



**Duquesne Light  
Universal Service Programs  
Final Evaluation Report**

**July 2015**

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## Executive Summary

Duquesne Light implemented Universal Service Programs to improve affordability for low-income customers. The programs include the Customer Assistance Program (CAP), which provides reduced payments and arrearage forgiveness; Smart Comfort, which provides energy efficiency and energy education services; CARES, which provides outreach and referral services; and the Hardship Fund through Dollar Energy, which provides emergency assistance. This report presents the results from an evaluation of these programs.

### *Introduction*

The goals of Duquesne Light's Universal Service Programs are as follows.

1. Protect consumers' health and safety by helping low-income customers maintain affordable utility service.
2. Provide affordable utility service by making payment assistance available to low-income customers.
3. Help low-income customers conserve energy and reduce residential utility bills.
4. Operate in a cost-effective and efficient manner.

The PUC has stated the following objectives for third-party Universal Service Evaluations to be conducted every six years for Pennsylvania utility companies.

1. Determine if the programs meet the goals of universal service.
2. Develop standard questions so that utilities evaluate the same measures.
3. Comply with Commission orders that direct the Bureau of Consumer Services (BCS) to collaborate with the Electric Distribution Companies (EDCs) and Non-Generating Distribution Companies in developing guidelines for evaluation.
4. Determine if there are adequate linkages between the programs to help customers achieve success.

The following evaluation activities were conducted.

1. Evaluation planning and background research
2. Program database analysis
3. Duquesne Light manager and staff interviews
4. Program administrator interviews
5. CAP participant survey

## 6. Billing and collections data retrieval and analysis

### ***CAP Program***

Duquesne Light's Customer Assistance Program (CAP) provides bill payment assistance and arrearage forgiveness to customers with income at or below 150 percent of the Federal Poverty Level. The program was initially introduced as a pilot in 1995 and has undergone changes since that time to simplify eligibility requirements, reduce payment requirements, control CAP credits, and automatically enroll LIHEAP recipients.

The goal of Duquesne Light's CAP is to help payment-troubled low-income customers establish an affordable payment plan, move toward greater self-sufficiency, and maintain electric service.

CAP is administered for Duquesne Light by the Holy Family Institute and by Catholic Charities in downtown Pittsburgh. They oversee a network of seven CBO offices where customers can enroll in CAP.

The Holy Family Institute has been responsible for Duquesne Light's CAP since 1999. Intake offices were chosen to provide services in areas with high concentrations of confirmed low-income customers and proximity to transportation.

### **CAP Eligibility Criteria**

Customers with income at or below 150 percent of the poverty level who have demonstrated or expressed an inability to pay their electric bill are eligible for CAP. Customers are not required to demonstrate that they are payment-troubled by accumulating arrearages, as Duquesne Light believes that customers should be provided with an affordable electric bill prior to falling behind on payment obligations to reduce the risk of service termination.

Senior customers with income between 150 and 200 percent of the poverty level are grandfathered in an older program element that allows them to pay 85 percent of their budget bill if they are non-electric heaters and 80 percent of their bill if they are electric heaters.

### **Program Benefits**

CAP participants receive the following benefits.

- Reduced bills
- Arrearage forgiveness
- Protection against loss of service
- Waived security deposits
- Information about reducing electric usage
- Program referrals

CAP establishes payment plans based on the customer's ability to pay as determined by the budget bill, service type, and level of electric usage.

The CAP payment is calculated as a percentage of the budget bill based upon household size and gross household income. CAP credits are calculated as the difference between the Duquesne Light budget bill and the CAP budget amount.

Table ES-1 displays the percentage of bill payment by poverty level. LIHEAP recipients are enrolled automatically upon receipt of the grant. Customers are placed in the appropriate payment percentage after successfully enrolling in CAP. If the customer does not complete the application and provide the requested information, the customer is defaulted from CAP and the pre-program arrearage is returned to the outstanding balance.

**Table ES-1**  
**CAP Percentage of Budget Payments**

Poverty Level	Electric Non-heating	Electric Heating
0% - 50%	30%	45%
51% - 100%	60%	65%
101% - 150%	85%	80%
LIHEAP Recipient	100%	100%

#### **Arrearage Forgiveness**

Arrearage forgiveness is currently provided to CAP participants over a 24 month period. Each month, 1/24 of the pre-program arrearages are forgiven if customers make full and on-time payments or catch up on their monthly payments.

