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E-File

April 8, 2019

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17120-3265

Re: Energy Affordability for Low-Income Customers
Docket No. M-2017-2587711

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation is the information and data as requested by the Commission in the above referenced matter.

On January 17, 2019, the Commission issued an Order directing electric distribution companies to file supplemental information and data relative to the results found in the staff report "Home Energy Affordability for Low-Income Customers in Pennsylvania." The enclosed information and data is being filed pursuant to the January 17, 2019 Order, specifically responsive to Paragraph 5(a-d) of the Order.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on April 8, 2019, which is the date it was filed electronically using the Commission's E-filing system.

If you have any questions please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael J. Shafer", is written over a blue horizontal line. The signature is fluid and cursive.

Michael J. Shafer

Enclosure

cc: Joseph Magee - Email
Louise Fink Smith - Email

CERTIFICATE OF SERVICE

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

VIA FIRST CLASS MAIL

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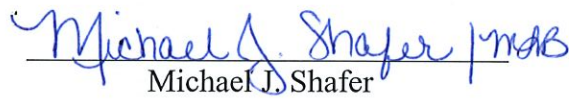
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Date: April 8, 2019

A handwritten signature in blue ink that reads "Michael J. Shafer" followed by a vertical line and the initials "MAB".
Michael J. Shafer

PPL Electric Utilities Corporation
Energy Burden Data Response
Dated April 8, 2019
Docket No. M-2017-2587711

PUC 5(a) - Review the 10% energy burden projections in the Report. If the utilities have corrected or updated data for 2012 to 2016 relative to those projections, the revised data should be provided as part of its supplemental information filing.

PPL Electric Utilities has no corrected or updated data for 2012 to 2016 relative to the 10% energy burden projections in the "Home Energy Affordability for Low-Income Customers in Pennsylvania."

**PPL Electric Utilities Corporation
Energy Burden Data Response
Dated April 8, 2019
Docket No. M-2017-2587711**

PUC 5(b) - Provide a cost forecast based on a 10% maximum energy burden for the years 2017 through 2021. Include costs associated with system changes, CAP credits (overall increases and decreases), PPAs and in-program arrearages, and any other incurred costs that would contribute to such a change. Identify and take into account the cost savings from customers who would pay more under a 10% percent of income CAP. Indicate potential impact to uncollectible balances and collection costs. Cost estimates should be based on a percent of income CAP payment model. Companies may also compare whether rate discount or other CAP payment options may be more cost-effective to achieve the maximum 10% energy burdens.

Please see Attachment 1 for PPL Electric Utilities' cost forecast, and Attachment 2 for explanation regarding methodology and forecast variables.

**PPL ELECTRIC UTILITIES CORPORATION
ONTRACK COMBINED DOLLAR FORECAST**

ATTACHMENT 1

Answer to January 17, 2019 Order at OP #5(b).

Bullet 1

Simple percentage method

\$ Change Row Labels	Column Labels					
	2016	2017	2018	2019	2020	2021
50% or Below Poverty	\$ 2,277,941.18	\$ 2,612,481.36	\$ 1,637,074.35	\$ 1,436,382.00	\$ 1,554,865.00	\$ 1,758,155.00
51% to 100% Poverty	\$ 1,231,418.61	\$ 1,740,921.11	\$ 384,149.73	\$ 216,540.00	\$ 169,965.00	\$ 177,525.00
101% to 150% Poverty	\$ (6,500,229.73)	\$ (6,357,398.06)	\$ (6,184,140.74)	\$ (5,948,835.00)	\$ (5,895,897.00)	\$ (6,065,437.50)
Grand Total	\$ (2,990,869.94)	\$ (2,003,995.60)	\$ (4,162,916.66)	\$ (4,295,913.00)	\$ (4,171,067.00)	\$ (4,129,757.50)
OnTrack Revenue Credits	\$ 55,272,994	\$ 54,340,127	\$ 57,350,000	\$ 60,150,000	\$ 62,950,000	\$ 65,750,000
NEW Amount	\$ 52,282,124	\$ 52,336,131	\$ 53,187,083	\$ 55,854,087	\$ 58,778,933	\$ 61,620,243
OnTrack Arrearage Forgiveness	28,329,047	23,228,101	17,200,000	15,480,000	14,706,000	14,329,350
OnTrack Expense/Admin/External	2,886,621	3,415,528	3,500,000	3,500,000	3,500,000	3,500,000
Total WRAP Expenses	9,608,571	9,967,327	10,000,000	10,000,000	10,000,000	10,000,000
Total USR Recovery	\$ 93,106,363	\$ 88,947,087	\$ 83,887,083	\$ 84,834,087	\$ 86,984,933	\$ 89,449,593

