customer to meet a financial obligation (i.e. payment the OnTrack amount), so the Company will not be able to enroll the customer in the program. Enrolling a zero income customer in the program will inevitably result in the customer being removed from the program for non-payment, thus resulting in a wasteful use of resources, which are ultimately paid for by all residential ratepayers.~~

3. The customer applying cannot own or be listed on multiple properties/multiple PPL accounts.
4. The customer must permanently reside in PPL's service territory.
5. The customer applying may or may not have an overdue balance owed to PPL.
  - a. The standard operating procedure (SOP) for new enrollees is for the enrollee to have an overdue balance amount. However, PPL realizes there are situations where new enrollees may be in need of the program and have a balance amount of zero. These zero balance households will be considered eligible for the program, but the Company will not target these zero balance households as a part of its normal business procedure. Specifically, this means the PPL referral system will be set up to find potential good fits and the overdue balance amount indicator will be one of the attributes. However, the program management team has the flexibility to change this operating procedure/setting at any point throughout the year based on items such as trends within the PPL service territory (i.e. payment habits or data across the low-income population), customer/program needs, interests from stakeholders, or current issues facing the Company or the low-income population.

- b. This part of the eligibility criteria allows the Company to serve and target those who are in most need of the program. For definition purposes, new enrollees are customers that could have been previously enrolled in OnTrack or they could be entering the program for the first time. For example, a household enrolled in May 2013, removed in May 2014, but re-enrolled in May of 2016 would be considered a new enrollee in the program.

There are a few notable differences between the eligibility criteria discussed above and the criteria from the prior 2014-2016 USECP. First, the prior USECP stated the customer must have a source of income but did not go into any further detail regarding that rule. The current USECP provides more insight regarding how the PPL program management team will deal with zero income situations when they arise.

Second, the prior 2014-2016 USECP stated the customer must be payment troubled and defined payment troubled as having entered into a payment arrangement with the Company within the past 12 months. The existence of a payment arrangement also means the customer has an overdue balance owed to PPL, even though the prior 2014-2016 USECP did not specifically state that using the words "overdue balance." The current USECP has eliminated the overdue balance requirement and has provided some specifics regarding the standard operating procedure that will be followed by the Company. The Company will generally target customers with an overdue balance, but as the need changes, so will this standard procedure.

Third, the prior 2014-2016 USECP eligibility section discussed how OnTrack graduates are able to reapply to the program after a certain amount of time has elapsed. This item is not discussed in the current USECP because PPL has eliminated the graduation process. Under the prior USECP, at the recertification point a caseworker would follow general rules of thumb in order to determine if the customer could be removed from the program (graduated). In order to make this decision, the caseworker would review information such as payment history and compare the OnTrack installment amount to the budget bill amount. If the customer displayed good payment habits and the OnTrack installment amount was close to the budget bill amount (defined as around 10%), the customer may be graduated from the program. At that point, the customer would be placed on the budget billing program or be required to pay the full actual bill amount each month.

The Company has eliminated this graduation process because it believes the low-income population will always face challenges when it comes to meeting financial obligations. As a result, PPL has shifted its approach to having the customer request removal from OnTrack. At any point during enrollment in the program, the customer may request removal from OnTrack. This request could come in the form of a verbal or written request. The customer could make the verbal request for removal by contacting the PPL Contact Center (CC), or the CBO. Written requests via a hard copy letter could be sent to the PPL CC or the CBO. The PPL CC address is 827 Hausman Road Allentown, PA 18104. Online requests could be submitted at the following location: <https://www.pplelectric.com/my-account/web-contact-us.aspx>. The customer will receive a confirmation letter or email reply once he or she has been removed from OnTrack.

Fourth, the prior 2014-2016 USECP did not include a control feature for the Agency Selected Payment option. This new feature will ensure that the customer's OnTrack amount falls within the maximum energy burden levels in the CAP Policy Statement, subject to the minimum payment guidelines.

Finally, the company has increased the maximum allowable duration for OnTrack Lifestyle (OTLS). OnTrack Lifestyle will be discussed in more detail, in Section 2.3. OnTrack Lifestyle is a special program feature for customers with housing expenses that exceed income. The maximum duration was previously six months under the Company's 2014-2016 USECP. The maximum duration change to nine months under the current 2017-2019 USECP aligns the timeline to be half of the normal program timeline. Customers in OTLS must submit their updated income information every nine (9) months. This provides a check-up for the customer, which ensures that the Company is accurately documenting their income situation and aligning their payment with the most recent information.

## **2.2. Determining and Calculating Income**

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. In 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.

### **2.2.1. Income Counted**

To determine the income level for a customer, the CBO must count income of the following persons:

1. The household members, regardless of relationship. This could include household members who are related by blood, marriage, or adoption as well as household members who are not related.

### **2.2.2. Income Documentation**

~~Income documentation requirements (referred to as proof or proof of income)~~ Income documentation requirements (referred to as proof or proof of income) refer to the specific paperwork submitted by the customer to the agency via U.S. mail, fax, or email. This documentation is used by the agency caseworker for purposes of calculating household income and determining if the customer is eligible (or not) for the program. Income documentation could include pay stubs from employers, pay stubs from government organizations, self-declaration statements describing money received from family or friends, bank statement showing direct deposit information, or official tax return documents. If the customer is self-employed or owns a small business, the income documentation must include a copy of the latest federal income tax return and net profit (not gross income) will be used to determine eligibility.

### **2.2.3. Income Defined**

The following income definitions are in line with the Pennsylvania Department of Human Services Low-Income Home Energy Assistance Program (LIHEAP) guidelines. Income is the total earned and non-earned income of a household and includes the following:

1. Employee earnings: Employee earnings are money, including wages, salaries, bonuses, commissions and tips, before taxes or other deductions that a person receives for providing services on behalf of an employer.
2. Profit from self-employment: Profit of a self-employed person is gross receipts minus costs of operating a business or farm, practicing a profession, providing day-care for children in an approved family day-care facility, or renting nonresident real property.
  - a. The following expenses are among those that are not deductible from gross receipts:
    - i. Depreciation.

- ii. Personal business and entertainment expenses.
  - iii. Personal transportation.
  - iv. Purchase of capital equipment.
  - v. Payment on the principal of loans for capital assets or durable goods.
3. Income from roomers, boarders, or apartment renters: Gross income from providing room or board, or both, or from apartment rentals paid directly to a household member.
4. Unearned Income: Unearned income includes, but is not limited to, the following:
  - a. Public assistance grants.
  - b. Social Security benefits.
  - c. Workers' compensation (or disability).
  - d. Supplemental Security Income.
  - e. Unemployment compensation.
  - f. Support payments (child, foster care, spousal, etc.).
  - g. Cash gifts and contributions.
  - h. Pensions.
  - i. Interest and/or dividends from investment or bank accounts.
  - j. Veterans' benefits.
  - k. Funds withdrawn from Individual Retirement Accounts, Certificates of Deposit and proceeds from the sale of stock certificates.
  - l. Disability.
  - m. Money/income received from a family member or friend. This type of income must be documented with a simple statement. The statement does not need to be notarized.
  - n. Social Security Income or Social Security Disability received for a child.
5. A loss from one source of income cannot be used to offset another source of income.

### **2.3. OnTrack Lifestyle Feature (OTLS)**

There is a special household situation where the Company will enroll a customer into OnTrack but require~~allows enrollment in OnTrack for the customer to update their income information every nine months.~~ The Company refers to this special situation as OnTrack Lifestyle (OTLS). 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. If a customer is facing foreclosure or eviction he/she will not be eligible for OTLS. 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 nine 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 nine months in the program. The OnTrack Lifestyle program is specific to the premise. Customers are eligible for a Lifestyle duration of nine months at one location. As long as a customer does not spend more than nine months in the Lifestyle program at one location, he or she can remain in the program.~~ The purpose of OnTrack Lifestyle is to provide a check-up for the customer, which ensures that the Company is accurately documenting their income situation and aligning their payments with the most recent information. As long as a customer continues to update their income information every nine months, and they still meet the income requirements, he or she can remain in the program.

### **3. Potential Participants & Needs Assessment**

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.

PPL Electric used the 2013 U.S. Census data file as the foundation for estimating households below 150% of the Federal Poverty Level (FPL). The 2013 Census data set provides estimates at the county level. The Company averaged the percentages for the 29 counties within PPL Electric's service territory and applied that percentage to the average monthly residential customer count. The average monthly residential customer count used was 1,226,583<sup>2</sup>. This resulted in 325,879 estimated households below 150% of the FPL.

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<sup>2</sup> The data source for the average monthly residential count is the 2015 Universal Service Reporting Requirements (USRR) submittal, number six.



It is important to note that not all of these low-income customers would be eligible for OnTrack for several reasons. Some examples are:

- Some customers will be over 150% of the FPL if they were asked to provide proof of actual income; this could be timing-related (change in jobs, working hours, pay rate, etc.)
- Some will not be payment-troubled and/or have an overdue balance,
- Some live in master-metered apartments,
- Some are hard-to-reach (language barriers, access to technologies, handicaps, etc.), and
- Some choose not to participate in PPL's programs.

The Company's past performance indicates the following (data 12/31/15):

- On an average monthly basis, PPL has approximately 1,226,000 residential households. Of this total, the Company estimates a low-income household (monthly average) of approximately 174,000<sup>3</sup>. This is an internal estimate based on previously supplied financial statement information by the customer and includes data for customers with incomes up to 150% of FPL.
- Of the 1,226,000 households, approximately 47,500<sup>4</sup> (or 4%) per month had an overdue balance and were on a payment arrangement. Of the 174,000 low-income households, approximately 27,700<sup>5</sup> (or 16%) per month had an overdue balance and were on a payment arrangement.

To assist those most in need, PPL Electric regularly identifies and contacts residential customers who meet the income guidelines and have overdue balances. Depending on factors such as ability to pay, payment history and extenuating circumstances, the Company routinely refers these customers to OnTrack, Operation HELP, CARES, and LIHEAP.

### **3.1. Referrals / Enrollment**

PPL Electric has found that the primary source of potential OnTrack participants is referrals from the Company's Customer Service Representatives ("CSRs") and/or Customer Service contractors. CSRs have daily contacts with low-income, payment-troubled customers with overdue balances and routinely

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<sup>3</sup> Source is 2015 Universal Service Reporting Requirement (USRR) data

<sup>4</sup> Source is 2015 Universal Service Reporting Requirement (USRR) data

<sup>5</sup> Source is 2015 Universal Service Reporting Requirement (USRR) data

refer these customers to the CBOs that administer the program. During 2015, for example, the referral process generated approximately 200,000 referrals to OnTrack administering organizations prompted by information provided by customers.

PPL Electric developed an online application which was designed and created with the customer in mind. In addition to making applying easier for the customer, the process also shortens wait times by eliminating mailing delays with paper applications. To apply, the customer goes to [www.pplelectric.com/OnTrack](http://www.pplelectric.com/OnTrack). The customer navigates through an intuitive series of screens providing the information to determine eligibility into the OnTrack program. The customer has the option of uploading their proof of income, or mailing this information in to the agency who implements the program in their area. The online system provides the customer with the name and contact information, including email address, for the agency in their area if they decide to mail in their proof of income or if they have any questions. Applications are automatically routed to the agency who implements the program in the customer's area. The agency reviews the application and processes for enrollment.

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 may include internal lists, OnTrack CBOs, LIHEAP-based data, and information from other PPL programs.

#### **4. Control Features**

##### **4.1. Recertification after 18 Months**

The normal program timeline is 18 months. A new enrollee will enter the program and receive a payment plan amount based on his/her ability to pay. Ability to pay means the enrollment and screening process takes into account the customer's current financial situation and household size. Based on these

factors, the CBO caseworker selects a payment amount that appears to set the customer up for success in the program. Success in the program is primarily defined as making on-time payments, eliminating any pre-program arrears (overdue balance), and preventing additional arrears from accumulating.