#### **Control of CAP Credits**

The maximum CAP credit is \$700 for non-heating customers and \$1,800 for heating customers. When customers exceed these credits, they are required to pay the full budget amount for the remainder of the year until they are re-certified, unless they meet one of the CAP Maximum exceptions.

#### **CAP Enrollment**

Customers are required to visit an agency office to enroll in CAP. The only exception is for LIHEAP auto-enrollment customers. Duquesne Light believes that the in-person enrollment allows the Company and the agency to become more acquainted with the customer, and may provide more information on other problems in the household. The CAP representative has the opportunity to explain the benefits of CAP and answer any questions that the customer has during enrollment.

Customers who receive a LIHEAP grant are automatically enrolled in CAP with a payment equal to the budget amount. The customer is then sent the CAP welcome letter and is required to complete the application form and send it back to the Holy Family Institute with proof of income. When the form is returned, Duquesne Light evaluates the form and puts the customer on the correct CAP tier.

**Re-Verification**

Beginning in December 2014, CAP customers are requested to recertify annually, but must recertify on a biennial basis. A letter is sent each year that requests updated information for all household members. The customer is required to return the form and information within 14 days. CAP customers who receive LIHEAP are automatically recertified provided that the income guidelines for CAP and LIHEAP are the same.

***Hardship Fund Program***

Duquesne Light's hardship fund is a partnership with the Dollar Energy Fund (DEF). The Fund assists customers with unaffordable balances on their utility bills.

Funding for the program is provided by Duquesne Light and by customer contributions. Each year Duquesne Light matches all customer donations up to \$375,000. Duquesne Light also funds DEF up to \$75,000 annually to administer the program.

Customers can contribute to the program by pledging monthly to their electric bill payments, sending in a check, or contributing online.

The objectives of the program are as follows.

- Provide financial assistance to low-income families who have difficulty paying their energy bills.
- Provide financial assistance to low-income households who may not be eligible for LIHEAP.
- Coordinate with community-based organizations that provide energy-related assistance.
- Help customers understand community resources that are available to solve heat, light, and water payment problems.

Duquesne Light provides monthly funding to Dollar Energy based on ongoing donations from customers. Forty-five community-based organizations in Allegheny and Beaver counties administer the program.

**Dollar Energy Fund Eligibility Guidelines**

Customers are eligible for the hardship fund if they meet the following criteria.

- Household income at or below 200 percent of the Federal Poverty Level.
- Duquesne Light residential account.
- Paid at least \$150 toward their utility bill within 90 days or made three consecutive CAP payments. Senior citizens age 62 and over must have paid at least \$100.
- Balance on the electric bill of at least \$100. Senior citizens may have a zero balance as long as there is no credit on the account.
- Provide the Social Security number for all members of the household.

There are additional criterion regarding service status depending on the time of year.

- October 1 to November 30: Electric service off or in threat of termination.
- December 1 to January 31: Electric service off only.



- February 1 to February 28: Electric service off or in threat of termination.
- March 1 to Fund exhaustion: Open to all eligible regardless of service status.

There are three to five months of the year that the hardship fund is not open because the funding has been depleted.

### **Program Benefits**

Dollar Energy provides the following benefits.

- Financial assistance for overdue energy bills (electric heating or non-heating customers). The grant maximum is \$500.
- Protection against shutoffs.
- Restoration of electric service if terminated.
- Referrals to other programs and services.

### **Dollar Energy Fund Application**

Customers are required to visit a hardship fund enrollment agency to apply for a grant unless they are homebound in which case they can apply over the phone and send their paperwork through the mail or fax. DEF is currently working to allow customers to apply for a grant on the internet.

### ***CARES Program***

Duquesne Light's Customer Assistance Referral and Evaluation Services (CARES) program helps payment-troubled and special needs customers to obtain additional assistance. Through CARES, HFI primarily reaches out to customers who cannot come to one of their intake sites, and brings the Universal Service Programs and other referrals to the customers' homes.

The objectives of CARES are as follows.

1. Help customers with hardships to manage their electric bills by providing information, resources, and encouragement.
2. Make tailored referrals to company and community assistance programs.
3. Maintain or establish partnerships and alliances with social service agencies, government offices, and community offices to ensure assistance for customers.
4. Act as an internal advocate for payment-troubled customers.

