

**PENNSYLVANIA POWER & LIGHT COMPANY**

**Statement 10**

**Direct Testimony of Gerald S. Farber**

**Docket No. R-00943271**

1 Q. Please state your name and business address

2 A. Gerald S. Farber, Two North Ninth Street, Allentown, Pennsylvania 18101.

3 Q. By whom are you employed and in what capacity?

4 A. I am employed by Pennsylvania Power & Light Company (PP&L or the Com-  
5 pany) as Director - Marketing and Economic Development.

6 Q. What are your responsibilities as Director - Marketing & Economic Develop-  
7 ment?

8 A. I am responsible for overall direction of corporate marketing and economic  
9 development activities including residential marketing, industrial and commer-  
10 cial marketing, economic development and community service, and demand-  
11 side management programs at PP&L. My responsibilities include direction of  
12 both staff and field activities. My economic development responsibilities  
13 include industry activities and retention programs that are carried out in close  
14 cooperation with community economic development organizations and the  
15 Pennsylvania Department of Commerce. I am also responsible for the devel-  
16 opment and implementation of customer demand-side management programs  
17 for industrial, commercial, and residential customers.

18 Q. What is your educational background?

19 A. I have a Bachelor of Business Administration degree received from the  
20 University of Pittsburgh in 1963. I also completed the course work for a  
21 Masters of Urban Planning degree from the New York University Graduate  
22 School of Public Administration in 1965, but did not complete thesis work for a  
23 degree.

1 Q. Please describe your professional experience.

2 A. I have been employed by PP&L since 1965 in a variety of community service,  
3 economic development and marketing positions. I served as Manager of  
4 Community Services from 1983 to 1991. In this position, I worked closely with  
5 community organizations on economic development activities in both corporate  
6 and field positions from June 1991 through September 1993. In September  
7 1993, I assumed my current position of Director - Marketing & Economic  
8 Development.

9 Q. What is the purpose of your testimony?

10 A. I will describe PP&L's economic development and demand side management  
11 programs.

12 Q. Please describe PP&L's existing economic development activities, initiatives,  
13 and programs.

14 A. PP&L is a recognized leader in economic development in the Commonwealth.  
15 We have had an active economic development program in place for over 60  
16 years. The goal of our economic development program is to retain existing  
17 industries and to attract new industry to the Company's service area. In addi-  
18 tion to direct efforts, PP&L works closely with the Ben Franklin Technology  
19 Centers, Industrial Resource Centers in Pennsylvania, as well as community  
20 development organizations.

21 Q. What have been the results of the Company's economic development activi-  
22 ties?

1 A. The Company's economic development initiatives have aided in attracting 470  
2 new companies during the previous five-year period, which have resulted in  
3 the creation of 29,544 new jobs in our service area. In addition, PP&L's work  
4 with customers in industry retention has aided in 373 industry expansions  
5 totaling 17,606 new jobs over the same period. PP&L is currently experiencing  
6 a significantly greater number of new industrial firms interested in its service  
7 area as a site for their new facilities than over the past several years.

8 Q. What are the Company's principal rate programs to support economic devel-  
9 opment?

10 A. The Company has a package of rate programs to promote economic develop-  
11 ment. These are referred to as Economic Development Initiatives (EDI) and  
12 Industrial Development Initiatives (IDI) riders. Currently there are about 730  
13 customers receiving rate credits under the EDI/IDI provisions. These  
14 programs have resulted in the creation of over 67,097 new jobs since 1985.  
15 These programs are summarized in Mr. Kasper's testimony.

16 Q. Haven't the EDI/IDI riders benefited the participating industrial customers at  
17 the expense of PP&L's other ratepayers?

18 A. To the contrary, as shown in Mr. Kasper's testimony, the revenue requirements  
19 for other classes of customers would have been higher without the EDI/IDI  
20 programs. In addition to Mr. Kasper's analysis, PP&L conservatively estimates  
21 that the availability of EDI/IDI credits helped retain over 300 million kwh in  
22 sales that could have been lost to customer self-generation. Moreover,  
23 beyond the rate impact, the EDI/IDI programs have benefited other customers

1 by maintaining the tax base of local communities, and through the job multiplier  
2 effect on commercial businesses and suppliers of products and services to  
3 program participants.

4 Q. Please describe your existing demand-side management programs.

5 A. PP&L's Demand Side Management programs are described in the company's  
6 March 1994 Filing with the Pennsylvania Public Utility Commission. This filing  
7 was in accordance with the Pennsylvania Public Utility Commission order  
8 entered on December 13, 1993, and titled "Investigation into Demand Side  
9 Management by Electric Utilities: Uniform Cost Recovery Mechanism" (Docket  
10 No. 1-900005). The company's DSM programs are offered to residential,  
11 commercial, and industrial customers.

12 **RESIDENTIAL**

13 Q. Please describe your Demand Side Management programs for residential  
14 customers.

15 A. PP&L's residential DSM programs are designed to enable existing home own-  
16 ers to control their energy costs, and to encourage improved building tech-  
17 niques and the use of high efficiency equipment for new construction.

18 Programs available for residential customers include:

- 19 1. Thermal Integrity - This program encourages energy efficiency in the  
20 new home construction market. Improved building techniques and  
21 increased thermal insulation is used to reduce heating and cooling  
22 loads. Air infiltration testing is performed to determine infiltration  
23 levels.

1           2.     Energy Efficient Equipment - This program encourages the use of  
2                     electric high-efficiency air-source and ground-source heat pumps,  
3                     water heating, and appliances in the new home construction market.  
4                     It also encourages the use of ground-source heat pumps among  
5                     existing electric heat customers who upgrade their conventional elec-  
6                     tric heating system. Conventional electric heating systems include  
7                     baseboard, ceiling cable, standard efficiency air-source heat pumps  
8                     and conventional warm air hydronic systems.

9           3.     Home Energy Analysis programs - This program encourages cus-  
10                    tomers with electric space heating in their homes to control their  
11                    energy costs. Energy bill profile software estimates electricity con-  
12                    sumption by appliance. Each customer also completes a question-  
13                    naire that individualizes each analysis. Recommendations for  
14                    improved energy-efficiency are made. PP&L residential consultants  
15                    assist customers with questions.

16                    Residential customers who construct homes in accordance with PP&L's  
17                    standards qualify for PP&L's Comfort Home Program. This program has  
18                    received national recognition, by RENEW AMERICA, both in 1993 and 1994  
19                    as an outstanding energy conservation and environmental program. Based on  
20                    PP&L's success with this program in ensuring energy efficiency in new con-  
21                    struction, four other Pennsylvania electric utilities as well as companies outside  
22                    Pennsylvania, have adopted the Comfort Home Program.

