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April 1, 2024

VIA ELECTRONIC FILING

Rosemary Chiavetta
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Pennsylvania Public Utility Commission
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Harrisburg, PA 17105-3265

**Re: UGI Utilities, Inc. - Gas Division and UGI Utilities, Inc. - Electric Division
Universal Service and Energy Conservation Plan for 2020-2025
Docket No. M-2019-3014966**

Dear Secretary Chiavetta:

Pursuant to 52 Pa. Code §§ 54.76 and 62.6 of the Pennsylvania Public Utility Commission's ("Commission") regulations and the Commission's October 3, 2019 Order entered at Docket No. M-2019-3012601, enclosed for filing on behalf of UGI Utilities, Inc. ("UGI" or the "Company") in the above-captioned proceeding is the Company's Impact Evaluation Report for its Universal Service and Energy Conservation Plan.

Copies of this filing are being provided as indicated below.

Respectfully submitted,



Devin Ryan

DTR/dmc
Enclosures

Rosemary Chiavetta
April 1, 2024
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cc: Certificate of Service
Joseph Magee (*via Email jmagee@pa.gov*)

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this filing has 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).

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Date: April 1, 2024



Devin T. Ryan



UGI Universal Service Programs Final Evaluation Report

April 1, 2024

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Executive Summary

UGI Utilities, Inc. (UGI) has Universal Service Programs to help its low-income customers meet their energy needs. APPRISE conducted an evaluation of UGI's Universal Service Programs to assess the performance and impact of these programs. This report describes the research that was conducted, the findings from that research, and recommendations for modifications to improve the programs.

Evaluation Questions

The Bureau of Consumer Services (BCS) of the Public Utility Commission (PUC) has developed standard evaluation questions to guide Universal Service Programs evaluations. Below we list the questions and discuss how they were addressed in this evaluation.

1. *Is the appropriate population being served?*

The evaluation assessed program participation by poverty level and found that the appropriate population is being served.

2. *What is the customer distribution for each program by poverty guidelines?*

The evaluation analyzed customers' Customer Assistance Program (CAP) participation and discounts by poverty level.

3. *What are the CAP retention rates? Why do customers leave CAP?*

The evaluation analyzed customer participation in CAP by month for the year following enrollment for new enrollees and for one full year for all CAP participants. Customers infrequently leave CAP because they feel that they are not receiving a reduced bill through the program. Customers who are participating for more than a year leave the program because they fail to recertify or are no longer eligible for the program.

4. *Is there an effective link between participation in CAP and participation in energy assistance programs (LIHEAP, hardship funds, and other grants)?*

UGI provides holistic delivery of program services to ensure that customers receive the benefits that they are eligible for and can benefit from. This includes assessment of high-usage CAP participants for LIURP services, and outreach to CAP participants about Low-Income Home Energy Assistance Program (LIHEAP) application.

5. *How effective are CAP control features at limiting program costs?*

UGI removed the maximum CAP shortfall limit in 2015, but maintains a minimum monthly payment for CAP participants. The minimum monthly payment is \$25 for gas and \$30 for electric. UGI refers high-usage CAP participants for LIURP services. CAP agencies provide energy education to CAP participants with high annual usage or whose weather normalized annual usage increases by 15 percent. These customers are also monitored for additional outreach and referrals.

6. *How effective is the CAP and LIURP link?*

We reviewed the design of CAP and LIURP through document review and UGI interviews, with an emphasis on the coordination and linkages between these programs. High usage CAP participants are referred to LIURP and LIURP participants are referred to CAP. The linkages are effective.

7. *Has collection on missed CAP payments been timely?*

Customers who miss a CAP payment are provided two payment notifications before UGI initiates its termination proceedings. After the second missed CAP payment, UGI moves forward with collections procedures and sends a termination notice stating the past due amount. The customer is required to pay that amount prior to the scheduled termination date to avoid shut-off.

8. *Does participation in Universal Service Programs decrease service terminations?*

We analyzed disconnection orders in the year before and after new CAP enrollment compared to low-income nonparticipants. Participation in CAP resulted in a reduction in disconnection orders.

9. *Does participation in Universal Service Programs lower collections costs?*

We analyzed collections actions in the year before and after new CAP enrollment compared to low-income nonparticipants. Participation in CAP resulted in a reduction in collections actions, which should result in a reduction in collections cost.

10. *Is the CAP program cost-effective?*

Bill payment assistance programs are not found to be cost-effective in the conventional sense in that a reduction in collections costs and other arrearage-related costs does not balance out the cost of the subsidy and program administration. Programs that are significant enough to reduce disconnections and collections actions cannot be paid back with these cost reductions. However, the significant expenditure on this program should be weighed against both the measurable cost reduction and the many other benefits that are difficult to quantify.

11. *How can Universal Service Programs be more cost-effective and efficient?*

Based on our review of program documents, interviews with program managers and staff, interviews with program participants and nonparticipants, and analysis of participant and nonparticipant data, we made several key recommendations to make the programs more cost-effective and efficient. These recommendations are included in the Findings and Recommendations section.

12. *Is the program sufficiently funded?*

While program expenditures in the past were below budgeted amounts, the recent change in the CAP energy burden target significantly increased CAP costs. Given this increase, the CAP expenditures were \$26.6 million in 2023 compared to a budget of \$19.6 million. The LIURP and other program budgets were sufficient.

Evaluation Research

To answer these questions, we conducted the following evaluation activities.

1. *Background Research:* We reviewed UGI's program documents to ensure that we had a good understanding of UGI's Universal Service Programs.
2. *Manager and Staff Interviews:* We conducted interviews with UGI managers and staff to fully document program design and implementation.
3. *CBO Agency Interviews:* We conducted interviews with staff at a sample of five CAP Administering Agencies.
4. *Customer Survey:* We conducted mixed mode web/telephone surveys with CAP participants and low-income nonparticipants to assess understanding, impact, and satisfaction with the program.
5. *Data Analysis:* We used program, billing and payment, and collections data to develop gross and net performance statistics for the CAP program.

UGI's Universal Service Programs

UGI has implemented a set of Universal Service Programs to comply with the PUC's regulations. The programs are designed for low-income, residential customers who may be having difficulty paying their energy bills.

UGI offers the following Universal Service Programs.

1. Customer Assistance Program (CAP)

CAP provides a more affordable bill for eligible low-income, payment-troubled residential customers.

2. Low-Income Usage Reduction Program (LIURP)

LIURP is UGI's weatherization program that reduces the energy consumption of low-income customers by installing energy conservation measures and providing energy conservation education.

3. Operation Share Energy Fund

Operation Share Energy Fund, UGI's hardship fund, provides assistance to residential customers who face a hardship in paying their energy bill due to an unforeseen situation. The fund provides customers and employees with an opportunity to assist neighbors who have fixed or low incomes, are unemployed, disabled, or faced with a catastrophic event.

4. Customer Assistance and Referral Evaluation Services (CARES)

CARES provides assistance and referrals to payment-troubled customers to help improve their bill payment problems. The program identifies special needs customers and refers them to programs or agencies that can provide needed services.

Total UGI Universal Service Program expenditures in 2023 were \$31.6 million.

Customer Feedback

APPRISE conducted a survey with participants in UGI's Customer Assistance Program and low-income nonparticipants to develop information on customer knowledge, understanding, and satisfaction with the CAP. The low-income nonparticipants were drawn from a sample of UGI's customers who received LIHEAP but did not participate in CAP.

Key findings from the survey are summarized below.

- **Household Vulnerabilities:** Both the CAP participants and the low-income nonparticipants had many vulnerable characteristics.
 - **Young Children:** 16 percent of participants and 16 percent of nonparticipants reported that they had one or more young children in the home.
 - **Older Adults:** 38 percent of participants and 54 percent of nonparticipants reported that there was one or more living in the household who were 60 years or older.
 - **Disabled Household Members:** 49 percent of participants and 29 percent of nonparticipants reported that there was a disabled household member.
 - **Education:** 61 percent of participants and 70 percent of nonparticipants reported that the highest level of education in the home was a high school diploma or lower.
 - **Employment Income:** 22 percent of participants and 23 percent of nonparticipants reported that someone in the household received wages or self-employment income.
 - **Unemployment:** 29 percent of participants and 21 percent of nonparticipants said that someone in the household was unemployed.
- **CAP Awareness:** Only 27 percent of the nonparticipants said that they were aware of CAP. Most respondents who were aware of CAP reported that they learned about the program through an agency, a personal contact, or a UGI representative.
- **CAP Participation:** Of the 13 nonparticipants who reported that they had heard of UGI's CAP, most reported that they did not need assistance. Others said that their income was too high, they did not want assistance, or they were not eligible.
- **CAP Enrollment:** Respondents were unlikely to report that it was difficult to enroll in CAP. Only three percent said it was somewhat difficult and one percent said it was very difficult to enroll, while 70 percent said it was not at all difficult.
- **CAP Benefits:** When asked what they felt were the benefits of CAP, participants were most likely to report lower energy or gas bills. However, other common responses were budget billing, the ability to maintain their energy service, and keeping warm.
- **CAP Impact:** Participants were asked about the financial difficulties that they faced prior to enrolling in CAP and while enrolled in CAP, and nonparticipants were asked about their current financial difficulties.
 - **UGI Bill Payment:** While 61 percent of CAP participants said it was very difficult to make their monthly UGI payment prior to enrolling in CAP, only five percent said it was very difficult after enrolling. Twenty-five percent of nonparticipants said it is very difficult to make their monthly UGI payments and 35 percent said it is somewhat difficult.

- Food Insecurity: While 63 percent said they had to delay or skip paying for food prior to enrolling in CAP, 19 percent said that they had to do so while enrolled in the program. However, 38 percent of nonparticipants said they currently had to do so.
 - Housing: While 42 percent said that they had to delay or skip their mortgage or rent payment prior to enrolling in CAP, 10 percent said they had to do so while enrolled in the program, and 21 percent of nonparticipants said that they had to delay or skip their mortgage or rent payment.
 - Medical: While 38 percent said that they had to delay or skip medical or dental services prior to enrolling in CAP, 18 percent said they had to do so while enrolled in the program, and 21 percent of nonparticipants said that they had to delay or skip medical or dental services.
 - Unsafe Heating: While 34 percent of CAP participants said that they used their stove for heating prior to enrolling in the program, 12 percent said that they did so while enrolled in CAP. This compares to 23 percent of nonparticipants who said that they used their kitchen stove for heat.
- Energy Assistance: 65 percent of participants and 79 percent of nonparticipants said that they received LIHEAP in the past 12 months. Those who said that they did not apply for LIHEAP stated that they did not know about the program, did not know how to apply, and did not know where to apply.
 - Participation: 73 percent of nonparticipants said they would be interested in enrolling in CAP if they were eligible.
 - CAP Importance: 82 percent of participants said that CAP was very important in helping them to meet their needs and 12 percent said it was somewhat important.
 - Additional Need for Assistance: When asked whether additional assistance was needed to pay the UGI bill, 23 percent of participants and 65 percent of nonparticipants said that they did need additional assistance.
 - CAP Satisfaction: 86 percent said they were very satisfied, and 11 percent said they were somewhat satisfied.

CAP Analysis

The CAP analysis estimated the impact of the program on new enrollees compared to a comparison group and analyzed CAP statistics for all 2021-2022 CAP participants. This section provides a summary of the findings from that research.

- CAP Retention: Between 78 and 87 percent of all CAP participants participated in CAP by month in 2021 to 2022. Of all CAP participants, 42 percent remained in CAP for the full year. Of the new CAP enrollees, 94 percent were still on CAP 12 months following enrollment.
- Arrearage Forgiveness: Half of all CAP participants and 81 percent of new enrollees received arrearage forgiveness. On average, the new enrollees had arrearage forgiveness credited to their accounts in 8.1 separate credits.

- **Energy Burden:** New energy burden targets were implemented in July 2022. They were done on a rolling basis when new customers enrolled or recertified but were not fully implemented by the time of the evaluation period, so the evaluation looks at both targets but focuses on the prior energy burden targets.

Mean energy burden declined from 14 percent in the year prior to enrollment to five percent in the year following enrollment for electric CAP participants and from 11 percent in the year prior to enrollment to six percent in the year following enrollment for gas CAP participants. This compares to an increase of five percentage points for the electric comparison group and an increase of two percentage points for the gas comparison group.

The percentage of participants above the previous energy burden target declined from 39 percent to six percent for electric CAP participants and from 29 percent to three percent for gas CAP participants. This compares to an increase of seven percentage points for the electric comparison group and six percentage points for the gas comparison group.

- **Energy Bills:** Bills for the electric CAP participants declined by an average of \$1,104 due to a mean CAP discount of \$1,589. Bills for gas CAP participants declined by an average of \$768 due to a mean CAP discount of \$820. The comparison group customers had an increase in the electric bill of \$600 and an increase in the gas bill of \$176.
- **Customer Payments:** About 50 percent of all CAP participants and 70 percent of CAP participants who remain on CAP for the full year pay their full CAP bill over the course of the year.

CAP participants improved their payment behavior in the year following enrollment. The percentage with no missed payments increased from 13 to 34 percent and the percentage with one to three missed payments increased from 15 to 28 percent. The nonparticipants missed fewer payments but did not experience the improvement that the new CAP enrollees experienced.

Electric CAP participants paid 72 percent of their bill on average in the year before enrolling in CAP and 90 percent on average in the year after enrolling. Gas CAP participants paid 70 percent of their bill in the year prior to enrollment and 89 percent in the year following enrollment.

- **Energy Assistance:** While 28 percent of all electric CAP participants received LIHEAP, 39 percent of all gas CAP participants received LIHEAP. The mean grant was about \$750.

The percent of new CAP enrollees who received LIHEAP increased from 37 to 47 percent following enrollment for electric CAP participants and from 35 percent to 42 percent for gas CAP participants.

- **Collections Actions:** The total number of collections actions declined by an average of 4.4 actions per participant in the year following enrollment compared to a small increase for the nonparticipants. The greatest decline was in the number of letters. While the CAP participants

received an average of 5.1 collection letters in the year prior to enrollment, they received an average of 1.7 letters in the year following enrollment.

Key Findings

UGI administers a comprehensive set of programs to assist low-income households in meeting their energy needs. In 2023 alone, total expenditures on the Universal Service Programs was \$30.1 million. Many improvements have been made since the previous evaluation, resulting in improved program performance and impacts.

- **Design:** Program features have been improved to increase participation and provide greater benefits.
 - The limit on annual CAP shortfall forgiveness has been removed, providing greater assistance to customers who need the financial support. The reduced energy burden targets further increase affordability for low-income CAP participants.
 - Quarterly CAP Bill Evaluation: Customers' CAP bills are evaluated each quarter to ensure they are receiving the most beneficial payment structure.
 - Income eligibility for LIURP was increased from 150 to 200 percent of the poverty level beginning January 1, 2023 for UGI Gas. UGI Electric LIURP eligibility was changed from 150 to 200 percent of the poverty level beginning January 1, 2024.
- **Administration:** UGI has made several refinements to improve the efficiency and effectiveness of the programs.
 - CAP Agency Assistance: UGI's USP outreach team has provided application review and enrollment processing for agencies when they have faced backlogs.
 - CAP Eligibility Documentation: Customers who received LIHEAP in the past 12 months only need to opt in for CAP participation and provide their income and number of household members (without verification). UGI's call center representative can process the enrollment with no further intervention from the program team. Every third year, LIHEAP recipients are required to provide proof of income.
 - CAP Application and Recertification: Customers may apply and recertify over the phone and send their documentation in by mail. CBOs may offer additional methods for submitting documentation. In-person appointments at the CBOs are available for customers who prefer to apply in person.
 - CAP CBO Performance: An audit checklist was developed to evaluate CBO performance.
 - LIURP Providers: UGI brought on six additional non-CBO LIURP contractors in 2021. UGI had not previously worked with these contractors and found that these new providers helped increase the number of customers served by the program.
 - LIURP Tracking: UGI has increased their LIURP production by having agencies provide monthly budget updates starting in May. This allows UGI to more closely track providers' unused budgets and determine if UGI needs to re-allocate budget among providers.
- **Information Technology:** CAP agencies and UGI staff reported significant improvements in the COS.

- Outreach: UGI has significantly increased their CAP marketing efforts, including the following activities.
 - More frequent emails with customer testimonials that resonate with customers.
 - Winter Assistance Relief Mobilization (“WARM”) in-person events, where UGI staff interact with customers to help them enroll in programs, are held a few times per month. UGI also encourages customers to recertify at these events.
 - The CAP application and FAQs are available online.
 - WARM fliers are provided to agencies, and Facebook messages and emails are sent prior to WARM events. UGI is also planning on increasing text messaging.
 - UGI is now also providing CBOs with lists of low-income customers for direct CAP solicitation. (Note that customers have the option to opt out of this communication.)
 - UGI is targeting LIHEAP recipients for CAP enrollment. If a customer is on LIHEAP, UGI asks them to opt-in to CAP. The customer just needs to respond that they would like to opt in and provide the number of household members and income. No income verification is required. If customers opt-in for CAP but do not report income, then the bill is based on their average monthly energy bill and adjusted when they do provide income.
- Participation: UGI has seen increases in CAP, LIURP, and Operation Share participation over the last few years. UGI has fully utilized its LIURP funding and seen record numbers of Operation Share participants.
- Impact: The participant survey and impact analysis showed that CAP has had large positive impacts on participants.
 - Financial Stability: CAP has had large impacts on participants’ ability to pay their bills and safely heat their homes.
 - Energy Affordability: Mean energy burden declined from 14 percent in the year prior to enrollment to five percent in the year following enrollment for electric CAP participants and from 11 percent in the year prior to enrollment to six percent in the year following enrollment for gas CAP participants.
 - UGI Bill Payment: CAP participants improved their payment behavior in the year following enrollment.
 - Satisfaction: Participants felt that the CAP enrollment process is not difficult. 82 percent of participants said that CAP was very important in helping them to meet their needs and 12 percent said it was somewhat important. 86 percent said they were very satisfied with CAP and 11 percent said they were somewhat satisfied.

Recommendations

This section provides recommendations for further refinement to UGI’s Universal Service Programs.

- CAP Participation Goals: UGI’s CAP participation in 2022 was just under 27,000 compared to a goal of 30,000 that increases to over 42,000 by 2025. UGI developed these goals for CAP participation when they were expecting DHS to provide household size and income for LIHEAP recipients to facilitate CAP auto-enrollment. DHS data sharing is now expected sometime in 2024.

Recommendation: Reassess participation goals after the DHS data sharing process is implemented.

- Administration: The following administrative improvements should be assessed.
 - CAP Application: One agency suggested that the CAP application could remove the section requesting household expenses information, since this is not factored into calculating the CAP monthly amount, and new customers are confused about how this factors into their CAP payment. Other agencies also noted customer confusion and calls about how the CAP payment is determined. One agency stated that clearer communication about how the program and benefits work would drastically reduce the volume of calls the agency receives from customers.

Recommendation: Consider removing household expense data from the CAP application.

Recommendation: Provide customers with an explanation of how the CAP payment amount is determined.

- CAP Recertification: One agency recommended that UGI reduce the number of re-certification reminders sent to customers because they receive many calls from customers who received reminders after they already sent in the re-certification form. Some customers send three or four re-certification forms to the agency because they get confused from the constant reminders, and the agency will contact the customer and confirm their original re-certification has been received and processed.

Recommendation: Consider spacing out and reducing the number of CAP recertification reminders.

- At Risk Customer Procedures: An agency reported that there is back-and-forth communication between the CBOs and the UGI call center when a customer asks for assistance with a shut-off notice. The call center directs customers to their CBO to assist with shut-offs, while the CBO directs customers to contact UGI.

Recommendation: Develop clear procedures for addressing customers at risk of service termination and train customer service representatives and agency staff on these procedures.

- LIHEAP Assistance: UGI reports, based on information obtained during LIHEAP Advisory Committee (LAC) meetings, that a high LIHEAP rejection rate due to incomplete paperwork is a significant issue. UGI participates in a LIHEAP Advisory Committee conducted by the Pennsylvania Department of Human Services (DHS), Pennsylvania Utility Law Project (PULP), and the Energy Association of Pennsylvania (EAP) that meets quarterly to address issues including the rejection rate.