CARES is administered by the Holy Family Institute. Customers can be referred to CARES by Duquesne Light, other utilities, community based organizations or the Public Utility Commission.

The CARES counselors work with customers to determine the causes of their bill payment problems and refer them to appropriate programs and services offered by social service

agencies, community organizations, and Duquesne Light. They also follow-up with customers to determine whether customers were able to obtain assistance.

CARES targets customers with income below 150 percent of the poverty level and seniors with income below 200 percent of the poverty level who are unable to pay their electric bills. Duquesne Light reports that they make every effort to avoid turning away any customer who needs assistance, regardless of income level. The program aims to assist customers who are experiencing a temporary hardship.

An outreach worker or community agency works to link the customer to necessary social service programs that will enhance the customer's ability to pay for electric service. The case managers help customers with grant applications when available. If a home visit is made, the outreach worker provides the customer with energy education and conservation tips. Case managers have flexibility to establish payment arrangements for customers with payment problems and other hardships.

### ***Smart Comfort Program***

The Smart Comfort Program provides energy conservation services to residential customers. The program provides replacement of appliances and lighting and weatherization if warranted.

The objectives of Smart Comfort are as follows.

1. Reduce the energy usage and electric bills of low-income customers.
2. Increase the ability to pay for low-income customers.
3. Provide safer living conditions for low-income customers through the reduction of secondary heating equipment.
4. Educate the customers on current conservation practices.
5. Make tailored referrals to Duquesne Light and other assistance programs.

The Smart Comfort Program is administered by Conservation Consultants, Inc. (CCI).

CAP representatives are the principal source of leads for the Smart Comfort program. The representatives are required to review eligibility for Smart Comfort at the time of CAP enrollment and re-certification.

CCI also receives other utility referrals for Smart Comfort services. When CCI receives information from gas utilities on the customer's electric utility, they can send their BPI-certified auditors to perform a comprehensive audit and provide both gas and electric usage reduction services.

### **Smart Comfort Eligibility**

Customers must meet the following criteria to be eligible for the Smart Comfort Program.

1. Gross household income at or below 150 percent of the Federal Poverty Level.

2. Seniors with gross household income less than 200 percent of the Federal Poverty Level. (No more than 50 percent of participants will be between 150 and 200 percent of the Federal Poverty Level, and no more than 20 percent of the budget.)
3. Baseload electric usage of more than 500 kWh per month, or all electric customers who are homeowners.
4. Resident at current address for at least six months.
5. Has not received a Smart Comfort visit in the last seven years.

Low-income customers with monthly baseload usage of less than 500 kWh per month are invited to energy conservation workshops held throughout Duquesne Light's service territory.

### **Smart Comfort Service Delivery**

Service delivery follows the steps listed below.

1. Audit to investigate saving opportunities and measure usage of targeted electrical equipment.
2. Energy education on Smart Comfort, the electric bill, ways to reduce usage through a partnership approach.
3. Measure determination.
4. Customer monitoring and following up which may include contacting customers to discuss usage and reinforce energy education.

If the customer uses electric heat, CCI will conduct a preliminary assessment to determine if the home is a good candidate for full weatherization. Homes with leaky roofs, wet basements, or in poor structural condition are not eligible. Eligible electric heating customers are referred to a contractor and non-electric heating customers are referred for inter-utility services.

### ***CAP Participant Feedback***

APPRISE conducted a telephone survey with CAP participants. The goal of the survey was to assess views of the program by Duquesne Light customers who were participating in CAP at the time of the survey. Therefore, customers who had enrolled in CAP between July and December 2014 or recertified in CAP between July and December 2014 were included in the sample frame.

Key findings from the CAP participant survey are summarized below.

- **Demographics:** The survey showed that the CAP participants have many characteristics that make them likely to need assistance.