1           PP&L is active in promoting new energy efficient technologies for resi-  
2           dential customers. It conducts research on emerging end-use technologies  
3           and practices to evaluate performance, efficiency, and acceptance. Promising  
4           technologies and practices are incorporated into existing programs or used to  
5           develop pilot programs. PP&L pilot programs provide information on customer  
6           acceptability and measure effectiveness, demand/energy impacts, and other  
7           parameters that affect the various benefit/cost tests that are used to judge  
8           DSM programs.

9           PP&L is a founding member of the Geothermal Heat Pump Consortium,  
10          a partnership of DOE, EPA, manufactures and electric utilities, to promote  
11          advanced heat pump technology. PP&L's efforts with geothermal heat pumps  
12          have served as a model for other utilities and have established an infrastruc-  
13          ture and increased public awareness to make ground-source heat pumps a  
14          viable space conditioning option.

15          PP&L has also implemented initiatives with manufacturers to market  
16          energy efficient products to residential customers. Specifically, PP&L is pro-  
17          moting the installation of digital line-voltage thermostats for electric resistance  
18          heating customers. Test results have shown that consumers can realize an  
19          energy savings of 8 to 12 percent with these thermostats. Additional products  
20          are being evaluated where energy savings can be achieved and marketing  
21          opportunities exist.

22

1 **INDUSTRIAL AND COMMERCIAL**

2 Q. Please describe your demand side management programs for industrial and  
3 commercial customers.

4 A. PP&L's Industrial and Commercial DSM programs are designed to increase  
5 the conservation and load management opportunities for non-residential cus-  
6 tomers. They were developed by identifying the needs of the customers and  
7 how best to meet those needs. Programs available for non-residential custom-  
8 ers include 1) Efficient Energy Management for existing customers, 2) Energy  
9 Conscious Construction for new customers and Electrotechnology Applications  
10 and Environmental Services for the industrial customers processes.

11 The Efficient Energy Management program targets the existing custom-  
12 ers' energy use. Energy Audits are offered at no cost to the customer. These  
13 audits include examining the energy utilization and efficiency of all end-uses  
14 within the customer's facilities and providing recommendations for improve-  
15 ments. While the focus of these analyses is aimed at electricity, the audits  
16 also identify and recommend improvements for other energy sources in use by  
17 the customer as well. Ground source heat pumps are also promoted with  
18 customers whenever they are making changes to their heating, ventilating, and  
19 air conditioning (HVAC) systems. Ground source heat pumps offer significant  
20 advantages in efficiency over traditional HVAC systems. At the same time,  
21 they contribute less to PP&L's peak demand.

22 The Energy Conscious Construction program promotes energy  
23 efficiency in the construction of new non residential buildings. Ground source

1 heat pumps, systems providing load management capability, and other energy  
2 efficient equipment, are promoted. Our efforts are with the end-user and also  
3 the design community who make recommendations to the customer on energy  
4 efficient equipment.

5 The Electrotechnology and Environmental services program started in  
6 1991. This program evolved from one-on-one efforts to a program that targets  
7 specific applications or customer groups. In 1992 the program targeted elec-  
8 tric forklifts which received a Governors Energy Award in 1993. In 1993 the  
9 program targeted Drying and Curing Applications which provide improved pro-  
10 ductivity, higher quality, and improved environmental compliance as a result of  
11 the high-efficiency electric process. In 1994 the program targets the Food  
12 Industry and applications that assist PP&L's largest industrial group to imple-  
13 ment high efficiency processes. A central portion of the program is the avail-  
14 ability of an industrial process audit for the industry which identifies areas that  
15 the customer can improve their operation and the energy efficiency.

16 PP&L along with its partners, Northampton Community College, the  
17 Northeastern Tier Ben Franklin Technology Center, and the Electric Power  
18 Research Institute, has formed a new Electrotechnology Applications Center  
19 (ETAC) that is housed at the Northampton Community College Campus in  
20 Bethlehem, Pennsylvania. The new center was specifically established to  
21 assist a broad range of industrial customers in finding environmentally compli-  
22 ant coatings, paints, inks, and varnishes to replace the volatile organic chemi-  
23 cal (VOC) solvent based coatings they have traditionally used and efficient

1 ways to cure and dry them. In the past, the solvents used in these coatings  
2 were allowed to escape to the atmosphere as they were dried or cured using  
3 industrial ovens, contributing to ground level ozone production. The technolo-  
4 gies being demonstrated by ETAC are comprised of new solvent free or low  
5 solvent coatings and highly efficient infrared, ultraviolet, and other radiation  
6 curing systems. During its first year ETAC, which has been operating out of  
7 temporary space while a new building is being constructed by Northampton  
8 Community College to house it, has already begun working with over twenty  
9 industrial firms. Without this partnership, these and many other industrial firms  
10 would become less competitive and less profitable due to the costs of compli-  
11 ance with the provisions of the Clean Air Act Amendments of 1990. Many of  
12 these customers are faced with the difficult choice of making expensive  
13 investments in VOC capture and clean up technologies or attempting to  
14 research, develop, and test environmentally compliant coating solutions on  
15 their own. The customers working with ETAC are finding that these invest-  
16 ments can be better utilized by adopting new production technology that  
17 reduces process energy use and costs overall and can produce a higher  
18 quality product at the same time. By making the customers more efficient and  
19 productive, existing jobs are retained and new skilled jobs can be created.  
20 The Center, although still in its infancy, is already being recognized as an key  
21 asset for business retention. Some of the customers being assisted through  
22 the Center have already publicly stated that the assistance they are receiving

1 is key to their continued economic viability. During the fall of 1994, ETAC  
2 assisted the Department of Environmental Resources in conducting a series of  
3 state-wide Clean Air Act Amendment seminars designed to help small to mid-  
4 sized industrial firms understand the Act and provide practical information on  
5 technological solutions to help them achieve compliance.

6 Q. Does PP&L have other Demand Side Management programs?

7 A. Yes, in addition to the residential, industrial and commercial and pilot  
8 programs, PP&L offers an Area Lights Conversion program. This program  
9 replaces PP&L mercury vapor area lights with energy-efficient, high pressure  
10 sodium area light. The high pressure sodium area lights produce additional  
11 46% lumens, and each save 410 kwh annually over the mercury vapor light.

12 Q. Does this conclude your direct testimony?

13 A. Yes.

**PENNSYLVANIA POWER & LIGHT COMPANY**

**Statement 11**

**Direct Testimony of Bernard J. Bujnowski**

**Docket No. R-00943271**

1 Q. Please state your full name and business address.

2 A. Bernard J. Bujnowski, Two North Ninth Street, Allentown, Pennsylvania  
3 18101.

4 Q. By whom are you employed and in what capacity?

5 A. I am currently the Manager-Customer Contacts for Pennsylvania Power &  
6 Light Company (PP&L).

7 As Manager-Customer Contacts, I am responsible for the day-to-  
8 day operations of PP&L's Customer Contact Center, which handles about  
9 1.6 million customer phone calls annually.