Recommendation: UGI should continue to work with the LIHEAP Advisory Committee to assess how to reduce LIHEAP rejection rates.

- Agency Training: When asked about training received from UGI, the agencies discussed the program benefits provided to customers and the program administration that agencies furnish. They noted that there was a detailed manual that provided all needed information. They also reported satisfaction with the support that UGI provides to the agencies. However, none of the agencies discussed training related to high usage education or budget counseling. One agency also requested quarterly meetings with UGI to receive information about program changes because these changes are not always effectively communicated to the agencies.

Recommendation: UGI should include training on usage reduction and budget counseling in the agency training agenda.

Recommendation: UGI should consider holding quarterly meetings with the CAP agencies to discuss changes to program procedures and any issues that are impacting services.

- UGI Training: Agencies reported that additional UGI customer service representative training could be helpful because the representatives sometimes provide information to customers that does not align with the program policies and procedures.

Recommendation: Consider additional training for customer service representatives to ensure that they understand the Universal Service Programs.

- Customer Assistance: UGI has reduced the burden of CAP application and recertification by removing the requirement for the customer to visit the agency. The disadvantage of this change is a reduction in customer education and potential for additional referrals and services provided by the agency. One agency stated that customers who visit the agency in-person can benefit from the personal connection with agency representatives, as compared to those who email or mail in their forms.

Recommendation: UGI should assess how to provide tailored services to customers who need this support.

- Outreach: We assessed some opportunities to increase outreach to improve customer knowledge of CAP.
 - CAP Enrollment: An agency reported that they attempt to contact customers solicited for CAP by phone or email first, followed by a mailed letter. The agency does not get reimbursed for sending letters to non-enrollees, including applicants. This is because the COS does not allow the agency to access an account to note down mailing costs until they are enrolled. This has led to lost revenue for the agency, especially since mailing letters is sometimes the only way to contact customers.

Recommendation: UGI should assess how to compensate agencies for mailing letters to customers solicited for CAP participation.

- CAP Nonparticipants: The nonparticipant survey found that only 27 percent of the nonparticipants said that they were aware of CAP and 73 percent of nonparticipants said they would be interested in enrolling in CAP if they were eligible. The nonparticipants do show the need for increased assistance. When asked whether additional assistance was needed to pay the UGI bill, 65 percent of nonparticipants said that they did need additional assistance compared to 23 percent of CAP participants.

Recommendation: Assess how to increase outreach to increase awareness of CAP.

- Foreign Language Materials: One agency interviewee noted that there is a phone number on CAP letters that can provide Spanish translation, but some customers cannot understand this as it is written in English. Due to this, the agency has a lot of customers coming in-person with their shut-off notice requesting translation assistance.

The agency representative also stated that the high energy usage information packets are available in English, and the local community is largely Spanish-speaking.¹

Recommendation: Make as many materials as possible available in Spanish.

- Marketing Funding: UGI reported that the marketing budget for Universal Service Programs is not currently rate-recoverable and is therefore restricted, which limits the amount of marketing the Company can implement.

Recommendation: UGI should consider requesting rate recovery of marketing expenses in their 2026-2031 USECP.

- LIHEAP Outreach: When asked why they did not apply for LIHEAP, survey respondents stated that they did not know about the program, did not know how to apply, and did not know where to apply.

Recommendation: UGI should consider implementing calling campaigns to increase customer awareness about the availability and process to apply for LIHEAP.

- LIURP Design: LIURP has a health and safety allowance available, but it can be insufficient to address issues and result in deferrals.

Recommendation: UGI should assess whether the LIURP health and safety allowance should be increased for very high usage customers who could achieve high energy savings if those issues were remediated.

¹ The high energy usage packets have a page with the statement "UGI is committed to helping customers who make a sincere effort to pay their bills. Our representatives can assist you by providing information on a variety of assistance programs, making referrals to local agencies, offering participation in fuel funds, or establishing payment arrangements. Call (800) UGI WARM or 800 844-9276 to learn more." translated into 10 languages (on back of letter that is inside the conservation packets).

- Information Technology: There are several areas where UGI's current information technology system appears to result in program inefficiencies.

Recommendation: UGI should work to implement a new information technology system to address several issues that do not appear to be achievable in the current system.

- CAP Online Application: UGI should work towards implementing an online application system, so customers do not have to print out and submit their applications. This could also reduce agencies' workloads and improve efficiency.
 - CAP Customer Information: UGI should provide agencies with access to additional information to reduce needed contacts to UGI when agencies process CAP applications and manage CAP participants.
 - System Reporting: The COS should include a reporting function so that agencies can sort past-due letters and more efficiently complete these tasks.
 - System Speed: UGI should implement a system that works significantly faster.
 - CAP Nonparticipant Information: UGI should provide agencies with access to more customer information for CAP nonparticipants so they can provide information to customers about potential beneficial services.
 - Gas and Electric Accounts: The system should allow for a single CAP bill for joint electric and gas customers.
- LIURP Impacts: In the most recent evaluated year, LIURP saved 11 percent of pre-treatment gas usage and six percent of pre-treatment electric usage. Other recent years have seen significantly higher savings.

Recommendation: UGI should assess savings achieved by the private LIURP contractors when the 2022 program year savings results are finalized.

I. Introduction

UGI has Universal Service Programs to help its low-income customers meet their energy needs. APPRISE conducted an evaluation of UGI's Universal Service Programs to assess the performance and impact of these programs. This report describes the research that was conducted, the findings from that research, and recommendations for modifications to improve the programs.

A. Background

UGI has implemented a set of Universal Service Programs to meet requirements set by Pennsylvania's electric and gas restructuring legislation and various Public Utility Commission (PUC) orders and regulations. The Universal Service goals are as follows.

- To protect consumers' health and safety by helping low-income customers maintain affordable utility service.
- To provide affordable utility service by making available payment assistance to low-income customers.
- To help low-income customers conserve energy and reduce residential utility bills.
- To ensure utilities operate universal service and energy conservation programs in a cost-effective and efficient manner.

The Universal Service Programs include the following.

- A CAP payment assistance program that is designed to make energy bills more affordable by furnishing payment subsidies.
- A LIURP program that is designed to make energy bills more affordable by helping to reduce usage.
- A CARES program that is designed to assist households in developing appropriate strategies for maintaining energy service.
- An Operation Share hardship fund program that is designed to furnish emergency payments to households that cannot pay their energy bills.

B. Evaluation Objectives

The Bureau of Consumer Services (BCS) of the PUC has developed standard evaluation questions to guide Universal Service Programs evaluations. Below we list the questions and discuss how they were addressed in this evaluation.

1. *Is the appropriate population being served?*

The evaluation assessed program participation by poverty group and found that the appropriate population is being served.

2. *What is the customer distribution for each program by poverty guidelines?*

The evaluation analyzed customer CAP participation and discounts by poverty level.

3. *What are the CAP retention rates? Why do customers leave CAP?*

The evaluation analyzed customer participation in CAP by month for the year following enrollment for new enrollees and for one full year for all CAP participants. Customers infrequently leave CAP because they feel that they are not receiving a reduced bill through the program. Customers who are participating for more than a year leave the program because they fail to recertify or are no longer eligible for the program.
4. *Is there an effective link between participation in CAP and participation in energy assistance programs (LIHEAP, hardship funds, and other grants)?*

UGI provides holistic delivery of program services to ensure that customers receive the benefits that they are eligible for and can benefit from. This includes assessment of high-usage CAP participants for LIURP services, and outreach to CAP participants about Low-Income Home Energy Assistance Program (LIHEAP) application.
5. *How effective are CAP control features at limiting program costs?*

UGI removed the maximum CAP shortfall limit in 2015, but maintains a minimum monthly payment for CAP participants. UGI refers high-usage CAP participants for LIURP services. CAP agencies provide energy education to CAP participants with high annual usage or whose weather normalized annual usage increases by 15 percent. These customers are also monitored for additional outreach and referrals.
6. *How effective is the CAP and LIURP link?*

We reviewed the design of CAP and LIURP through document review and UGI interviews, with an emphasis on the coordination and linkages between these programs. High usage CAP participants are referred to LIURP and LIURP participants are referred to CAP. The linkages are effective.
7. *Has collection on missed CAP payments been timely?*

Customers who miss a CAP payment are provided two payment notifications before UGI initiates its termination proceedings. After the second missed CAP payment, UGI moves forward with collections procedures and sends a termination notice stating the past due amount. The customer is required to pay that amount prior to the scheduled termination date to avoid shut-off.
8. *Does participation in Universal Service Programs decrease service terminations?*

We analyzed disconnection orders in the year before and after new CAP enrollment compared to low-income nonparticipants. Participation in CAP resulted in a reduction in disconnection orders.
9. *Does participation in Universal Service Programs lower collections costs?*

We analyzed collections actions in the year before and after new CAP enrollment compared to low-income nonparticipants. Participation in CAP resulted in a reduction in collections actions, which should result in a reduction in collections cost.

10. Is the CAP program cost-effective?

Bill payment assistance programs are not found to be cost-effective in the conventional sense in that a reduction in collections costs and other arrearage-related costs does not balance out the cost of the subsidy and program administration. Programs that are significant enough to reduce disconnections and collections actions cannot be paid back with these cost reductions. However, the significant expenditure on this program should be weighed against both the measurable cost reduction and the many other benefits that are difficult to quantify.

11. How can Universal Service Programs be more cost-effective and efficient?

Based on our review of program documents, interviews with program managers and staff, interviews with program participants and nonparticipants, and analysis of participant and nonparticipant data, we made several key recommendations to make the programs more cost-effective and efficient. These recommendations are included in the Findings and Recommendations section.

12. Is the program sufficiently funded?

While program expenditures in the past were below budgeted amounts, the recent change in the CAP energy burden target significantly increased CAP costs. Given this increase, the CAP expenditures were \$26.6 million in 2023 compared to a budget of \$19.6 million. The LIURP and other program budgets were sufficient.

To answer these questions, we conducted the following evaluation activities.

1. *Background Research:* We reviewed UGI's program documents to ensure that we had a good understanding of UGI's Universal Service Programs.
2. *Manager and Staff Interviews:* We conducted interviews with UGI managers and staff to fully document program design and implementation.
3. *CBO Agency Interviews:* We conducted interviews with staff at a sample of five CAP Administering Agencies.
4. *Customer Survey:* We conducted mixed mode web/telephone surveys with CAP participants and low-income nonparticipants to assess understanding, impact, and satisfaction with the program.
5. *Data Analysis:* We used program, billing and payment, and collections data to develop gross and net performance statistics for the CAP program.

C. Organization of the Report

Four sections follow this introduction.

- Section II – UGI’s Universal Service Programs: This section provides a detailed review of the design and implementation of UGI’s Universal Service Programs.
- Section III – Customer Feedback: This section provides a summary of the CAP participant and nonparticipant survey.
- Section IV – CAP Analysis: This section provides data and statistics from our analysis of CAP participant and comparison group data. We provide analysis of CAP customer characteristics, CAP retention rates, and arrearage forgiveness. We analyze the impact of the CAP on affordability, bill coverage, energy assistance, and collections actions.
- Section V – Summary of Findings and Recommendations: This section provides a summary of the key findings and provides recommendations for UGI’s Universal Service programs based on the analyses in this report.

APPRISE prepared this report under contract to UGI. UGI facilitated this research by furnishing program data to APPRISE. Any errors or omissions in this report are the responsibility of APPRISE. Further, the statements, findings, conclusions, and recommendations are solely those of analysts from APPRISE and do not necessarily reflect the views of UGI.

II. UGI's Universal Service Programs

UGI has implemented a set of Universal Service Programs to comply with the PUC's regulations. The programs are designed for low-income, residential customers who may be having difficulty paying their energy bills.

A. Program Overview

UGI's Universal Service Program includes four components, the Customer Assistance Program (CAP), the Operation Share Energy Fund, the Customer Assistance and Referral Evaluation Services (CARES) program, and the Low-Income Usage Reduction Program (LIURP). UGI also encourages low-income payment-troubled customers to apply for the Low-Income Home Energy Assistance Program (LIHEAP) and Pennsylvania's Weatherization Assistance Program (WAP).

UGI provides information on these programs to its residential customers and assists them to receive help from community-based organizations (CBOs). Outreach on the program is provided through regular bill inserts and through UGI employees. UGI staffs a toll-free number that customers can call to obtain program information and maintains a page on its website with information on the Universal Service Programs.

UGI has the following staff members who are responsible for these programs.

- Senior Manager, Customer Programs: UGI has one full-time staff member who is responsible for strategy, supervision, and regulatory reporting.
- Senior Manager, Contact Center: UGI has one full-time staff member who is responsible for compliance and call centers.
- Manager, Universal Services: UGI has one full-time staff member who is responsible for the day-to-day supervision of the group and all reporting requirements.
- Universal Services Program Administrator: UGI has one full-time staff member who is primarily responsible for training UGI staff and CBO caseworkers.
- Senior Customer Outreach Representative: UGI has two full-time staff members who are responsible for leadership support of the Outreach team and the CBOs.
- Customer Outreach Representatives: UGI has six full-time staff members who are responsible for day-to-day operations of LIURP, CAP, Operation Share, CARES, and LIHEAP. They maintain daily contact with the CBOs that administer the programs.
- LIHEAP Outreach Representative: UGI has three full-time staff members who are responsible for the day-to-day operations of LIHEAP. They maintain daily contact with the County Assistance Offices (CAOs) responsible for the administration of LIHEAP.

UGI has a Customer Outreach System (COS) that allows agency representatives to access customer information needed for program enrollment and enter CAP, Operation Share, and LIURP application data right into the system.

UGI offers the following Universal Service Programs.

1. Customer Assistance Program (CAP)

CAP provides a more affordable bill for eligible low-income, payment-troubled residential customers.

2. Low-Income Usage Reduction Program (LIURP)

LIURP is UGI's weatherization program that reduces the energy consumption of low-income customers by installing energy conservation measures and providing energy conservation education.

3. Operation Share Energy Fund

Operation Share Energy Fund, UGI's hardship fund, provides assistance to residential customers who face a hardship in paying their energy bill due to an unforeseen situation. The fund provides customers and employees with an opportunity to assist neighbors who have fixed or low incomes, are unemployed, disabled, or faced with a catastrophic event.

4. Customer Assistance and Referral Evaluation Services (CARES)

CARES provides assistance and referrals to payment-troubled customers to help improve their bill payment problems. The program identifies special needs customers and refers them to programs or agencies that can provide needed services.

Table II-1 displays the annual expenditures for UGI's Universal Service Programs. Total UGI Universal Service Program expenditures in 2023 were \$31.6 million.

**Table II-1
UGI Universal Service Expenditures¹**

Year	CAP ²		LIURP		CARES ³		Operation Share ⁴	
	Electric	Gas	Electric	Gas	Electric	Gas	Electric	Gas
2020	\$2,458,898	\$14,645,493	\$86,821	\$1,788,743	\$6,110	\$134,300	\$2,670	\$20,895
2021	\$2,829,632	\$10,344,386	\$168,097	\$2,623,961	\$1,257	\$57,076	\$6,165	\$65,895
2022	\$4,408,967	\$13,741,474	\$258,230	\$4,025,304	\$1,750	\$52,298	\$4,560	\$48,475
2023	\$6,513,463	\$20,075,560	\$268,720	\$3,963,992	\$1,968	\$73,156 ⁵	\$6,810	\$78,795

Year	Total		Total Electric + Gas
	Electric	Gas	
2020	\$2,554,499	\$16,589,431	\$19,143,930
2021	\$3,005,151	\$13,091,318	\$16,096,469
2022	\$4,673,507	\$17,867,551	\$22,541,058
2023	\$6,790,961	\$24,849,912	\$31,640,873

¹ Represents recoverable expenses for CAP, LIURP, and Operation Share (excludes operational expense items like postage for mailing program information, CAP Video creation, etc.)

² CAP includes administrative payments to agencies, PPA and Bill Credits.

³ Payroll expenses were included as part of CARES until 12/31/2020; subsequent years exclude payroll, as temps were hired as FTEs.

⁴ Admin (agency payments).

⁵ Increased from 2022 due to increased marketing outreach and higher postage costs.

B. Customer Assistance Program (CAP)

CAP provides a more affordable gas and/or electric bill for eligible low-income, payment-troubled residential customers. These customers are billed an equal CAP payment amount each month based on their gross income or average bill. There is no limit on CAP enrollment and no maximum CAP credit per customer.

Goals and Resources

Table II-2 displays the CAP budget for 2020 through 2025. The table shows an annual CAP budget that increased from \$19 million in 2020 to \$24.5 million in 2025.

**Table II-2
CAP Budget**

	2020	2021	2022	2023	2024	2025
UGI Gas	\$15,019,020	\$10,004,469	\$13,361,408	\$14,949,200	\$16,738,000	\$18,760,214
UGI Electric	\$3,954,056	\$2,141,773	\$4,123,879	\$4,612,896	\$5,165,083	\$5,789,179
Total	\$18,973,076	\$12,146,242	\$17,485,287	\$19,562,096	\$21,903,083	\$24,549,393

Table II-3 displays the projected CAP participation levels. While the goal for participation in 2025 is over 42,000, this may not be possible given 2022 participation of just under 27,000.

**Table II-3
CAP Participation Goals**

	2020	2021	2022	2023	2024	2025
UGI Gas	27,813	23,237	26,781	29,963	33,549	37,602
UGI Electric	3,702	3,179	3,664	4,099	4,589	5,144

	2020	2021	2022	2023	2024	2025
Total	31,515	26,416	30,445	34,062	38,138	42,746

Table II-4 displays CAP expenditures for 2020 through 2023. The table shows that expenditures increased significantly in 2023 due to an increase in CAP credits that resulted from the new energy burden targets. Total CAP expenditures for gas and electric were nearly \$26.6 million in 2023.

Table II-4
CAP Expenditures

Company	Program Component	2020	2021	2022	2023
UGI Gas	Administration	\$544,049	\$644,932	\$651,626	\$840,175
	CAP Credits	\$6,574,764	\$6,712,201	\$10,590,732	\$16,143,784
	Arrearage Forgiveness	\$2,630,681	\$2,987,253	\$2,499,117	\$3,091,601
	Total	\$9,749,494	\$10,334,385	\$13,741,475	\$20,075,560
UGI Electric	Administration	\$65,427	\$99,197	\$104,191	\$144,931
	CAP Credits	\$1,940,153	\$2,160,463	\$3,769,119	\$5,565,408
	Arrearage Forgiveness	\$453,317	\$569,972	\$535,657	\$803,123
	Total	\$2,458,898	\$2,829,632	\$4,408,967	\$6,513,463
Total		\$12,208,392	\$13,174,017	\$18,150,442	\$26,589,023

Administration

CAP is administered by 19 contracted CBOs that report to UGI's Manager, Universal Services. The CBOs have the following responsibilities for customer enrollment in CAP.

- Verify that the CAP application is complete.
- Ensure that the Customer Agreement and Consent Form are signed by the applicant.
- Verify eligibility, proof of identification, proof of income, and family size.
- Assist applicants to complete LIHEAP and other grant applications.
- Explain the program benefits and responsibilities to the customer.
- Discuss the payment amount, based on UGI guidelines.
- Inform applicants in writing of missing information and the steps the applicant can take to provide the information.
- Confirm the customer's acceptance into the program.
- Inform applicants in writing if the CAP application is denied and the steps the applicant can take to contest denial.

The CBOs have the following additional responsibilities.

- Refer participants to other assistance that is needed.
- Monitor accounts on a monthly basis, and make calls to customers with past due balances and those due for recertification.
- Provide energy education to customers with above average usage.

Administering agencies are also responsible for customer education in the following areas.

- Usage reduction.
- Low cost/no cost energy conservation tips.
- Budget counseling.
- Other applicant needs.

As part of the evaluation interviews with a sample of five of the CAP Administering Agencies, the representatives were asked about the types of education provided to clients. When asked about education with respect to energy usage, most of the responses related to the UGI high-usage questionnaire and information packet.

One agency representative stated that the information packets about high energy usage are available in English and their local community is largely Spanish-speaking. Another stated that they offer workshops, but participation is very low.