At month 17 the recertification process begins. The system reviews OnTrack accounts and looks for accounts that qualify for automatic recertification. Accounts that qualify for automatic recertification are those that have received LIHEAP funds within the past 16 months or have Supplemental Security Income (SSI) as the primary source of income. Accounts that meet the automatic recertification criteria will be recertified for another 18 months in the program at the same OnTrack installment amount. This automatic recertification feature will not occur two consecutive times. At month 18, accounts are reviewed again for automatic recertification. This second review is completed in order to identify any accounts that may have recently received a LIHEAP grant. ~~OnTrack Budget Billing accounts are not eligible for automatic recertification. OnTrack Budget Billing customers receive a letter (see Section 4.2) and a program application. If the OnTrack Budget Billing customer submits the required information, he/she will be reviewed for enrollment back into normal OnTrack. OnTrack Budget Billing accounts are also eligible for automatic recertification as long as they have received LIHEAP in the last 16 months or have SSI as their primary source of income. When OTBB customers are automatically recertified, they will return into regular OnTrack at the conclusion of their 18-month program cycle.~~

A program cover letter and application is sent to customers who do not qualify for automatic recertification. The CBO caseworker completes the recertification review for the customer, sets up the new OnTrack installment amount, and sends the customer a post enrollment package with information about the program and his/her payment amount. Customers remain enrolled in the program even after the pre-program arrears (overdue balance) ~~has~~ been forgiven.

Under the Company's previous 2014-2016 Universal Service and Energy Conservation Plan, some customers were graduated, meaning removed, from the program. This program feature no longer applies because the Company believes limited-income customers face ongoing challenges meeting their financial obligations. Providing a reduced energy burden alleviates some of this pressure on the customer while avoiding potential collection costs that will be borne by the Company and, ultimately, ratepayers. The Company's OnTrack

program is available for any customer who meets the eligibility criteria as described in Section 2.1. Prior enrollment in the program is not a disqualifying factor. If the customer is removed before the full 18-month term, the OnTrack Budget Billing process will ensue (see Section 4.2 below for more detail), but the customer is still eligible to re-enroll in OnTrack at the end of the 18-month timeline if they are not automatically recertified based on the criteria above. ~~If the customer is removed before the full 18 month term, the OnTrack Budget Billing process will ensue (see Section 4.2 below for more detail), but the customer is still eligible to re-enroll in OnTrack at the end of the 18 month timeline.~~ In addition, if a customer was previously enrolled in the program in prior years but still meets the eligibility criteria, he/she will be eligible for enrollment. Any pre-program arrears that may have been accumulated while not enrolled in the program will be forgiven during his/her time as an active member in the program.

#### **4.2. Minimum Payment Amount & Maximum 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 amount (also referred to as CAP credits or benefits) for electric heat customers and non-electric heat customers are shown in the table below and are different based on where the customer falls within the three tiers of the Federal Poverty Level (FPL) and whether the customer has electric heat.

FPL Tier/Level	Account Classification	Maximum Credit Amount That Could Be Used Over 18 Months
0% to 50%	Electric Heat	\$4,027
51% to 100%	Electric Heat	\$3,661
101% to 150%	Electric Heat	\$3,328
0% to 50%	Non-Electric Heat	\$1,585
51% to 100%	Non-Electric Heat	\$1,441
101% to 150%	Non-Electric Heat	\$1,310

The program design does not restrict customers from using these maximum amounts in a fixed or straight-line fashion. Customers who are active in the program will have different revenue shortfall amounts each month because the actual revenue shortfall amount will be calculated by taking the actual bill amount minus the (fixed) OnTrack installment amount.

If a customer exceeds these maximum credit amounts before the 18-month point, the customer will be automatically moved to a program status referred to as OnTrack Budget Billing (OTBB). When this occurs, the OTBB activation letter is sent to the customer and informs him/her of this change in status. The OTBB activation letter also informs the customer that PPL Electric will automatically send a program application when the time comes for recertification/re-enrollment, which is 18 months from the original enrollment date in OnTrack, unless the customer has SSI as their primary source of income or they have received LIHEAP in the last 16 months. If so, they will be automatically enrolled.

The customer will receive a letter when the pre-program arrears amount (overdue balance) is at zero. This point in time also corresponds to the recertification point. This letter, referred to as the *OTBB All Is Forgiven* letter, recaps the customer's transition from traditional OnTrack to OnTrack Budget Billing. The end of the letter states that all of the overdue balance has been eliminated, but PPL still wants to help you by re-enrolling you in OnTrack at a payment amount that is lower than what you are currently paying. The customer is informed that a program application has been mailed in a distinctive gold-colored envelope.

These tiered maximum CAP Credit limits will be implemented to all OnTrack customers within three months upon final approval of the 2017-2019 USECP.

#### **4.3. Default Design: Removal for Non-Payment & Reinstatement**

The Company designed the OnTrack program with the idea of balance in mind. PPL Electric believes the energy burden reduction needs to be balanced against the need to hold limited-income customers accountable for making on-time payments. The Company's billing system runs on a chronological billed, due, review cycle. Actual payments received are woven into this cycle to determine how to treat the account. Essentially, this means the system bills the customer, waits for the due date, and then reviews the account to see if any additional actions are needed based on what was billed versus payments actually received. The billed amount is also shown as the Pay This Amount on PPL's bill. Once a customer is enrolled in OnTrack, the system will be looking for the OnTrack installment amount, plus any missed installments when the review moment occurs. At review, based on this aforementioned criteria, if the customer is behind he or she will either enter collections, or, if two or more installments behind, be removed from the program for non-payment (also referred to as defaulted).

~~If a customer is removed from the program due to non-payment, a letter is sent explaining what happened and the catch-up opportunity window opens. The catch-up opportunity window is a period of time that spans six (6) months. The catch-up opportunity window begins at the time of default and ends six months from that default date. During this six-month window, the customer will be presented with 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 actually received from the customer.~~  
If a customer is removed from the program due to non-payment, a letter is sent explaining what happened and the catch-up opportunity window opens. The catch-up opportunity window begins at the time of default. The OnTrack catch-up amount is the difference between what the customer should have paid (the billed OnTrack installment amounts) and the payments actually received from the customer.

~~If, during this six-month opportunity window,~~When the customer submits a payment that is equal to the OnTrack catch-up amount, the Company's system will automatically re-enroll the customer back into the program at his/her prior OnTrack installment amount. In addition, any revenue shortfall and arrearage forgiveness credits are posted (credited) to the customer's account after the OnTrack catch-up amount is received. The system will also automatically reverse any previously billed late payment charges that may have been incurred by the customer during the catch-up window timeframe. These reversed late payment amounts will be shown as credits on the customer's account statement. 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.

~~If a previously active OnTrack customer is removed from the program for non-payment and the electric service is terminated, the OnTrack catch-up amount will also represent the reconnect amount if the customer is within the six-month opportunity window. For example, assume a customer is removed from OnTrack for non-payment in April and service is terminated in May. The customer submits a payment in June that is equal to the OnTrack catch-up amount. Since this customer is within the six-month opportunity window, the OnTrack catch-up payment amount will also be the customer's reconnect amount.~~

If a previously active OnTrack customer is removed from the program for non-payment and the electric service is terminated, the OnTrack catch-up amount will also represent the reconnect amount for the customer at any time during the 18 month program cycle.

One missed payment may result in the customer entering the collections process. An exception to this process is an active OnTrack customer who misses a payment of less than \$60. No collection activity will ensue for a missed payment of less than \$60. There is a distinction between missed installments equaling two or more and resulting in a default status (explained in detail above) versus a customer who misses one installment of \$60 or more. Since the program is designed with on-time payments as a component of customer accountability, one missed payment may lead to electric service termination during non-moratorium months. If an active OnTrack customer falls into the collection process after one missed payment and has his/her electric service cut, the reconnect amount will be equal to the missed OnTrack payment amount.

The Company has messaging in place to remind customers of the benefits of paying the bill by the due date. Five (5) days before the due date, the Company's system will deliver a short reminder phone call to the customer. In addition, if the customer misses one payment, a letter is sent and informs the customer about the missed payment. This letter also discusses the possibility of entering the collection process and having the electric service terminated.

#### **4.4. Other Reasons for Removal from OnTrack**

As previously discussed, the most common reason for removal from the program is due to missed payments. Other less common situations that may result in removal include the following:

1. Customers who failed to provide access to their meters may be removed. Reinstatement to OnTrack will occur when the Company confirms that the customer has provided access to the meter.
2. Customers who fail to provide the necessary proof of income during the recertification process. Reinstatement to OnTrack occurs if the customer responds to the contact(s) made the by caseworker and provides the necessary proof of income information.
- 2.3. Customers who request removal from the OnTrack program may be removed at any time. If the customer requests reinstatement, they are given the opportunity to catch-up on any outstanding OnTrack payments at any time during the 18-month cycle.

#### **4.5. ~~The 16 Percent Rule~~Energy Burden Control Feature**

The Company has a built-in safety net that will not allow a customer's OnTrack installment amount to be more than ~~16~~ the appropriate percent of his/her monthly gross income based on the maximum energy burden levels listed in

~~the CAP Policy Statement. This control feature is a ceiling used by PPL's system behind-the-scenes as payment plan options are being calculated. PPL's system calculates all the possible payment types for a customer. These payment types include prior plan types that are no longer offered to the customer, but were offered under the 2011-2013 USECP. Specifically, these plan types are percent of income (POI), percent of bill (POB), annualized average payment (AAP), and minimum payment (MP). With the implementation of the 2014-2016 USECP, the POI and AAP plan types were discontinued. However, the logic driving the 16 percent rule still reviews these plan types when making the decision to implement the 16 percent safety net.~~

~~The system calculates all of the possible plan types mentioned above and if all of those payment amounts produce a number that is higher than 16 the appropriate percent of the customer's monthly income based on the maximum energy burden levels listed in the CAP Policy Statement, the system implements the 16 the corresponding percent of income rule in order to calculate the OnTrack installment amount. The 16 percent rule is: The customer's monthly income multiplied by 16 percent and that amount is the suggested OnTrack installment amount for the customer.~~

#### **4.6. Recalculating OnTrack Customers that Move**

Under the Company's previous 2014-2016 USECP, when an OnTrack customer moved from one residence to another, their OnTrack amount was only recalculated if their heat source changed from electric to non-electric, or vice versa. In the 2017-2019 USECP, the OnTrack amount will be recalculated at the new address regardless of a change in heating source.

#### **4.6.7. Weatherization, Energy Education & Consumption**

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

- ~~1. Serious illness or medical condition~~
- ~~2. kWh consumption increase beyond control of customer~~
- ~~3. Severe weather conditions~~
- ~~4. Structural damage to home~~

~~To help facilitate awareness and education regarding a customer's OnTrack 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 OnTrack credit maximum.~~



~~A second letter is sent when the customer reaches 80 percent of his or her OnTrack credit maximum.~~

OnTrack administering agencies and/or WRAP contractors 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 for not exceeding the OnTrack credit amount. 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
- Light-emitting diode (LED)
- 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 the amounts of their electric bills, and make their homes more comfortable year-round.

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

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. By June 2018, the Company will implement an automatic WRAP enrollment process for OnTrack customers with high usage.

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.

#### **4.7. Advisory Panel**

PPL Electric will establish a universal service stakeholder group that meets at least twice per year. The intent of the stakeholder group is to improve PPL's universal service programs through sharing information and inviting feedback.

### **5. Customer Encouragement & Responsibilities**

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 management team 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 to remain in the program.

Some of the more specific customer responsibilities that will lead to success in the program are below. The failure to complete some of these responsibilities may result in removal from OnTrack. Reinstatement back into OnTrack will occur after the customer fulfills his/her responsibility.

1. Respond promptly to OnTrack program referrals and/or recertification requests by completing the program application and providing income documentation/proof for all household income.
  - a. There is an exception. If a potential enrollee received a LIHEAP grant within the last 16 months there is no need to provide proof of income with the application.
2. Make on-time payments while enrolled in OnTrack. One or more missed payment could result in collection action and the loss of electric service. Being behind and/or late two or more installments will result in removal and automatic reinstatement back into the program will occur if all missed payments are made ~~within the six month catch up period (see Section 4.3).~~
3. Contact the CBO if there is a change in household size and/or income.
4. Use energy wisely. This includes partnering with WRAP and taking other actions that attempt to control or lower electricity consumption.
5. Follow requests for information and/or appointments associated with WRAP. The failure to fulfill WRAP-related requirements may result in removal from OnTrack and reinstatement back into the program will occur after the requirements are fulfilled.