10 Q. What is your educational background?

11 A. I graduated from King's College in 1969 with a Bachelor of Arts degree in  
12 English and from Michigan State University in 1972 with a Master of  
13 Science degree in Regional Community Planning.

14 Q. Please describe your professional experience.

15 A. I began my career as an Environmental Specialist with the Federal Energy  
16 Regulatory Commission (FERC) in 1972. My responsibilities included the  
17 preparation of environmental and socio-economic evaluations for activities  
18 under the jurisdiction of the FERC, especially the construction and  
19 operation of hydroelectric generating facilities. In 1974, I began work for  
20 Cahn Engineers, Inc., a private consulting firm in Wallingford, CT, where I  
21 worked as a senior planner. In that position, I was responsible for  
22 conducting environmental assessments on municipal and regional  
23 projects ranging from waste water treatment facilities to providing

1 technical assistance to municipalities in Community Development Block  
2 Grant activities under the Housing and Community Development Act. In  
3 1978, I was hired by PP&L as a Community Planning Consultant to  
4 coordinate environmental and land use studies for power plant siting  
5 activities. In 1984, I was promoted to Supervisor-Community Planning  
6 and in 1988 was named Supervisor-Community Services. In those  
7 positions, I was responsible for a broad range of programs including  
8 community planning, outdoor lighting, geographic information systems,  
9 land management, and energy education. In 1991, I was assigned the  
10 position of PP&L's Electric and Magnetic Fields (EMF) Issue Manager. In  
11 that capacity, I was responsible for directing and coordinating the  
12 Company's comprehensive EMF program, which includes among other  
13 things magnetic field management, support for EMF research, and  
14 customer communications. On December 14, 1993, I was named PP&L's  
15 Director-Customer Services. I was responsible for the oversight and  
16 direction of customer billing, accounting, customer contact, credit and  
17 collections, and consumer programs. On December 13, 1994, as part of  
18 an overall reorganization of customer services functions, I was assigned  
19 to my current position of Manager-Customer Contacts.

1 Q. What is the purpose of your testimony?

2 A. My testimony explains PP&L's long-standing commitment to supporting  
3 customer and community needs and the benefits to PP&L and its  
4 stakeholders of such activities. I will also describe PP&L's existing and  
5 proposed programs designed to further support customer and community  
6 needs and the reasons why such existing and proposed programs are in  
7 PP&L's interest and the public interest.

8 Q. Please explain the history of PP&L's commitment to implementing  
9 programs that support customer and community needs.

10 A. For sometime, PP&L has been among the industry leaders in  
11 implementing programs addressing customer and community needs,  
12 especially those of lower-income customers. The programs, also known  
13 as "social" programs, are an extension of PP&L's long-standing  
14 commitment to deal fairly with all of its customers. They also reflect the  
15 Company's desire to offer programs that address the needs and priorities  
16 of its diverse population of customers. A key corporate objective for PP&L  
17 is to "be an institution that is humane, responsible and contributive to the  
18 betterment of society." PP&L believes such activities are in the greater  
19 public interest.

20 Since the late 1970's, the Company has implemented a variety of  
21 programs and services designed to serve the needs of customers and  
22 communities, particularly low-income customers. PP&L's approach to  
23 developing these programs has been inclusive rather than exclusive.

1 Programs have been based on customer and community needs, and local  
2 organizations have played a key role in developing policies and  
3 procedures for programs. In addition, many local organizations have  
4 been involved in the implementation of Company-sponsored low-income  
5 programs.

6 PP&L believes that its existing programs and the programs  
7 discussed in my testimony are the outgrowth of well-established and  
8 effective overall approach that has existed at PP&L for almost two  
9 decades. As customer and community needs change, so must the  
10 programs offered by the Company.

11 **Q.** When did PP&L get involved in social programs and initiatives designed to  
12 address community and customer needs?

13 **A.** PP&L has a 75-year history of community support throughout its 29-  
14 county service area. The genesis of the Company's specific commitment  
15 to "social" programs designed to address customer and community needs  
16 can be traced back to 1972 when PP&L established a Consumer Affairs  
17 function. The initial charge of Consumer Affairs was to listen to  
18 consumers, identify their needs, and develop programs to meet  
19 consumers' expectations. PP&L was one of the first electric utilities in  
20 nation to establish a Consumer Affairs function.

21 Through its Consumer Affairs function, the Company established  
22 effective working relationships with national (Consumer Federation of  
23 America), regional (Conference of Consumer Organizations), and state

1 (Pennsylvania Citizens Consumer Council) consumer organizations. This  
2 early partnering activity cumulated in the first-ever Consumer-Utility  
3 Conference, which was held in Hershey, Pennsylvania in September  
4 1976. Over 400 people from throughout the U. S. representing  
5 consumers, utilities, and government participated in the conference. This  
6 consumer-utility dialogue was a watershed event in terms of PP&L taking  
7 a proactive role in developing consumer and community programs and  
8 services.

9 Over the years, the Company has expanded its participation in  
10 consumer-utility coalitions. PP&L was involved in establishing the  
11 National Low Income Energy Consortium, which represents all segments  
12 of the low-income energy environment. The Company participates in the  
13 National Fuel Funds Network, which represents private fuel funds across  
14 the nation, and PP&L is a member of the Pennsylvania Energy Assistance  
15 and Weatherization Coalition. The Company has worked for many years  
16 with the Pennsylvania Institute for Community Services, which is an  
17 organization dedicated to consumer education activities. With respect to  
18 the needs of older Pennsylvanians, PP&L has participated in the  
19 Pennsylvania Energy, Utilities, and Aging Consortium.

20 As the result of PP&L's early involvement with consumer  
21 organizations, the Company became more aware of the needs of low-  
22 income customers who could not pay the full amount of their energy bills.  
23 In 1980-81, PP&L began a program called CARES (Customer Assistance

1 & Referral Evaluation Service). It was an innovative outreach and referral  
2 service for customers who were faced with personal or family hardships.  
3 The Pennsylvania Public Utility Commission subsequently has  
4 encouraged all electric and gas utilities to establish CARES programs.

5 In 1983, PP&L was one of the first utilities in the nation to start a  
6 private fuel fund to help low-income customers pay their energy bills.  
7 Known as Operation HELP, the program has raised more than \$5.2  
8 million to assist nearly 25,000 low-income families.