Agencies were also asked about the budget counseling that is provided. One said that they include it as part of their financial literacy workshops and offer to review expenses when customers call because they are concerned about their CAP payment. Another said that they have programs that are not CAP-specific that provide annual budgeting classes, and most CAP participants do not participate in these classes. Three said they did not provide budget counseling to CAP participants.

When asked about training received from UGI, the agencies discussed the program benefits provided to customers and the program administration that agencies furnish. They noted that there was a detailed manual that provided all needed information. They also reported satisfaction with the support that UGI provides to the agencies. However, none of the agencies discussed training related to high usage education or budget counseling.

All of the interviewed agencies reported that they make referrals for other assistance.

- Rental assistance (5 agencies)
- Food pantries (5 agencies)
- Utility assistance / PPL assistance (3 agencies)
- Weatherization (1 agency)
- Domestic violence services (1 agency)
- Women, Infants, & Children (1 agency)
- Clothing assistance (1 agency)
- Employment assistance (1 agency)
- Religious Services (1 agency)
- Child-specific programs (1 agency)

One agency reported that 70 to 80 percent of daily calls result in a referral. Another estimated that 20 percent of calls include a referral. One agency said that if there is an issue that falls outside of the agency's expertise, the customer will be redirected to a relevant

caseworker. Another said they refer clients to partner organizations in some cases where the agency does not have internal resources. Two agencies said that the most common referrals are for rental and utility assistance. Three said the most common are for rental and food assistance.

However, because enrollment is now predominately done by mail, there are not always opportunities for customers to receive personalized assistance from the CBOs.

Oversight of CAP Administering Agencies

UGI provides metrics to the CBOs on the administration of CAP, makes visits to the agencies, and conducts annual training updates for CAP caseworkers. UGI audits CBO performance through review of enrollments, re-certifications, and completed tasks. Paperwork and documentation are reviewed during these audits. UGI's Customer Outreach System maintains statistics on the number of CAP participants, percentage past due, and those requiring re-certification. When UGI is concerned about an agency's performance, it conducts weekly check-ins with the caseworkers through phone and email and offer to provide assistance to the agency.

The most common challenges faced by the agencies are as follows.

- The back-and-forth communication between the CBOs and the UGI call center when a customer asks for assistance with a shut-off notice. The call center directs customers to their CBO to assist with shut-offs, while the CBO directs customers to contact UGI.
- CAP agencies that administer both the gas and electric CAP report issues with joint-billed customers that apply for CAP, as they cannot be joint-billed for the program and need separate account numbers.
- Agencies also report difficulties with the system being slow or showing errors.

Overall, UGI reports that it has a good working relationship with the CAP Administering Agencies. One of the agencies has experienced some issues with backlog, and UGI has worked to help them with their caseload.

CAP Outreach

UGI staff refer customers to CBOs and conduct community meetings to educate customers about CAP. UGI distributes brochures that provide information on energy assistance programs. UGI is now also providing CBOs with lists of low-income customers for direct CAP solicitation. (Note that customers have the option to opt out of this communication.)

UGI has two types of messaging, one for customers with higher arrearages stressing forgiveness benefits, and another for no-to-low arrearage customers. UGI also has customer testimonials from different types of CAP customers to resonate with potential participants.

The highest percentage of customers come into CAP through interactions with the UGI call center. A customer will call UGI for assistance with their bill and if the representative assesses that they are eligible for CAP, the customer will receive a solicit letter and CAP application urging them to apply through their CBO.

UGI is required to conduct CAP outreach campaigns twice a year, where they solicit customers who received LIHEAP in the past 12 months or who self-reported income below 150 percent of FPL (any time a customer calls in to set up a payment arrangement because they are past due on their bill, they are asked to self-report their income and number of household occupants.)

Customers who received LIHEAP in the past 12 months only need to opt in and provide their income and number of household occupants (without verification). If a customer has received LIHEAP in the past 12 months, the call center representative can process their enrollment with no further intervention from the program team, as they also have access to the COS. Customers who self-reported low-income must provide income verification to their CBO.

The CAP agencies can also refer customers to the program. They have CAP applications for customers who come to the agency for services and may be eligible for CAP.

Customer Outreach System

UGI has a Customer Outreach System (COS) that allows agency representatives to access customer information needed for CAP enrollment and enter application data right into the system. The system allows CAP Agency representatives to do the following tasks at the time of CAP application.

- Determine if the customer is eligible for CAP.
- Calculate the customer's anticipated CAP monthly payment.
- Enter the customer's CAP application data directly into the system.

The system allows CAP Agency representatives to do the following tasks for current CAP participants.

- View the customer's total usage and past due amount.
- Monitor the account and receive prompts to contact customers when they miss CAP payments.
- Monitor CAP accounts and receive prompts when they fail to re-certify.
- Determine if the customer has received a LIHEAP grant.
- Determine if the customer has been weatherized.
- Keep agency-specific statistics on the number of active CAP customers.

Four of the five agency CAP representatives who were interviewed reported that the COS works well, and one said she has seen great improvements in the system over time. One agency said that there are some inefficiencies that could be fixed.

Agency challenges (from four agencies) with the COS were as follows.

- The COS does not provide enough information when applications cannot be processed. For example, if the agency receives an error message saying an applicant is on an alternate supplier (and their application cannot be processed), the COS will not provide information on the specific supplier. The agency must contact UGI to find which alternate supplier the applicant is on, instead of getting that information from the COS directly.
- The COS is not able to sort past-due letters by customer name, which can make it difficult to effectively view and manage documents related to specific customers, and to clearly see where there are duplicate entries (2 agencies).
- Agency representatives are not granted full and complete access to the Customer Information and Billing system (SAP) and must contact UGI to request the desired information. For example, there are times when the agency cannot view an account's declared income or their past due balance. Due to this limited access, the application and re-certification process take much longer since there is back and forth between UGI and the agency.
- The agency has different sign-in procedures for each of the UGI divisions they work with. For example, if a customer has both an electric and gas account, the staff members must sign into the system two separate times when handling their case.
- Some of these division-specific COS pages have different formatting elements. For example, one of these pages requires dashes in the social security number section, while another does not—this can be confusing for the staff members.
- The COS is consistently slow.

Two of the agency staff interviewed recommended that it would be useful to have greater access to customer account information for customers who were not enrolled in CAP. This would allow agency staff to provide more information to customers about potentially beneficial services. Another agency staff member stated that it would be useful to have a reporting function in the COS so that they did not have to gather information by hand.

Application and Eligibility

Customers can apply for CAP over the telephone and send supporting documentation by mail, fax, email, or text message (varies by CBO). Customers can also apply in-person if preferred.

Once provided with the CAP application, it is up to the customer to complete the application and send it to the CBO with identification and income proof. After the CBO receives this information, they contact the applicant with an approval or denial with a reason. The CBOs also receive a list of solicited customers as a task list. The CBOs must contact the person on the task list once, and then the task is marked as complete.

Customers must provide the following information when applying for CAP.

- For all household members
 - Name
 - Social Security Number
 - Birth date
 - Gender
 - Income
- Average monthly household expenses

Customers must meet the following eligibility requirements to enroll in CAP.

- Referral by UGI or a CBO.
- Household income verified at 150 percent of poverty or less.
- Residential heating or non-heating customer with active energy service from UGI.
- If the customer is a previous CAP participant, the reason for the prior default must be cured or the customer must have been out of the program for at least 12 months if a voluntary removal.

Customers do not have to demonstrate that they are payment-troubled to enroll in CAP.

Customer's must provide proof of income to enroll in CAP. However, if the customer received LIHEAP and had income determined to be under 150 percent of poverty level by DHS, UGI will accept self-certification of the income level to calculate the customer's monthly payment, and no income documentation is required. Every third year, LIHEAP recipients are required to provide proof of income.

Customers who report zero household income are required to complete a "Zero Income Form" that includes an explanation of how the household's expenses were met for food and shelter. UGI requires customers who report zero income to update their income six months following the report of zero income.

UGI customers between 151 and 200 percent of the Federal Poverty Income Guidelines (FPIG) are referred to other low-income programs, such as LIURP, Operation Share, and CARES. UGI will determine if the customer is eligible for those programs without the customer needing to apply.

Following enrollment, UGI sends the customer a CAP Welcome Letter. The letter provides the following information.

- Confirmation of CAP approval.
- CBO contact information.
- Explains that the customer can unenroll from CAP at any time.

UGI reported that the CBOs do a good job with CAP enrollment. UGI's main issue was that one or two of the agencies had backlogs of one to two months as they were in highly populated areas where more assistance was needed. UGI has asked the agencies to keep UGI updated when they get behind on applications, so UGI can make sure that customers

who applied for a program are not in danger of being terminated. UGI's USP outreach team has done applications and enrollment for these agencies when they had backlogs.

When asked about recommendations for the CAP application process, three of the five agency representatives had some suggestions.

- One agency recommending removing the section requesting household expense information, since this is not factored into calculating the CAP monthly amount, and new customers tend to get confused about this. They recommended the addition of a note clearly stating that the CAP payment amount is based on either gross income or usage, along with the CAP gross income thresholds.
- One agency stated that customers cannot apply for CAP online; all application materials are on paper. While this is helpful for senior customers, many other CAP applicants have indicated they would prefer a paperless process. For example, if there was a digital portal where customers could complete the application and submit required documentation all at once, it would greatly reduce the agency's workload. The volume of CAP applications continues to increase, and having a streamlined portal would drastically improve the process.
- One agency stated that the CAP application has a vague question about customer accounts, offering choices: "gas," "electric," and "both." Many customers misunderstand, thinking it is asking about their existing accounts, which is incorrect. In actuality, the question is meant to see which accounts the customer wants to use to apply for CAP. Customers in areas served by both UGI Gas and UGI Electric will often choose both options on the application, though the agency will only see a single account number for some respondents. To improve clarity, the question should clearly state which accounts the respondents want to include in their CAP application.

CAP Requirements

Customers must agree in writing and meet the following requirements to remain eligible for CAP participation.

- Make the monthly CAP payments.
- Conserve energy and participate in LIURP and other weatherization services offered if eligible.
- Provide access to the meter if required.
- Participate in good faith and comply with all educational, assistance, social, or governmental programs recommended by UGI or the CBO.
- Immediately report changes in family size or income to the CBO.
- Comply with recertification requirements.
- Apply for any assistance grants for which they may be eligible.

UGI or CBOs may agree to waive or modify one or more of these obligations in extraordinary circumstances.

CAP Discounts

CAP participants are billed an equal CAP payment each month based upon the lower of the percentage of the customer's monthly income or the customer's otherwise applicable average monthly bill. The income component percentage varies by fuel and poverty level and is displayed in Table II-5.

**Table II-5
Monthly CAP Payment**

Percent of Poverty	Percent of Monthly Income		
	Electric & Gas Non-Heating	Natural Gas Heating	Electric Heating
≤50%	2%	4%	6%
51% - 100%	4%	6%	8%
101% - 150%	4%	6%	9%

These percentages are based upon the PUC's targets released in its September 2019 order, which recommended that the new targets be operational by January 1, 2021. UGI implemented the new targets in July 2022. The new PUC targets are shown in Table II-6.

**Table II-6
Pennsylvania Public Utility Commission Energy Burden Targets**

Utility Service	0-50% FPIG	51-100% FPIG	101-150% FPIG
Electric Non-Heat	2%	4%	4%
Gas Heat	4%	6%	6%
Electric Heat	6%	10%	10%

The previous PUC energy burden targets are displayed in Table II-7.

**Table II-7
Previous Pennsylvania Public Utility Commission Energy Burden Targets**

Utility Service	0-50% FPIG	51-100% FPIG	101-150% FPIG
Electric Non-Heat	2%-5%	4%-6%	6%-7%
Gas Heat	5%-8%	7%-10%	9%-10%
Electric Heat	7%-13%	11%-16%	15%-17%

Gas and electric customers with no income are responsible for the minimum monthly CAP payment, which is \$15 for non-heating accounts, \$25 for gas heating accounts, and \$30 for electric heating accounts. Customers whose average monthly bill is less than the percentage of income payment will have their average bill set as their monthly CAP payment amount. Customers are required to notify UGI or the CBO if they have a change in income and a

recertification will be processed with the updated income and historical usage to update the monthly CAP payment amount.

CAP credits are the difference between the customer's actual usage bill and the CAP monthly bill. The credits are applied on a monthly basis with each full CAP payment received. CAP credits associated with missed CAP payments are applied once the customer brings their payments up to date. UGI eliminated the maximum CAP credit in 2015.

Customers' CAP payments are evaluated quarterly to ensure that they are on the most affordable bill option. Each quarter, the system looks at the average usage amount to see if the bill amount needs to be adjusted.

UGI considers gas customers with annual usage over 2,356 ccf or electric usage over 34,465 kWh to be high users. Any CAP participant or customer who applies for CAP with usage above these levels or whose weather normalized annual usage increases by 15 percent of the annual historical usage, will be required to do the following.

- Speak with a CAP caseworker who will review information about the customer's household to determine potential reasons for the high usage.
- Participate in an energy education session with the CAP caseworker.
- If applicable, the customer will be referred to LIURP.
- If enrolled, high usage will be monitored for additional outreach and referrals.

The high-usage evaluation is done annually for existing CAP customers. Customers may be removed from CAP if they refuse to participate in LIURP or do not comply with the high-usage controls.

Late payment charges are not imposed, and security deposits are not required for active CAP participants. UGI customers can enroll in CAP to receive the security deposit waiver, or just verify that income is below 150 percent of the poverty level (without enrolling in CAP) to receive the waiver.

LIHEAP Grants

The UGI team uses social media, radio advertising, brochures, bill inserts, and information on UGI's website to encourage customers to apply for LIHEAP. UGI does not do calling campaigns for LIHEAP.

LIHEAP cash grants are applied based on the LIHEAP State Plan. LIHEAP cash grants are applied to the CAP customer's asked to pay amount, as directed by the Pennsylvania Department of Human Services (DHS). LIHEAP Crisis grants are applied to past due CAP payments.

UGI reports that a high LIHEAP rejection rate due to incomplete paperwork is a big issue. UGI participates in a LIHEAP Advisory Committee conducted by DHS, Pennsylvania Utility Law Project (PULP), and Energy Association of Pennsylvania (EAP) that meets quarterly to address issues including the rejection rate.

Arrearage Forgiveness

Pre-program arrearages are defined as the full UGI balance on a customer's account at the time of CAP enrollment. UGI forgives 1/36 of pre-program arrearages upon receipt of each timely and in-full CAP monthly payment, with a minimum of \$10 forgiven each month. Forgiveness is applied retroactively for any months missed once those months are paid.

Customers who do not benefit from a CAP payment may choose to participate in CAP to receive arrearage forgiveness.

CAP Recertification

CAP participants must provide evidence of continued program eligibility. LIHEAP participants must recertify for CAP every three years and those who are not known LIHEAP participants must recertify annually.

- LIHEAP Participants: When LIHEAP income guidelines are the same as CAP, customers who received a grant within the last 12 months only need to provide income documentation every three years to UGI.
- Non-LIHEAP Participants: CAP participants must provide income documentation annually.

UGI takes the following steps to remind customers about CAP recertification.

- Recertification Notice Letter: Mailed one month prior to the anniversary date / recertification due date.
- CBO Contact: Made 15 days prior to the anniversary date.
- Reminder Letter: Mailed on the anniversary date.
- CBO Contact: Made one month past the anniversary date.

UGI removes customers from CAP if they fail to recertify within two billing cycles.

If the customer does not re-certify within two billing cycles of notification, the customer is removed from CAP. If the customer contacts UGI, they are processed as a new enrollment.

CAP Removal

Customers will be removed from CAP for the following reasons.

- Failure to make CAP payments that results in termination and the customer has not cured their payments within 109 days of termination.
- Failure to comply with any customer obligation set forth in the program.
- Failure to comply with the obligation of good faith, honesty, and fair dealing while working with the CAP CBO or UGI.
- Household income increases to greater than 150 percent of poverty.
- Failure to comply with high usage controls.
- Refusal to participate in LIURP.
- Any reason for which the customer's service may be terminated under Chapter 56 or Chapter 14.
- Failure to re-certify in CAP.

- Bankruptcy – at the time of filing of bankruptcy, all receivable amounts which may include frozen pre-program arrearage will fall under the jurisdiction of bankruptcy court and will no longer be eligible for CAP.
- Legal action – if UGI has reason to take legal action against a participant that encompasses any receivable owed to UGI, all receivable amounts which may include pre-program arrearages will fall under the jurisdiction of the court and will no longer be eligible for CAP benefits.

Customers can request to be voluntarily removed from CAP. If the customer requests to be removed because their seasonal bills are less than the monthly CAP amount, they will forfeit all program benefits and must remain out of CAP for 12 months before they can reapply.

All unpaid bills and unforgiven dollars are due upon removal from CAP, as this is considered a broken payment arrangement.

CAP Collections Strategy

Customers who miss a CAP payment are provided two payment notifications before UGI initiates its termination proceedings.

- After the first missed payment, the CBO sends a notification at 15 days (letter or call) and UGI sends notification 25 days after the missed payment.
- After the second missed CAP payment, if the collection threshold is exceeded, UGI moves forward with collections procedures and sends a termination notice stating the past due amount. The customer is required to pay that amount prior to the scheduled termination date to avoid shut-off.
- If terminated, the customer has up to 109 days to pay the catch-up CAP amount, including any bills that came during the shut-off process and reconnection fees. If that amount is received, the customer is returned to CAP.
- If the amount is not paid within 109 days, the customer is removed from CAP and is responsible for full payments of balances and reconnection fees prior to reconnection.
- Upon full payment and service restoration, the customer may re-apply for CAP.
- Operation Share funds may be used for reconnection fees for all eligible customers.

Program Enrollment and Participation

Table II-8 displays participation in UGI's CAP as of December of each year. Gas participation remained fairly steady throughout the three years reported, but electric CAP participation increased gradually from 2020 to 2022.

**Table II-8
CAP Participation**

Poverty Level	Gas CAP			Electric CAP		
	2020	2021	2022	2020	2021	2022
≤50%	6,287	7,052	6,662	1,102	1,217	1,259
51%-100%	10373	10,337	9,512	1,297	1,376	1,403
101%-150%	6331	6,522	7,121	772	836	1,012
Total	22,991	23,911	23,295	3,171	3,429	3,674

Table II-9 displays the number of customers who participated in multiple Universal Service Programs in 2020 through 2022. Of special interest is the number of CAP customers who receive LIURP services, as providing LIURP services to CAP customers can reduce the subsidy cost for other UGI ratepayers. The table shows that about 1,400 2022 CAP participants received LIURP services.

**Table II-9
Participation in Multiple Universal Service Programs**

	2020	2021	2022
CAP and LIURP	296	489	881
CAP and CARES	0	0	0
CAP and Hardship Fund	814	2,688	2,166
CAP, LIURP and CARES	0	0	0
CAP, LIURP and Hardship Fund	139	479	403
CAP, CARES and Hardship Fund	0	0	0
CAP, LIURP, CARES and Hardship Fund	5	830	212

CAP Changes

UGI's 2020-2025 Universal Service Plan made several changes to CAP that are summarized below.

- Telephone Application and Recertification: Customers may apply and recertify over the phone and send their documentation in by mail. CBOs may offer additional methods for submitting documentation. In-person appointments at the CBOs will still be available for customers who prefer to apply in person.
- CAP Outreach: Beginning in the second year of the plan, UGI provided lists of low-income customers to the CBOs for direct CAP solicitation.
- CAP Welcome Letter: This letter includes the CBO contact information.

- CAP Eligibility: The following changes were made.
 - Home Business: Customers who operate a business from their home may enroll in CAP as long as the business uses less than 50 percent of the anticipated gas usage served through a single meter.
 - Pools: Customers using UGI utility service to heat a swimming pool are ineligible for CAP.
 - Balances: Customers with balances above \$4,500 who failed multiple payment arrangements are no longer ineligible.
 - Identification: Acceptable forms of identification were specified.
 - Fraud and Theft of Service: These terms were clarified.
 - Application and Recertification: These policies were clarified.
- Quarterly CAP Bill Evaluation: This process was introduced.
- CAP CBO Performance: An audit checklist was developed to evaluate CBO performance.
- Reporting: A new reporting requirement was specified.
- Minimum CAP Payment: The minimum payment for electric heating CAP participants was increased from \$25 to \$30.
- PIPP Calculation: The calculation was updated in accordance with the CAP Policy Statement Order date June 16, 2022.
- CAP Outreach: UGI continued outreach to active electric and gas customers who were removed from CAP due to a failure to recertify. They can be reenrolled, and any arrearage accrued will be included with their existing pre-program arrearages.