6. OnTrack program participants must provide access to their electric meters. Failure to provide access to the meter may result in removal and reinstatement will occur once access is provided.
7. Follow applicable provisions outlined in 52 Pa. Code § 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.
8. Review the post-enrollment package and all customer letters/emails sent by PPL Electric. The customer should contact the CBO office or PPL Electric if he/she has any questions. The guidelines below provide direction regarding what office to contact (CBO or PPL). If the customer contacts the wrong office, the office ~~representative help~~representative helps to re-direct the customer.

Topic, Subject, Issue	Who To Contact
Change in household situation. Includes change in household size, income, and/or special situations.	CBO
Customer request to be removed early from the program.	CBO
Questions regarding the status of the application submitted (new enrollee or recertification).	CBO
Questions related to the following: <ul style="list-style-type: none"> <li>• Billing (usage, suppliers, budget billing, etc.)</li> <li>• Payment</li> <li>• Collections and termination</li> <li>• Account maintenance</li> <li>• Help with online profile</li> <li>• How OnTrack works</li> <li>• Moving, transferring, or disconnecting service</li> <li>• Power outages</li> <li>• Property Damage</li> <li>• Tree Trimming</li> </ul>	PPL Electric

## 6. Financial Posting Order for LIHEAP Funds & OnTrack Credits

PPL Electric Utilities is an authorized LIHEAP vendor. The Company receives and posts LIHEAP funds to customer's accounts. The Pennsylvania

Department of Human Services (DHS, formerly DPW, Department of Public Welfare) has determined that utilities cannot use LIHEAP cash grants to offset the costs of OnTrack credits (i.e., the difference between actual bills and OnTrack payments). As a result, 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 LIHEAP grant monies will appear as an excess credit on the customer's account. The customer is not required to make his or her 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.

Section 4.3 reviewed the program design criteria for the chronological order of billed, due, and account review within PPL's system. Payments received by the customer are woven into this timeline in order to determine if the Pay This Amount on the bill has been satisfied or not. The Pay This Amount is also referred to as the scheduled amount/installment. When an OnTrack customer pays their normal OnTrack amount, they are responding to the bill's Pay This Amount. Basically, this means they are current or they need to catch-up with program payments they are required to make as part of the agreement, via the bill.

If the customer keeps making his/her scheduled payments the account balance continues to reduce through arrearage forgiveness credits. There are instances where a customer pays exactly what should be paid, but the correct scheduled payments by the customer exceed the balance of the account. When this occurs, the system is designed to create an OnTrack Overpayment (OTOP) excess credit.

The OTOP credit is created when these current or accumulated balance overpayments for an active OnTrack customer cause the account balance to be reduced to less than \$0. For example, a customer has an OnTrack installment amount of \$100, which is reflected as the Pay This Amount on the bill and the account balance is \$55. The customer pays \$100. The system will create an

OTOP credit of \$45 (\$100 - \$55). This \$45 OTOP credit will be applied to the future Pay This Amount (scheduled payment), as shown on the bill.

## **7. Effective 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 is continually evaluating possibilities that will improve program design and delivery.

The PPL Electric management team and the OnTrack CBOs have demonstrated a capacity to administer the program; however, the management team is committed to finding new solutions and implementing features to improve the customer experience and to keep administrative costs at a reasonable level. In 2015, the administrative costs, as a percentage of total program costs, were approximately three percent (excluding internal PPL expenses). Below is a brief sample of recent or planned program improvements.

1. The Company transitioned most OnTrack-related calls/inquiries to a dedicated team of contractors. This allowed the Company to deliver training to a smaller team of phone agents and work on escalated issues through a focused and more direct channel.
2. The management team regularly delivers refresher training to the existing staff of CBO caseworkers. Specific scenarios are addressed and program memos are developed in order to document talking points and suggested follow-up actions.
3. The management team is developing preliminary plans to offer a total web-based enrollment and screening system to customers. This system will streamline existing processes, provide transparency throughout all stages of the process, and improve the existing data tracking and analysis tools.
4. The management team implemented a "You Were Recently Referred" reminder call. This call is made to customers who were recently referred (within the past week) and tells them to watch for a gold envelope that contains the application.
5. 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.
6. 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. This automatic recertification will not occur two consecutive program timelines, which are defined as 18 months. For example, if automatic recertification due to the receipt of LIHEAP funds has taken place, this automatic feature will not occur at the next recertification point. The agency will request proof of income to evaluate the payment plan and update information during this manual recertification process.

7. If the customer's main source of income is Supplemental Security Income (SSI) 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. This automatic recertification will not occur two consecutive program timelines, which are defined as 18 months. For example, if automatic recertification due to SSI income has taken place, this automatic feature will not occur at the next recertification point. The agency will request proof of income to evaluate the payment plan and update information during this manual recertification process.
8. Utilize analytics/reporting tools to identify customers who received LIHEAP but are not enrolled in OnTrack. These customers are contacted and enrolled in OnTrack over the phone.
9. Utilize analytics/reporting tools to identify and reach out to customers who have not interacted with the Company and who are currently not in the program. The attributes within the system identifies these customers as good candidates for the program.
10. Team members regularly review customer-facing information, such as program letters and emails, for clarity and purpose. For example, the post-enrollment package was updated with a more appealing design and easier-to-understand wording.
11. OnTrack program information is included within termination notices, as a part of the normal collections process. This wording informs the customer about the availability of OnTrack and the benefits.

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

PPL Electric supports the opportunity for an OnTrack customer to shop for an Electric Generation Supplier (EGS). The Company's Default Service Plan IV discusses the specific process design and philosophy regarding OnTrack shopping (Docket Number P-2016-2526627). This document could be found by using the PUC's *Search For Public Documents* tool located at [http://www.puc.pa.gov/about\\_puc/search\\_results.aspx](http://www.puc.pa.gov/about_puc/search_results.aspx). As of June 1, 2017, the only way for OnTrack customers to shop for their electricity is to enroll in CAP SOP. This special OnTrack shopping program allows OnTrack customers

to shop from an electric generation supplier at a discount of 7% off of PPL's price to compare.

## **9. 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 removes others for not completing one or more of the customer responsibilities, as outlined in Section 5. 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 Regulatory Programs Specialist, who investigates the reasons for rejection or dismissal.

### Step 2:

If the customer is dissatisfied with the results of the discussion with the regional Regulatory Programs Specialist, he or she may file a complaint with the PUC.

## **10. Projected Participation Levels**

PPL Electric will continue to work with internal and external resources in order to identify, engage, and enroll eligible customers. Projected participation levels are in the table below.

Program Year (as of the end of December)	Active OnTrack Households (Target/Estimate)
2017	57,000
2018	62,500
2019	67,500

## **11. Project Funding Levels**

PPL Electric projects the following level of expenditures for OnTrack from 2017 through 2019. These projections include the core component costs of revenue shortfall (OnTrack credits), arrearage forgiveness, and external administration. These expenditures do not include PPL Electric's internal costs.



Program Year (January – December)	Project Program Expenditures (millions)
2017	\$106 M
2018	\$118 M
2019	\$129 M

## 12. 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 one Program Manager and five Regulatory Program Specialists. The Program Manager is responsible for the design and implementation of OnTrack and has the primary responsibilities of creating program strategy, developing operational and financial plans, preparing communications, and coordination external and internal resources. The Regulatory Program Specialists are primarily responsible for individual case management support and auditing/quality assurance.

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. PPL Electric utilizes call center contractors to handle most types of OnTrack-related phone calls. The Company uses Customer Service Representatives (CSRs), Universal Service Representatives (USRs), and call center contractors to handle 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 execute special projects, such as targeted outreach, phone enrollment, and customer education.

CBOs 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, the CBO network of eight (8) organizations encompasses 54 employees located at sites throughout PPL's eastern Pennsylvania service territory. Within this team of 54 employees, there are eight (8) CBO supervisors. The staffing levels at the CBOs may vary throughout the year based on workload demand and program needs.

#### **14. How to Apply**

There are multiple options for a customer to initiate the screening process for the OnTrack program. These options include the following:

1. During the payment assistance (phone call) interaction with the PPL contact center if the customer appears to be a good fit for the program, the system will automatically alert the CSR and a program application will be sent to the customer. The CSR will inform the customer that a program application is on the way.
2. The customer could call PPL directly at 1-800-342-5775 and request an application for the OnTrack program.
3. The customer could call his/her local CBO (see Section 15) and request an application for the OnTrack program.
4. The customer could visit his/her local CBO's website and download an application for the OnTrack program.
5. The customer could walk-in to the CBO office and complete a program application or ask for assistance completing the application.
- 5-6. The customer could apply online at [www.pplelectric.com/OnTrack](http://www.pplelectric.com/OnTrack)

The Company will continue to evaluate new options for applying to the program and move toward implementation when the benefits align with improving the customer's experience and the costs are reasonable.

#### **15. OnTrack Community-Based Agencies & Counties Served**

The table below lists the CBOs associated with PPL's OnTrack program, contact information, and counties served.

Community-Based Organization	Primary Phone Number	Counties Served
<p>Community Action Committee of the Lehigh Valley</p> <p>1337 East 5th Street Bethlehem, PA 18015</p> <p><a href="http://www.caclv.org/">http://www.caclv.org/</a></p>	610-691-5620	Lehigh, Northampton, Bucks, Montgomery
<p>Community Action Commission of the Capital Region</p> <p>1514 Derry Street Harrisburg, PA 17104</p> <p><a href="http://www.cactricounty.org/">http://www.cactricounty.org/</a></p>	717-232-9757	Dauphin, Juniata, Perry, Cumberland, York
<p>Schuylkill Community Action</p> <p>217 Center Street Tamaqua, PA 18252 or 225 North Centre Street Pottsville, PA 17901</p> <p><a href="http://www.schuylkillcommunityaction.com/">http://www.schuylkillcommunityaction.com/</a></p>	570-622-1995	Schuylkill, Columbia, Montour
<p>TREHAB, Inc.</p> <p>100 4th Street, Suite 20 Honesdale, PA 18431</p> <p><a href="http://www.trehab.org/">http://www.trehab.org/</a></p>	570-253-8941	Susquehanna, Pike, Wayne, Wyoming, Lackawanna, Monroe
<p>Community Action Program of Lancaster County</p> <p>601 South Queen Street P. O. Box 599 Lancaster, PA 17608</p> <p><a href="https://www.caplanc.org/">https://www.caplanc.org/</a></p>	717-299-7301	Lancaster, Lebanon, Berks, Chester, York

Community-Based Organization	Primary Phone Number	Counties Served
STEP, Inc.  2138 Lincoln Street P. O. Box 3568 Williamsport, PA 17701  <a href="http://www.stepcorp.org/">http://www.stepcorp.org/</a>	570-327-5485	Clinton, Lycoming
Union-Snyder Community Action Agency  713 Bridge Street, Suite 10 Selinsgrove, PA 17870  <a href="http://www.union-snydercaa.org/">http://www.union-snydercaa.org/</a>	570-374-0181	Union, Snyder, Northumberland
Commission on Economic Opportunity  165 Amber Lane, P. O. Box 1127 Wilkes-Barre, PA 18702  <a href="http://www.ceopeoplehelpingpeople.org/">http://www.ceopeoplehelpingpeople.org/</a>	570-826-0510	Luzerne, Carbon

### 16. 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:

- Christopher Cardenas, Vice President – Customer Services
- Melinda Stumpf, Manager – Regulatory Programs and Business Services
- ~~Michael Wukitsch~~ Chris R. Schoemaker, Jr., Program Manager – Regulatory Programs and Business Services

## Regulatory Programs Specialists:

- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Northeast and Central Regions
- Kristen Kelly – Northeast and Susquehanna Regions
- Jaclyn Baldwin – Lehigh Region
- ~~Angela Tracy – Susquehanna and Harrisburg Regions~~

## Administrative Support:

- ~~Melissa Manning~~ Cheryl Mohr, Steno/Clerk
- ~~Joanna Walakovits, Steno/Clerk~~

### 17. Summary of Difference Between Proposed Plan (2017-2019) and Current Plan (2014-2016)

The table below provides a description of the key program design changes.