9 To address the energy conservation needs of low-income families,  
10 PP&L started the Winter Relief Assistance Program (WRAP) in 1985.  
11 WRAP provides free weatherization services to qualified low-income  
12 customers. In 1988, the PUC directed all electric and gas utilities to start  
13 similar weatherization programs, known generically as Low Income Usage  
14 Reduction Programs ("LIURP").

15 **Q.** Please describe PP&L's existing major customer and community needs  
16 programs.

17 **A.** The Company's major customer and community needs programs, which  
18 all have existed for at least 10 years, include the following:

- 19 • Customer Assistance & Referral Evaluation Service (CARES)
- 20 • Operation HELP
- 21 • Winter Relief Assistance Program (WRAP)

22 **Q.** What is the CARES program?

1 A. CARES began as a pilot program in late 1980 and was implemented as a  
2 systemwide program in early 1982. It is a special outreach and referral  
3 service for customers who cannot pay the full amount of their electric bills  
4 due to temporary personal or family hardships. There are five CARES  
5 Representatives who assist customers throughout the Company's 10,000  
6 square mile service area.

7 The CARES program recognizes that people are sometimes  
8 victims of circumstances beyond their control. These conditions create  
9 family hardships that are often difficult to overcome without outside  
10 intervention. In addition, these hardships may be exacerbated because  
11 people do not know where to turn for help or guidance.

12 CARES plays a key role in responding to the needs of customers  
13 who are confronted with hardships. The CARES Representatives help  
14 about 1,000 customers annually.

15 Q. What is Operation HELP?

16 A. Operation HELP is a fuel fund program supported by donations from  
17 PP&L, its customers and employees. The program, which started in  
18 1983, is administered by 16 social service organizations located  
19 throughout the Company's service territory. Operation HELP was one of  
20 the first utility-sponsored fuel funds in the nation.

21 The fund pays any type of home energy bill -- not just electricity.  
22 Assistance is limited to one time annually, and all payments go directly to  
23 energy vendors. To receive assistance, applicants must participate in

1 personal interviews with the administering agencies to determine their  
2 need and eligibility. The program is available to any low-income customer  
3 who is confronted with hardships and has an overdue balance. However,  
4 because resources are limited, Operation HELP targets those with  
5 hardships such as illness or injury to the primary wage earner, high  
6 medical expenses, or disabilities.

7 From January 1983 through November 1994, Operation HELP has  
8 raised \$5.2 million to assist nearly 25,000 customers. Donations from the  
9 various funding sources are shown below:

10	Customers	\$2,533,596
11	PP&L	2,163,878
12	PP&L Employees	<u>513,818</u>
13	Total	\$5,211,292

14 In 1994, PP&L provided \$325,000 in corporate support for  
15 Operation HELP plus a one-time winter emergency contribution of  
16 \$250,000. In October, the Company's Board of Directors approved a  
17 significant increase in shareholder support for Operation HELP from  
18 \$325,000 this year to \$420,000 next year -- an increase of 29.2 percent.

19 **Q.** What is WRAP?

20 **A.** The Winter Relief Assistance Program (WRAP) is a free weatherization  
21 program for low-income customers. During the winter, many low-income  
22 customers cannot pay their entire electric bill because their heating costs

1 increase. Many also sacrifice comfort to control heating costs. In 1984,  
2 PP&L designed WRAP to help these customers.

3 Implemented in March 1985, WRAP was one of the first utility-  
4 operated low-income energy assistance programs in Pennsylvania and  
5 has served as a model for other utilities and community outreach  
6 programs nationwide. WRAP offers more than just weatherization.  
7 PP&L's unique, two-step program combines free weatherization services  
8 with individualized energy education counseling.

9 To qualify for WRAP services, applicants must meet income  
10 guidelines; be individually-metered PP&L customers; be at least 18 years  
11 of age; own or rent a home or apartment; and must not have received  
12 WRAP services previously. WRAP income guidelines are established at  
13 150 percent of the federal poverty level, but can go as high as 175  
14 percent of that level in hardship cases..

15 From March 1985 through September 1994, WRAP has  
16 weatherized 26,564 homes at a cost of \$24,841,570 -- an average cost of  
17 \$935 per home. Before WRAP began the energy education sessions, a  
18 sample of customers who received full weatherization showed an overall  
19 operating cost decrease of about 8 percent. After initiating the energy  
20 education phase of the program and the use of blower door technology  
21 and air infiltration reduction measures, average savings increased to 15-  
22 18 percent for 67 percent of participating electric heat customers.

1 Q. Does PP&L have experience with other customer and community  
2 programs and services?

3 A. Yes. I will explain these other programs briefly below.

4 **OnTrack Payment Plan**

5 In December 1993, PP&L began a customer assistance pilot  
6 program called the OnTrack Payment Plan. OnTrack is a special  
7 payment plan for customers with limited incomes who are struggling to  
8 pay the full cost of their electric service. The program offers a special  
9 reduced monthly payment based on family size, income and electric use;  
10 protection from service shut-off; referrals to other assistance programs;  
11 weatherization and energy education; and arrearage forgiveness.

12 The two-year pilot is limited to 2,000 low-income residential  
13 customers who have overdue balances and expenses that exceed  
14 household income. Low-income is defined as household income at or  
15 below 150 percent of the federal poverty level. The primary objectives of  
16 OnTrack are as follows:

- 17 1. Improve customers' bill-paying habits;
- 18 2. Stabilize or reduce energy usage;
- 19 3. Lower uncollectible balances for pilot participants; and
- 20 4. Determine the overall impact on PP&L's overdue receivables.

21 OnTrack is being administered jointly by PP&L and social service  
22 agencies. They are responsible for verifying customers' eligibility,  
23 establishing affordable payment plans, making referrals to other

1 programs, and conducting follow-up activities for customers who miss  
2 payments or increase their energy usage.

3 As of November 30, 1994, a total of 1,024 low-income customers  
4 have enrolled in OnTrack. To date, only 14 customers (just over one  
5 percent) have defaulted on their OnTrack payment plans and have been  
6 removed from the pilot. Two consecutively missed payments without  
7 cause will lead to dismissal from OnTrack. Results for similar pilot  
8 programs at other utilities show default rates ranging from 25-33 percent.

### 9 **Billing Options**

10 PP&L was an early proponent of offering a variety of billing options  
11 to address customers' needs and special circumstances. For example,  
12 The Double Notice Protection Plan allows a customer to designate a third  
13 party (e.g., family member, minister, social agency) to receive copies of all  
14 Company collection notices. This procedure provides another layer of  
15 protection to prevent unnecessary shut-offs of electric service for special  
16 needs customers.

17 Pension checks normally reach people within the first few days of  
18 each month. A senior citizen's electric bill may be due at a time when it  
19 cannot be conveniently paid from the customer's pension check. The  
20 Extended Due Date Plan allows Social Security recipients and others who  
21 depend on pensions to extend the due date of their electric bills to avoid  
22 late payment charges.

