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CHAIRMAN'S OFFICE

October 24, 2008

The Honorable James H. Cawley, Chairman
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Dear Chairman Cawley:

Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company (the "FirstEnergy Companies"), support helping customers in many ways and continue to do so on a daily basis. Assisting consumers to prepare for winter's utility costs and educating them on the availability of low-income programs and ways to reduce energy usage is no exception. This letter will highlight some of the programs and initiatives underway at the FirstEnergy Companies that are designed to allow customers to maintain or restore electric service whenever possible and to help them reduce energy consumption which should lead to more manageable electric bills.

The following highlights our credit and collection, energy assistance and consumer education initiatives:

- The FirstEnergy Companies are aggressively attempting to reach customers whose electric service remains disconnected from previous termination action. These efforts consist of telephone attempts, personal letters and field visits, at which time we educate consumers on energy assistance programs and encourage them to take advantage of our special reconnection guidelines. These guidelines are considerably more lenient than the pertinent statutory provisions require. Also, a LIHEAP Crisis Grant will be accepted as being sufficient payment on the outstanding balance to restore service. In addition, Low Income Home Energy Assistance Program Applications are provided during our contacts with those customers identified in our records as being qualified. Compared to the number of terminations for September 2008 Year-to-Date, our combined reconnection rate for the three operating companies is 82%.
- The FirstEnergy Companies are especially proud of the newly-revised PA Customer Assistance Program (PCAP) which presently includes a total of 48,482 FE customers (16,512 for Met-Ed, 25,445 for Penelec and 6,525 for Penn Power) who not only receive PCAP monthly credits but arrearage forgiveness, as well. Low income customers who enroll into PCAP may have the service reconnected for \$150 plus the reconnection fee. This amount is reduced to \$100 plus the reconnection fee if the customer is 62 years of age or older. The referral process between our company and the Dollar Energy Fund Contact Center has been improved to facilitate timely enrollments into PCAP for customers facing termination of service.

- During the month of October, a bill insert has been included with all residential invoices to advise low income customers of the availability of LIHEAP. A bill message also appears on the bills for all residential customers providing contact information and encouraging applications for energy assistance. Income guidelines and appropriate contact numbers are provided during all field contacts in an easy-to-read format for customer convenience, as shown on the enclosed document. In addition, a LIHEAP outbound dialing campaign will be used to make customers aware of the new income guidelines, and a hotline number has been set up for customers to call for more information.
- In addition, our telephone representatives educate customers and applicants on the availability of special assistance programs and make appropriate referrals when they are deemed to be low income during calls. Referral information specific for individual customers based on where they live is now immediately available for the convenience of customers and representatives as a result of a recent upgrade to our SAP system. Calls are regularly monitored to ensure that representatives comply with this mandatory requirement. A special department whose sole responsibility is to monitor calls and implement process improvements has also been formed.
- Another recent bill insert highlighted and promoted awareness of our Universal Service Programs, such as The Dollar Energy Fund, WARM Program, CARES (Customer Assistance and Referral Evaluation Services), PCAP, and LIHEAP. This insert also encouraged participation in our Customer Services Programs, such as Equal Payment Plan, eBill Electronic Billing, Checkless Payment Plan, Extended Due Date Plan, Third Party Notification, Payment Agreements and the Critical Customer Care Program. A copy of this insert titled "Very Important Programs" (VIP) is enclosed.
- During the month of November, in addition to a bill message on invoices, the FirstEnergy Companies will be using a bill insert to remind customers of the availability of the Dollar Energy Fund—both for those in need and for those who care to contribute to the Fund. The Dollar Energy Fund contribution form is also available on our website, www.firstenergycorp.com.
- Outbound dialing campaigns continue to be successful in reaching customers to remind them of past due balances and the need to maintain their present payment agreements. This is an important initiative as the FirstEnergy Companies believe that collection activity should not begin with the termination notice. These reminders help consumers to better manage their outstanding balances and avoid the last resort of termination.
- The FirstEnergy Companies mirror the payment agreement guidelines regarding payback periods that are used by BCS. However, we go beyond statutory requirements and allow at least two payment agreements before requiring an upfront payment to stop collection activity. With few exceptions as defined by PUC policy, customer payment agreements include budget billing which not only makes the monthly payment more affordable but promotes increased awareness of energy usage.