ID #	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
1	Recertification	At the recertification point, the caseworker (CW) evaluates the customer for possible graduation (removal from OnTrack).	At the recertification point, the CW will re-evaluate the customer's position and adjust the OnTrack plan amount, if necessary, and the customer will remain active in the program.
2	Eligibility	Part of the eligibility criteria is for the customer to have a payment arrangement within the past twelve months.	The new eligibility criteria will eliminate the need to have had a payment arrangement over the past twelve months. An overdue balance is not required for enrollment.
3	Controls	Maximum OnTrack credit amounts are set at \$3,328 (electric heat) and \$1,310 (non-electric heat) for use over 18 months, regardless of where customer falls within the FPL tiers (101%-	Maximum OnTrack credit amounts are set based on an increasing scale; the lower FPL tiers are allocated a higher credit amount. Electric Heat:

ID #	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
		150%, 51%-100%, 0%-50%).	101%-150% = \$3,328 51%-100% = \$3,661 0%-50% = \$4,027  Non-electric Heat: 101%-150% = \$1,310 51%-100% \$1,441 0%-50% = \$1,585
4	<u>Controls</u>	<u>Company's built in safety-net did not allow a customer's OnTrack bill amount exceed 16% of their monthly income.</u>	<u>Company has control feature that will limit a customer's OnTrack payment consistent with the maximum energy burden levels in the CAP Policy Statement, subject to the minimum payment guidelines.</u>
4	Eligibility	OnTrack Lifestyle (OTLS) feature is available for customers to receive six months of benefits when household income is less than or equal to mortgage payments or rent.	<u>OTLS feature is available for customers whose household income is less than or equal to their mortgage payment or rent. The will receive a check-up every nine months to ensure the Company is accurately documenting income and aligning customer payments with the most recent information."</u> <del>OTLS feature is available for customers to receive nine months of benefits when household income is less than or equal to mortgage payments or rent.</del>
5	Eligibility	Zero income situations were not clearly defined. The plan stated the customer must have income but did not elaborate and provide more details.	Zero income situations are clarified (see Section 2.1). Potential enrollee must have income and non-earned income situations are discussed in more detail.

ID #	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
<u>6</u>	<u>Procedural</u>	<u>Company only recalculated the OnTrack amount for a customer that moved to a new residence if their heat source changed from electrically heated to non-electrically heated, or vice versa.</u>	<u>Company will recalculate the OnTrack amount for all customers moving from one residence to another.</u>
<u>7</u>	<u>Procedural</u>	<u>Company charged a pre-program arrearage co-payment of \$5/month to every OnTrack customer.</u>	<u>Company will only charge the \$5/month co-payment to OnTrack customers with pre-program arrearage. In addition, the Company will apply the \$5 monthly arrearage co-payment only to a pre-program arrearage balance for the account in which it was paid.</u>
<u>8</u>	<u>Procedural</u>	<u>Company periodically met with stakeholders to discuss Universal Service Program issues.</u>	<u>Company will meet twice a year with stakeholders to discuss Universal Service Program issues.</u>
<u>9</u>	<u>Procedural</u>	<u>Customers who voluntarily removed themselves from the OnTrack program were not eligible for reinstatement until the end of their 18-month cycle.</u>	<u>Customer who voluntarily removes themselves from OnTrack can request and be granted reinstatement at any time within the 18-month cycle by making the missed OnTrack payments to date.</u>
<u>10</u>	<u>Procedural</u>	<u>Customers in OTBB who had SSI as their primary source of income or received LIHEAP within the last 16 months were not granted automatic recertification.</u>	<u>Customers in OTBB who have SSI as their primary source of income or have received LIHEAP within the last 16 months are eligible for automatic recertification.</u>
<u>11</u>	<u>Procedural</u>	<u>Customers with no source of income were not eligible for OnTrack.</u>	<u>Customers with zero income will still be permitted in the OnTrack program with completion and submit</u>

ID #	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
12	<u>Procedural</u>	<u>OnTrack customers were able to shop from any generation supplier that was listed as available to them.</u>	<u>of a zero income form.</u> <u>OnTrack customers can only shop from a select group of generation suppliers that offer rates up to 7% lower than PPL's price to compare.</u>



**Winter Relief Assistance Program  
(WRAP)**

**PPL Electric Utilities Corporation**  
**Winter Relief Assistance Program (WRAP)**

**1. Program Description and Overview**

**1.1. Background**

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) funds and administers the program. Contractors conduct energy surveys or "audits," install weatherization measures and provide energy education. The Company also uses contractors to conduct quality assurance inspections of completed work.

The WRAP services and measures installed by contractors depend on the customer's use of electricity, the results of an energy audit, and any coordination between other weatherization programs. PPL Electric encourages customers to participate as "partners" in the audit and energy education session(s) so that they can maximize their savings' success.

The Company started WRAP as a pilot program in 1985 with the support of the Pennsylvania Public Utility Commission (PUC or the Commission) 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 from \$2,000,000 to \$3,023,000. The Company also added energy education and lighting measures as part of WRAP.

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 baseload ("lighting and appliance") customers as part of its settlement agreement. PPL Electric also incorporated an additional \$1,000,000 annual funding from its "Keep Warm" Pilot Program (1995-1997), targeted at customers between 150% and 200% of poverty level, as part of LIURP.

PPL Electric has expanded its LIURP funding and scope of services through various regulatory proceedings and initiatives since 1998, most recently from \$9,500,000 to \$10,000,000 as part of its 2016 distribution rate case

settlement. In addition to LIURP, the Company has provided a direct install program for low-income customers through Act 129 WRAP since 2009. Act 129 Phase 3 started on 6/1/2016 and ends on 5/31/2021 and will continue to feature a direct install program as well as other energy-saving programs for customers with limited incomes. The PUC approved PPL's Energy Efficiency and Conservation Plan for Act 129 Phase 3 in March 2016.

## **1.2. 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.

## **1.3. Participation Eligibility**

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

- Household income is at or below 150 percent of poverty level. The Company will serve up to 20% of customers that are between 150% - 200% of poverty level through its LIURP budget. This includes "special needs" customers as defined by the PUC, customers living in multi-unit projects who could best benefit from "whole building" treatments, and customers referred through inter-utility coordination..<sup>6</sup>
- Customer is at least 18 years old.

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<sup>6</sup> As part of its EE&C Plan, Act 129 WRAP will serve customers in multi-unit households that are at or below 150% of the federal poverty guidelines. The Act 129 CSP will refer customers in multi-unit buildings that are between 150% - 200% of the federal poverty guidelines to LIURP.

- 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 within the past three years and has the potential to receive energy-reduction measures and services. PPL staff will review applicants who received LIURP or Act 129 WRAP within the past three years on a case-by-case basis.
- The customer has at least nine months usage history at the premise. (Exceptions made with Company approval).<sup>7</sup>

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 consent for WRAP.

As part of PPL's Energy Efficiency and Conservation Plan (EE&C) Plan, Act 129 WRAP serves customers in multi-unit households with incomes at or below 150% of the federal poverty income guidelines. Multi-unit buildings with incomes between 150% and 200% of the federal poverty income guidelines or Act 129 recipients who could benefit from additional WRAP measures will be referred by the Act 129 conservation service provider (CSP). There is no minimum usage for jobs coordinated with Act 129 WRAP. A household must have an individual meter to qualify for LIURP; master-metered buildings are not eligible for LIURP WRAP.

A customer does not need to have an overdue amount with PPL Electric to qualify for WRAP. However, the company may prioritize WRAP services in situations where a customer has high electric consumption or, the customer participates in OnTrack and is at risk for exceeding the OnTrack benefit levels. The Company currently defines "high usage" households as households that use more than 18,000 kWhs per year.

#### **1.4. Customer Consent**

The Company requires 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).

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<sup>7</sup> Customers that have less than 9 months usage and are below 150 percent of Poverty Level guidelines are eligible for Act 129 WRAP.

### **1.5. 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 or more of the following to the tenant:

- Referral to Act 129 Low-Income Program, if income eligible
- Provision of an energy-saving kit, if the household income is between 150-200% of the federal poverty income guidelines
- Phone or in-home energy education session (e.g. high usage OnTrack customer)
- Limited baseload WRAP

### **1.6. Lifestyle**

PPL Electric offers baseload WRAP when a family's income is less than their monthly rent or mortgage payment. The Company may provide partial weatherization in situations where lifestyle choices (hot tub, heated sunroom, etc.) accounts for major energy use.

### **1.7. Usage Criteria**

Effective 2017, PPL Electric's proposed minimum criteria for WRAP is 6,000 annual kWh. The Company can make exceptions for customers living in very small premises or hardship situations (e.g. elderly customer limits use of electric heat during the pre-treatment period). PPL Electric will refer "low usage" customers not served through LIURP to other utility programs, other weatherization programs (if not previously received) and to LIHEAP Crisis when available.

### **1.8. Promoting WRAP**

Well-planned outreach is an essential component of WRAP. PPL Electric Utilities advertises WRAP in its bill insert annually and promotes WRAP on its website so all residential customers can learn about the program. The Company also implemented an "on-line" WRAP Application in March 2015.

The Company strongly encourages that OnTrack customers participate in WRAP. Failure for an OnTrack customer to reduce or maintain electric usage or to fulfill WRAP-related requirements may result in removal from the program. PPL Electric informs OnTrack customers about the program through its ~~Post Enrollment~~ Post Enrollment *OnTrack Brochure*, agency referrals, website, and targeted phone calls and mailings. The Company will continue to seek

innovative ways to enroll OnTrack customers into WRAP and to focus on the benefits that the service provides.

In addition, the Company may use some or all of the following outreach methods to reach potentially eligible customers in years 2017-2019:

- Phone calls, mailings, and e-mail “blasts” to electric LIHEAP recipients and customers identified as “low-income” in PPL’s Customer Service System (CSS) or through data-mining in CSS
- Program information on PPL Electric’s website ([www.pplelectric.com](http://www.pplelectric.com))
- Presentations and communications to PPL Electric employees, including information and updates on the Customer Services internal website
- Cross-marketing with other weatherization and utility programs
- Social media (e.g. Facebook)
- Presentations and communications to social service agencies, senior citizens groups and other organizations such as “Healthy Homes and Lead Partnership”
- Participation in community events, PUC/Utility events, and booths at high traffic areas where customers with limited-incomes can be reached
- Communications and personal contact with multi-family housing authorities, project managers, and landlords
- WRAP Contractor Referrals/Word-of-Mouth
- “Free” news segments and press releases
- Low-cost print media options such as “merchandisers”
- PPL Outreach Pilot in the Lancaster Area which includes mailings and posters to churches, food pantries, etc.
- Other, as appropriate

PPL Electric tracks the number of qualified WRAP participants and “how they heard about WRAP” through its “Low-Income Energy Assistance Programs” Database System or LEAP. The Company will continue to evaluate new outreach technologies and strategies throughout 2017-2019 and implement as cost-effective and feasible.