Successes

UGI has significantly increased its CAP marketing efforts. UGI is sending more frequent emails and employing customer testimonials that resonate with customers. WARM in-person events, where UGI staff interacts with customers to help them enroll in programs, are held a few times per month. These events help with messaging to communities and are a promising method for CAP enrollments, with approximately 20 new enrollments per session. UGI also encourages customers to recertify at these events, so they do not lose their benefits. UGI now includes the CAP application and FAQs online, sends WARM fliers to agencies, and sends Facebook messages and emails prior to WARM events. UGI is also planning on increasing text messaging.

UGI is targeting LIHEAP recipients for CAP enrollment. If a customer is on LIHEAP, UGI asks them to opt-in to CAP. The customer just needs to respond that they would like to opt in and provide the number of households members and income. No income verification is required. If customers opt-in for CAP but do not report income, then the bill is based on their average monthly energy bill and adjusted when they do provide income. There are few customers on the average bill method.

UGI has also implemented a new text campaign for all residential customers with the option to opt-in to assistance program messaging. Messaging was planned for all programs, with a particular focus on CAP and LIHEAP.

Challenges

UGI has faced the following challenges with the CAP.

- **Administration:** CAP has numerous administrative steps, which require much staff labor to complete. For example, the most recent solicitation campaign received 1,000 customers opting-in for CAP. These respondents require manual processing by the CAP team. Due to this workload, the CAP team regularly reaches out to other team members and departments for assistance.

The biggest obstacle reported by CAP agencies is the back-and-forth communication between the CBOs and the call center when a customer asks for assistance with a shut-off notice. The call center directs customers to their CBO to assist with shut offs, while the CBO directs customers to contact UGI.

CAP agencies that do both gas and electric report issues with joint-billed customers that apply for CAP, as they cannot be joint-billed for the program and need separate account numbers.

- **Awareness:** UGI reports that there is not sufficient awareness of the program among potential customers, and sometimes even UGI staff. The CAP program is complex and confusing to understand, and the UGI team is trying to increase communications and reach difficult-to-reach populations, especially through mailing. In terms of emailing communications, there runs a risk of missing certain populations, such as the elderly.

There is a lack of recoverable funding to advertise CAP. When considering additional marketing strategies, like postcards, these cost more and there is not enough funding.

- **Participation:** UGI developed goals for CAP participation in 2020 when it was expecting DHS to share information on LIHEAP recipients to facilitate CAP auto-enrollment. However, UGI reports that the 2024-2025 participation goals of over 40,000 participants were unrealistic, even with auto-enrollment through DHS data sharing. UGI now has about 27,000 participants.

DHS data sharing is now expected sometime in 2024. With DHS data sharing, UGI would receive the customer's households' size and income and could automatically enroll the LIHEAP recipients in CAP.

- **Recertification:** Many customers do not re-certify for CAP. After several contacts and when the customer is two months overdue for re-certification, the customer is removed from CAP.

CBOs suggest that the lack of re-certification may be due to customers realizing they are ineligible as they exceed income requirements. Re-certification may also be impacted by customers not opening mail from UGI.

- Data Systems: COS does not currently allow customers to enroll directly, and this is a feature that UGI would like to implement in the future. (There are online applications that customers can complete and submit through email or take to a CBO.)

There were challenges when UGI implemented the new SAP data system in 2017, as the COS and SAP were not communicating effectively. It took a few years to make enhancements to address the issues, and there are still some challenges that require the CAP team to have daily COS check-ins. However, UGI reports that the system is now stable and working well.

- Referrals: UGI recently conducted a survey to see what assistance agencies provide to customers. Those agencies offer many food, budgeting, childcare, and job assistance programs, but the actual offerings vary by agency. The CBOs are very knowledgeable about what is available and can suggest additional programs and resources that customers qualify for. Although, due to the nature of the CAP application process (e.g., customers can complete the application and enrollment process solely through mailing), there are not always opportunities to ask for personalized assistance from the CBOs.

C. Low-Income Usage Reduction Program (LIURP)

UGI's Low-Income Usage Reduction Program (LIURP) is UGI's weatherization program that installs energy conservation measures and provides energy conservation education to reduce energy usage. The program aims to reduce customer arrearages and collection and termination costs by reducing energy consumption and making energy bills more affordable. UGI's LIURP consists of a Weatherization Program and a Rehabilitation Program.

LIURP Resources

Table II-10 displays the LIURP annual budget for 2023 and 2024-2025 by geographic area. UGI's LIURP budget increased by 13 percent from 2022 to 2024, and UGI believes that it can utilize this budget.

UGI reports that due to economic conditions and increases in weatherization prices, some agencies have gone above the \$8,000 maximum on some jobs, although UGI requires contractors to receive approval to exceed that maximum. UGI has discussed increasing the maximum job cost and it may be revisited.

**Table II-10
UGI LIURP Budget**

Geographic Area	2023	2024-2025
South	\$1,795,292	\$1,949,485
North	\$1,428,162	\$1,493,274
Central	\$740,896	\$771,591
UGI Electric	\$298,379	\$298,379
Total	\$4,262,729	\$4,512,729

Table II-11 displays the projected LIURP participation for 2023 through 2025.

**Table II-11
UGI LIURP Annual Projected Participants**

Geographic Area	2023-2025
South	202
North	194
Central	85
UGI Electric	66
Total	547

Table II-12 displays the LIURP participation for 2020 through 2022 and shows that participation increased over this time period, to the point where UGI surpassed the participation goal in 2022. UGI reports that growth in LIURP participation was likely due to pent-up demand from COVID-19 closures and supply chain issues. Additionally, UGI brought on six additional non-CBO LIURP contractors in 2021. UGI had not previously worked with these contractors, and found that these new providers helped them to increase the number of participants. UGI has also increased its production by having agencies provide monthly budget updates starting in May of each program year. This allows UGI to more closely track its unused budgets and determine if it needs to re-allocate the budget among providers.

**Table II-12
LIURP Participation**

	2020	2021	2022
LIURP Participation	248	378	570

Program Management and Administration

UGI contracts with CBOs and private contractors to provide energy audits and measure installation. UGI also contracts with an independent verifier to ensure that the weatherization was completed in accordance with LIURP standards.

UGI is satisfied overall with the service providers, though there are some minor obstacles with one or two agencies. UGI reports that the six new non-CBO contractors are doing a great job.

Eligibility

Customers must meet the following criteria to be eligible for LIURP.

- Active residential gas heating customer or residential electric customer.
- Household income at or below 150 percent of the federal poverty guidelines for UGI electric customers.² Eligibility was extended up to 200 percent of the federal poverty guidelines for UGI Gas beginning in January 2023, and up to 200 percent for UGI Electric beginning in January 2024.
- Annual consumption above average usage. This is defined as a customer who exceeds the average residential threshold by 25 percent for electric customers (baseload and heat) and by 30 percent for natural gas customers. The minimum usage is 877 ccf or 12,788 kWh.
- Continuous service for twelve months.
- The premises are suitable for weatherization services.
- The customer's premise is the customer's primary residence.
- The premise has not received LIURP weatherization services for the past seven years.

The following types of residential accounts are not eligible for LIURP Weatherization.

- Health care facilities.
- Tenant with an account in the landlord's name.
- Ratepayer does not reside at the property.
- Foreign load (one meter supplies more than one unit).
- Landlord if Shut-Off ("LIFSO") agreement (account is in the owner's name if the property is vacant and there is a gap between tenants).
- Utility service is used to heat a swimming pool.
- More than 50 percent of gas usage is used to operate a business.

Benefits

LIURP participants receive an on-site energy audit. Based on the findings from the audit, energy saving measures may include the following.

- Insulation
- Furnace repair/replacement
- Water heater repair/replacement

² Up to 20 percent of LIURP participants may have household income at 151%-200% of the federal poverty guidelines.

- Furnace efficiency modification
- Windows and baseboard caulking
- Door and window weather stripping
- Door sweeps and thresholds
- Replacement of broken window panes
- Storm windows
- Attic ventilation
- Electrical outlet and switch plate gaskets on outside walls
- Water conservation measures
- Energy education
- Infiltration measures
- Incidental repairs (necessary to the effective performance of weatherization materials)

Electric non-heating customers may receive low-cost energy-saving measures including the following. They may also receive an Energy Conservation Kit with measures they can install to reduce electric consumption.

- Refrigerator replacement
- High-efficiency lighting
- Window air conditioner replacement
- In-home or telephone energy education

The LIURP per job maximum cost is \$8,000 for jobs without gas furnace replacement and up to \$14,000 where repair or replacement (if inoperable gas furnaces) is necessary. UGI reserves \$250,000 annually from its general LIURP budget for furnace repair and replacement projects.

Before weatherization services can be provided, health and safety issues must be addressed. These include the following:

- Combustion Appliances
 - With poor draft conditions.
 - With high carbon monoxide conditions.
 - With insufficient combustion air.
- Faulty chimney and/or faulty heating system or combustion water heater.
- Insufficient ventilation per ASHRAE standards.
- Moisture conditions.
- Knob and tube wiring so insulation can be installed per code.
- Gas leaks.

LIURP has a health and safety allowance available, but it can be insufficient to address these issues.

Rehabilitation

UGI's Rehabilitation Program funds energy efficient measures at the time of construction or rehabilitation of low-income residential housing. Measures include ENERGY STAR

and high-efficiency natural gas furnaces, hot water heaters, upgraded installation, and energy efficient windows. These services are intended to avoid future high usage and arrearage problems. UGI periodically partners with rehabilitation projects in its service area to assure energy efficiency in low-income housing.

Rehabilitation projects must meet the following eligibility criteria.

- Active residential gas heating customer or electric customer.
- Premise is the primary residence.
- Gross household income at or below 200 percent of the FPIG.
- Coordination with a CBO.

UGI reserves up to ten percent of the annual LIURP budget for Rehabilitation Project funding.

Customer Outreach

UGI reviews customer records to identify high usage, high arrearage, low-income customers and accepts referrals from CBOs, community groups, and customer inquiries. UGI's LIURP also receives referrals from UGI's Universal Service Program team, customer service representatives, and agencies. UGI conducts the following types of customer outreach:

- UGI call center representatives inform UGI of customers who called in and the LIURP team assesses eligibility.
- Agencies inform UGI of customers they have been in contact with, and the LIURP team assesses the customer's eligibility to determine if they should be solicited.
- Agencies inform UGI when they have an unused portion of their budget and that they need LIURP leads. The LIURP team runs a report on their billing system to extract a list of all CAP and LIHEAP high-usage customers within the agency's service area. If these customers have an active 12-month billing period then UGI will solicit them.
- Some contracted agencies also work on the state Weatherization Assistance Program and will ask UGI if the customer qualifies for LIURP.

UGI also conducts general outreach to increase program referrals.

- UGI trains caseworkers at CBOs.
- UGI conducts presentations at community events where it meets directly with customers and provide information and applications for program services, including LIURP.
- UGI trains its customer facing employees to keep them updated on the Universal Service Programs and procedures.

Service Delivery

Table II-13 displays LIURP jobs, average savings, and total costs for program years 2018 through 2021. The table shows that most recently LIURP saved 11 percent of pre-treatment gas usage and six percent of pre-treatment electric usage. However, other recent years have

seen significantly higher savings. UGI should assess savings for the new private contractors when the 2022 program year results are available.

**Table II-13
LIURP Participation**

Program Year	Gas Jobs			Electric		
	Jobs	Costs	Savings	Jobs	Costs	Savings
2018	371	\$2,677,776	13%	47	\$184,331	5%
2019	397	\$2,554,298	20%	58	\$229,952	9%
2020	247	\$1,788,743	15%	14	\$86,821	7%
2021	378	\$2,623,961	11%	36	\$168,097	6%

Quality Control

The LIURP providers are required to make three contact attempts to schedule appointments with customers targeted for LIURP. These can be through phone, mail, email, or in-person.

Some agencies are more successful in completing LIURP jobs. This can depend on the agency's assigned area, as there are some areas that have issues with the local housing market home conditions, leading to difficulties in agencies getting the required number of jobs. In terms of customer solicits, agencies perform similarly. UGI provides compensation to agencies for up to five contact attempts that do not result in a completed intake/application with customer to encourage agencies to make more contact attempts.

UGI is mostly satisfied with the LIURP service providers. UGI has brought on new agencies in the past two years that are still learning the program procedures and systems. There are one or two agencies that have struggled, gone over the maximum allowance without requesting permission or faced challenges using the COS.

UGI has contracted a third-party quality control company. This company must assess at least 20 percent of all LIURP jobs, but UGI has that company try to inspect all jobs with costs over \$2,000.

The third-party quality control contractor uses an inspection report in the COS when evaluating a LIURP job. The company ensures all billed measures were installed correctly and that all measures that UGI was billed for were installed. If there is an issue such as health and safety concerns, the company will send a work correction report, occasionally accompanied with pictures, to UGI for review. The LIURP team then sends the relevant

agency to fix these issues. Approximately 20 percent of all jobs need to be corrected. UGI checks and reports all work corrections filed to each agency once a year.

Program Coordination

UGI confers with weatherization CBOs, local government, weatherization providers, and other agencies for input and advice on coordinating LIURP with other programs. UGI will inform each LIURP weatherization participant of all appropriate services.

UGI also maintains contact with other gas and electric utilities to coordinate comprehensive program services. When utilities use the same LIURP provider, they can coordinate without a written contract or inter-utility billing. UGI plans to include electric utilities that overlap its gas service territory to advisory meetings to continue to discuss LIURP coordination and to improve the identification of customers with inoperable gas furnaces using electricity for space heating.

Program Changes

UGI made the following changes to the LIURP program.

- Non-heating LIURP customers may be provided with an Energy Conservation Kit.
- LIURP Eligibility criteria were updated.
 - Customers with income between 151 and 200 percent of the poverty level were eligible for LIURP beginning January 1, 2023. Customers rejected from CAP for being over income will be referred to LIURP.
 - By January 27, 2023, UGI lowered its minimum usage threshold to 73.1 ccf/month.
 - Gas customers who operate a business from their home may enroll in LIURP as long as the business uses less than 50 percent of the gas usage served through a single meter.
 - Customers who use utility service to heat their pool are ineligible.
 - Above-average usage was defined as 877 ccf or 12,788 kWh.
- Expanded the use of LIURP to repair or replace inoperable gas furnaces. Per job LIURP funding caps were increased to \$14,000 where furnace replacement is necessary and UGI set aside \$250,000 annually from its LIURP budget for furnace repair and replacement projects.
- UGI increased its annual LIURP budget by \$250,000 in January 2023 and January 2024.

Successes

UGI reports several successes in LIURP.

- Outreach: UGI reports that its LIURP advertising campaign has been successful, especially its use of customer testimonials.
- Budget Utilization: UGI has been able to utilize its allocated LIURP budget. In 2023, UGI had no carry forward from the previous year.

- Data Systems: UGI's COS is performing better and requires fewer manual updates.
- Customer Satisfaction: UGI's post treatment customer surveys receive high customer satisfaction ratings.

Challenges

The greatest challenge UGI faces in LIURP is ensuring that the budget is fully utilized. UGI has been doing extensive manual tracking to ensure that available funds are used to provide LIURP services.

Another challenge faced is that health and safety barriers are sometimes too expensive to address with the available spending allowance. UGI reported that when there are moisture or combustion safety conditions that cannot be corrected through the program, the job must be deferred until the repairs are completed.

UGI faces challenges coordinating services with other programs because the various programs have different requirements for program eligibility and priority.

D. Hardship Fund (Operation Share)

Operation Share Energy Fund, UGI's hardship fund, provides assistance to residential customers who face a hardship in paying their energy bill due to an unforeseen situation. This program has the following objectives.

- Provide customers, employees, and the public an opportunity to contribute donations to help their neighbors who are unable to pay their energy bills due to unforeseen circumstances.
- Furnish financial assistance to current customers who have fixed or low incomes, are unemployed, disabled, or faced with a catastrophic situation.
- Provide additional funds and support to community organizations that are dedicated to helping low-income households and households facing crises.

Resources

Table II-14 displays UGI's funding for Operation Share. An appeal is made at least twice each year in a bill insert to ask customers to contribute to Operation Share. Additional fundraising events may also be organized. UGI also made a one-time payment of \$500,000

to Operation Share in the winter of 2022-2023. The annual budget, excluding the one-time payment for 2020 through 2025, is shown in Table II-14.

**Table II-14
Operation Share Projected Annual Budget and Participation**

	Participation	Initial Contribution	Cash Donations	Total Donations	Administrative Budget
South	385	\$310,500	\$80,000	\$390,500	\$5,775
North	185	\$177,500	\$20,000	\$197,500	\$2,775
Central	120	\$96,500	\$26,000	\$122,500	\$1,800
Electric	98	\$80,500	\$35,000	\$115,500	\$1,470
Total	788	\$665,000	\$161,000	\$826,000	\$11,820

Administration

UGI contracts with a network of over 19 CBOs to administer Operation Share. The CBOs access UGI's COS via a web-based application to determine the customer's account balance, view recent bills and payments, and determine eligibility and amount of the grant. UGI staff do not participate in the determination of grants, other than to refer applications to the CBOs for consideration.

Solicited customers receive a letter and application forms in the mail. The customer is required to complete the forms and send them to the agency. In-person visits are not required for grant application.

Agencies are responsible for the following.

- Respond to solicitations and interview potential recipients.
- Explain the eligibility requirements and denial reasons to potential recipients.
- Verify household income and size.
- Assist customers in the application process .
- Make sure the required forms are completed by the customer.
- Retain files for each customer for four years.

Customers must provide proof of income if they have not received LIHEAP in the past 12 months.

UGI audits the agencies every few years to ensure that they are obtaining and maintaining the required paperwork. UGI reports that the agencies generally do a good job, but occasionally do not have all of the paperwork or abide by all of the program regulations.

Customer Outreach System

The COS allows Operation Share agencies to perform the following tasks at the time of grant application.

- View the customer's account balance.

- Determine if the customer received a grant in the past 12 months.
- Determine if the customer is eligible for a grant.
- Determine the amount of the grant that the customer should be awarded.
- Ascertain whether the customer is on CAP or has received LIHEAP.
- After the representative enters the customers' demographic data, the representative can view the customer's billing and payment history, before determining whether or not to award a grant.

Agencies can also use the COS to view customers' remaining balances and obtain a list of customers they approved.

Eligibility

UGI has established the following eligibility criteria.

- Residential account with UGI.
- Premise must be the customer's primary residence.
- Active heating or non-heating utility account.
- Did not receive an Operation Share grant totaling the maximum grant allowance of \$600 in the last 12 months.
- Outstanding balance exists on the utility bill.
- Income at or below 250 percent of the federal poverty level.
- Demonstration of inability to pay energy bills.
- Customers must first contact the Credit Department to discuss their options.

Benefits

Customers may receive a maximum grant of up to \$600, although exceptions may be approved in special circumstances. When the grant is approved, a 30-day hold is placed on the customer's account to allow time for payment to be credited.

Outreach

Customers are mainly referred to the program through UGI's call center. The call center representatives identify customers experiencing hardships and can solicit a customer in the COS. Agencies can also refer customers to Operation Share.

Grants Awarded

Table II-15 displays the number and amount of grants awarded for 2020 through 2022. The table shows that the number of the grants increased significantly between 2020 and 2021 and declined somewhat in 2022. This may be due to lower demand at the beginning of COVID that was made up for in 2021.

**Table II-15
Operation Share Grants**

	Gas			Electric		
	2020	2021	2022	2020	2021	2022
Number of Grants	1,383	4,387	3,248	178	411	304
Total Grants Awarded	\$474,591	\$1,802,592	\$1,003,837	\$58,763	\$160,728	\$88,338
Average Grant	\$343	\$411	\$309	\$330	\$391	\$291

Changes

UGI made the following changes to the Operation Share Energy Fund in its 2020-2025 Universal Service Plan.