- 36 percent were disabled
  - 40 percent had been unemployed in the past year
  - 56 percent had no more than a high school education
  - 71 percent had annual household income below \$20,000
- **CAP Information Source:** By far, the most common way that customers heard about CAP was through a friend or relative.
  - **CAP Enrollment and Re-Certification:** Customers did not find it difficult to enroll in or re-certify for CAP. 93 percent said enrollment was very or somewhat easy and 90 percent of those who re-certified said that re-certification was very or somewhat easy.
  - **CAP Understanding:** While 97 percent reported that they had a good understanding of CAP, many could not estimate their CAP savings and were not aware that there is a maximum CAP benefit. Most did not know the maximum benefit amount or their monthly arrearage forgiveness amount.
  - **CAP Impact:** CAP had positive benefits for electric bill affordability, safe energy practices, and other bill affordability. While participating in CAP, customers were less likely to report that their electric bill was very or somewhat difficult to pay; that they had to delay expenditures for food, mortgages, medicine and other expenses; that they used their kitchen stove or oven to heat their home; and that they were unable to use their main heating source.
  - **CAP Importance:** 93 percent of respondents stated that CAP was very important in helping them to meet their needs and seven percent stated that it was somewhat important.
  - **CAP Satisfaction:** 91 percent reported that they were very satisfied with CAP and 9 percent reported that they were somewhat satisfied with CAP. 82 percent reported they were very satisfied with the agency and 16 percent reported that they were somewhat satisfied with the agency.
  - **Referrals:** 44 percent of respondents stated that the agency helped them obtain other services.
  - **Recommendations:** 23 percent of respondents provided a recommendation. The most common recommendations provided were to improve customer service, increase agency appointment times, provide more convenient application locations, and provide more program outreach or education.

### ***CAP Impact***

The analyses in this section assess the impact of CAP on affordability, payments, and collections actions experienced by program participants.

Customers who enrolled or participated in CAP between January 1, 2013 and December 31, 2013 were included as potential members of the Treatment Group. We compare their experiences in the year prior to enrolling in CAP with those in the year after enrolling in CAP and utilize a sample of LIHEAP non-CAP participants as a Comparison Group. Additionally, results are presented for customers who received CAP credits at any time during 2013 to examine the broader population of CAP participants.

Key findings from the analysis were as follows.

- **CAP Full Year Participation:** While 62 percent of All 2013 CAP participants remained in the program for all of 2013, 80 percent of the Treatment Group remained in CAP for the full year following participation.
- **CAP Removal Reasons:** The most common reason that customers were removed from CAP (other than not reported) was that the LIHEAP recipient did not provide income and household documentation information.
- **Maximum Credit Reached:** While eight percent of All 2013 CAP participants received the maximum credit, six percent received the maximum credit and were not removed from CAP and two percent received the maximum credit and were removed prior to the end of the year.
- **CAP Credits:** The mean CAP credit for All 2013 electric non-heating CAP participants was \$253 and it was \$318 for those who remained on CAP for the full year. Electric heating customers received higher average CAP credits, \$354 overall and \$457 for full year participants.
- **CAP Discount:** The CAP credits resulted in an average discount of 27 percent for full year electric heating participants and ten percent for partial year CAP participants. Electric non-heating participants received an average discount of 28 percent if they remained in CAP for the full year, and they received an average discount of 12 percent if they did not remain in CAP for the full year.

Participants at lower poverty levels received greater discounts. While non-electric heating customers with income below 50 percent of the poverty level had a mean discount of 36 percent, those with income between 51 and 100 percent of the poverty level had a mean discount of 30 percent, and those with income between 101 and 150 percent of the poverty level had a mean discount of 18 percent.

- **Affordability Impacts:** Electric non-heating Treatment Group mean bills declined after enrolling in CAP in addition to the mean discount of \$228 dollars that they received. The net change, compared to the nonparticipants, was a decline of \$500. Participants' mean energy burdens declined from 19 percent in the year prior to enrollment to 14 percent in the year following enrollment.