### **1.9. Intake**

PPL Electric’s goal is to make the WRAP intake process quick and easy for the customer. In order to make the WRAP process seamless to the customer, the Company will employ a customer care center to enroll customers through outbound and inbound phone calls.<sup>8</sup> PPL Electric’s USRs will continue to process applications received through mail. PPL will employ the strategies

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<sup>8</sup> The proposed intake process for Universal Service WRAP (LIURP) mirrors that of Act 129 Low Income WRAP Phase 3 which took effect on June 1, 2016.

below to enroll customers (specific processes are subject to change based on new systems or technologies):

1. Customer calls the designated customer care center or responds to an outbound call. The customer care "associate" enters the information into LEAP and informs the customer of their eligibility status.
2. Customer completes a hard copy application as a result of an outbound mailing, agency referral or personal contact and mails to a PPL office. PPL scans the application and related information into a central work management system. A PPL USR enters the information into LEAP and notifies the customer of their eligibility status.
3. Customer completes and submits an application through PPL Electric's website. The customer will receive an auto-generated message as to whether the application is accepted along with a Case Number, or if the application is under review. The application information automatically migrates into LEAP.
4. Customer completes an application in-person (e.g. senior citizen event). The USR or a representative of the Act 129 CSP enters the information into LEAP and notifies the customer of their eligibility status.
5. OnTrack caseworker issues an electronic referral to WRAP on PPL's CSS system. A PPL staff member will follow-up with a letter or phone call. Or, the OnTrack or other agency caseworker assists the customer in completing an application and mails or faxes the WRAP Application to PPL EU.
6. WRAP Contractor mails, faxes or delivers a completed WRAP Application as part of inter-utility coordination. The PPL USR enters the application into LEAP and notifies the contractor and/or customer of their eligibility. When possible, the contractor completes WRAP work in tandem with another weatherization program.
7. The customer receives Act 129 WRAP and the Act 129 CSP recommends additional measures through LIURP using the LEAP system. PPL staff will determine if the customer is eligible for LIURP, and if so, will create a separate LIURP case.

If a customer qualifies for WRAP, LEAP assigns a Case Number and designates the case as "LIURP" or "Act 129 WRAP" based on the pre-determined criteria as delineated in the following table. ~~below:~~

## LIURP and Act 129 Eligibility

<b>LIURP</b>	<b>Act 129 WRAP</b>
All cases between 150%-200% of the FPL income guidelines*	All Multi-unit homes
Installed electric heat (primary source)*	Non-installed electric heat (primary source) and usage is less than 18,000 kWhs**
Annual usage is greater than 17,999 kWhs*	Less than 10 months usage at the premise under the current account**
Electric water heater 12+ years old, or mobile home with an electric water heater*	Mobile home without an electric water heater and usage is less than 18,000 kWhs

\*Excludes multi-unit premises

\*\* Household income must be at least 150% of the FPL guidelines or lower

- Act 129 cases are assigned to an Act 129 CSP; LIURP cases are assigned to a LIURP contractor. PPL staff can change the program type based on contractor field observations and prior to submitting any invoices for the case. Act 129 customers may receive additional measures from LIURP, which are tracked separately under a different case number.

An application that does not automatically qualify goes under "review" (e.g. customer has service at multiple premises). PPL Electric staff makes the determination as to customer eligibility based on program guidelines, customer need and the potential to receive WRAP measures.

### 1.10. 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
- Coordination with other weatherization programs

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 income-eligible customers in PPL Electric's distribution service area with an equal opportunity for receiving WRAP services and measures.

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.

The LEAP system assigns a Case Number for every WRAP Job followed by the Program or "campaign" type (LIURP or Act 129 WRAP) and Job Type. The Job Types are Full Cost (heating), Low Cost (water heating) or Baseload (lighting and appliances) in accordance with the PUC reporting criteria.

If a customer has installed electric heat as indicated on the WRAP Application, LEAP categorizes the Job as Full Cost. The auditor (contractor) can downgrade the job type to baseload or low cost if the premise has less than 50 percent installed electric heat, if there is no opportunity to install heating measures, or for health and safety reasons. PPL staff will also downgrade any heating job assigned to a contractor if the customer is a renter and the landlord does not provide written consent for WRAP.

LEAP assigns any job where the customer did not indicate installed electric heat as a baseload job. The contractor can upgrade for full cost measures if the customer has installed heat in at least 50 percent of the home or for high seasonal usage/electric space heating where the auditor can demonstrate the potential for cost-effective electric energy savings (with PPL approval).

If a premise has an installed electric water heater and the auditor recommends at least one water heating measure, LEAP automatically upgrades a job from baseload to low cost.

The LEAP system matches the LIURP measures to the Job Type. Therefore, the auditor only views those potential measures that pertain to the job.

WRAP Contractors can bypass the LIURP audit if an equivalent audit was done within the past 12 months through another weatherization program. The Contractor or PPL employee must upload a copy of the Audit or Assessment Form into LEAP.

### **1.11. Installation of Measures – Baseload**

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

- Energy education
- Installation of Light-Emitting Diode bulbs (LEDs) <sup>9</sup>
- 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
- Power Strip/Smart Plug
- Appliance replacement, with PPL Electric approval
- Carbon monoxide detector
- Comfort measures such as a door sweep or widow quilt
- Appliance replacement if the auditor can demonstrate a 12-year payback<sup>10</sup>

### **1.12. 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

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<sup>9</sup> PPL Electric began replacing incandescent light bulbs with LEDs in 2014 with PUC approval. The Company will continue to explore lighting technologies and implement as cost-effective and feasible.

<sup>10</sup> Examples of appliance replacement include washing machines, electric dryers and electric stoves. The Company addresses specific guidelines for replacement in the WRAP Standards and Field Guide.

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.

### **1.13. 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 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 in years 2017-2019. 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 with PPL 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** – Contractors can spend up to \$650 in health and safety diagnostic testing and measures for heating jobs without PPL Electric's approval. Examples of health and safety measures include dryer venting, and the installation of carbon monoxide detectors and bathroom exhaust fans. PPL Electric proposes to continue allowing a "standard" \$650 health and safety allowance in years 2017-2019. Contractors can exceed the allowance with PPL approval to address more extensive health and safety problems such as mold or lead remediation that inhibit the installation of full cost measures.

WRAP Contractors can spend up to \$250 in "comfort" measures in conjunction with electric energy-saving measures for low cost and baseload jobs. Contractors should install comfort measures, such as window quilts, that will not impact the air changes-per-hour of the home where feasible. In situations where the contractor installs a measure that will impact air quality or combustion levels (e.g. the customer is over-income for the PA Weatherization Assistance Program), the contractor should, at a minimum, conduct a Combustion Appliance Zone (CAZ) test before and after the installation.

**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 may add mechanical ventilation to ensure proper indoor air quality; this cost is included as a health and safety measure.

**Municipal Requirements** – Certain municipalities require permits for the installation of WRAP measures such as water heater replacement. PPL Electric will expect contractors to acquire a permit as part of the WRAP job. WRAP Contractors should include a copy of the permit as part of the invoicing process.

PPL currently allows the installation of smoke alarms, water heating check valves, and water heating expansion tanks in accordance with municipal requirements as needed to install WRAP measures. The Company will address additional municipal requirements on an individual basis. The cost of the municipal measure should not exceed the cost of the energy-saving measure.

#### **1.14. 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. In years 2017-2019, PPL Electric will continue to require that all LIURP customers receive an initial energy education session, unless the customer received an equivalent session through Act 129 WRAP prior to the installation of LIURP measures.

WRAP contactors are required to integrate education into all aspects of WRAP. The LIURP installer should continue to reinforce educational concepts from the LIURP or Act 129 Audit.

**Additional Session** – The quality assurance inspector 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 while conducting a phone inspection. A PPL EU staff member or WRAP quality assurance inspector will respond to the request.

A quality assurance inspector 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.

Effective 2017, PPL will monitor the post-usage recipients within 3-9 months after receiving WRAP. The company will offer the customer a remedial energy education session (usually by phone) and/or provide energy-saving tips per mail.<sup>11</sup>

**One-Year Follow-up** – As per the suggestion of WRAP contractors, the Company will develop and implement a feedback mechanism for customers after the twelve-month post-WRAP period in 2017. In situations where the customer's usage continues to increase or remains high, PPL will offer remedial energy education or a referral for additional WRAP services and measures.

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<sup>11</sup> PPL Electric expects to have the system functionality to monitor post-installation usage in September 2016.

**OnTrack Education** – In years 2017-2019, PPL Electric plans to expand its efforts to provide educational services to “high usage” OnTrack customers.<sup>12</sup> While the Company expects to refer most customers to WRAP, OnTrack customers who are not eligible for WRAP can receive home, phone or mail education/energy-saving kits. The Company may also assign a customer for education if there is an immediate need for education (e.g. high defacto space heating usage) and the customer cannot receive WRAP for at least 30 days. PPL personnel and WRAP Contractors will also educate customers on PPL Electric’s internet tools for monitoring energy usage when applicable.<sup>13</sup>

### **1.15. 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 in LEAP 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 invoiced measures and notes any concerns or major missed opportunities in LEAP. The contractor has 30 days in which to respond to a customer. The Company uses contractors to conduct most inspections. WRAP contractors can be inspectors as long as they are not the auditors and/or installers for the jobs for which they inspect.

## **2. Funding and Enrollment Levels**

PPL Electric’s current WRAP (LIURP) budget is \$10,000,000 annually, a 20 percent increase since 2013.

In order to minimize the impact on all residential customers, PPL Electric is not proposing a LIURP funding increase over the next three years. The Company

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<sup>12</sup> Effective May 2016, PPL Electric gained the functionality to track information in LEAP for customers that PPL staff assigns for energy education (no installed measures).

<sup>13</sup> A PPL study conducted in 2014 showed that 39% of WRAP recipients registered to use PPL Electric’s Energy Analyzer web tool.

expects to serve more customers through coordination with other weatherization programs (including Act 129), reduced administration and field support costs and decreased material costs for lighting measures. PPL expects to channel most income-eligible baseload customers to Act 129 WRAP.

The chart below depicts the 2017-2019 funding levels and projected enrollment by job type:

Year	Expenditures	Full Cost (Heating)	Low Cost (Water Heating)	Baseload
2017	\$10,000,000	2,010	575	715
2018	\$10,000,000	2,010	575	715
2019	\$10,000,000	2,010	575	715

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

### 3. Needs Assessment

~~PPL Electric accepts WRAP applications for all residential customers up to 200% of the federal poverty guidelines (FPL). If the customer qualifies for the program, LEAP matches the application to LIURP or Act 129 WRAP based on which program best serves the customer. LEAP assigns qualified customers between 150%—200% FPL for LIURP.<sup>14</sup> If the customer or premise does not meet the criteria, a member of the WRAP Team will review prior to disqualifying.~~

~~PPL Electric used the 2013 U.S. Census data file as the foundation for estimating households at or below 150% FPL. The 2013 Census provides estimates at a county level. The Company averaged the percentages for the 29 counties within PPL Electric's service territory and applied that percentage to the average monthly residential customer count. The average monthly residential customer count was 1,266,583. This resulted in 325,879 households at or below 150% of the FPL who meet the income guidelines for WRAP.~~

~~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:~~

~~<sup>14</sup>Low income programs for Act 129 serve households up to 150% of FPL whereas LIURP serves up to 20% of customers between 150-200% FPL.~~

- ~~The Applied Public Policy Research for Study and Evaluation (APPRISE) conducted a third party evaluation of PPL's universal service programs in 2014. APPRISE reported that 26% of PPL EU's customers have installed electric heat and are conceptually the most likely to benefit from comprehensive weatherization services. PPL Electric will channel most non heating customers to Act 129 WRAP in years 2017-2019.~~
- ~~PPL's data shows that approximately one third of OnTrack customers have less than 9 months consumption history at their premise prior to enrolling in the program. PPL will channel most of these customers to Act 129 WRAP.~~
- ~~PPL Electric's data illustrates that 44,244 households received LIURP or Act 129 WRAP during years 2009-2015. While households can receive WRAP more than once during a seven year period, the potential to reduce energy savings diminishes with each weatherization effort. The 44,244 figure does not reflect the number of homes that received treatments through PA Weather Assistance Program (WAP), gas utilities or other weatherization programs.~~
- ~~The percentage of renters applying for WRAP has continued to remain at about 50% with a successful landlord response from 70% of tenant applicants. PPL Electric offers limited services to renters who do not receive landlord approval for WRAP or refers them to other programs.~~
- ~~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.~~

~~A recent study conducted in conjunction with California's Energy Assistance Savings Program<sup>15</sup> concluded that, despite valiant outreach efforts, a total of 28 percent of customers were "unwilling" to participate in energy efficiency programs. Reasons included "too busy or other pressing concerns", "reluctance to take a hand-out", or "trust and concerns about home visits".~~

~~Finally, some customers apply for WRAP and cannot benefit from installed measures due to deferral issues, the household already has all installed measures offered through the program, or the customer moves or family circumstances change during the WRAP process.~~

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<sup>15</sup>Information presented at the 2015 International Energy Program Evaluation Conference, Long Beach



PPL identifies 102,197 customers that can benefit from WRAP. The Company projects a total cost of \$250,769,335 to serve these customers based on the methodology below. The costs are based on the 2017 average-cost-per-job for direct costs, multiplied by 1.12 (12%) for administrative and field support costs. The calculation below takes into account that the average cost-per-job for direct costs differ based on the type of job.