- Eligibility for UGI gas customers was expanded to 250 percent of the poverty level as of January 1, 2023 and eligibility for UGI electric customers was expanded to 250 percent of the poverty level as of January 1, 2024.
- The grant maximum was increased from \$400 to \$600 for gas customers (beginning November 2022) and from \$400 to \$600 for electric customers (beginning January 1, 2024).
- UGI provided a one-time payment of \$500,000 to Operation Share in the winter of 2022-2023.
- Operation Share can be used for reconnection fees, regardless of prior or current enrollment in CAP.
- Only the CBO fee for Hardship Fund related services is recoverable through the USP Rider.

Successes

UGI reports that it has done extremely well in getting information and funds out to customers who need assistance. UGI has encouraged agencies to adopt a holistic view of all programs that may benefit a customer and have encouraged cross-program assistance.

UGI has worked to address some issues with the COS that has improved the speed of the system. In FY2023, the UGI team started a preliminary evaluation of scoping the potential for a COS Transformation Project to create a new system. Additionally, the UGI team has been actively engaged with the PUC on the PUC's Universal Service Work Group (USWG)

efforts, which may result in positive global system enhancements for all low-income residents in Pennsylvania.

UGI simplified the application process by removing the intake form from the COS and using its print shop to fold and stuff envelopes, reducing the manual intervention needed by the Operation Share team.

UGI has approved a record number of grants in the ongoing calendar year.

Challenges

UGI reports that the main challenge it faces is that agencies have run out of funds. This was not an issue prior to 2023. The UGI team has had to reallocate funding to assist the agencies with higher numbers of low-income customers. These funding constraints are likely due to the amplified demand for Operation Share, as the team is nearing 5,000 grants for the current fiscal year.

The Operation Share team has also struggled with obtaining donations from customers during certain times of the year.

E. Customer Assistance Referral and Evaluation Services (CARES)

UGI's Customer Assistance Referral and Evaluation Services (CARES) Program provides outreach and referrals to help customers with special hardships. Any residential customer who faces a temporary hardship that could result in loss of utility service is eligible for assistance.

CARES also provides LIHEAP outreach to help increase awareness of the program and encourage all eligible households to apply.

Resources

UGI has a budget of \$115,000 for gas CARES and \$20,000 for electric CARES. Projected participation is 185 gas customers and 20 electric customers. However, Table II-16 shows that referrals to CARES increased substantially in 2021 and 2022 to 2,714 customers. The substantial increase in CARES referrals was due to two new programs. The Emergency Rental Assistance Program and the Homeowner Assistance Fund that were established as part of the American Rescue Plan Act. These programs provided customer recipients with 45-day CARES holds to prevent service terminations.

**Table II-16
CARES Participation**

	2020	2021	2022
CARES Referrals	112	2,399	2,714

Eligibility

Any residential customer with a delinquent balance or a negative ability-to-pay and special circumstances may be eligible for CARES. This may include recent unemployment, disability, loss of head of household, domestic violence, inability to understand the bill, temporary illness, or need for senior citizen assistance.

Customers can be referred to CARES by UGI's call center or by an agency. A customer may contact the call center and the representative may assess their situation and solicit them, or a customer may inquire about the program with an agency who could also refer them to CARES.

Benefits

CARES provides guidance and referrals for energy assistance and other social services. Assistance is provided both through UGI programs and through an established network of local social service agencies. Customers may receive an informational mailing that contains material on each of the assistance programs offered in the service territory, eligibility guidelines, and contact information for local CBOs. CARES customers also receive information on LIHEAP, LIURP, CAP, and Operation Share. Assistance may also be offered by phone or through email.

UGI employees organize and/or conduct community meetings and workshops to educate customers in energy conservation and increase public awareness of CARES services. Presentations are made throughout the service territory and brochures that describe available social services are distributed. The Customer Outreach department maintains communication with local organizations and a directory of social service agencies by county and by services provided.

UGI reports that the most common referrals are for CAP and LIHEAP, but that Operation Share referrals have also increased recently.

Program Changes

UGI modified its protection from abuse (PFA) handling procedures in its 2020-2025 Universal Service Plan. To further ensure the confidentiality of this information, any customer who provides UGI with a copy of their PFA order is handled solely by CARES representatives for program referral and payment options.

Successes

UGI feels that it has achieved success by applying a holistic approach to customer services. Customer service representatives receive calls from customers experiencing a personal

crisis and refer them to the appropriate program or resource. These representatives are knowledgeable about the available programs and where customers should be directed.

UGI reports that it has a good relationship with the agencies and local communities and that community outreach has improved, CAP enrollment has increased, and there has been an increase in Operation Share grants.

Challenges

UGI reports that one challenge is to increase awareness of CARES.

III. Customer Feedback

APPRISE conducted a survey with participants in UGI's CAP and low-income nonparticipants to develop information on customer knowledge, understanding, and satisfaction with the CAP. The low-income nonparticipants were drawn for a sample of UGI's customers who received LIHEAP but did not participate in CAP.

A. Methodology

This section describes the methodology for the customer surveys, including survey implementation and sample selection.

APPRISE conducted mixed mode web/telephone surveys with CAP participants and non-participants in October 2023. Outreach to the sample was conducted in the following manner.

- **Advance Letter:** Customers were sent an advance letter on 10/05/23 that included a \$5 bill, explained the purpose of the survey, provided the link to complete the web survey, notified them that they would be called to complete the survey, and provided the option to call a toll-free number to complete the survey at their convenience.
- **Email #1:** Customers were sent an email with the same information as the advance letter on 10/09/23.
- **Outbound Calling:** Telephone calls were made to all selected customers who had not responded online beginning on 10/09/23. Calls were made during the day, evening, and weekends.
- **Email #2:** Customers were sent a second email on 10/20/23.
- **Email #3:** Customers were sent a final email on 10/27/23.

The survey was closed on October 30th.

Sample Selection and Response Rates

The survey sample was designed to furnish data on CAP participants and nonparticipants.

Table III-1 details the number of customers selected to complete the survey, the number of completed interviews, cooperation rates, and response rates for each group. The table presents the following information for the sample.

- **Number selected:** There were 250 participants and 250 nonparticipants selected for the survey sample.
- **Completed interviews:** The completed interviews are households that were reached and that answered the full set of survey questions. There were 105 interviews with participants and 48 interviews with nonparticipants.

- **Cooperation rate:** The cooperation rate is the percent of eligible households contacted who completed the survey. Overall, this survey achieved an 85 percent cooperation rate for participants and a 59 percent cooperation rate for nonparticipants.
- **Response rate:** The response rate is the number of completed interviews divided by the number of completed interviews plus the number of non-interviews (refusals plus non-completed call backs) plus all cases of unknown eligibility (due to voicemail and language barriers). This survey attained a 44 percent response rate for participants and a 21 percent response rate for nonparticipants.

**Table III-1
Sample and Response Rates**

	Participants		Nonparticipants	
	#	%	#	%
Selected Customers	250		250	
Unusable	13	5%	20	8%
Non-Interviews	18	7%	33	13%
Unknown eligibility	114	46%	149	60%
Completed interviews	105	42%	48	19%
Cooperation rate	85%		59%	
Response rate	44%		21%	

B. Survey Findings

This section provides detailed findings from the survey on the following topics.

- Customer Demographics
- CAP Enrollment and Participation
- CAP Understanding
- Financial Obligations and Bill Payment Difficulties
- Energy Assistance
- Program Success and Satisfaction

Demographic Characteristics

This section examines the demographic characteristics of the survey respondents. Table III-2 displays information on home ownership. The table shows that 52 percent of participants and 35 percent of nonparticipants owned their homes.

**Table III-2
Own or Rent Home**

	Do you own or rent your home?	
	Participant	Nonparticipant
Respondents	105	48
Own	52%	35%
Rent	44%	56%
Other	<1%	6%
Refused	3%	2%
Total	100%	100%

Table III-3 displays the number of household members reported by participant and nonparticipant respondents. The table shows that 34 percent of participants and 52 percent of nonparticipants lived in single-person households, about 20 percent lived in two-person households. Participants were more likely to live in larger households.

**Table III-3
Number of Household Members**

	Including you, how many people normally live in this household?	
	Participant	Nonparticipant
Respondents	105	48
1	34%	52%
2	18%	17%
3	14%	10%
4	16%	6%
5 or more	12%	12%
Refused	5%	2%
Don't Know	0%	0%
Total	100%	100%

Respondents were asked to report the number of children five or younger in the home. Table III-4 shows that 16 percent of participants and 16 percent of nonparticipants reported that they had one or more young children in the home.

**Table III-4
Number of Young Children in Household**

	How many people in this household are 5 years of age or under?	
	Participant	Nonparticipant
Respondents	105	48
0	82%	83%
1	6%	10%
2	7%	2%
3 or more	3%	4%
Refused	3%	0%
Total	100%	100%

Table III-5 shows that 38 percent of participants and 54 percent of nonparticipants reported that there was one or more people living in the household who were 60 years or older.

**Table III-5
Number of Elderly Individuals in Household**

	Including you, how many people in this household are 60 years of age or older?	
	Participant	Nonparticipant
Respondents	105	48
0	59%	44%
1	32%	48%
2	6%	6%
Refused	2%	0%
Don't Know	1%	2%
Total	100%	100%

Respondents were asked whether anyone in the household was disabled. Table III-6 shows that 49 percent of participants and 29 percent of nonparticipants reported that there was a disabled household member.

**Table III-6
Number of Disabled Individuals in Household**

	Is anyone in your home disabled?	
	Participant	Nonparticipant
Respondents	105	48
Yes	49%	29%
No	49%	67%
Refused	3%	4%
Total	100%	100%

Table III-7 displays the highest level of education reported in the household. Participants and nonparticipants were most likely to have a high school diploma followed by some college.

**Table III-7
Education Level**

	What is the highest level of education reached by you or any member of your household?	
	Participant	Nonparticipant
Respondents	105	48
Less Than High School	10%	12%
High School Diploma Or Equivalent	51%	58%
Some College/Associates Degree	19%	21%
Vocational Training	4%	2%
Bachelor's Degree	10%	4%
Master's Degree	4%	2%
Refused	2%	0%
Don't Know	1%	0%
Total	100%	100%

Respondents were asked whether they received several different types of income and benefits in the past twelve months. Table III-8 shows that non-cash benefits, i.e., food stamps or public/subsidized housing was the most common form of income or benefits received. While 77 percent of participants reported that they received these benefits, 73 percent of nonparticipants reported that they received this type of benefits. Only 22 percent of participants and 23 percent of nonparticipants reported that someone in the household received wages or self-employment income. An additional 34 percent of participants and

48 percent of nonparticipants reported that someone in the household received retirement income.

Table III-8
Types of Income and Benefits Received

	In the past 12 months, did you or any member of your household receive:	
	Participant	Nonparticipant
	<ul style="list-style-type: none"> • Employment income from wages and salaries or self-employment income from a business or farm? • Retirement income from Social Security or pensions and other retirement funds? • Benefits from Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or general assistance or public assistance? • Food stamps or live in public/subsidized housing? 	
Respondents	105	48
Wages or Self-Employment Income	22%	23%
Retirement Income	34%	48%
Public Assistance	36%	25%
Non-Cash Benefits	77%	73%

Respondents were asked whether anyone in the household was unemployed and looking for work in the past 12 months. Table III-9 shows that 29 percent of participants and 21 percent of nonparticipants said that someone in the household was unemployed.

Table III-9
Unemployment in Past Twelve Months

	In the past 12 months, were you or any member of your household unemployed and looking for work?	
	Participant	Nonparticipant
Respondents	105	48
Yes	29%	21%
No	67%	79%
Refused	4%	0%
Don't Know	1%	0%
Total	100%	100%

Table III-10 displays annual household income, as reported by the respondents. The table shows that 55 percent of participants and 60 percent of nonparticipants reported that their annual household income was less than \$30,000.

**Table III-10
Annual Household Income**

	What is your household's annual income?	
	Participant	Nonparticipant
Respondents	105	48
< \$10,000	10%	6%
\$10,000 - \$19,999	35%	44%
\$20,000 - \$29,999	10%	10%
\$30,000 - \$39,999	8%	10%
\$40,000 - \$49,999	3%	0%
≥ \$50,000	2%	8%
Refused	16%	12%
Don't Know	15%	8%
Total	100%	100%

CAP Enrollment and Participation

Nonparticipants were asked if they were aware that UGI offered a CAP program. Table III-11 shows that 27 percent of the nonparticipants were aware of the CAP.

**Table III-11
CAP Awareness**

	Are you aware that UGI offers a program called the Customer Assistance Program, or CAP, to help make gas bills more affordable for customers?
	Nonparticipant
Respondents	48
Yes	27%
No	62%
Refused	0%
Don't Know	10%
Total	100%

CAP participants were asked to estimate the average dollar discount received each month on their energy bill. Only 23 percent of the respondents provided an estimate, and 71 percent said that they did not know how much of a monthly discount they received. The estimates provided by those who did furnish a dollar amount ranged from 15 dollars to 200 dollars per month, with most customers reporting about \$50 per month.

**Table III-12
CAP Discount**

	Because you participate in CAP, you receive a discount on your energy bill. Please estimate the average dollar discount you receive each month through the CAP program.
	Participant
Respondents	105
Provided Monthly Dollar Amount	23%
Other	0%
Refused	6%
Don't Know	71%
Minimum Amount	\$15
Maximum Amount	\$200
Mean	\$72
Median	\$57

CAP participants and nonparticipants who reported that they were aware of the CAP were asked how they found out about CAP. Table III-13 shows that most respondents learned about the program through an agency, a personal contact, or a UGI representative.

**Table III-13
CAP Knowledge**

	How did you find out about the Customer Assistance Program, or CAP?	
	Participant	Nonparticipant
Respondents	105	13
Local, Government, or Social Service Agency	17%	0%
Friend Or Relative	17%	1%
UGI Representative	14%	3%
UGI Website	8%	1%
UGI Mailing	7%	2%
UGI Collections Rep	1%	0%
Other	1%	1%
Refused	1%	1%
Don't Know	5%	1%

Note: The sum of the percentages exceeds 100% as respondents could provide more than one response.

When asked why they decided to enroll in CAP, respondents were most likely to say they enrolled to reduce their energy bills or to save money.

Table III-14
Reason for CAP Participation

	Why did you decide to enroll in CAP?
	Participant
Respondents	105
Reduce Energy Bills/Save Money	93%
Reduce Arrearages	4%
Told To Enroll	2%
Other	3%
Refused	4%
Don't Know	1%

Note: The sum of the percentages exceeds 100% as could provide more than one response.

There were 13 nonparticipant respondents who reported that they had heard of UGI's CAP. When asked about the reasons they did not apply for CAP, there were varying responses. Most reported that they did not need assistance. Others said that their income was too high, they did not want assistance, or they were not eligible.

Table III-15
Reason for Not Participating in CAP

	What are the reasons that you have not enrolled in UGI's Customer Assistance Program?
	Nonparticipant
Respondents	13
Do Not Need Energy Assistance	23%
Income is too High	15%
Do Not Want Energy Assistance	15%
Not Eligible	15%
Other	15%
Don't Know	15%
Total	100%

Respondents were unlikely to report that it was difficult to enroll in CAP. Only three percent said it was somewhat difficult and one percent said it was very difficult to enroll, while 70 percent said it was not at all difficult. Three of the four customers who said there

was some difficulty referred to completing the application as the difficult part of enrollment.

Fifty-five percent of participants said that they had re-certified for CAP and were asked about the difficulty of that process. Only four percent said that recertification was somewhat or very difficult. These customers said that the difficult part was providing proof of income or making an appointment at the agency to reverify.

Table III-16
Difficulty of CAP Enrollment

	How difficult was it to enroll/recertify in CAP? Would you say it was very difficult, somewhat difficult, not too difficult, or not at all difficult?	
	Enrollment	Recertification
Respondents	105	58
Very Difficult	1%	2%
Somewhat Difficult	3%	2%
Not Too Difficult	25%	22%
Not At All Difficult	70%	72%
Don't Know	1%	2%
Total	100%	100%

CAP Understanding

Table III-17 shows that 90 percent of respondents said that they felt they had a good understanding of the services provided by UGI's CAP.

Table III-17
CAP Understanding

	Do you feel that you have a good understanding of the services provided by UGI's Customer Assistance Program?
	Participant
Respondents	105
Yes	90%
No	5%
Refused	1%
Don't Know	4%
Total	100%

When asked about their responsibility in CAP, 72 percent reported that they were to keep up with payments. Others said they needed to notify UGI if their income changed, verify income, and accept LIURP or conserve energy.

**Table III-18
Customer Responsibility in CAP**

	What is your understanding of your responsibility in this program?
	Participant
Respondents	105
Keep Up With Payments	72%
Notify UGI If Income Changes	8%
Verify Income Every 1-2 Years	6%
Accept LIURP / Conserve Energy	3%
Be On A Budget	1%
Apply for LIHEAP	1%
Other	2%
Refused	7%
Don't Know	10%

Note: The sum of the percentages exceeds 100% as respondents could provide more than one response.

Participants were asked what they needed to do if their income changed while they were enrolled in CAP. Table III-19 shows that 74 percent reported that they need to notify UGI. Others stated that they needed to provide new proof of income or that their income does not change.

**Table III-19
Income Change**

	What do you need to do if your income changes while you are enrolled in the program?
	Participant
Respondents	105
Notify UGI	74%
Provide New Proof Of Income	9%
Income Does Not Change	4%
Refused	1%
Don't Know	16%

Note: The sum of the percentages exceeds 100% as respondents could provide more than one response.

When asked what they felt were the benefits of CAP, participants were most likely to report lower energy or gas bills. However, other common responses were budget billing, the ability to maintain their energy service, and keeping warm.

Table III-20
Benefits of CAP (Unprompted)

	What do you feel are the benefits of the program?
	Participant
Respondents	105
Lower Energy/Gas/Electric Bills	70%
Budget Billing/Even Payments	15%
Keeping Gas/Electric Service	9%
Helps Keep Home Warm	4%
Can Afford Other Things	3%
Refused	1%
Don't Know	13%

Note: The sum of the percentages exceeds 100% as respondents could provide more than one response.

When asked prompted questions about the benefits of the program, 94 percent agreed that lower energy bills were a benefit of the program, 81 percent agreed that reduced arrearages was a benefit, and 84 percent agreed that maintaining energy services was a benefit.

Table III-21
Benefits of CAP (Prompted)

	Do you feel ____ are a benefit of the program? <ul style="list-style-type: none"> • Lower energy bills? • A reduction in your past due balance or in the amount of past bills that were not paid? • Not having your energy service turned off?
	Participant
Respondents	105
Lower Energy Bill	94%
Reduced Arrearages	81%
Maintaining Energy Service	84%

Participants were then asked what they felt was the most important benefit of CAP. Table III-22 shows that respondents were most likely to report that lower energy bills was the most important benefit. Other commonly cited benefits were keeping energy service, budget billing, and winter comfort.

**Table III-22
Most Important Benefit of CAP**

	What do you feel is the single most important benefit of the program?
	Participant
Respondents	105
Lower Energy Bills	52%
Keeping Energy Service	14%
Budget Billing/Even Payments	10%
Winter Comfort	5%
Other	1%
Refused	3%
Don't Know	15%
Total	100%

When asked what they needed to do to have their arrearages forgiven, customers were most likely to respond that they needed to make their monthly CAP payment on time. Others stated that they needed to pay in full.

**Table III-23
Arrearage Forgiveness**

	What do you need to do to have UGI forgive past due balances or arrearages?
	Participant
Respondents	105
Pay Monthly CAP Payment On Time	31%
Customer Does Not Have Arrearages	15%
Pay Monthly CAP Payment In Full	11%
Recertify	3%
Other	4%
Refused	4%
Don't Know	42%

Note: The sum of the percentages exceeds 100% as respondents could provide more than one response.

Participants were asked whether they were more likely to pay their current bill because of the arrearage forgiveness. Table III-24 shows that 72 percent of respondents said that they were more likely to pay their current energy bill.

**Table III-24
Impact of Arrearage Forgiveness On Bill Payment**

	Does this forgiveness of money owed for past due balances or for past bills that were not paid make you more likely to pay your current bill?
	Participant
Respondents	105
Yes	72%
No	4%
Refused	6%
Don't Know	18%
Total	100%

Financial Obligations and Bill Payment Difficulties

This section examines the financial difficulties that participants had prior to enrolling in CAP and while enrolled in CAP, compared to the current financial difficulties of nonparticipants.