Bullet 2

Include other costs

Change Amount Row Labels	Column Labels					
	2016	2017	2018	2019	2020	2021
50% or Below Poverty	\$ 2,001,821.68	\$ 2,340,690.13	\$ 1,339,658.51	\$ 1,487,196.72	\$ 1,585,962.30	\$ 1,708,816.20
51% to 100% Poverty	\$ 1,230,689.75	\$ 1,740,444.25	\$ 383,300.03	\$ 378,945.00	\$ 368,257.50	\$ 384,637.50
101% to 150% Poverty	\$ (6,500,403.56)	\$ (6,357,731.93)	\$ (6,184,392.31)	\$ (6,243,431.66)	\$ (6,034,966.14)	\$ (5,908,275.28)
Grand Total	\$ (3,267,892.14)	\$ (2,276,597.55)	\$ (4,461,433.77)	\$ (4,377,289.94)	\$ (4,080,746.34)	\$ (3,814,821.58)
OnTrack Revenue Credits	\$ 55,272,994	\$ 54,340,127	\$ 57,350,000	\$ 60,150,000	\$ 62,950,000	\$ 65,750,000
NEW Amount	\$ 52,005,102	\$ 52,063,529	\$ 52,888,566	\$ 55,772,710	\$ 58,869,254	\$ 61,935,178
OnTrack Arrearage Forgiveness	28,329,047	23,228,101	17,200,000	15,480,000	14,706,000	14,329,350
OnTrack Expense/Admin/External	2,886,621	3,415,528	3,500,000	3,500,000	3,500,000	3,500,000
Total WRAP Expenses	9,608,571	9,967,327	10,000,000	10,000,000	10,000,000	10,000,000
Total USR Recovery	\$ 92,829,341	\$ 88,674,485	\$ 83,588,566	\$ 84,752,710	\$ 87,075,254	\$ 89,764,528

ATTACHMENT 2

Notes on OnTrack Affordability

Methodology

Using our monthly tracking tables, PPL Electric imported all the data for accounts that were in the OnTrack program from 2011 until present. This data included not only the current status of the account but also the installment amount that was paid, shortfall credits, current arrearage amount, and whether the account had any arrearage forgiveness during the program. To that data, PPL Electric appended the most recent (to the monthly item) financial statement with the corresponding poverty level based upon Federal Standards for Pennsylvania and whether the account had electrical heating or not.

Having the above information, it was possible to determine what the new payment would have been under the proposed guidelines, year over year. Using that information, the actual numbers for the requested years of 2016 through 2018 were calculated. For the years of 2019 through 2021, simple regression testing was used to forecast upcoming years with a much heavier weighting on the past 3 years of performance to reflect the newest CAP program.

Forecast Variables

Customer increase year over year

A yearly increase in participation of around 4,000 to 5,000 is expected; however, this was not a major driving decision in the forecast as the question was about cost, and we had forecasted our cost based upon the increased participation.

Monetary forecast

Included in the figure is the original forecasted cost per year. PPL Electric considered the Arrearage Forgiveness Amount, Admin Costs, and Total WRAP Expenses to stay consistent with forecasted numbers. The changes wrought by the updated schedule would occur in Revenue Credits cost and are so reflected in PPL Electric's numbers.

Increase in customers exceeding CAP Credits

With currently approximately 5% of customers hitting the maximum credit amount, PPL Electric looked at those classes of customers who had lower payment amounts. The lowest group, 50% of Poverty Level and lower, had an annualized decrease of an average of \$119.52. That amount would only lead another 1% of the class into an overage amount. However, that increase is completely offset by the lowering of the default rate by approximately 1.7%. The only other group to see a decrease in their contribution

ATTACHMENT 2

amount was the 51% to 100% of poverty level group, but the average decrease of \$18.71 had no impact on percentage of people hitting the limit.

Increase in default rate

As mentioned in the Limit Section, the default rate and Limits offset completely for the first two classes. For the highest class, the default rate may increase by around 2% due to the average \$27 increase in monthly bills. There is some concern regarding the default rate being offset by the 1% decrease in the number of accounts hitting the CAP Credit limit. That leaves us a roughly 1% increase in the number of accounts falling out of the program due to increase costs.

Customer Ratio

As of 2018, PPL Electric has started to allow customers with zero income into the OnTrack program. PPL Electric anticipates an increase in the percentage of customers failing into our lowest bracket, Up to 50% of Poverty Level, increasing by 1% year over year, and the highest bracket, 100% to 150% of Poverty Level, to fall during that same time. In actual numbers, 50% to 100% stays constant at 45% of the OnTrack customer base; 0 to 50% increases from 12% in 2019, 13% in 2020, and 14% in 2021; 100 to 150% drops from 43% in 2019, to 42% in 2020, and 41% in 2021

Weather and Other Variables

It should be noted, that these forecasts are heavily influenced by outside factors, including weather during the winter and summer, and outside economic conditions.

**PPL Electric Utilities Corporation
Energy Burden Data Response
Dated April 8, 2019
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PUC 5(c) - Provide estimates of the impact on enrollments and to customer assistance program costs if restrictions other than "low income" are eliminated for the years 2017 through 2021. These will be separate enrollment and cost forecasts from the 10% projections for the years 2017 through 2021 requested above.

The only qualification for enrollment in PPL Electric Utilities' customer assistance program, OnTrack, is "low income."

**PPL Electric Utilities Corporation
Energy Burden Data Response
Dated April 8, 2019
Docket No. M-2017-2587711**

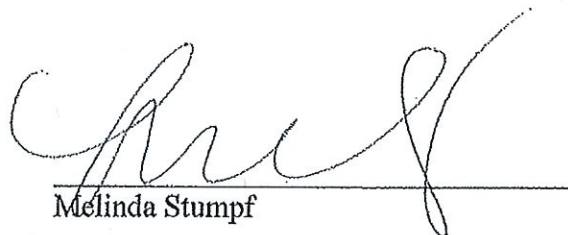
PUC 5(d) - Provide monthly customer tallies for all CAP customers claiming zero income in 2016 and 2017, broken out by heating type, if possible.

PPL Electric Utilities' customer assistance program, OnTrack, did not allow customers with a zero income in 2016 and 2017.

VERIFICATION

I, Melinda Stumpf, being the Manager of Regulatory Program and Business Services at PPL Electric Utilities Corporation, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect PPL Electric Utilities Corporation to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: April 8, 2019



Melinda Stumpf