- Important safety information is included on our post termination notices, such as the dangers of using candles, portable heaters, gas appliances and gasoline or diesel-powered generators to light or heat homes. A caution to always follow directions and use all types of heaters carefully to prevent the possibility of fire hazards and dangerous carbon monoxide gas is included, as well.
- Letters will be sent to 37,000 Met-Ed and Penelec PCAP participants reminding them that the new program does not allow them to use their entire annual bill subsidy dollars during the heating season, in the event they use electric space heaters to avoid high fossil fuel prices. This letter also encourages customers to follow manufacturers' safety guidelines if using electric space heaters.
- In response to a recent request received from the Governor's Office, the FirstEnergy Companies have launched a WARM solicitation campaign to contact approximately 1,000 high electricity use customers identified as recipients of LIHEAP during the 2007-2008 program year to discuss and implement energy conservation measures.
- As customers complete PCAP applications via the company's Chronicles Automated Case Management System, a WARM application process is automatically initiated, as well. In addition, Energy Saver 2009 calendars will be distributed to WARM participants.
- As a result of discussions with our Human Services Department, and with the input of BCS, the PA Department of Public Welfare (DPW) has agreed to share client income information via an electronic data exchange. This information will be used to automatically enroll qualifying Met-Ed, Penelec and Penn Power customers into PCAP.
- Our telephone representatives employ helpful and customer-friendly tools to use when discussing billing usage with consumers. These tools include a Customer Billing Analysis and an Energy Calculator, both designed to educate and increase awareness of energy conservation opportunities. The Energy Calculator is housed on our website, which makes it very convenient for customers to use anytime.
- During the month of October, company representatives participated in numerous community based organization and consumer/senior citizen energy conservation/universal service program events throughout the entire Pennsylvania service territory. We participated in 5 of the 7 Stay Warm Summits organized by Governor Rendell. Information about the WARM Program and energy conservation tips, brochures and calendars were provided at all of the events.
- Contractors for our weatherization program, WARM, refer customers to our Universal Service Programs which includes PCAP.
- Our representatives once again participated in the community 2008 BeWise Event in Berks County. This event is designed to educate participants by exchanging beneficial information and ideas with experts in the fields of utilities, consumer protections and health and human services. Our presenters at this year's conference shared information about PCAP, the company's WARM Program and customer rights and responsibilities under the law and the Commission's regulations.

The Honorable James H. Cawley, Chairman

October 24, 2008

Thank you for the opportunity to share these important initiatives and procedures being implemented by the FirstEnergy Companies. I look forward to working with the Commission on these critical initiatives to prepare our customers for the winter months. Please feel free to contact me if you have any questions or would like additional information.

Sincerely,



Douglas S. Elliott
President-PA Operations

Enclosures

c: Vice Chairman Tyrone J. Christy
Commissioner Robert F. Powelson
Commissioner Kim Pizzingrilli
Commissioner Wayne E. Gardner
Mitchell A. Miller, Director, Bureau of Consumer Services

HAVING TROUBLE PAYING YOUR ELECTRIC BILL?

Help is Available

Depending on the amount of your household income, you could be eligible for our Universal Service (Energy Assistance) Programs. Check the chart below – your GROSS (before taxes) monthly household income must be at or below the monthly dollar amount for the number of people in your home:

| Number of Household Members | PCAP (150% of Poverty Level) Monthly Income | Dollar Energy, WARM (200% of Poverty Level) Monthly Income | LHEAP (60% State Median) Monthly Income |
|-----------------------------|---|---|---|
| 1 | \$1300 | \$1733 | \$1925 |
| 2 | \$1750 | \$2333 | \$2518 |
| 3 | \$2200 | \$2933 | \$3111 |
| 4 | \$2650 | \$3533 | \$3703 |
| 5 | \$3100 | \$4133 | \$4296 |
| 6 | \$3550 | \$4733 | \$4888 |
| 7 | \$4000 | \$5333 | \$4999 |
| 8 | \$4450 | \$5933 | \$5111 |
| Each Additional Person Add | \$450 | \$600 | \$450 |

To apply for assistance, call **1-888-282-6816** (select option #4).
Monday-Thursday, 8:00 a.m. to 8:00 p.m., Friday, 8:00 a.m. to 5:00 p.m.
Para más información por favor llame a este número de teléfono
– 1-888-282-6816 y presione #4.