Customers were asked how difficult it was/is to make their monthly UGI payments. Table III-25 shows that while 61 percent of CAP participants said it was very difficult prior to enrolling in the program, only five percent said it was very difficult after enrolling. This compares to 25 percent of nonparticipants who said it is currently very difficult to pay their UGI bills. This result suggests that additional low-income nonparticipants could potentially benefit from CAP.

**Table III-25
Bill Payment Difficulty**

	How difficult was it to make your monthly UGI payments before participating/while participating in UGI's Customer Assistance Program?		How difficult is it currently to make your monthly UGI bill payments?
	Participant		
	Before CAP	In CAP	Nonparticipant
Respondents	105	105	48
Very Difficult	61%	5%	25%
Somewhat Difficult	21%	17%	35%
Not Too Difficult	9%	35%	19%
Not At All Difficult	7%	38%	19%
Refused	1%	3%	25%
Don't know	2%	2%	2%
Total	100%	100%	100%

When asked about other financial problems, the results were similar. Table III-26A shows that while 63 percent said they had to delay or skip paying for food prior to enrolling in CAP, 19 percent said that they had to do so while enrolled in the program. However, 38 percent of nonparticipants said they currently had to do so. While 42 percent said that they had to delay or skip their mortgage or rent payment prior to enrolling in CAP, 10 percent said they had to do so while enrolled in the program, and 21 percent of nonparticipants said that they had to delay or skip their mortgage or rent payment.

**Table III-26A
Financial Obligation Challenges**

	In the year before participating/while participating in CAP, did you ever have to delay or skip paying the following bills or making the following purchases in order to make ends meet?		In the past 12 months have you had to delay or skip paying the following bills or making the following purchases in order to make ends meet?
	Participant		Nonparticipant
	Before CAP	In CAP	
Respondents	105	105	48
Food	63%	19%	38%
Medicine (Prescriptions)	30%	9%	10%
Medical Or Dental Service	38%	18%	21%
Mortgage Or Rent	42%	10%	21%
Telephone Or Cable	53%	19%	35%
Credit Card Or Loan	43%	19%	25%
Car Payment	22%	10%	12%

Table III-26B examines how frequently customers had these financial problems. The table shows that participants were more likely to report that they always or frequently had these problems before CAP than while they were participating in the program. In almost all cases, the nonparticipants were less likely to report that they always or frequently had these problems than the participants prior to CAP and more likely than when the participants were in the program.

Table III-26B
Financial Obligation Challenge Frequency

	Always or frequently had to skip or delay the following bill or purchase to make ends meet?		
	Participant		Nonparticipant
	Before CAP	In CAP	
Respondents	105	105	48
Food	23%	4%	16%
Medicine (Prescriptions)	12%	1%	2%
Medical Or Dental Service	16%	3%	10%
Mortgage Or Rent	10%	3%	6%
Telephone Or Cable	18%	5%	20%
Credit Card Or Loan	18%	4%	14%
Car Payment	8%	2%	8%

A dangerous practice that low-income households have been found to engage in to heat their homes is the use of the kitchen stove for heating. Table III-27A shows that while 34 percent of CAP participants said that they used their stove for heating prior to enrolling in the program, 12 percent said that they did so while enrolled in CAP. This compares to 23 percent of nonparticipants who said that they used their kitchen stove for heat.

Table III-27A
Used Kitchen Stove for Heat

	In the year before participating/while participating in CAP, did you use your kitchen stove or oven to provide heat?		In the past 12 months, have you used your kitchen stove or oven to provide heat?
	Participant		
	Before CAP	In CAP	Nonparticipant
Respondents	105	105	48
Yes	34%	12%	23%
No	62%	86%	77%
Refused	4%	2%	0%
Total	100%	100%	100%

Table III-27B shows that the frequency with which respondents used the kitchen stove for heat decreased after they enrolled in the program.

Table III-27B
Frequency of Kitchen Stove Use

	Did you/do you always, frequently, or sometimes use your kitchen stove or oven for heat?		
	Participant		Nonparticipant
	Before CAP	In CAP	
Respondents	105	105	48
Always	2%	1%	2%
Frequently	6%	0%	6%
Sometimes	27%	11%	13%
Never	62%	86%	77%
Refused	4%	2%	0%
Total	100%	100%	100%

Respondents were asked whether there was a time that they wanted to use their main source of heat but could not because it was broken, and they could not pay for its repair or replacement. Table III-28 shows that 20 percent of CAP participants said that they had this experience in the year prior to enrolling in the program and ten percent said that they had this experience while enrolled in CAP. Eight percent of nonparticipants said that they were unable to use their main source of heat in the past 12 months because their system was broken, and they could not afford to repair or replace it.

Table III-28
Could Not Heat Home

	In the year before enrolling in CAP/while participating, was there ever a time when you wanted to use your main source of heat, but could not because your heating system was broken, and you were unable to pay for its repair or replacement?		In the past 12 months, was there ever a time when you wanted to use your main source of heat, but could not because your heating system was broken, and you were unable to pay for its repair or replacement?
	Participant		
	Before CAP	In CAP	Nonparticipant
Respondents	105	105	48
Yes	20%	10%	8%
No	74%	86%	88%
Refused	2%	4%	4%
Don't Know	4%	0%	0%
Total	100%	100%	100%

Table III-29 shows that 53 percent of CAP participants reported that their UGI bill was lower than before participating in the program, and 31 percent said that their usage was lower. While 17 percent said their bill was higher, 14 percent said their usage was higher.

Table III-29
Energy Bill and Usage Impact

	While participating in the program, would you say that your UGI bill/energy usage is higher, lower, or has not changed in comparison to what it was before participating in the program?	
	Energy Bill	Energy Usage
Respondents	105	105
Higher	17%	14%
Lower	53%	31%
No Change	20%	41%
Refused	3%	3%
Don't Know	7%	10%
Total	100%	100%

Energy Assistance

Participants and nonparticipants were asked whether they applied for LIHEAP in the past 12 months. Table III-30 shows that 84 percent of participants and 90 percent of nonparticipants reported that they applied for LIHEAP, and 65 percent of participants and 79 percent of nonparticipants said that they received LIHEAP. A much greater percentage of customers reported that they applied for LIHEAP than the percentage that were observed to receive a LIHEAP grant in the transactions data analysis, shown in the next section of this report.

When asked why they did not apply, customers stated that they did not know about the program, did not know how to apply, and did not know where to apply.

Table III-30
LIHEAP Application

	In the past 12 months, did you or any member of your household apply for/receive benefits from LIHEAP?			
	Applied for LIHEAP		Received LIHEAP Benefits	
	Participant	Nonparticipant	Participant	Nonparticipant
Respondents	105	48	105	48
Yes	84%	90%	65%	79%
No	10%	8%	13%	11%
Did Not Apply	--	--	10%	8%

	In the past 12 months, did you or any member of your household apply for/receive benefits from LIHEAP?			
	Applied for LIHEAP		Received LIHEAP Benefits	
	Participant	Nonparticipant	Participant	Nonparticipant
Refused	0%	0%	1%	0%
Don't Know	6%	2%	12%	2%
Total	100%	100%	100%	100%

Program Success and Satisfaction

Nonparticipants were asked if they would be interested in enrolling in CAP if they were eligible. Table III-31 shows that 73 percent said that they would be interested.

**Table III-31
Interest in CAP Enrollment**

	If you were currently eligible under program rules, would you be interested in enrolling in UGI's Customer Assistance Program?
	Nonparticipant
Respondents	48
Yes	73%
No	15%
Don't Know	12%
Total	100%

Participants were asked how likely they were to continue to participate in the CAP. Table III-32 shows that 86 percent said they were very likely, and seven percent said they were somewhat likely.

**Table III-32
Likelihood of Continued CAP Participation**

	How likely are you to continue to participate in the Customer Assistance Program? Would you say you are very likely, somewhat likely, not too likely, or not at all likely?
	Participant
Respondents	105
Very Likely	86%
Somewhat Likely	7%
Not Too Likely	1%
Not At All Likely	2%
Refused	2%
Don't Know	3%
Total	100%

Table III-33 displays responses to a question about how important the CAP has been in helping participants meet their needs. The table shows that 82 percent said it was very important and 12 percent said it was somewhat important.

**Table III-33
Importance of CAP**

	How important has UGI's Customer Assistance Program been in helping you to meet your needs?
	Participant
Respondents	105
Very Important	82%
Somewhat Important	12%
Of Little Importance	3%
Not At All Important	1%
Refused	1%
Don't Know	1%
Total	100%

When asked whether additional assistance was needed to pay the UGI bill, 23 percent of participants and 65 percent of nonparticipants said that they did need additional assistance.

**Table III-34
Additional Assistance Needed**

	Do you feel that you need additional assistance to pay your UGI bill?	
	Participant	Nonparticipant
Respondents	105	48
Yes	23%	65%
No	68%	27%
Refused	4%	0%
Don't Know	6%	8%
Total	100%	100%

When asked what additional assistance was needed to pay the bill, respondents were most likely to say that they needed more bill payment assistance, followed by saying that they needed a lower bill.

**Table III-35
Type of Additional Assistance Needed to Pay Energy Bills**

	What additional assistance do you need to pay your bill?	
	Participant	Nonparticipant
Respondents	24	31
More Bill Payment Assistance	42%	42%
Lower Bill	25%	42%
LIHEAP	17%	0%
More Time To Pay The Bill	13%	0%
Other	0%	16%
Refused	8%	3%
Don't Know	17%	10%

Note: The sum of the percentages exceeds 100% as respondents could provide more than one response.

Participants were asked how satisfied they were with CAP. Table III-36 shows that 86 percent said they were very satisfied, and 11 percent said they were somewhat satisfied.

**Table III-36
CAP Satisfaction**

	Overall, how satisfied are you with the Customer Assistance Program?
	Participant
Respondents	105
Very Satisfied	86%
Somewhat Satisfied	11%
Somewhat Dissatisfied	1%
Very Dissatisfied	0%
Refused	1%
Don't Know	1%
Total	100%

C. Summary

APPRISE conducted mixed mode web/telephone surveys with CAP participants and non-participants in October 2023. Key findings from the survey are summarized below.

- Household Vulnerabilities: Both the CAP participants and the low-income nonparticipants had many vulnerable characteristics.
 - Young Children: 16 percent of participants and 16 percent of nonparticipants reported that they had one or more young children in the home.
 - Older Adults: 38 percent of participants and 54 percent of nonparticipants reported that there was one or more living in the household who were 60 years or older.
 - Disabled Household Members: 49 percent of participants and 29 percent of nonparticipants reported that there was a disabled household member.
 - Education: 61 percent of participants and 70 percent of nonparticipants reported that the highest level of education in the home was a high school diploma or lower.
 - Employment Income: 22 percent of participants and 23 percent of nonparticipants reported that someone in the household received wages or self-employment income.
 - Unemployment: 29 percent of participants and 21 percent of nonparticipants said that someone in the household was unemployed.

- CAP Awareness: Only 27 percent of the nonparticipants said that they were aware of CAP. Most respondents who were aware of CAP reported that they learned about the program through an agency, a personal contact, or a UGI representative.

- CAP Participation: Of the 13 nonparticipants who reported that they had heard of UGI's CAP, most reported that they did not need assistance. Others said that their income was too high, they did not want assistance, or they were not eligible.

- **CAP Enrollment:** Respondents were unlikely to report that it was difficult to enroll in CAP. Only three percent said it was somewhat difficult and one percent said it was very difficult to enroll, while 70 percent said it was not at all difficult.
- **CAP Benefits:** When asked what they felt were the benefits of CAP, participants were most likely to report lower energy or gas bills. However, other common responses were budget billing, the ability to maintain their energy service, and keeping warm.
- **CAP Impact:** Participants were asked about the financial difficulties that they faced prior to enrolling in CAP and while enrolled in CAP, and nonparticipants were asked about their current financial difficulties.
 - **UGI Bill Payment:** While 61 percent of CAP participants said it was very difficult to make their monthly UGI payment prior to enrolling in CAP, only five percent said it was very difficult after enrolling. Twenty-five percent of nonparticipants said it is very difficult to make their monthly UGI payments and 35 percent said it is somewhat difficult.
 - **Food Insecurity:** While 63 percent said they had to delay or skip paying for food prior to enrolling in CAP, 19 percent said that they had to do so while enrolled in the program. However, 38 percent of nonparticipants said they currently had to do so.
 - **Housing:** While 42 percent said that they had to delay or skip their mortgage or rent payment prior to enrolling in CAP, 10 percent said they had to do so while enrolled in the program, and 21 percent of nonparticipants said that they had to delay or skip their mortgage or rent payment.
 - **Medical:** While 38 percent said that they had to delay or skip medical or dental services prior to enrolling in CAP, 18 percent said they had to do so while enrolled in the program, and 21 percent of nonparticipants said that they had to delay or skip medical or dental services.
 - **Unsafe Heating:** While 34 percent of CAP participants said that they used their stove for heating prior to enrolling in the program, 12 percent said that they did so while enrolled in CAP. This compares to 23 percent of nonparticipants who said that they used their kitchen stove for heat.
- **Energy Assistance:** 65 percent of participants and 79 percent of nonparticipants said that they received LIHEAP in the past 12 months. When asked why they did not apply, customers stated that they did not know about the program, did not know how to apply, and did not know where to apply.
- **Participation:** 73 percent of nonparticipants said they would be interested in enrolling in CAP if they were eligible.
- **CAP Importance:** 82 percent of participants said that CAP was very important in helping them to meet their needs and 12 percent said it was somewhat important.

- **Additional Need for Assistance:** When asked whether additional assistance was needed to pay the UGI bill, 23 percent of participants and 65 percent of nonparticipants said that they did need additional assistance.
- **CAP Satisfaction:** 86 percent said they were very satisfied, and 11 percent said they were somewhat satisfied.

IV. CAP Analysis

This section describes the methodology and results from the analysis of CAP program, billing and payment data, and collections data. The available data were used to develop gross and net performance statistics for the CAP program and address the evaluation questions.

A. Research Goals

There were several goals for the CAP impacts analysis.

- Characterize the CAP participants.
- Analyze CAP retention rates.
- Assess the impact of CAP on energy affordability.
- Determine whether CAP improves participants' bill payment compliance.
- Ascertain the impact of CAP participation on LIHEAP receipt.
- Evaluate whether CAP impacts collections actions.

B. Methodology

This section describes the evaluation data and the selection of participants for the CAP impact analysis.

Evaluation Data

UGI provided APPRISE with customer data, CAP program participation data, billing and payment data, and collections data for CAP participants, and LIHEAP recipients who did not participate in the CAP.

Selected Participants: Analysis Group

Customers who enrolled in CAP between October 1, 2021 and September 30, 2022 were included as potential members of the study group. This group was chosen for the analysis, as one full year of post-program data is required for an analysis of program impacts.

Selected Participants: Nonparticipant Comparison Groups

The comparison group was constructed for the CAP data analysis to control for exogenous factors. The comparison group was designed to be as similar as possible to the treatment group, those who received services and who we are evaluating, so that the exogenous changes for the comparison groups are as similar as possible to those of the treatment group.

When measuring the impact of an intervention, it is necessary to recognize other exogenous factors that can impact changes in outcomes. Changes in a client's payment behavior and bill coverage rate, between the year preceding CAP enrollment and the year following enrollment, may be affected by many factors other than program services received. Some of these factors include changes in household composition or health of family members, changes in utility prices, changes in weather, and changes in the economy.

The ideal way to control for other factors that may influence payment behavior would be to randomly assign low-income customers to a treatment or control group. The treatment

group would be given the opportunity to participate in the program first. The control group would not be given an opportunity to participate in the program until one full year later. This would allow evaluators to determine the impact of the program by subtracting the change in behavior for the control group from the change in behavior for the treatment group. Such random assignment is rarely done in practice because of a desire to include all eligible customers in the benefits of the program or to target a program to those who are most in need.

A low-income group of customers who had received LIHEAP but did not participate in CAP were used as the comparison group. The group of customers was replicated to represent customers who enrolled in the program in each quarter that the participants enrolled. A quasi-intervention date of the middle of the quarter was chosen for each group to compare to the participating customers.

For the CAP program impact analysis, we examined pre- and post-treatment statistics. The difference between the pre- and post-treatment statistics for the treatment group is considered the gross change. This is the actual change in behaviors and outcomes for those participants who were served by the program. Some of these changes may be due to the program, and some of these changes are due to other exogenous factors, but this is the customer's actual experience. The net change is the difference between the change for the treatment group and the change for the comparison group, and represents the actual impact of the program, controlling for other exogenous changes.

Customers who participated in CAP in the year prior to enrollment were excluded from the analysis, to allow for a comparison of data while not participating and while participating in CAP. Customers who did not have a full year of data prior to joining the program or a full year of data following the program start date were not included in the impact analysis. The subject of data attrition is addressed more fully below.

The data that were used for the study and comparison group were as follows.

- CAP enrollee treatment group data extended from one year before the customer joined CAP to one year after the customer joined CAP.
- Low-income nonparticipant comparison group data included one year of data before the mid-point of the last quarter of 2021 to one year of data after the mid-point of the third quarter of 2022.

Table IV-1 describes the treatment and comparison groups that are included in the analyses in this section.

**Table IV-1
Treatment and Comparison Groups**

	Enrollee Treatment Group	Nonparticipant Comparison Group
Group	2021-2022 CAP Enrollees	Nonparticipants
CAP Participation	Did not participate in the CAP in the year prior to enrollment	Did not participate in CAP
Pre-participation Dates	1 year prior to enrollment	One year prior to the quasi enrollment dates of 11/15/2021, 2/15/2022, 5/15/2022, 8/15/2022
Post-participation Dates	1 year after enrollment	One year after the quasi enrollment dates of 11/15/2021, 2/15/2022, 5/15/2022, 8/15/2022

In addition to the treatment and comparison group, we analyzed program statistics for all customers who participated in the CAP between October 1, 2021 and September 30, 2022. The enrollee treatment group, described above, is a select group of customers who recently enrolled and did not participate in CAP for at least a year before that enrollment. It is necessary to look at this subset of CAP participants to understand how the program impacted affordability and payment behavior. However, looking at all CAP participants provides a more comprehensive picture of the characteristics of program participants. Therefore, we provide both types of analyses in this report.

C. Data Attrition

Table IV-2 provides the attrition analysis for the treatment and comparison groups. Many of the enrollees could not be included in the analysis group because they did not have close to a full year of pre-enrollment transactions data. After eliminating these cases without enough pre- or post-enrollment data and a few customers who were large outliers in their bills or payments, 36 percent of the treatment group and 71 percent of the comparison group could be included in the analysis.

**Table IV-2
Treatment Group
Attrition Analysis**

	Enrollee Treatment Group			Comparison Group		
	Electric	Gas	Total	Electric	Gas	Total
Participants	983	4,529	5,512	1,680	4,664	6,344
Insufficient Pre-Enrollment Data*	548	2,610	3,158	862	740	1,602
Insufficient Post-Enrollment Data*	72	279	351	59	171	230
Outliers	2	17	19	10	19	29
Final Sample	361	1,623	1,984	749	3,734	4,483
% of Total	37%	36%	36%	45%	80%	71%

*Less than 335 days or less than 11 bills.

Table IV-3 displays the attrition analysis for all CAP participants. The table shows that customers were most likely to be eliminated from the analysis group because they did not have sufficient data for the year of analysis. We were able to include 70 percent of the participants in the analysis group. Some of the analyses are limited to the 61 percent who participated in CAP for the full year.

Table IV-3
2021-2022 All CAP Participants
Attrition Analysis

	2021-20222 CAP Participants		
	Electric	Gas	Total
Billing Data	4,095	27,169	31,264
Insufficient Participation Year Data*	938	8,475	9,413
Outliers	8	26	34
2021-2022 Analysis Group	3,149	18,668	21,817
% of Total	77%	69%	70%
2021-2022 Full Year CAP	1,726	11,509	13,235
% of Analysis Group	55%	62%	61%

*Less than 335 days or less than 11 bills.