1           **Communications**

2           PP&L also has the capability to communicate directly with  
3 customers who are hearing- or speech-impaired. Through the use of a  
4 telecommunications device for deaf (TDD), customers can contact PP&L's  
5 Customer Contact Center. A toll-free TDD number is available Monday  
6 through Friday from 7 a.m. to 7 p.m.

7           **Public Participation**

8           The Company has a long history of using public participation as a  
9 means of identifying and addressing customers' concerns. It was among  
10 the first businesses in the nation to use consumer advisory panels, which  
11 were established in the late 1970s. Other public advisory panels were  
12 formed to address issues surrounding the siting of company facilities,  
13 power plant operations, and the needs of large industrial customers.

14           **Low Income Home Energy Assistance Program (LIHEAP)**

15           LIHEAP is a federally funded energy assistance program for low-  
16 income families. Next to New York, Pennsylvania is the second largest  
17 recipient of LIHEAP funding; the Commonwealth received about \$100  
18 million in fiscal year (FY) 1994. However, nationwide federal funding for  
19 LIHEAP has declined from \$2.1 billion in FY 1986 to \$1.3 billion in FY  
20 1995 -- a drop of 38 percent. Pennsylvania's allocation during this same  
21 period of time has fallen from \$141 million to \$100 million -- a decrease of  
22 29 percent. Due to a lack of adequate funding, the Pennsylvania

1 Department of Public Welfare (DPW) estimates that less than one-third of  
2 eligible households receive LIHEAP benefits.

3 PP&L has been very active in promoting the availability of LIHEAP  
4 and in lobbying for additional federal funding. Over the years, the  
5 Company has used bill inserts, news releases, radio spots, brochures and  
6 fact sheets, and special mailings to inform low-income customers about  
7 LIHEAP. PP&L also has set up LIHEAP displays (e.g., posters,  
8 brochures, application forms) at Company bill payment centers. The  
9 CARES Representatives have worked with DPW caseworkers to conduct  
10 LIHEAP intake at Company locations and local shopping malls.

11 To support LIHEAP funding, PP&L has sent letters to key members  
12 of Pennsylvania's Congressional delegation; met with lawmakers to  
13 discuss LIHEAP; presented testimony to a Congressional subcommittee;  
14 and participated in the activities of federal and state LIHEAP coalitions.  
15 PP&L has also provided written and oral testimony to DPW regarding its  
16 state plan for administering LIHEAP.

17 **Q.** Where does PP&L stand today regarding its community and customer  
18 needs programs?

19 **A.** PP&L and the electric utility industry are at a crossroads of change and  
20 challenge. Movement toward a more competitive electric utility industry  
21 environment requires that the Company re-evaluate its strategic direction  
22 and objectives. At the same time, an important strategic issue for PP&L  
23 to consider is the value of an expanded customer and community needs

1 agenda. As part of its re-evaluation of strategic direction, the Company,  
2 with customer and community input, has developed a package of  
3 additional initiatives that is compatible with customer and community  
4 needs, PP&L's corporate objectives, and the public interest. Given the  
5 current needs and priorities of local communities, providing new and  
6 innovative community and customer programs is the next logical step for  
7 PP&L. Further, implementation of these new programs is in the long-term  
8 interest of PP&L and all its constituencies as such programs will help to  
9 ensure that communities located in PP&L's service territory will grow and  
10 prosper. PP&L's long-term success clearly is linked to the success of the  
11 communities that it serves.

12 **Q.** What new community and customer program initiatives will you describe  
13 in your testimony?

14 **A.** I will describe the following programs and services:

- 15 1. Build-A-Neighborhood Program;
- 16 2. Affordable Housing Program;
- 17 3. Small Business Program;
- 18 4. Keep Warm Plan;
- 19 5. Payment Protection Plan;
- 20 6. Winter Emergency Plan;
- 21 7. Operating HELP Contribution Enhancement Program; and
- 22 8. CARES Extension Pilot Program

23 **Q.** Does your testimony include all of the specifics of each program?

1 A. No. PP&L has attempted to involve the public in the formulation and  
2 implementation of these new programs in order to maximize their effects  
3 in local communities. PP&L has attempted to design the program and  
4 provide sufficient parameters for its implementation, but has not dictated  
5 the minute details of each element of every program. I will briefly explain  
6 the development of the programs, the community and customer needs  
7 served by each program and the guidelines and parameters for each  
8 program.

9 Q. Please explain the basic objectives of these new programs?

10 A. PP&L would like to offer a multi-faceted approach that builds on existing  
11 successes (e.g., CARES, Operation HELP, WRAP) and provides new and  
12 innovative programs that meet community and customer needs. The  
13 objectives of the programs are as follows:

- 14 1. Provide meaningful, cost-beneficial services that meet customer  
15 and community needs;
- 16 2. Demonstrate PP&L's commitment to addressing social  
17 concerns;
- 18 3. Offer a significant financial commitment for program  
19 development and implementation; and
- 20 4. Enhance PP&L's role and visibility in service area communities.

21 PP&L believes these objectives serve the long-term strategic interests of  
22 PP&L and its constituencies and are in the public interest.

23 Q. How were current customer and community needs identified?

1 A. The cornerstone of any PP&L-sponsored initiatives like these should be  
2 support for an important customer and/or community need. In an era of  
3 diminishing resources to address these needs -- both human and capital -  
4 - efforts should be focused on programs and activities that address these  
5 needs in the most efficient manner. Resources need to be used  
6 strategically to have the most effective impact. The challenge is to match  
7 corporate objectives and capabilities with community needs and priorities.

8 The list of customer and community needs is long and  
9 comprehensive. In order to reduce the list to a manageable number, 12  
10 outside representatives knowledgeable about their communities' needs  
11 and concerns were contacted by PP&L. These individuals were selected  
12 because they have a broad view of community needs and priorities. As a  
13 group, the organizations to whom these individuals represent serve the  
14 needs of limited income families, the elderly, minorities, working poor, and  
15 small businesses. These entities generally are identified as having the  
16 greatest needs.

17 The community representatives identified 20 separate community  
18 and customer issues and concerns. Based on their feedback, the issues  
19 have been classified as first-tier or second second-tier so that more  
20 important issues could be addressed first. Issues categorized as first-tier  
21 share two important characteristics, namely: 1) significant need for  
22 resources; and 2) potential for greater overall benefits. The first-tier  
23 issues included the following:

- 1 -- Neighborhood restoration -- Employment/job training
- 2 -- Affordable housing -- Educational partnerships
- 3 -- Family self-sufficiency -- Improved housing stock
- 4 -- Support for small business -- Cultural diversity
- 5 -- Urban redevelopment -- Job retention or expansion

6 PP&L then undertook to develop its new initiatives to address, to  
7 the extent practicable, these first tier issues.

8 **Q.** What is the Build-A-Neighborhood Program?