The total cost to serve figure was calculated as follows:

- Number of confirmed low-income customers coded as residential – electric heat: 43,945
- Customers likely to receive electric heat treatments based on historical data: 38,232<sup>16</sup>
- The average cost-per-job for direct cost (electric heat treatment): \$3,581

To calculate the total cost to serve residential electric heat customers, PPL Electric multiplied the number of heating customers (38,232) by the average-cost-per-job for direct costs (\$3,581) and added 12% for administrative/field support. This resulted in a total cost to serve in the amount of \$153,337,487.

- Number of confirmed low-income customers coded as residential – non-electric heat = 58,252
- Customers likely to receive water heating and/or baseload treatments, including customers with electric heat = 63,965
- The average cost-per-job for direct cost (water heating and/or baseload treatment): \$1,360

To calculate the total cost to serve residential non-electric heat customers, PPL Electric multiplied the number of customers likely to receive water heating and/or baseload treatments (63,965) by the average cost-per-job for direct cost (\$1,360) and added 12% for administrative/field support. This resulted in a total cost to serve in the amount of \$97,431,488.

To complete the calculation, the total cost to serve 43,945 heating customers (\$153,337,847) and the total cost to serve 63,965 customers with water heating/baseload jobs (\$97,431,488) were added together to provide a total cost of \$250,769,335.

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

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<sup>16</sup> Approximately 13 percent of customers with electric heat do not receive heating treatments due to health and safety deferrals, lack of landlord consent, or the premise does not qualify for heating measures as determined by the LIURP Contractor. These customers are factored into the customer segment that is likely to receive water heating and/or baseload treatments.

The Regulatory Programs and Business Services work group at PPL Electric administers Universal Service WRAP (LIURP). The Program Manager oversees the program and is responsible for all regulatory reporting and compliance. She works closely with the Low Income Customer Programs Specialist to ensure effective coordination between Universal Service and Act 129 WRAP.

Five Regional Program Specialists (RPSs) direct the implementation of universal service programs within their respective regions.<sup>17</sup> They manage the budgets, workload and contractors in their areas and respond to escalated customer inquiries and concerns.

A team of Universal Service Representatives is responsible for the daily operations of WRAP such as data entry into LEAP, reviewing applications, verifying invoices, and handling customer inquiries. They also support specific OnTrack and CARES functions.

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

- Christopher Cardenas, Vice President – Customer Services
- Melinda Stumpf, Manager – Regulatory Programs and Business Services
- Linda Melenchek, Program Manager – Regulatory Programs and Business Services

#### **Regional Regulatory Programs Specialists: <sup>18</sup>**

- Jaclyn Baldwin – Lehigh Region
- Kristen Kelly – Susquehanna Region
- Gladys Malone – Lancaster Region and Harrisburg Regions
- Florence McNelis – Northeast Region
- ~~Angela Tracy – Harrisburg Region~~

#### **Universal Service Reps**

- Linda Banzhof – Lancaster Region
- Kimberly Brummett – Northeast and Susquehanna Regions
- ~~Brad Eidemiller – Lancaster Region~~
- ~~James Matter – Harrisburg Region~~
- Ann Miller – Susquehanna Region
- Zachary Reynolds – Harrisburg Region
- ~~June Schaffer – Lehigh Region~~

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<sup>17</sup> WRAP and OnTrack regions are comprised of specific counties which may change based on customer need and availability of resources.

<sup>18</sup> Regulatory Programs Specialists and Universal Service Reps support other regions as needed.

- Donna Schall – Lehigh Region
- ~~Andrea Walsh – Susquehanna Region~~
- Pamela Yale – Northeast Region

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

### **5.1. Contractor Selection and Requirements**

PPL Electric uses contractors to install weatherization measures and conduct audits, inspections and energy education sessions. The Company's Regulatory Programs Specialists 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 and to upload any permits into LEAP. 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 that performs full cost work 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 the required documentation for each WRAP job in LEAP.
3. Comply with OSHA and the WRAP Standard as specified in the *WRAP Standards and Field Guide*.
4. Adhere to all codes and municipal requirements. Documents any permits acquired for WRAP work in LEAP.
5. Complete work within a specified time mutually agreed upon by PPL Electric and the contractor.
6. Submit invoices in accordance with the policies issued by the Company's Financial Department.
7. Procure all materials, including LEDs.
8. Refer customer to payment-assistance programs, other weatherization programs, and Act 129 programs where applicable and documents in LEAP. Coordinates LIURP and Act 129 work as requested by PPL EU.
9. Provide a one-year warranty on all labor and materials, unless otherwise noted in the contract.
10. Address problems upon notification and no later than 30 days.

11. 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.
12. Attend required meetings and training provided by PPL Electric.
13. 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.

## **5.2. 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. Performance metrics, as documented in LEAP, include:

- Turn-around time for job completion
- Coordination with other programs and services
- Measures installed, cost per measure installed
- Customer satisfaction

Contractors will also receive feedback as part of the annual LIURP evaluation as to their average pre-to-post WRAP savings, acquisition cost (when available) and WRAP savings' results in general.

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 or a designated home performance specialist performs periodic field observations of auditors, crew leaders, and 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.

## **5.3. 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 /or provide training that will enable contractors to receive Continuing Education Units (CEUs) or prepare for BPI Certification.
3. Sponsor and coordinate training for specialized work (e.g., combustion testing, infrared training, heat pump water heater installation, baseload measures and energy education).
4. Develop and implement training that is PPL Electric specific (e.g., OnTrack education, new pilots or measures).
5. Sponsor webinars on new technologies, techniques and best practices.

PPL will allocate a portion of its training budget, as needed, to support the PA Quality Control Inspector (QCI) and BPI testing and certification/re-certification fees. The Company will work with the PUC, the PA Weatherization Advisory Panel, and WRAP Contractors to identify and support training needs as needed to meet state or federal home performance standards.

The Company offers a stipend to contractors who attend mandatory training that is specific to PPL's LIURP program to help offset productivity losses. The stipend does not apply to training at the job site.

#### **5.4. Computer Enhancements**

In 2014-2015, PPL Corporation re-wrote its fourteen year-old WRAP database and reporting system. The Company deployed the new system, LEAP, to internal users and WRAP contractors in March 2015. The new system featured improved communications between PPL and contractors, data validation, enhanced workflow and budget management, and reduced paperwork.

The Company deployed LEAP Release 2.1 in May 2016 which focused on LIURP/Act 129 Phase 3 coordination<sup>19</sup>, improved invoicing functionality, and the capturing of post-installation data for LIURP Reporting. PPL Electric is scheduled to deploy subsequent releases in 2016 which will focus on improved field communications and ease of completing the annual LIURP report.

The Company will continue making enhancements to the system based on internal and contractor feedback, new regulatory or company requirements, and the implementation of new pilots and process improvements.

#### **5.5. Contractor Communications**

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<sup>19</sup> Act 129 Phase 3 began in June 2016. PPL Electric split the costs for LEAP development between the LIURP and Act 129 budgets.

PPL Electric is committed to the continuous improvement of WRAP. In 2010, the Company established the WRAP Technical Team of PPL Electric staff and at least one contractor in each region. 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 is in the process of revising its field standards manual with subsequent revisions "as needed" during 2017-2019. As in the past, the WRAP Technical Team will provide initial input followed by a review period for all contractors. The Company may also hire a home performance consultant(s) to help develop or review the more technical aspects of the manual.

As part of a WRAP Contractor Survey (March 2016), some contractors requested periodic updates on program changes and best practices. Starting in 2017, PPL will minimally provide quarterly e-mail updates on WRAP changes, etc. to include any changes in other weatherization programs that impact WRAP. The WRAP Team also plans to continue coordinating an annual contractor meeting, usually in the fall.

PPL Electric will continue to invite suggestions and ideas for WRAP process improvement from WRAP contractors and other stakeholders. For example, almost all contractors reported scheduling difficulties or lack of customer cooperation as the primary reason for work delays. As a result, PPL staff is identifying and implementing better ways to communicate with customers during the WRAP process.

### **5.6. Advisory Panel**

PPL Electric will establish a universal service stakeholder group that meets at least twice per year. The intent of the stakeholder group is to improve PPL's universal service programs, including LIURP, through sharing information and inviting feedback.

## **6. 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.

### **6.1. Ductless (Mini-Split) Heat Pumps:**

In accordance with contractor feedback, PPL Electric is proposing to implement a Ductless Heat Pump Pilot in 2017 for electric resistance heating and (possibly) space heating customers. The WRAP Technical Team will develop the site selection and installation criteria with guidance from a home performance expert. The Company will spend a maximum of \$250,000 or serve 25

customers (whichever comes first), excluding evaluation costs. The pilot evaluation will be done in conjunction with the 2017 Billing/Analyses and LIURP Report which is due to the PUC in April 2019. In the event that PPL cannot identify customers that meet the site selection criteria through normal LIURP channels, the Company will apply the installation of any unspent funds towards LIURP measures and services.

## **6.2. Additional Pilots**

In 2017 and beyond, 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 Team that includes the pilot description, objectives, rationale, and suggestions for evaluation. The WRAP Technical Team will need to review any pilot suggestions that involve field or technical applications prior to regulatory submission.

The WRAP Technical Team and contractor network will continue to evaluate suggestions for pilot or new measures (e.g. solar motion sensor lights).

## **7. Energy Devices (Home Area Networks)**

Beginning November 2016, PPL Electric is replacing its existing residential meters in accordance with Act 129 requirements. Deployment will continue until mid-2019. The new meters will enable the technology to facilitate customers' direct access to price and consumption information utilizing the industry standard Zigbee technology that will be included in the new meters. An additional device that is commercially available will be required to enable this capability.

During the years 2017-2019, PPL Electric WRAP staff will work with PPL's Advanced Metering Infrastructure (AMI) Project Team to explore the feasibility of a home area network (HAN) pilot program to include Low Income Customers. This will be addressed in greater detail as part of its 2020-2023 Three Year Plan.

## **8. Inter-Utility Coordination**

PPL will continue to encourage coordination with the PA WAP, gas utility and county weatherization programs in accordance with the budget and resources of the other programs. Current initiatives include:

- The WRAP Team accepts ongoing contractor and utility referrals through e-mail, phone calls and faxes. The Company will schedule WRAP work in conjunction with the other weatherization programs when feasible. Contractors enter coordination efforts within a twelve-year period into LEAP.
- Agencies that provide multiple programs encourage customers to apply for multiple programs and assist customer in the application process. Or, the agency mails the customer a WRAP Application during WAP intake.
- WRAP contractors refer WRAP participants to other weatherization programs and document in LEAP.
- The WRAP Team provides electric usage information to WAP agencies for evaluation and referral.
- PPL coordinates “as needed” calls with the gas utility. However, coordination is difficult due to discrepancy in funding and the amount of customers served.
- The WRAP Team sponsors and shares information at PUC utility events.

In 2017-2019, PPL Electric plans to strengthen utility-coordination through the following initiatives:

1. Initiate a quarterly contact (meetings, phone calls or e-mail) with DCED WAP staff and the gas utilities to improve coordination efforts and receive updates of changing guidelines and procedures. Communicate changes to WRAP contractors in quarterly updates.
2. Monitor contractor coordination efforts through LEAP.
3. Provide WAP contractors with WRAP Applications and referral postcards.
4. Screen customer lists provided by agencies for possible WRAP referral.
5. Participate in the WAP Advisory Council Meetings and related inter-utility projects (e.g. the possible development of an inter-utility coordination database).
6. Align WRAP with PA WAP standards where cost-effective and feasible. Continue to identify and implement training partnerships with the National Sustainable Structures Center.<sup>20</sup>

## **9. 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

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<sup>20</sup> PPL Electric partnered with the NSSC to develop standards for ductless heat pump inspection and related training in conjunction with the Act 129 Phase 2 De Facto Heat Pump Pilot (2016).