D. Participant Poverty Level

Table IV-4 examines the poverty level for the CAP participants. The table shows that 30 percent of all CAP participants had income below 50 percent of the poverty level, 44 percent had income between 50 and 100 percent and about 27 percent had income between 101 and 150 percent of the poverty level. The enrollee treatment group was somewhat more likely to have income below 50 percent of the poverty level.

Table IV-4
Poverty Level

	All 2021-2022 CAP Participants			Enrollee Treatment Group	
	All	Analysis Group	Full Year CAP	All	Analysis Group
Observations	31,264	21,816*	13,235	5,512	1,984
Poverty Level					
≤50%	30%	29%	27%	37%	35%
51% -100%	44%	44%	46%	38%	37%
101% - 150%	27%	27%	27%	24%	28%
Total	100%	100%	100%	100%	100%

*One account had missing poverty level information.

E. Retention Rates

Table IV-5A displays CAP retention for the 2021-2022 CAP participants. The first set of rows displays participation for all customers who participated in CAP at any point during that year. There were 31,264 customers who participated in CAP at some point in the year. However, the number with bills in any particular month of the year ranged from 21,001 to 25,300. Between 78 and 87 percent of all CAP participants with bills participated in CAP by month in 2021 to 2022.

We also examined bills and CAP bills for the analysis group and full year CAP participants. The analysis group is those customers who participated in CAP at some point in 2021-2022 and who had close to a full year of billing and payment data available to allow billing and payment statistics to be examined. The table shows that between 78 and 87 percent participated in CAP in a particular month of 2021 to 2022.

Last, the table displays participants who were in CAP for the full year, and the number of those participants who had a bill each month. The table shows that 42 percent of customers who participated in CAP were in the program for the full year.

**Table IV-5A
2021-2022 CAP Participants
CAP Participation Statistics**

	Obs.	Calendar Year 2021-2022											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
All 2021-2022 Participants													
Has Bill	31,264	29,108	28,558	29,283	29,436	26,743	29,325	28,597	28,950	28,616	27,595	27,922	27,356
CAP Bill-#		25,300	24,668	24,917	23,729	21,001	22,970	22,750	22,634	22,212	21,633	22,089	21,858
CAP Bill-%		87%	86%	85%	81%	79%	78%	80%	78%	78%	78%	79%	80%
2021-2022 Analysis Group													
Has Bill	21,817	21,817	21,057	21,656	21,810	19,602	21,813	21,309	21,789	21,783	21,241	21,794	21,817
CAP Bill-#		18,765	18,254	18,601	17,755	15,543	17,352	17,181	17,281	17,087	16,744	17,299	17,318
CAP Bill-%		86%	87%	86%	81%	79%	80%	81%	79%	78%	79%	79%	79%
2021-2022 Full Year CAP													
Has Bill	13,235	13,235	12,754	13,142	13,235	11,949	13,235	12,928	13,228	13,234	12,911	13,235	13,235
CAP Bill-#		13,235	12,754	13,142	13,235	11,949	13,235	12,927	13,227	13,234	12,910	13,235	13,232
CAP Bill-%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table IV-5B displays CAP retention for new CAP enrollees, for the 12 months following enrollment. The table shows that over 90 percent of customers who had a bill in a particular month continued to have a CAP bill and 94 percent were still on CAP 12 months following enrollment.

**Table IV-5B
CAP Enrollees
CAP Participation Statistics**

	Obs.	Months After Enrollment											
		1	2	3	4	5	6	7	8	9	10	11	12
All Enrollees													
Has Bill	5,512	5,511	5,464	5,404	5,325	5,242	5,169	5,093	5,011	4,929	4,829	4,729	4,379
CAP Bill-#		5,421	5,356	5,248	5,155	5,058	4,977	4,886	4,795	4,693	4,584	4,458	4,099
CAP Bill-%		98%	98%	97%	97%	96%	96%	96%	96%	95%	95%	94%	94%
Enrollee Analysis Group													
Has Bill	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,903
CAP Bill-#		1,972	1,975	1,969	1,967	1,958	1,948	1,952	1,941	1,935	1,928	1,916	1,797
CAP Bill-%		99%	100%	99%	99%	99%	98%	98%	98%	98%	97%	97%	94%

F. Arrearage Forgiveness

Table IV-6A displays the percent of all CAP participants who received arrearage forgiveness in 2021 to 2022, and statistics on the number of times arrearage forgiveness was received. The table shows that just over half of all CAP participants and 43 percent of the full year CAP participants received arrearage forgiveness. On average, customers had arrearage forgiveness credited to their accounts in 4.2 separate credits during the year.

**Table IV-6A
2021-2022 CAP Participants
Arrearage Forgiveness Credits Received in 2021-2022**

	Received One or More Credits In 2021-2022	Number of Arrearage Forgiveness Credits Received			
		Mean	Percentile		
			25th	50th	75th
All 2021-2022 Participants	51%	4.2	0	1	8
2021-2022 Analysis Group	50%	4.5	0	1	9
2021-2022 Full Year CAP	43%	4.8	0	0	11

Table IV-6B displays the percent of CAP enrollees who received arrearage forgiveness in the year after enrollment, and statistics on the number of times arrearage forgiveness was received. The new enrollees were more likely to receive arrearage forgiveness than all CAP participants. The table shows that 81 percent of all enrollees and 89 percent of those in the analysis group received arrearage forgiveness. On average, they had arrearage forgiveness credited to their accounts in 8.1 separate credits.

Tables IV-6A and IV-6B show that new enrollees were much more likely to receive arrearage forgiveness in the year after enrollment than all enrollees were to receive arrearage forgiveness in 2021 to 2022. The reason for that difference is that most of the 2021 to 2022 participants came into the program earlier and may have earned their arrearage forgiveness prior to the year being studied.

**Table IV-6B
CAP Enrollees
Arrearage Forgiveness Credits Received in the Year After Enrollment**

	Received One or More Credits In the Year After Enrollment	Number of Arrearage Forgiveness Credits Received			
		Mean	Percentile		
			25th	50th	75th
All Enrollees	81%	8.5	3	10	12
Treatment Analysis Group	89%	11.3	10	12	14

Table IV-7A displays the percent of 2021 to 2022 CAP participants who received arrearage forgiveness each month. The table shows that each month between 19 and 24 percent received arrearage forgiveness.

**Table IV-7A
2021-2022 CAP Participants
Arrearage Forgiveness Received in 2021-2022**

	Obs.	Calendar Year 2021-2022											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
All 2021-2022 Participants	31,264	24%	23%	22%	20%	19%	22%	20%	20%	20%	18%	23%	21%
2021-2022 Analysis Group	21,817	25%	24%	23%	22%	21%	23%	21%	22%	21%	19%	25%	22%
2021-2022 Full Year CAP	13,235	29%	28%	28%	26%	25%	26%	23%	23%	21%	18%	23%	19%

Table IV-7B displays the percentage of new CAP enrollees who received arrearage forgiveness each month following enrollment. The table shows that 68 percent of the analysis group received forgiveness in the first month following enrollment and the percentage declined over the year to 53 percent by 12 months after enrollment.

Table IV-7B
CAP Enrollees
Arrearage Forgiveness Received in the Year After Enrollment

	Obs.	Months After Enrollment											
		1	2	3	4	5	6	7	8	9	10	11	12
2021-2022 Enrollees	5,512	58%	54%	54%	52%	51%	48%	46%	45%	43%	42%	40%	39%
Enrollee Analysis Group	1,984	68%	63%	64%	63%	63%	60%	58%	59%	57%	58%	56%	53%

G. Shortfall Forgiveness

Shortfall is the difference between the customer's full bill and the customer's CAP payment. This amount is placed into a separate bucket within the CAP participant's account until the time it is forgiven. Customers receive forgiveness of the shortfall after they make their monthly CAP payments.

Table IV-8A displays shortfall forgiveness received in 2021 to 2022 for all CAP participants. The table shows that 73 percent of all participants, 78 percent of the analysis group, and 91 percent of full year CAP customers received one or more shortfall credits in 2021 to 2022. The mean number of credits received by customers who were on CAP for the full year was five.

Table IV-8A
2021-2022 CAP Participants
Shortfall Forgiveness Credits Received in 2021-2022

	Obs.	Received One or More Credits In 2021-2022	Number of Shortfall Forgiveness Credits Received			
			Mean	Percentile		
				25th	50th	75th
All 2021-2022 Participants	31,264	73%	3.6	0	3	5
2021-2022 Analysis Group	21,817	78%	4.0	1	3	6
2021-2022 Full Year CAP	13,235	91%	5.0	3	4	6

Table IV-8B displays shortfall forgiveness received in the year after enrollment for new CAP enrollees. The table shows that 90 percent of all enrollees and 96 percent of the enrollee analysis group received one or more shortfall credits in the year following enrollment. On average, customers in the analysis group received 6.4 credits.

**Table IV-8B
CAP Enrollees
Shortfall Forgiveness Credits Received in the Year After Enrollment**

	Received One or More Credits In the Year After Enrollment	Number of Shortfall Forgiveness Credits Received				
		Mean	Min	Percentile		
				25th	50th	75th
All Enrollees	90%	5.8	0	3	5	9
Enrollee Analysis Group	96%	6.4	0	4	6	10

Table IV-9A displays the percentage of all CAP participants who received shortfall forgiveness each month in 2021 to 2022. The table shows that between eight and 46 percent of participants received shortfall forgiveness each month.

**Table IV-9A
2021-2022 CAP Participants
Shortfall Forgiveness Received in 2021-2022**

	Obs.	Calendar Year 2021-2022											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
All 2021-2022 Participants	31,264	8%	10%	17%	25%	35%	46%	46%	40%	22%	14%	15%	14%
2021-2022 Analysis Group	21,817	9%	11%	18%	27%	39%	51%	51%	44%	25%	16%	17%	16%
2021-2022 Full Year CAP	13,235	11%	13%	22%	35%	53%	68%	66%	57%	32%	19%	20%	18%

Table IV-9B displays the percentage of new CAP enrollees who received shortfall forgiveness each month in the year after enrollment. The table shows that 51 percent of customers in the analysis group received forgiveness in the first month after enrollment, and the percentage fluctuated between 40 and 49 percent for the rest of the year.

**Table IV-9B
CAP Enrollees
Shortfall Forgiveness Received in the Year After Enrollment**

	Obs.	Months After Enrollment											
		1	2	3	4	5	6	7	8	9	10	11	12
All Enrollees	5,512	47%	43%	42%	41%	40%	39%	38%	39%	38%	40%	39%	38%
Enrollee Analysis Group	1,984	51%	41%	40%	41%	41%	40%	43%	46%	47%	49%	48%	46%

Table IV-10A displays the mean and median amount of shortfall forgiveness received by all CAP participants in 2021 to 2022. The table shows that the mean amount received for

those who participated in electric CAP for the full year was \$1,191 and the mean amount for those who participated in the gas CAP for the full year was \$471.

Table IV-10A
2021-2022 CAP Participants
Shortfall Forgiveness

	Obs.	Mean \$ Forgiven	Median \$ Forgiven	Obs.	Mean \$ Forgiven	Median \$ Forgiven
	Electric			Gas		
All 2021-2022 Participants	4,095	\$776	\$380	27,169	\$345	\$176
2021-2022 Analysis Group	3,149	\$887	\$486	18,668	\$372	\$206
2021-2022 Full Year CAP	1,726	\$1,191	\$814	11,509	\$471	\$301

Table IV-10B displays the mean and median amount of shortfall forgiveness received by all new CAP enrollees in the year after enrollment. The table shows that the mean amount received by the electric CAP participant analysis group was \$1,449 and the mean amount received by the gas CAP participant analysis group was \$780.

Table IV-10B
CAP Enrollees
Shortfall Forgiveness

	Obs.	Mean \$ Forgiven	Median \$ Forgiven	Obs.	Mean \$ Forgiven	Median \$ Forgiven
	Electric			Gas		
All Enrollees	983	\$1,317	\$907	4,529	\$679	\$484
Enrollee Analysis Group	361	\$1,449	\$1,031	1,623	\$780	\$592

H. Affordability

The PUC has established standards for appropriate energy burdens for CAP participants that were recently revised. Table IV-11A shows the previous energy burden targets by poverty level and fuel and Table IV-11B shows the revised targets that were implemented in July 2022. UGI implemented the new targets on a rolling basis when new customers enrolled or recertified, but were not fully implemented by the time of the evaluation period, so this evaluation reviews both targets but focuses on the prior energy burden targets.

Table IV-11A
Previous Energy Burden Targets

Utility Service	0-50% FPIG	51-100% FPIG	101-150% FPIG
Electric Non-Heat	2%-5%	4%-6%	6%-7%
Gas Heat	5%-8%	7%-10%	9%-10%
Electric Heat	7%-13%	11%-16%	15%-17%

**Table IV-11B
Revised Energy Burden Targets**

Utility Service	0-50% FPIG	51-100% FPIG	101-150% FPIG
Electric Non-Heat	2%	4%	4%
Gas Heat	4%	6%	6%
Electric Heat	6%	10%	10%

Table IV-12 displays mean energy burden by poverty level for electric and gas CAP participants. The table shows that overall mean energy burden was five percent for electric CAP participants and six percent for gas CAP participants. While the nonparticipants had an increase in their energy burden from the pre- to the post-period, the CAP participants had a large decline in burden. The net change in energy burden was a decline of 14 percentage points for electric CAP participants and a decline of seven percentage points for gas CAP participants. However, the lowest poverty level group had a much larger reduction in energy burden.

**Table IV-12¹
CAP Enrollees and Comparison Group
Energy Burden**

	Energy Burden						
	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Electric							
<=50%	33%	6%	-27%	31%	37%	6%	-33%
51%-100%	10%	5%	-5%	9%	13%	4%	-9%
101% - 150%	7%	5%	-2%	6%	8%	2%	-4%
Total	14%	5%	-9%	17%	22%	5%	-14%
Gas							
<=50%	26%	8%	-18%	13%	16%	3%	-21%
51%-100%	9%	6%	-3%	6%	7%	1%	-4%
101% - 150%	6%	5%	-1%	5%	6%	1%	-2%
Total	11%	6%	-5%	9%	11%	2%	-7%

¹375 and 2,453 accounts were excluded from Enrollee Treatment Group and Nonparticipant Comparison Group respectively due to missing income data.

Table IV-13 shows the percentage of customers above the previous PUC energy burden target. The table shows a substantial reduction in the percentage above the target, with a

net reduction of 40 percentage points for electric CAP participants and a net reduction of 32 percentage points for gas CAP participants.

Table IV-13¹
CAP Enrollees and Comparison Group
Percent Above PUC Target (Previous Targets)

	Percent Above PUC Target						
	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Electric							
<=50%	41%	9%	-32%	39%	49%	10%	-42%
51%-100%	53%	5%	-48%	29%	47%	18%	-66%
101% - 150%	15%	1%	-14%	11%	24%	13%	-27%
Total	39%	6%	-33%	20%	27%	7%	-40%
Gas							
<=50%	42%	8%	-34%	33%	47%	14%	-48%
51%-100%	32%	1%	-31%	8%	16%	8%	-39%
101% - 150%	10%	1%	-9%	3%	9%	6%	-15%
Total	29%	3%	-26%	11%	17%	6%	-32%

¹375 and 2,453 accounts were excluded from Enrollee Treatment Group and Nonparticipant Comparison Group respectively due to missing income data.

Table IV-14 displays the bills and energy burden for electric and gas CAP participants and the comparison group. Bills for electric CAP participants declined by \$1,704 compared to the comparison group and bills for gas CAP participants declined by \$944 compared to the comparison group.

Table IV-14
CAP Enrollees and Comparison Group
Affordability

	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Electric							
Observations	361			749			
Full Bill	\$1,737	\$2,222	\$486	\$1,464	\$2,064	\$600	-\$114
CAP Bill	\$1,737	\$633	-\$1,104	\$1,464	\$2,064	\$600	-\$1,704
CAP Discount	\$0	\$1,589	\$1,589	\$0	\$0	\$0	\$1,589

	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Energy Burden ¹	14%	5%	-9%	17%	22%	5%	-5%
Percent Above PUC Target ¹	58%	27%	-31%	31%	39%	8%	-39%
Percent Above Previous PUC Target ¹	39%	6%	-33%	20%	27%	7%	-40%
Gas							
Observations	1,623			3,734			
Full Bill	\$1,436	\$1,488	-\$52	\$876	\$1,052	\$176	-\$228
CAP Bill	\$1,436	\$668	-\$768	\$876	\$1,052	\$176	-\$944
CAP Discount	\$0	\$820	\$820	\$0	\$0	\$0	\$820
Energy Burden ²	11%	6%	-5%	9%	11%	2%	-7%
Percent Above PUC Target ²	49%	23%	-26%	24%	29%	5%	-31%
Percent Above Previous PUC Target ²	29%	3%	-26%	11%	17%	6%	-32%

¹79 and 373 accounts were excluded from Enrollee Treatment Group and Nonparticipant Comparison Group respectively due to missing income data.

²296 and 2,059 accounts were excluded from Enrollee Treatment Group and Nonparticipant Comparison Group respectively due to missing income data.

I. Bills and Payments

Table IV-15 displays bills and payments for the CAP participants and the comparison group. The table shows that customers’ cash payments declined but the percentage of the bill paid increased. Electric CAP participants paid 72 percent of their bill on average in the year before enrolling in CAP and 90 percent on average in the year after enrolling. Gas CAP participants paid 70 percent of their bill in the year prior to enrollment and 89 percent in the year following enrollment. However, the coverage rate for the comparison groups remained steady.

**Table IV-15
CAP Participant and Comparison Groups
Bills and Payments**

	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Electric							
Observations	361			749			
Full Bill	\$1,737	\$2,222	\$485	\$1,464	\$2,064	\$600	-\$115
CAP Bill	\$1,737	\$723	-\$1,014	\$1,464	\$2,064	\$600	-\$1,614
# of Cash Payments	6.4	6.2	-0.2	7.3	5.9	-1.4	1.2
Cash Payment	\$932	\$533	-\$399	\$1,027	\$1,108	\$81	-\$480

	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
LIHEAP Assistance	\$190	\$161	-\$29	\$286	\$606	\$320	-\$349
CRISIS Assistance	\$35	\$10	-\$25	\$7	\$112	\$105	-\$130
Operations Share Assistance	\$4	\$1	-\$3	\$0	\$0	\$0	-\$3
Other Assistance	\$44	\$11	-\$33	\$12	\$1	-\$11	-\$22
Other Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Credits	\$1,204	\$715	-\$489	\$1,331	\$1,827	\$496	-\$985
Cash Coverage Rate	59%	73%	14%	68%	49%	-19%	33%
Total Coverage Rate	72%	90%	18%	87%	86%	-1%	19%
Ending Balance	\$330	-\$10	-\$340	\$50	\$144	\$94	-\$434
Balance Change	-\$38	\$46	\$84	-\$97	\$45	\$142	-\$58
Gas							
Observations	1,623			3,734			
Full Bill	\$1,436	\$1,489	\$53	\$876	\$1,052	\$176	-\$123
CAP Bill	\$1,436	\$794	-\$642	\$876	\$1,052	\$176	-\$818
# of Cash Payments	5.9	5.6	-0.3	7.3	5.2	-2.1	1.8
Cash Payment	\$742	\$506	-\$236	\$620	\$549	-\$71	-\$165
LIHEAP Assistance	\$194	\$205	\$11	\$331	\$565	\$234	-\$223
CRISIS Assistance	\$36	\$5	-\$31	\$9	\$33	\$24	-\$55
Operations Share	<\$1	<\$1	\$0	\$0	<\$1	<\$1	\$0
Other Assistance	\$20	\$4	-\$16	\$3	\$2	-\$1	-\$15
Other Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Credits	\$991	\$720	-\$271	\$963	\$1,151	\$188	-\$459
Cash Coverage Rate	55%	67%	12%	67%	45%	-22%	34%
Total Coverage Rate	70%	89%	19%	94%	95%	1%	18%
Ending Balance	\$306	-\$17	-\$323	-\$88	-\$84	\$4	-\$327

Table IV-16 displays the distribution of the percent of the bill paid for all CAP participants. The table shows that about 50 percent of all participants and 70 percent of the full year CAP participants paid their full bill.