9 **A.** Most community representatives contacted by PP&L indicated that  
10 improving urban neighborhoods is a critical need. The deterioration of  
11 urban neighborhoods threatens the economic and social viability of cities  
12 and metropolitan areas. The flight of urban businesses and homeowners  
13 to suburbia has relegated some downtown areas and their surrounding  
14 neighborhoods to de facto second-class status. Promoting the  
15 development of strong neighborhoods addresses a variety of key issues  
16 such as affordable housing, crime, economic development, and civic  
17 pride.

18 Under the Build-A-Neighborhood Program, community  
19 organizations would use federal selection criteria to identify  
20 neighborhoods targeted for improvement. In order to encourage  
21 participation and to eliminate implementation barriers, priority would be  
22 given to areas where the majority of homes were owner-occupied. Once  
23 a neighborhood was identified, PP&L would work closely with existing

1 community organizations to determine needs and what types of services  
2 should be provided. The Company's role would be to add value to  
3 existing, viable organizations and to provide another source of funding  
4 and support rather than to attempt creating a new, PP&L-run organization.  
5 Partnering with existing groups also will be critical to achieve "buy-in" from  
6 all participants, including neighborhood residents.

7 Using a variety of resources from PP&L, local government, private  
8 contractors, community organizations, and residents of the neighborhood,  
9 the Build-A-Neighborhood Program would offer the types of services listed  
10 below both directly and with grants:

- 11 -- Weatherization
- 12 -- Energy usage education
- 13 -- Home repairs
- 14 -- Upgraded street lighting
- 15 -- School/neighborhood services
- 16 -- Other Neighborhood Improvements
- 11 -- Clean-up and painting
- 12 -- Heating system replacement/repair
- 13 -- Referrals to other social services
- 14 -- Code inspections
- 15 -- Sidewalk/curbing repair

17 If a school were located near the neighborhood, other services  
18 would be developed to integrate the activities of the school and  
19 neighborhood. There has been a successful model (i.e., Family Centers)  
20 used in some of PP&L's service area communities to reinforce and  
21 strengthen the relationship between neighborhood families and schools.

22 Q. What is the Affordable Housing Program?

1 A. The availability of adequate and affordable housing for limited-income  
2 families is lacking in many urban areas. It is not uncommon for low-  
3 income families in urban areas to spend a disproportionate amount of  
4 their disposable income on rent. High housing costs are a significant  
5 impediment preventing these customers from paying the full amount of  
6 their electric bills. The affordability is exacerbated in some cases because  
7 many of these buildings are poorly insulated.

8 Under the Affordable Housing Program, PP&L would support  
9 existing affordable housing coalitions' efforts to promote home ownership  
10 for families with limited incomes. The Company would partner with these  
11 coalitions and alliances and provide an additional source of funding and  
12 support rather than taking the lead role. Because of PP&L's long-time  
13 involvement with social service agencies and community development  
14 organizations, PP&L is strongly positioned to support ongoing affordable  
15 housing programs.

16 The program would include activities such as:

- 17 • Helping community development corporations buy urban  
18 housing properties;
- 19 • Providing weatherization and heating system improvements;
- 20 • Installing energy efficient heat pump water heaters;
- 21 • Offering in-depth energy usage education;
- 22 • Supplying funding for closing costs for new homeowners;

- 1 • Including customers in the OnTrack Payment Program where
- 2 appropriate; and
- 3 • Arranging for advice to new, first-time homeowners.

4 The social and economic impacts of home ownership cannot be  
5 overstated. Home ownership can lead to improved self-esteem, more  
6 cohesive families, self-sufficiency, and stronger, more viable  
7 neighborhoods.

8 **Q.** What is the Small Business Program?

9 **A.** Small businesses often play an important role in maintaining the viability  
10 of the neighborhoods where they are located. Neighborhood grocery  
11 stores, for example, are very important to people who lack transportation  
12 of have limited mobility because of physical impairments. Significant job  
13 growth is generated by small businesses, but they are very susceptible to  
14 failure in their first several years of existence. Many small start-up  
15 businesses begin in downtown urban areas because they cannot afford to  
16 lease buildings in prime locations. In addition, they often lack the capital  
17 or other necessary resources to locate their businesses in shopping malls.

18 Under the Small Business Program, PP&L would provide a variety  
19 of services to existing and new small businesses in urban areas. A "new"  
20 business would be defined as being in existence for less than one year.  
21 The Company's efforts would be coordinated with community  
22 development organizations that are addressing the needs of small  
23 business owners.

1 The major activities of the Small Business Program would include:

- 2 • Providing free weatherization and energy efficiency services;
- 3 • Forgiving demand charges for new qualifying small businesses
- 4 for one year;
- 5 • Making funding available for start-up minority-owned
- 6 businesses; and
- 7 • Providing a mentoring service for new businesses.

8 The services available for small businesses would be a  
9 combination of utilizing existing programs, working with small-business  
10 advocates, and building entrepreneurial skills. Depending on whether the  
11 small business was new or existing, a tailored package of services would  
12 be offered.

13 **Q.** What is the Keep Warm Plan?

14 **A.** Much of the housing stock in Pennsylvania is older and not well insulated.  
15 Although the Pennsylvania Department of Community Affairs and electric  
16 and gas utilities have been promoting weatherization for more than a  
17 decade, many homes still remain energy inefficient. As noted above,  
18 PP&L has offered a free weatherization program (WRAP) for low-income  
19 families since 1985. The Company has spent nearly \$25 million to  
20 weatherize over 26,500 homes and apartments.

21 However, no weatherization program in Pennsylvania helps  
22 families who have incomes above the federal poverty level guidelines.  
23 The working poor generally do not qualify for weatherization programs

1 provided by government or utilities, and they do not have sufficient  
2 disposable income to pay for adequate weatherization measures. In  
3 addition, these customers do not qualify for energy assistance such as  
4 LIHEAP.

5 Under the Keep Warm Plan, so-called "working poor" customers  
6 (those between 150% and 200% of the federal poverty level) would qualify  
7 for weatherization and energy conservation services. The weatherization  
8 measures would be installed through the social agencies and outside  
9 contractors that are already involved with WRAP.

10 These services would be provided free of charge to participating  
11 customers and would include:

- 12 • Energy audit and blower door analysis;
- 13 • Weatherization measures;
- 14 • Energy conservation education;
- 15 • Heat pump water heaters and GreenPlugs; and
- 16 • Compact fluorescent lighting.