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 2017 LIURP Report will evaluate jobs completed in 2015. This allows the Company to collect 12 months of post-weatherization data.

PPL Electric currently uses a third-party evaluator to prepare a billing/usage analysis for inclusion in the annual LIURP Narrative Report. In 2014-2016, PPL Electric submitted LIURP data from its WRAP V system to Penn State for analysis.<sup>21</sup> PPL's third-party evaluator<sup>22</sup> is responsible for working with PPL Electric to reconcile any data discrepancies with Penn State.

PPL Electric received approval from the PUC to use the audit date as the "demarcation" date (the date that segregates pre-and-post WRAP usage) for billing analysis as part of its current plan. PPL proposes to use the installation date or the date of the last installed major measure, for the annual reports due 2017-2019 so that the Company can include any case without a LIURP audit date (e.g. audit done in conjunction with Act 129 WRAP) in the analysis. The Company will continue to secure an analysis of both the audit (initial visit) and installation date as part of its data collection.

PPL Electric is currently modifying LEAP to capture all data for PUC reports and to facilitate report preparation. PPL Electric plans on submitting data from LEAP, including weather-normalized pre-and-post WRAP consumption data, to Penn State for the annual reports due 2017-2019.

PPL Electric is required to submit a third-party evaluation on its universal service programs to the PUC every six years. Approximately 15 percent of the evaluation is dedicated to WRAP and funded through the LIURP budget. PPL's next Universal Service Program evaluation is due to the Commission in October 2020. The Company will begin the evaluator selection process in the fourth quarter of 2019.

## **10. WRAP Contractors**

The table below lists the organizations that serve PPL Electric's Universal Service WRAP Program (LIURP), their contact information and scope of work.

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<sup>21</sup> The Bureau of Consumer Services (BCS) uses Penn State to analyze the annual LIURP report.

<sup>22</sup> PPL Electric hired the Cadmus Groups to prepare the billing/usage analysis for the 2012, 2013, and 2014 LIURP Narrative Reports as submitted to BCS in April 2014, 2015, and 2016.

WRAP Contractor	Contact Information	Scope of Work
Berks Community Action Program (BCAP)	P.O. Box 22 Reading, PA 19603 610-376-6571 <a href="mailto:info@bcapberks.org">info@bcapberks.org</a>	Auditing General Contractor/Installation Energy Education
Community Action Committee of Lehigh Valley (CACLV)	1337 E. Fifth St. Bethlehem, PA 18015 610-691-5620 <a href="http://www.caclv.org">www.caclv.org</a>	General Contractor/Auditing and Installation Inspection Energy Education
Carbon County Action Committee (CCAC)	267 S. Second St. Lehigh, PA 18235 610-377-6400 <a href="http://Ccachs.com">Ccachs.com</a>	Auditing Installation Energy Education
Commission on Economic Opportunity	165 Amber Lane P.O. Box 1127 Wilkes-Barre, PA 18702 570-826-0510 <a href="http://www.ceopeoplehelpingpeople.org">www.ceopeoplehelpingpeople.org</a>	Auditing Installation Energy Education
CLEAResult Consulting, Inc.	525 Greenfield Rd., Suite 201 Lancaster, PA 17601 973-713-1393 (Kyle Haddock) <a href="mailto:CLEAResult_BD@clearresult.com">CLEAResult_BD@clearresult.com</a>	Auditing Installation Energy Education
Custom Weatherization, LLC	1855 Weaversville Rd. Allentown, PA 18109 610-861-5290 <a href="http://www.truenergysaver.com">www.truenergysaver.com</a>	Auditing Installation Energy Education
Energy Conservation Center, LLC	3946 Haycreek Rd. Birdsboro, PA 19508 610-913-6397 (Michael Williams)	Installation
Green Kite, Inc.	902 S. Center St. Gratz, PA 17030 <a href="mailto:danny@greenkite.co">danny@greenkite.co</a> (Dan Rodichok)	Auditing – Baseload Installation – Baseload Inspection Energy Education
JES Consulting/John Smith	1446 Bunting St. Pottsville, PA 17901 570-544-2613	Inspection Energy Education
K E Barnes Consulting	226 N. Hartley Rd. Hershey, PA 17033 <a href="mailto:kebarnesconsulting@yahoo.com">kebarnesconsulting@yahoo.com</a> (Kathy Barnes)	Auditing – Baseload Installation – Baseload Energy Education
Logical Energy	368 Old River Rd.	Inspection

WRAP Contractor	Contact Information	Scope of Work
<u>Diagnostics</u>	Thornhurst, PA 18424 570-795-5632	<u>Energy Education</u>
MT Weatherization	621 Laudermilch Rd. Hummelstown, PA 17036 717-925-5665 <a href="http://www.mtwx.biz">www.mtwx.biz</a>	Auditing Installation/HVAC Inspection Energy Education
Ohm Weatherization & Renewable Energy	3208 Easton Ave. Bethlehem, PA 18020 610-758-8271 (John Ohm)	Auditing Installation Energy Education
Progressive Conservation, LLC	1464 Silver Spring Rd. Drumore, PA 17518 717-341-2409 (John Adams)	Auditing Energy Education Installation - Baseload
Pure Energy Coach	10 N. Bausman Dr. Lancaster, PA 17603 717-293-8990 <a href="http://www.PureEnergyCoach.com">www.PureEnergyCoach.com</a>	Investigative Inspections Field Observations/Training
Rovegno's of Carlisle	401 E. Louthier St. Carlisle, PA 17013 717-249-6061 <a href="http://www.rovegnohofcarlisle.com">www.rovegnohofcarlisle.com</a>	Auditing Installation Energy Education
Schuylkill Community Action (SCA)	255 N. Centre St. Pottsville, PA 17901 570-622-1995 <a href="http://www.schuylkillcommunityaction.com">www.schuylkillcommunityaction.com</a>	Auditing Installation Energy Education
Seda-Council of Governments (Seda- COG)	201 Furnace Rd. Lewisburg, PA 17837 570-524-4491 <a href="http://www.seda-cog.org">www.seda-cog.org</a>	Auditing Installation Energy Education
Sellair, LLC.	4388 Commerce Dr. Whitehall, PA 18052 484-554-8181 <a href="http://www.sellairllc.com">www.sellairllc.com</a>	Auditing Installation Energy Education
Solair Energy	2174 Grover Rd. Canton, PA 17724 570-673-4004 <a href="http://www.solairenergy.com">www.solairenergy.com</a>	Auditing Installation Energy Education
STEP, Inc.	2138 Lincoln St. Williamsport, PA 17701	Auditing Installation

WRAP Contractor	Contact Information	Scope of Work
	570-601-9651 <a href="http://www.stepcorp.org">www.stepcorp.org</a>	Energy Education
The Village Green	420 W. Grant St. Lancaster, PA 17603 717-799-2432 <a href="http://www.tvghomes.com">www.tvghomes.com</a>	Auditing Installation Inspection Energy Education
<u>True Management LLC</u>	<u>431 Clearfield St.</u> <u>Freemansburg, PA 18017</u> <u>484-866-8011</u> <u>Truemanagementllc.com</u>	<u>Auditing</u> <u>Installation</u> <u>Energy Education</u>
The Redevelopment Authority of the County of Wayne (WCRA)	P.O. Box 185 Honesdale, PA 18431 570-253-4882 (Robbin Morgan)	Auditing Installation Energy Education

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

The table below depicts the key program changes between the current plan and the proposed plan (2017-2019).

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
1	Funding	\$9,500,000 <sup>23</sup>	\$10,000,000
2	Projected – Customers Served	1,900 Full Cost 800 Low Cost 400 Baseload	2,010 Full Cost 575 Low Cost 715 Baseload <sup>24</sup>
4	Compliance with OnTrack	Customers are required to participate in WRAP	Customers are strongly encouraged to participate in WRAP. <u>Implement the automatic referral process for high usage OnTrack customers into WRAP by June 2018</u>
5	Outbound/Intake (Primary Methods)	1. Outbound/inbound calls or letters from PPL Corporation. 2. Electronic referrals from OnTrack agencies to PPL's CSS System	1. Outbound/inbound calls and letters from a designated Customer Care Center. The Call Center will handle

<sup>23</sup> PPL Electric increased its WRAP budget from \$9,500,000 to \$10,000,000 in 2016 in accordance with a distribution rate case settlement

<sup>24</sup> PPL Electric projects to serve an additional 7,000 customers per year through its Act 129 direct install program.

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
		<ol style="list-style-type: none"> <li>3. PPL Electric responds to inquiries via its website<sup>25</sup></li> <li>4. Referrals from other weatherization programs</li> <li>5. Direct customer referrals through customer calls , advertising or outreach events</li> <li>6. Referrals to PPL Electric staff from agencies and community organizations</li> </ol>	<ol style="list-style-type: none"> <li>calls for potential LIURP and Act 129 customers.</li> <li>2. Customer completes an on-line application on PPL Electric's website</li> <li>3. Referrals from other weatherization programs, including Act 129 WRAP</li> <li>4. Direct customer referrals through customer calls, advertising and outreach events</li> <li>5. Referrals from OnTrack agencies and community organizations. (Intake method will vary.)</li> </ol>
6	Energy Education (EE)	<ol style="list-style-type: none"> <li>1. Initial EE session during WRAP audit</li> <li>2. Follow-up EE session during WRAP inspection or to electric heat customers by request</li> <li>3. Remedial EE post-WRAP upon customer request</li> <li>4. Remedial EE for "high usage" OnTrack customers not eligible for WRAP</li> </ol>	<ol style="list-style-type: none"> <li>1. Initial EE session during WRAP audit</li> <li>2. Follow-up EE session during WRAP inspection or to electric heat customers</li> <li>3. Remedial EE post-WRAP as a result of post-usage monitoring</li> <li>4. Feedback mechanism (TBD) for customers 12 months after receiving WRAP</li> </ol>
7	Health and Safety (H&S) Allowance	<ol style="list-style-type: none"> <li>1. \$650 allowance for electric heat customers without PPL approval</li> <li>2. \$250 allowance for comfort, health and</li> </ol>	<ol style="list-style-type: none"> <li>1. \$650 allowance for electric heat customers without PPL approval; PPL will address more</li> </ol>

<sup>25</sup> PPL Electric deployed an on-line WRAP Application in March 2015.

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
		safety measures for non-heating customers. <sup>26</sup>	extensive measures (e.g. mold) that inhibit the installation of full cost measures. 2. \$250 allowance for comfort, health and safety measures for non-heating customers.
8	Installed Measures		Added: 1. Light-omitting diode bulbs (LEDs), replaced Compact Fluorescent Light bulbs (CFLs) 2. Measures needed for Municipal Requirements Removed: 1. Window Tints
9	Pilots	Defined the process for reviewing pilot suggestions	1. Ductless Heat Pump Pilot 2. Other, as determined by PPL's pilot process
10	Energy Monitors	Evaluation support for the "WIPP" Pilot conducted by the Commission on Economic Opportunity and the Department of Energy for WRAP customers. Additional applications TBD.	PPL WRAP staff will work with the PPL's Metering Team to explore the feasibility of a Home Area Network for low-income customers in preparation for 2020-2023 Three Year Plan
11	Inter-utility Coordination	Provided explanation of the cross-referral process	Additional Initiatives: 1. Quarterly communications with contractors that will include changes in WRAP as well as other

<sup>26</sup> PPL Electric agreed to incorporate \$250 in comfort, health and safety measures in accordance with the PUC's Final Order for its 2014-2016 USP Plan

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
			utility programs. 2. Monitoring contractor coordination efforts through LEAP. 3. Provide WAP contractors with referral postcards. 4. Screen customer lists by agencies as provided by agencies for WRAP referrals
12	IT Enhancements	1. "Re-Write" and consolidation of WRAP Systems. The new system, deployed in 2015, -is the Low-Income Energy Assistance Programs (LEAP). 2. Deployment of on-line WRAP Application	Ongoing enhancements to LEAP based on "user" feedback or as needed to comply with regulatory or Company requirements
13	Reporting	Use the audit or initial visit as the demarcation date for the pre-and-post evaluation period	Use the installation date as the demarcation date for the pre-and-post period
14	Evaluation	None	Begin the selection process for the 2020 third-party USP Evaluation as required by the PUC.
<u>15</u>	<u>Procedural</u>	<u>Company periodically met with stakeholders to discuss Universal Service Program issues.</u>	<u>Company will meet twice a year with stakeholders to discuss Universal Service Program issues.</u>
<del>15</del> 16	<u>Usage Criteria</u>	<u>No minimum usage threshold</u>	<u>Implement a 6,000 annual kWh minimum threshold. The threshold does not apply to jobs coordinated with other programs, including multi-unit projects served by Act</u>

ID#	Category	Current Plan (2014-2016)	Proposed Plan (2017-2019)
			129 WRAP.