If your income is above the amounts listed in the chart, call your electric company to discuss payment arrangements:

Penelec: 1-800-962-4848

Penn Power: 1-800-774-1674

Met-Ed: 1-800-962-4848

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To speak with a Customer Service Representative, call:
Penelec and Met-Ed:
1-800-545-7741

Penn Power:
1-800-720-3600

If your power goes out, call our automated outage reporting line:
1-888-LIGHTSS (1-888-544-4877)

Our crews respond as quickly as possible, based on our record of your phone number and address. If this information has changed recently, please contact us to update our records.

If you have a text phone, call the number for the Pennsylvania Relay Service:

1-800-522-2376
for Penelec and Met-Ed
and
1-800-654-5984
for Penn Power

Then, ask the operator to dial our toll-free Customer Service number.

Visit us online at:
www.firstenergycorp.com

FirstEnergy

Penn Power • Penelec • Met-Ed

9/08

V.I.P.

VERY IMPORTANT PROGRAMS

We offer a number of customer service programs that can make paying your bill quick and convenient, as well as payment assistance programs to provide help during times of need. For more information about any of the programs in this brochure – or to find out if you qualify for assistance – call the Customer Service number listed on the back page.

Customer Assistance Programs

The Dollar Energy Fund

The Dollar Energy Fund offers financial assistance to help qualified customers in hardship situations maintain utility service after all other assistance has been exhausted. Income guidelines may apply. Community-based organizations in our service areas administer the programs, and funding is provided by contributions from company stockholders, employees and customers. At Penn Power, this program was formerly called Project Reach.

WARM Program

The WARM Program provides free home energy audits and weatherization assistance to help eligible low-income customers save money by reducing their energy consumption. Conservation measures recommended by the audit will be installed in the home. Qualified participants must meet a minimum monthly usage requirement and income guidelines.

CARES (Customer Assistance & Referral Evaluation Services)

This program provides short-term assistance to customers with special needs. Company CARES representatives refer eligible customers to social agencies and provide information on applicable company assistance programs.

PCAP (Pennsylvania Customer Assistance Program)

This program is an alternative payment plan for low-income residential customers. Participating PCAP customers are required to make regular monthly payments, but they receive a monthly subsidy credit in relation to their income. Pre-program debt forgiveness may also be offered. Community-based organizations in our service areas administer the program.

LIHEAP (Low-Income Home Energy Assistance Program)

LIHEAP is a federally funded grant program operated by various county assistance offices to help pay winter heating bills. Funds can be used to pay an electric bill even if electricity isn't the main source of heat. In most cases, payment is sent directly to the utility and credited to a customer's bill. Funds are also available to customers in emergency situations who are in jeopardy of losing their heat or need their service restored.

Customer Service Programs

Equal Payment Plan

Our Equal Payment Plan (EPP) offers you the convenience of making consistent monthly electric bill payments, avoiding the seasonal highs and lows when usage fluctuates. The monthly amount is based on your history of electric use. Each quarter, your payment amount is reviewed and, if necessary, adjusted to reflect your usage.

eBill Electronic Billing

Receive your bills electronically and access them anytime online – day or night – using this free and secure online billing option. To sign up or for more information, visit www.firstenergycorp.com, select your electric company, and then click on "Payment options."

Checkless Payment Plan

This plan is an ideal way to ensure your bill is paid on time without the hassle and expense of checks, stamps or trips to the bank. Each month when your bill is due, your payment is automatically deducted from your bank checking or savings account.

Extended Due Date Plan

If your main source of income is from a monthly Social Security or disability check, this plan can postpone the due date of your electric bill until after you receive your monthly retirement or disability check, helping avoid late payment charges.

Third Party Notification

Third Party Notification enables you to designate someone we can contact – a relative, friend, clergy member, etc. – if a final disconnection notice goes unanswered. If they agree, we will check with them before service is terminated. The person you designate does not have to pay your bill.

Payment Agreement

A Payment Agreement helps customers catch up on overdue electric bills. You pay each month the Equal Payment Plan amount plus a portion of the overdue balance, which is based on household income level.

Critical Customer Care Program

This program identifies customers who use certain electrically operated life sustaining medical equipment in their home and helps these customers prepare for planned and unplanned power outages.