17 A heat pump water heater can be used on any conventional water  
18 heater. It would provide highly efficient water heating and would deliver  
19 free space cooling and de-humidification as by-products. A heat pump  
20 water heater can reduce water heating costs between 50-60 percent.

21 Next to space heating and cooling, water heating is the second biggest  
22 energy expense. A GreenPlug is an electronic device that is plugged into

1 an electrical outlet in the home. By controlling voltage levels, it allows  
2 appliances to operate more efficiently and reduces energy usage.

3 Participants for the Keep Warm Plan would be identified by  
4 customer service representatives at PP&L's Customer Contact Center  
5 (CCC), CARES Representatives, and social service agencies. Customers  
6 who called the CCC to make payment arrangements would be screened  
7 for eligibility in the program. The Company's Consumer Affairs Directors  
8 would be responsible for informing key community service agencies about  
9 the objectives and eligibility guidelines of the Keep Warm Plan.

10 **Q.** What is the Payment Protection Plan?

11 **A.** Many social initiatives implemented by government or the private sector  
12 are directed at families who have incomes at or below 150 percent of the  
13 federal poverty level. There are few, if any, programs for those families  
14 (i.e., working poor, fixed income) who have annual incomes slightly above  
15 the federal poverty guidelines. In addition, utilities' programs and services  
16 for middle-income households are limited (e.g., budget billing, automatic  
17 bill payment).

18 The Payment Protection Plan would be a customized bill protection  
19 plan. All residential customers would have the option of enrolling in the  
20 program, which would pay their monthly electric bills if they became  
21 unemployed, disabled, or in the event of death. PP&L would partner with  
22 an insurance company to offer this service. Depending on the plan  
23 offered by the participating insurance company, the monthly premium

1 could range from \$5 to \$10. The primary benefit would be the payment of  
2 electric bill for up to six months.

3 PP&L voluntarily would pay the Payment Protection Plan premiums  
4 for all qualifying CARES customers. At any one time, there are about  
5 1,000 active CARES accounts. The CARES Representatives, who are  
6 intimately familiar with their clients' situations and needs, would  
7 recommend which customers should be covered by the Payment  
8 Protection Plan.

9 The Company would work through an insurance company to  
10 administer the program. PP&L would promote the availability of the  
11 program (e.g., bill insert, news release), and customers would enroll by  
12 returning an application form to the insurance company. Once a customer  
13 enrolled, he or she would receive a claim form and instruction sheet. The  
14 insurance company would bill customers, and claims would be processed  
15 directly by the carrier.

16 **Q.** What is the Winter Emergency Plan?

17 **A.** Pennsylvania is a large, cold-weather state that provides no state funding  
18 for energy assistance. As noted above, the Pennsylvania Department of  
19 Public Welfare estimates that less than one-third of eligible households in  
20 the state receive LIHEAP assistance. Most electric and gas utilities in the  
21 state support private fuel funds like PP&L's Operation HELP. However,  
22 the overall impact is not significant when compared to the need. Utility  
23 fuel funds in Pennsylvania raise about \$5 million annually to assist about

1 22,000 households. Annual funding for Operation HELP totals around  
2 \$650,000, and about 2,800 families receive assistance each year.

3 Under the Winter Emergency Plan, PP&L would supplement  
4 LIHEAP and Operation HELP with a corporate contribution of \$250,000  
5 annually in the event of severe winter weather. Funds would be  
6 distributed to community organizations for the following uses;

- 7 • Payment of home energy bills;
- 8 • Furnace repair or replacement;
- 9 • Repair of broken or frozen pipes;
- 10 • Emergency home repairs; and
- 11 • Winter clothing.

12 After recipient community groups were identified, funding would be  
13 distributed simultaneously across the Company's service territory. PP&L  
14 is fortunate in having established strong working relationships with  
15 numerous quality service organizations. These groups are effectively  
16 organized and positioned to deliver emergency services to low-income  
17 families.

18 Because of the severe winter weather in early 1994, PP&L did  
19 provide \$250,000 in emergency funding to social service agencies. The  
20 funds were used for many of the same purposes described above.

21 **Q.** What is the Operation HELP Contribution Enhancement Program?

22 **A.** Recently, PP&L has become aware that donations from customers fell  
23 from 1991 to 1992 and from 1992 to 1993. Contributions from customers

1 rebounded only slightly in 1994 to-date. In order to explore ways to  
2 increase donations, especially donations from customers who can afford  
3 to contribute, PP&L proposes a program designed to develop new ideas  
4 and approaches for fund raising. This program would involve developing  
5 a long-range strategic contributions plan and designing solicitation  
6 campaigns. Despite PP&L's substantial efforts in fund raising for  
7 Operation HELP, PP&L is aware of some utilities in other regions of the  
8 country who have larger customer participation percentages. PP&L  
9 believes this program can hopefully form the foundation of new and better  
10 ways to soliciting contributions, and can help enhance PP&L's existing  
11 Operating HELP efforts.

12 **Q.** What is the CARES Extension Pilot Program?

13 **A.** PP&L plans to conduct a pilot program involving 250 non-CARES  
14 customers selected solely because they have low-income indicators on  
15 their accounts. The CARES Representatives would, in cooperation with  
16 social service agencies, verify income, establish and monitor payment  
17 plans, conduct follow-up, and make referrals to other programs. CARES  
18 is not strictly a low-income program, it is open to any residential customer  
19 confronted with difficult times. This would be a pilot program designed to  
20 see if this type of intervention could play a useful role in long-term, low-  
21 income situations as well as the temporary period or family hardship  
22 situations generally applicable to the CARES program currently.

23 **Q.** Does PP&L propose any other enhancements to its CARES Program?

1 **A.** Yes. PP&L proposes to undertake the following steps, all of which can be  
2 conducted using existing resources:

- 3 • Establish a process and procedures for providing deferred  
4 payment plans for hospitalized customers. The CARES  
5 Representatives would work with social service offices at  
6 hospitals to develop the procedures.
- 7 • Provide additional CARES Credits through Operation HELP.  
8 Then use the CARES Credits to help pay electric bills of  
9 customers who do not qualify for existing programs, or who  
10 have run out of assistance options.
- 11 • Expand the CARES Representatives' visibility and involvement  
12 in the community by having them take a leadership role in social  
13 agencies' activities.

14 **Q.** Has PP&L analyzed the cost of providing these eight programs?