Table IV-16
2021-2022 CAP Participants
CAP Bill Coverage Rates

	2021-2022 Analysis Group	2021-2022 Full Year CAP	2021-2022 Analysis Group	2021-2022 Full Year CAP
	Electric		Gas	
Observations	3,149	1,726	18,668	11,509
≥100%	49%	71%	54%	68%
90%-99%	12%	14%	13%	14%
75%-89%	12%	9%	12%	10%
<75%	26%	6%	21%	8%
Total	100%	100%	100%	100%

Table IV-17 displays the distribution of bill coverage rates for CAP participants and the comparison group before and after program enrollment. The table shows that the percent of electric CAP participants who paid their full bill increased from 33 percent in the year prior to enrollment to 63 percent in the year after enrollment, compared to a decline from 62 percent to 57 percent for the nonparticipants. The percent of gas CAP participants who paid their full bill increased from 28 percent in the year prior to enrollment to 57 percent in the year after enrollment, compared to a decline from 79 percent to 77 percent for the nonparticipants.

Table IV-17
CAP Participant and Comparison Groups
Bill Coverage Rates

	Enrollee Treatment Group		Nonparticipant Comparison Group	
	Pre	Post	Pre	Post
Electric				
Observations	361		749	
≥100%	33%	63%	62%	57%
90% - 99%	9%	12%	9%	11%
80% - 89%	7%	8%	6%	7%
<80%	50%	17%	23%	25%
Total	100%	100%	100%	100%
Gas				
Observations	1,623		3,734	
≥100%	28%	57%	79%	77%
90% - 99%	10%	14%	8%	9%

	Enrollee Treatment Group		Nonparticipant Comparison Group	
	Pre	Post	Pre	Post
Electric				
80% - 89%	11%	9%	4%	5%
<80%	51%	19%	10%	9%
Total	100%	100%	100%	100%

Table IV-18 displays the number of missed payments for the new CAP participants and the comparison group. The table shows that CAP participants improved their payment behavior in the year following enrollment. The percentage with no missed payments increased from 13 to 34 percent and the percent with between one and three missed payments increased from 15 to 28 percent. The nonparticipants missed fewer payments but did not experience the improvement that the new CAP enrollees experienced.

**Table IV-18
CAP Participant and Comparison Groups
Missed Payments**

	Number of Missed Payments						Net Change
	Enrollee Treatment Group			Nonparticipant Comparison Group			
	Pre	Post	Change	Pre	Post	Change	
Observations	1,984			4,483			
No Payments Missed	13%	34%	21%	46%	50%	4%	17%
1-3 Missed Payments	15%	28%	13%	25%	23%	-2%	15%
4-6 Missed Payments	22%	18%	-4%	13%	12%	-1%	-3%
7-12 Missed Payments	50%	20%	-30%	16%	15%	-1%	-28%

J. Energy Assistance

Table IV-19 displays data on LIHEAP receipt for all CAP participants. The table shows that 28 percent of electric CAP participants and 39 percent of gas CAP participants received LIHEAP. The mean grant was about \$750.

**Table IV-19
2021-2022 CAP Participants
LIHEAP Assistance**

	2021-2022 Analysis Group	2021-2022 Full Year CAP
	Electric	
Observations	3,149	1,726
Percent Received LIHEAP	28%	31%

	2021-2022 Analysis Group	2021-2022 Full Year CAP
	Electric	
Number Received LIHEAP	888	541
Mean LIHEAP Grant (LIHEAP Recipients)	\$790	\$728
Mean LIHEAP Grant (All Cases)	\$223	\$228
Gas		
Observations	18,668	11,509
Percent Received LIHEAP	39%	47%
Number Received LIHEAP	7,334	5,417
Mean LIHEAP Grant (LIHEAP Recipients)	\$751	\$715
Mean LIHEAP Grant (All Cases)	\$295	\$337

Table IV-20 displays data on LIHEAP receipt for new CAP enrollees and the comparison group. The table shows that 35 percent of gas CAP participants received LIHEAP in the year prior to enrollment and 42 percent received LIHEAP in the year following enrollment. The percent of the comparison group that received LIHEAP increased from 56 percent in the pre-enrollment year to 92 percent in the year following enrollment, but the comparison group was eligible for inclusion in the evaluation based on LIHEAP receipt.

Table IV-20
CAP Participant and Comparison Groups
LIHEAP Assistance

	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Electric							
Observations	361			749			
Percent Received LIHEAP	37%	47%	10%	42%	90%	48%	-38%
Mean LIHEAP Grant – Received in Pre or Post Period	\$543	\$411	-\$132	\$324	\$794	\$470	-\$602
Mean LIHEAP Grant – All Cases	\$225	\$171	-\$54	\$293	\$718	\$425	-\$479
Mean LIHEAP Grant – Received in Both Pre and Post Period	\$739	\$544	-\$195	\$701	\$759	\$58	-\$253
Gas							
Observations	1,623			3,734			
Percent Received LIHEAP	35%	42%	7%	56%	92%	36%	-29%

	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Mean LIHEAP Grant – Received in Pre or Post Period	\$431	\$394	-\$37	\$364	\$641	\$277	-\$314
Mean LIHEAP Grant – All Cases	\$230	\$210	-\$20	\$340	\$599	\$259	-\$279
Mean LIHEAP Grant – Received in Both Pre and Post Period	\$682	\$505	-\$177	\$610	\$650	\$40	-\$217

K. Collections Impact

Table IV-21 displays the change in collections actions after program enrollment. The table shows that the total number of collections actions declined by an average of 4.4 actions per participant in the year following enrollment compared to a small increase for the nonparticipants.

Table IV-21
CAP Participant and Comparison Groups
Collections Actions and Cost

	Enrollee Treatment Group			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	1,984			4,483			
Letter	5.1	1.7	-3.4	1.7	2.0	0.3	-3.7
Call	1.3	0.5	-0.8	0.4	0.4	0	-0.8
Collection Agency	0.01	0	-0.01	0	0	0	-0.01
Field Visit Order	0.04	0.02	-0.02	0.02	0.02	0	-0.02
Disconnection Order	0.4	0.2	-0.2	0.1	0.2	0.1	-0.3
Total Actions	6.8	2.4	-4.4	2.2	2.6	0.4	-4.8

L. Summary

The CAP analysis estimated the impact of the program on new enrollees compared to a comparison group and analyzed CAP statistics for all 2021-2022 CAP participants. This section provides a summary of the findings from that research.

- **CAP Retention:** Between 78 and 87 percent of all CAP participants participated in CAP by month in 2021 to 2022. Of all CAP participants, 42 percent remained in CAP for the full year. Of the new CAP enrollees, 94 percent were still on CAP 12 months following enrollment.
- **Arrearage Forgiveness:** Half of all CAP participants and 81 percent of new enrollees received arrearage forgiveness. On average, the new enrollees had arrearage forgiveness credited to their accounts in 8.1 separate credits.

- **Energy Burden:** New energy burden targets were implemented by UGI in July 2022. They were implemented on a rolling basis when new customers enrolled or recertified but were not fully implemented by the time of the evaluation period, so the evaluation looks at both targets but focuses on the prior energy burden targets.

Mean energy burden declined from 14 percent in the year prior to enrollment to five percent in the year following enrollment for electric CAP participants and from 11 percent in the year prior to enrollment to six percent in the year following enrollment for gas CAP participants. This compares to an increase of five percentage points for the electric comparison group and an increase of two percentage points for the gas comparison group.

The percentage of participants above the previous energy burden target declined from 39 percent to six percent for electric CAP participants and from 29 percent to three percent for gas CAP participants. This compares to an increase of seven percentage points for the electric comparison group and six percentage points for the gas comparison group.

- **Energy Bills:** Bills for the electric CAP participants declined by an average of \$1,104 due to a mean CAP discount of \$1,589. Bills for gas CAP participants declined by an average of \$768 due to a mean CAP discount of \$820. The comparison group customers had an increase in the electric bill of \$600 and an increase in the gas bill of \$176.
- **Customer Payments:** About 50 percent of all CAP participants and 70 percent of CAP participants who remain on CAP for the full year pay their full CAP bill over the course of the year.

CAP participants improved their payment behavior in the year following enrollment. The percentage with no missed payments increased from 13 to 34 percent and the percentage with between one and three missed payments increased from 15 to 28 percent. The nonparticipants missed fewer payments but did not experience the improvement that the new CAP enrollees experienced.

Electric CAP participants paid 72 percent of their bill on average in the year before enrolling in CAP and 90 percent on average in the year after enrolling. Gas CAP participants paid 70 percent of their bill in the year prior to enrollment and 89 percent in the year following enrollment.

- **Energy Assistance:** While 28 percent of all electric CAP participants received LIHEAP, 39 percent of all gas CAP participants received LIHEAP. The mean grant was about \$750.

The percent of new CAP enrollees who received LIHEAP increased from 37 percent to 47 percent following enrollment for electric CAP participants and from 35 percent to 42 percent for gas CAP participants.

- Collections Actions: The total number of collections actions declined by an average of 4.4 actions per participant in the year following enrollment compared to a small increase for the nonparticipants. The greatest decline was in the number of letters. While the CAP participants received an average of 5.1 collection letters in the year prior to enrollment, they received an average of 1.7 letters in the year following enrollment.

V. Findings and Recommendations

This section provides key findings and recommendations based on all of the evaluation research.

A. Findings

UGI administers a comprehensive set of programs to assist low-income households in meeting their energy needs. In 2023 alone, total expenditures on the Universal Service Programs was \$30.1 million. Many improvements have been made since the previous evaluation, resulting in improved program performance and impacts.

- **Design:** Program features have been improved to increase participation and provide greater benefits.
 - The limit on annual CAP shortfall forgiveness has been removed, providing greater assistance to customers who need the financial support. The reduced energy burden targets further increase affordability for low-income CAP participants.
 - Quarterly CAP Bill Evaluation: Customers' CAP bills are evaluated each quarter to ensure they are receiving the most beneficial payment.
 - Income eligibility for LIURP was increased from 150 to 200 percent of the poverty level for UGI Gas beginning January 1, 2023 and up to 200 percent of the poverty level for UGI Electric beginning January 1, 2024.

- **Administration:** UGI has made several improvements to improve the efficiency and effectiveness of the programs.
 - CAP Agency Assistance: UGI's USP outreach team has done applications and enrollment for agencies when they have faced backlogs.
 - CAP Eligibility Documentation: Customers who received LIHEAP in the past 12 months only need to opt in and provide their income and number of household members (without verification). UGI's call center representative can process the enrollment with no further intervention from the program team. Every third year, LIHEAP recipients are required to provide proof of income.
 - CAP Application and Recertification: Customers may apply and recertify over the phone and send their documentation in by mail. CBOs may offer additional methods for submitting documentation. In-person appointments at the CBOs will still be available for customers who prefer to apply in person.
 - CAP CBO Performance: An audit checklist was developed to evaluate CBO performance.
 - LIURP Providers: UGI brought on six additional non-CBO LIURP contractors in 2021. UGI had not previously worked with these contractors and found that these new providers helped increase the number of participants.
 - LIURP Tracking: UGI has increased its production by having agencies provide monthly budget updates starting in May. This allows UGI to more closely track its unused budgets and determine if it needs to re-allocate the budget among providers.

- **Information Technology:** CAP agencies and UGI staff reported significant improvements in the COS.

- Outreach: UGI has significantly increased its CAP marketing efforts, including the following activities.
 - More frequent emails with customer testimonials resonate with customers.
 - WARM in-person events, where UGI staff interacts with customers to help them enroll in programs, are held a few times per month. UGI also encourages customers to recertify at these events, so they do not lose their benefits.
 - The CAP application and FAQs are available online.
 - WARM fliers are provided to agencies, and Facebook messages and emails are sent prior to WARM events. UGI is also planning on increasing text messaging.
 - UGI is now also providing CBOs with lists of low-income customers for direct CAP solicitation. (Note that customers have the option to opt out of this communication.)
 - UGI is targeting LIHEAP recipients for CAP enrollment. If a customer is on LIHEAP, UGI asks them to opt-in to CAP. The customer just needs to respond that they would like to opt in and provide the number of households members and income. No income verification is required. If customers opt-in for CAP but do not report income, then the bill is based on their average monthly energy bill and adjusted when they do provide income.
- Participation: UGI has seen increases in CAP, LIURP, and Operation Share participation over the last few years. UGI has fully utilized its LIURP funding and seen record numbers of Operation Share participants.
- Impact: The participant survey and impact analysis showed that CAP has had large positive impacts on participants.
 - Financial Stability: CAP has had large impacts on participants' ability to pay their bills and safely heat their homes.
 - Energy Affordability: Mean energy burden declined from 14 percent in the year prior to enrollment to five percent in the year following enrollment for electric CAP participants and from 11 percent in the year prior to enrollment to six percent in the year following enrollment for gas CAP participants.
 - UGI Bill Payment: CAP participants improved their payment behavior in the year following enrollment.
 - Satisfaction: Participants felt that the CAP enrollment process is not difficult. 82 percent of participants said that CAP was very important in helping them to meet their needs and 12 percent said it was somewhat important. 86 percent said they were very satisfied, and 11 percent said they were somewhat satisfied.

B. Recommendations

This section provides recommendations for further refinement to UGI's Universal Service Programs.

- CAP Participation Goals: UGI's CAP participation in 2022 was just under 27,000 compared to a goal of 30,000 that increases to over 42,000 by 2025. UGI developed these goals for CAP participation when they were expecting DHS to provide household

size and income for LIHEAP recipients to facilitate CAP auto-enrollment. DHS data sharing is now expected sometime in 2024.

Recommendation: Reassess participation goals after the DHS data sharing process is implemented.

- Administration: The following administrative improvements should be assessed.
 - CAP Application: One agency suggested that the CAP application could remove the section requesting household expenses information, since this is not factored into calculating the CAP monthly amount, and new customers are confused about how this factors into their CAP payment. Other agencies also noted customer confusion and calls about how the CAP payment is determined. One agency stated that clearer communication about how the program and benefits work would drastically reduce the volume of calls the agency receives from customers.

Recommendation: Consider removing household expense data from the CAP application.

Recommendation: Provide customers with an explanation of how the CAP payment amount is determined.

- CAP Recertification: One agency recommended that UGI reduce the number of re-certification reminders sent to customers because they receive many calls from customers who received reminders after they already sent in the re-certification form. Some customers send three or four re-certification forms to the agency because they get confused from the constant reminders, and the agency will contact the customer and confirm their original re-certification has been received and processed.

Recommendation: Consider spacing out and reducing the number of CAP recertification reminders.

- At Risk Customer Procedures: An agency reported that there is back-and-forth communication between the CBOs and the UGI call center when a customer asks for assistance with a shut-off notice. The call center directs customers to their CBO to assist with shut-offs, while the CBO directs customers to contact UGI.

Recommendation: Develop clear procedures for addressing customers at risk of service termination and train customer service representatives and agency staff on these procedures.

- LIHEAP Assistance: UGI reports that a high LIHEAP rejection rate due to incomplete paperwork is a significant issue. UGI participates in a LIHEAP Advisory Committee conducted by DHS, PULP, and EAP that meets quarterly to address issues including the rejection rate.

Recommendation: UGI should continue to work with the LIHEAP Advisory Committee to see how to reduce LIHEAP rejection rates.

- Agency Training: When asked about training received from UGI, the agencies discussed the program benefits provided to customers and the program administration that agencies furnish. They noted that there was a detailed manual that provided all needed information. They also reported satisfaction with the support that UGI provides to the agencies. However, none of the agencies discussed training related to high usage education or budget counseling. One agency also requested quarterly meetings with UGI to receive information about program changes because these changes are not always effectively communicated to the agencies.

Recommendation: UGI should include training on usage reduction and budget counseling in the agency training agenda.

Recommendation: UGI should consider holding quarterly meetings with the CAP agencies to discuss changes to program procedures and any issues that are impacting services.

- UGI Training: Agencies reported that additional training of UGI customer service representatives could be helpful because the representatives sometimes provide information to customers that does not align with the program policies and procedures.

Recommendation: Consider additional training for customer service representatives to ensure that they understand the Universal Service Programs.

- Customer Assistance: UGI has reduced the burden of CAP application and recertification by removing the requirement for the customer to visit the agency. The disadvantage of this change is a reduction in customer education and potential for additional referrals and services provided by the agency. One agency stated that customers who visit the agency in-person can benefit from the personal connection with agency representatives, as compared to those who email or mail in their forms.

Recommendation: UGI should assess how to provide tailored services to customers who need this support.

- Outreach: We assessed some opportunities to increase outreach to improve customer knowledge of CAP.
 - CAP Enrollment: An agency reported that they attempt to contact customers solicited for CAP by phone or email first, followed by a mailed letter. The agency does not get reimbursed for sending letters to non-enrollees, including applicants. This is because the COS does not allow the agency to access an account to note

down mailing costs until they are enrolled. This has led to lost revenue for the agency, especially since mailing letters is sometimes the only way to contact customers.

Recommendation: UGI should assess how to compensate agencies for mailing letters to customers solicited for CAP participation.

- CAP Nonparticipants: The nonparticipant survey found that only 27 percent of the nonparticipants said that they were aware of CAP and 73 percent of nonparticipants said they would be interested in enrolling in CAP if they were eligible. The nonparticipants do show the need for increased assistance. When asked whether additional assistance was needed to pay the UGI bill, 65 percent of nonparticipants said that they did need additional assistance compared to 23 percent of CAP participants.

Recommendation: Assess how to increase outreach to increase awareness of CAP.

- Foreign Language Materials: One agency interviewee noted that there is a phone number on CAP letters that can provide Spanish translation, but some customers cannot understand this as it is also written in English. Due to this, the agency has a lot of customers coming in-person with their shut-off notice requesting translation assistance.

The agency representative also stated that the high energy usage information packets are available in English, and the local community is largely Spanish-speaking.³

Recommendation: Make as many materials as possible available in Spanish.

- Marketing Funding: UGI reported that the marketing budget for Universal Service Programs is not currently rate-recoverable and is therefore restricted, which limits the amount of marketing the Company can implement.

Recommendation: UGI should consider requesting rate recovery of marketing expenses in its 2026-2031 USECP.

- LIHEAP Outreach: When asked why they did not apply for LIHEAP, survey respondents stated that they did not know about the program, did not know how to apply, and did not know where to apply.

³ The high energy usage packets have a page with the statement "UGI is committed to helping customers who make a sincere effort to pay their bills. Our representatives can assist you by providing information on a variety of assistance programs, making referrals to local agencies, offering participation in fuel funds, or establishing payment arrangements. Call (800) UGI WARM or 800 844-9276 to learn more." translated into 10 languages (on back of letter that is inside the conservation packets).

Recommendation: UGI should consider implementing calling campaigns to increase customer awareness about the availability and process to apply for LIHEAP.

- LIURP Design: LIURP has a health and safety allowance available, but it can be insufficient to address issues and result in deferrals.

Recommendation: UGI should assess whether the LIURP health and safety allowance should be increased for very high usage customers who could achieve high energy savings if those issues were remediated.

- Information Technology: There are several areas where UGI's current information technology system appears to result in program inefficiencies.

Recommendation: UGI should work to implement a new information technology system to address several issues that do not appear to be achievable in the current system.

- CAP Online Application: UGI should work towards implementing an online application system, so customers do not have to print out and submit their applications. This could also reduce agencies' workloads and improve efficiency.
 - CAP Customer Information: UGI should provide agencies with access to additional information to reduce needed contacts to UGI when agencies process CAP applications and manage CAP participants.
 - System Reporting: The COS should include a reporting function so that agencies can sort past-due letters and more efficiently complete these tasks.
 - System Speed: UGI should implement a system that works significantly faster.
 - CAP Nonparticipant Information: UGI should provide agencies with access to more customer information for CAP nonparticipants so they can provide information to customers about potential beneficial services.
 - Gas and Electric Accounts: The system should allow for a single CAP bill for joint electric and gas customers.
- LIURP Impacts: In the most recent evaluated year, LIURP saved 11 percent of pre-treatment gas usage and six percent of pre-treatment electric usage. Other recent years have seen significantly higher savings.

Recommendation: UGI should assess savings achieved by the private LIURP contractors when the 2022 program year savings results are finalized.