~~16 Advisory Board                      None                      Establish a Stakeholder  
Advisory Board that meets a minimum of twice per year.~~



**PPL Electric Utilities Corporation**  
**Operation HELP Assistance Program**

**1. Program Description & 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).

**2. 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.

### **3. 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.

### **4. 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.

## **5. 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. Some 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. The PPL management team also conducts meetings throughout the year with the CBOs to discuss progress and special situations.

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.

## **6. 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 Regulatory Program Specialists (RPSs) to discuss the individual cases with extenuating circumstances. The RPSs 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

## **7. 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.

PPL Electric used the 2013 U.S. Census data file as the foundation for estimating households below 150% of the Federal Poverty Level (FPL). The 2013 Census data set provides estimates at the county level. The Company averaged the percentages for the 29 counties within PPL Electric's service territory and applied that percentage to the average monthly residential customer count. The average monthly residential customer count used was 1,226,583<sup>27</sup>. This resulted in 325,879 estimated households below 150% of the FPL.

Collection data for 2015 (monthly averages) shows approximately 1,226,000 total residential households. Of that total, approximately 47,500 households (or 4 percent) had an overdue balance and were on a payment agreement. In addition, approximately 92,700 (or 8 percent) residential households had an overdue balance and were not on a payment.

Depending on factors such as overdue amount, payment arrangement 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 3,900 customers annually (2017 through 2019) with estimated funding of approximately \$1.4 million yearly.

## **8. Project Enrollment Levels**

PPL Electric based its projected enrollment levels for 2017 through 2019 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

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<sup>27</sup> The data source for the average monthly residential count is the 2015 Universal Service Reporting Requirements (USRR) submittal, number six.

expenses. The average Operation HELP grant is approximately \$346 per customer<sup>28</sup>. The projected enrollment levels are as follows:

Year	Enrollment Level
2017	3,900
2018	3,900
2019	3,900

### 9. 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 2017 through 2019. Solicitation activities will include, but are not limited to, the following:

Method	Timeframe	Audience
Bill Insert and Bill Message	Summer, Winter	All Customers
Enrollment Form	Summer, Winter	All Customers
Return Postcard	Summer, Winter	EFT Customers <sup>29</sup>
PPL Electric President Letter	Summer, Winter	Employees and Retirees
News Release	Summer, Winter	General Public
Response to Customer Inquiries	Summer, Winter	All Customers
Internal Electronic Newsletter	Summer, Winter	Employees

In addition, PPL Electric conducts other fundraising 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.

<sup>28</sup> Based on 2015 Universal Service Reporting Requirements (USRR) data.

<sup>29</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.

The projected budget amounts shown below for 2017 through 2019 will remain relatively flat.

Year	Funding Level (estimate)
2017	\$1,400,000
2018	\$1,400,000
2019	\$1,400,000

#### **10. Plans to Use Community-Based Organizations (CBOs)**

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. 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.

Organization	Phone	Counties Served
Carbon County Action Committee	610-377-6400	Carbon
Casa Guadalupe Center	610-435-9902	Bucks, Lehigh, Northampton

Organization	Phone	Counties Served
Christian Churches United	717-230-9550	Dauphin, York, Juniata, Cumberland
AGAPE	570-317-2210	Columbia, Montour
Commission on Economic Opportunity	570-826-0510	Luzerne
Community Action Program of Lancaster County	717-299-7301	Lancaster, Lebanon, Berks, Chester
Pocono Alliance	570-517-5367	Monroe
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
United Neighborhood Centers of Northeastern Pennsylvania	570-343-8835	Lackawanna
TREHAB, Inc.	570-253-8941	Pike, Susquehanna, Wayne, Wyoming
Union-Snyder Office of Human Resources	570-374-0181	Union, Snyder, Northumberland
Upper Dauphin County Human Services	717-262-3321	Dauphin

### 11. Organizational Structure of PPL Electric Staff

PPL Electric's Regulatory Programs and 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:

- Christopher Cardenas, Vice President – Customer Services
- Melinda Stumpf, Manager – Regulatory Programs and Business Services
- ~~Michael Wukitsch~~ Chris R. Schoemaker, Jr., Program Manager – Regulatory Programs and Business Services



Regulatory Programs Specialists:

- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Northeast and Central Regions
- Kristen Kelly – Northeast and Susquehanna Regions
- Jaclyn Baldwin – Lehigh Region
- ~~Angela Tracy – Susquehanna and Harrisburg Regions~~

Administrative Support:

- ~~Melissa Manning~~ Cheryl Mohr, Steno/Clerk
- ~~Joanna Walakovits, Steno/Clerk~~

**12. Differences between Approved Plan and Proposed Plan**

PPL Electric has consistently administered Operation HELP according to long-established guidelines and procedures. There are no major changes proposed in the current Plan (2017-2019) as compared to the prior Plan (2014-2016).

## **PPL Electric Utilities Corporation**

### **Customer Assistance & Referral Evaluation Service (CARES)**

#### **1. Program Description & 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, 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.

#### **2. 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 and later as Regulator Programs Specialist (RPS)

in 2015. The PPL Program Manager will develop program guidelines and communications, set funding levels, and resolve escalated customer issues. The RPS provides the day-to-day administration of the CARES program. In addition, the RPS 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

### **3. Program Design**

#### **3.1. 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 RPSs 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.

#### **3.3. Networking**

Another key responsibility of the PPL management team 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 PPL management team 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 management team also works closely with internal work groups like the Customer Contact Center, Revenue Assurance, Field Operations, and Corporate Communications.

#### **3.4. CARES Credits**

A unique feature of PPL Electric's CARES program is a provision for CARES Credits. The CARES recipient receives these credits to help pay electric bills. 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 typical annual CARES Credit budget is \$54,000, 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 RPSs often use the credits for customers confronted with high medical bills or the death of the primary wage earner. In 2015, 158 customers received assistance through CARES Credits. The average grant was approximately \$342 during this period.

#### **4. Eligibility Criteria**

Referrals to the CARES program originate 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.

## **5. 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. PPL Electric used the 2013 U.S. Census data file as the foundation for estimating households below 150% of the Federal Poverty Level (FPL). The 2013 Census data set provides estimates at the county level. The Company averaged the percentages for the 29 counties within PPL Electric's service territory and applied that percentage to the average monthly residential customer count. The average monthly residential customer count used was 1,226,583<sup>30</sup>. This resulted in 325,879 estimated households below 150% of the FPL.

Collection data for 2015 (monthly averages) shows approximately 1,226,000 total residential households. Of that total, approximately 47,500 households (or 4 percent) had an overdue balance and were on a payment agreement. In addition, approximately 92,700 (or 8%) residential households had an overdue balance and were not on a payment. Assuming the accumulation of past due money correlates to a temporary (or longer term) hardship of some type, these statistics provide some insight regarding the financial challenges facing some of PPL's customers.

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.

## **6. Projected Enrollment Levels**

PPL Electric bases the projected enrollment levels on its historical experience with CARES. In 2015, for example, there were 850 customer referrals to the program. Of this total, 158 customers had 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.

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<sup>30</sup> The data source for the average monthly residential count is the 2015 Universal Service Reporting Requirements (USRR) submittal, number six.

The projected enrollment levels will remain flat as shown in the table below for 2017 through 2019.

Year	CARES Referral Estimate
2017	850
2018	850
2019	850

### 7. Program Budget

The annual expenditure for CARES in 2017 is approximately \$101,000: \$47,000 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 \$47,000 annually. These expenses are included in the Company's base rates. As noted earlier, the RPSs use the remaining \$54,000 of CARES Credits to assist customers who need help and have run out of options.

The projected budget amounts shown below for 2017 through 2019 will remain relatively flat. The annual increases represented below are due to increases in staff wages and overhead costs.

Year	Total Funding Level <sup>31</sup>
2017	\$100,940
2018	\$103,968
2019	\$107,087

### 8. Plans to use Community-Based Organizations (CBOs)

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. The following list is a fair representation of agencies that the CPDs work with to address customer problems.

<sup>31</sup> The slight annual increase is due to 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

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

PPL Electric's Regulatory Programs and 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 Regulatory Programs Specialists (RPSs) oversee the day-to-day administration of CARES.

#### Program Management Staff:

- Christopher Cardenas, Vice President – Customer Services
- Melinda Stumpf, Manager – Regulatory Programs and Business Services



- ~~Michael Wukitsch~~ Chris R. Schoemaker, Jr., Program Manager – Regulatory Programs and Business Services

Regulatory Programs Specialists:

- Gladys Malone – Lancaster and Harrisburg Regions
- Florence McNelis – Northeast and Central Regions
- Kristen Kelly – Northeast and Susquehanna Regions
- Jaclyn Baldwin – Lehigh Region
- ~~Angela Tracy~~ Susquehanna and Harrisburg Regions

Administrative Support:

- ~~Melissa Manning~~ Cheryl Mohr, Steno/Clerk
- ~~Joanna Walakovits~~, Steno/Clerk

Universal Service Representative (USR):

- ~~June Schaffer~~ Kimberly Brummett

## 10. Differences between Approved Plan and Proposed Plan

PPL Electric has consistently administered CARES according to long-established guidelines and procedures. There are no major changes proposed in the current Plan (2017-2019) as compared to the prior Plan (2014-2016).


**CERTIFICATE OF SERVICE**  
**(Docket No. M-2016-2554787)**

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

**VIA EMAIL**

Patrick Cicero, Esquire Elizabeth R. Marx, Esquire Joline Price, Esquire Pennsylvania Utility Law Project 118 Locust Street Harrisburg, PA 17101 <i>Representing CAUSE-PA</i>	Christy Appleby Office of Consumer Advocate 555 Walnut Street 5 <sup>th</sup> Floor Forum Place Harrisburg, PA 18101
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Date: November 3, 2017

  
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Amy E. Hirakis



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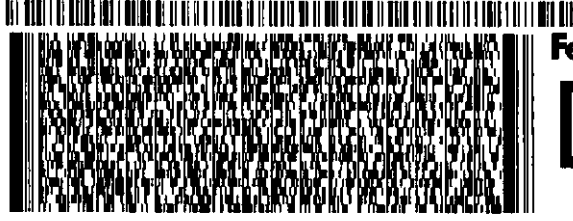
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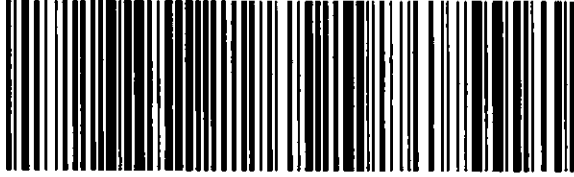
549,049,771,04C

TRK# 7706 6540 8284  
 0201

MON - 06 NOV 10:30A  
 PRIORITY OVERNIGHT

SH MDTA

17120  
 PA-US MDT



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

**Warning:** Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number. Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on [fedex.com](http://fedex.com). FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss, and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

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