15 **A.** Yes, it has. First, it should be noted at the outset that the community and  
16 customer needs identified as first-tier needs simply cannot be adequately  
17 addressed by PP&L alone, despite PP&L's size and presence in the  
18 community. However, PP&L has attempted to determine the cost of  
19 providing meaningful programs that can make at least a modest  
20 difference, even if such amounts cannot adequately address the entire  
21 need. The breakdown of cost that PP&L proposed for each of these  
22 programs is as follows:

1                    Build-A-Neighborhood Program

- 2                    • \$2,000,000 total program cost.
- 3                    • \$400,000 for each urban area in PP&L's service territory:
- 4                    (1) Allentown-Bethlehem-Easton Area
- 5                    (2) Harrisburg Area
- 6                    (3) Lancaster Area
- 7                    (4) Williamsport Area
- 8                    (5) Wilkes-Barre/Scranton Area
- 9                    • Administrative fees to be capped at no greater than 15%.

10                   Affordable Housing Program

- 11                   • \$2,000,000 total program cost.
- 12                   • \$400,000 for each urban area in PP&L's service territory (see
- 13                   above list).
- 14                   • Administrative fees to be capped at no greater than 15%.

15                   Small Business Program

- 16                   • \$1,250,000 total program cost.
- 17                   • \$250,000 per urban area in PP&L's service territory (see above
- 18                   list).
- 19                   • Administrative fees to be capped at no greater than 15%.

20                   Keep Warm Plan

- 21                   • \$1,000,000 total program cost.

- 1 • \$480,000 for approximately 300 extensive weatherizations,  
2 including heat pump water heaters and GreenPlugs, at a cost of  
3 approximately \$1,600 each.
- 4 • \$520,000 for approximately 562 "ordinary" weatherizations,  
5 without heat pump water heaters and GreenPlugs, at a cost of  
6 approximately \$925 each.
- 7 • Administrative fees to be capped at no greater than 15%.

8 Winter Emergency Plan

- 9 • \$250,000 total program cost.
- 10 • Charitable contribution to be made in event of winter  
11 emergency.

12 Payment Protection Plan

- 13 • \$120,000 total program cost; program revenues not projected.
- 14 • \$96,000 in premium payments for participants in CARES  
15 program.
- 16 • \$24,000 for bill insert and printing costs.

17 Operation HELP Contribution Enhancement Program

- 18 • \$50,000 total program cost.
- 19 • All money to be used for developing of a long-range strategic  
20 contributions plan and designing solicitation campaigns.

21 CARES Extension Pilot Program

- 22 • \$30,000 total program cost.

- Funds to be expended within existing CARES program for additional payments to social service agencies for verifying the incomes, expenses and hardships of pilot participants.

**Q.** Has PP&L prepared any breakdown of the annual estimated costs of these programs?

**A.** Yes. I have attempted to separate estimates of the costs of these programs into two categories: (1) costs such as weatherization, energy efficiency services, energy usage education, heating system improvement/replacement/repair, referrals to other agencies, code inspections, upgraded street lighting, general administration costs and demand charge forgiveness; and (2) other costs of these programs such as home and neighborhood repair and improvements, school/neighborhood services, sidewalk/curbing repair, assistance in purchasing properties, funding for start-up of minority-owned small businesses, mentoring services, charitable contributions, and so on. This breakdown is presented in tabular form below:

Program	Conservation, Efficiency, Load Management and Rate Incentive Costs	Other Costs
Build-A-Neighborhood  Total Costs \$2,000,000	<ul style="list-style-type: none"> <li>• Weatherization</li> <li>• Energy usage education</li> <li>• Upgraded street lighting</li> <li>• Heating system replacement/repair</li> <li>• Referrals to other social services</li> <li>• Code inspections</li> </ul> Costs \$1,000,000	<ul style="list-style-type: none"> <li>• Home repairs</li> <li>• Clean-up and painting</li> <li>• Other neighborhood improvements</li> <li>• School/neighborhood services</li> <li>• Sidewalk/curbing repair</li> </ul> Costs \$1,000,000
Affordable Housing  Total Costs \$2,000,000	<ul style="list-style-type: none"> <li>• Providing weatherization, heating system and energy efficient equipment improvements</li> <li>• Offering in-depth energy usage education</li> <li>• Including customers in the OnTrack Payment Program where appropriate</li> </ul> Costs \$1,000,000	<ul style="list-style-type: none"> <li>• Helping community development comparison by urban housing properties</li> <li>• Supplying closing costs for new homeowners</li> <li>• Arranging for advice to new, first-time homeowners</li> </ul> Costs \$1,000,000
Small Business  Total Costs \$1,250,000	<ul style="list-style-type: none"> <li>• Providing free weatherization and energy efficiency services</li> <li>• Forgiving demand charges</li> </ul> Costs \$500,000	<ul style="list-style-type: none"> <li>• Making funding available for start-up, minority owned businesses</li> <li>• Providing a mentoring service</li> </ul> Costs \$750,000
Keep Warm  Total Costs \$1,000,000	<ul style="list-style-type: none"> <li>• Weatherization energy efficiency education, audits and other conservation services</li> </ul> Costs \$1,000,000	<ul style="list-style-type: none"> <li>• --</li> </ul> Costs \$-0-
Winter Emergency  Total Costs \$250,000	<ul style="list-style-type: none"> <li>• --</li> </ul> Costs \$-0-	<ul style="list-style-type: none"> <li>• Contingent charitable contribution</li> </ul> Costs \$250,000
Payment Protection  Total Costs \$120,000	<ul style="list-style-type: none"> <li>• --</li> </ul> Costs \$-0-	<ul style="list-style-type: none"> <li>• Premiums for CARES customers, bill inserts and printing costs</li> </ul> Costs \$120,000
Operation HELP Contribution Enhancement Total Costs \$50,000	<ul style="list-style-type: none"> <li>• --</li> </ul> Costs \$-0-	<ul style="list-style-type: none"> <li>• Developing a long-range strategic contributions plan and designing solicitation campaigns.</li> </ul> Costs \$50,000
CARES Extension Pilot Total Costs \$30,000	<ul style="list-style-type: none"> <li>• Pilot for 250 low-income customers</li> </ul> Costs \$30,000	<ul style="list-style-type: none"> <li>• --</li> </ul> Costs \$-0-
Overall Total Costs \$6,700,000	Overall Total \$3,530,000	Overall Total \$3,170,000

**Q.** Do you have any further information to present?

**A.** Yes. The Commission should be aware that these programs are but the first step in PP&L's continuing efforts to better serve its communities. PP&L has begun a major effort to redefine and expand its community involvement activities. Employee teams have been established to develop strategies and ideas for strengthening partnerships between PP&L and community organizations. The Company will be conducting an extensive needs assessment survey of community leaders to determine how it can become an even more effective partner in its service area communities. PP&L's success is inextricably linked to the success of its communities. If they grow and prosper, so will PP&L. Therefore, PP&L and all its constituencies will benefit from PP&L's community and customer programs and efforts.

**Q.** Does that conclude your direct testimony?

**A.** Yes, it does.