- **Energy Burden Targets:** The Pennsylvania Public Utility Commission has set targets for CAP participants' energy burdens by heating fuel and poverty level. Non-electric heating CAP participants who remained in the program for the full year saw a reduction in the percent who exceeded the PUC target. The reduction was from 98 percent with a burden above the target prior to CAP participation to 84 percent above the target after CAP enrollment for those with income below 50 percent of the poverty level, from 84 percent to 47 percent for those with income between 51 and 100 percent of the poverty level, and from 35 to 16 percent for those with income between 101 and 150 percent of the poverty level.
- **Payment Impacts:** Non-electric heating customers experienced the following impacts after enrolling in CAP.
  - **Total Charges:** There was a mean decline of \$272.
  - **CAP Credit:** In addition to the bill reduction, CAP participants received a mean CAP credit of \$228.
  - **Other Assistance:** CAP participants had an increase in other assistance payments of \$116.
  - **Cash Payments:** These payments declined by \$218.
  - **Total Credits:** Total payments and credits increased by a mean of \$152.
  - **Shortfall:** As a result of the reduced bill and increased credits, the shortfall declined by a mean of \$424.
  - **Total Coverage Rate:** The percent of charges covered by payments and other credits increased from 77 percent in the year prior to enrollment to 94 percent in the year following enrollment, a net increase of 31 percentage points due to a reduction experienced by the Comparison Group.
- **LIHEAP:** 40 percent of electric heating CAP customers received LIHEAP. While 36 percent of the treatment group received LIHEAP in the year prior to enrollment, 41 percent received LIHEAP in the year following enrollment.
- **Arrearage Forgiveness:** 82 percent of those on CAP for the full year who had arrearages received forgiveness. They received a mean of 5.7 payments, averaging a total of \$87 for the year.<sup>1</sup>
- **Collections Actions:** Data were not available for the full pre-enrollment period, so the impact of CAP on collections was assessed for Q4 2013 CAP enrollees. The analysis

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<sup>1</sup> Arrearage forgiveness was provided over a 36-month period during the evaluation analysis timeframe. The arrearage forgiveness period was changed from 36 months to 24 months beginning in December 2014.



showed a significant decline in collections actions and terminations after enrolling in CAP. For example, while 39 percent of the Treatment Group experienced a service termination in the year prior to enrollment, 27 percent did so in the year following enrollment. While the Treatment Group experienced a mean of 12.2 calls in the year prior to enrollment, they received a mean of 10.0 calls in the year following enrollment.

## **Recommendations**

The evaluation found that Duquesne Light's Universal Service programs are well-designed and that Duquesne Light has effectively worked with administering agencies to implement these programs. The CAP has positively impacted affordability, bill payment, and collections actions for program participants. This section provides recommendations for Duquesne Light to consider to potentially improve the effectiveness of these programs. Recommendations are made with respect to the Universal Service Program administration, CAP design, CAP enrollment, the Hardship Fund, CARES, and Smart Comfort.

### **Universal Service Program Administration**

- *Staffing: Duquesne Light should evaluate whether additional Universal Service Program staffing is needed after the transition to the new data system is complete and administrative agencies have adjusted to the refined program procedures that accompany the new systems.*

### **CAP Design**

*Duquesne Light may consider the following refinements to improve the effectiveness of CAP.*

- *Benefit Design: Duquesne Light's CAP design provides greater discounts for lower poverty level customers but does not explicitly consider energy burden. The data analysis showed that while CAP reduced energy burden for program participants, the lower poverty level participants were still likely to have burdens above the PUC targeted level. Duquesne Light should consider factoring energy burden into the formula for determining the customer's discount.*
- *Bill Design: Duquesne Light's CAP bill provides information to the customer on electric usage, the CAP credit limit, how much CAP credit the customer has used to date, and how much CAP credit is remaining. It may be helpful if the bill also advises the customer on the percent of the CAP credit that should be remaining based on how much of the year has elapsed and what percent of expected usage should have been used given seasonal variations. This information would allow the customers to assess whether they are on track for having the CAP credit last throughout the full year of CAP participation.*

### **CAP Enrollment**

*The requirement for enrollment at the agency office poses some challenges for the program.*

- *Challenges in Visiting Agency: While most of the participants reported that they were satisfied with the enrollment, the most common recommendations for the program were the following.*
  - *Improved customer service*
  - *Increased agency appointment times*
  - *More convenient application locations*
  - *More program outreach or education*

*This suggests that some participants are challenged by the requirement. Additionally, the requirement may prevent additional customers who need help from enrolling if they are not able to visit the agency office due to other responsibilities during the day. Duquesne Light should evaluate whether there are enough enrollment agencies and whether the agencies provide enough flexibility in enrollment, such as weekend and/or evening hours.*

- *Education Retained: While 97 percent of CAP participants surveyed reported that they had a good understanding of CAP, many participants could not estimate their CAP savings and were not aware that there is a maximum CAP benefit. Most did not know the maximum benefit amount or their monthly arrearage forgiveness amount. Duquesne Light should periodically observe CAP representatives to ensure they are providing and explaining the information to customer.*

### **Hardship Fund**

- *Access: There are three to five months of the year that the hardship fund is not open because the funding is depleted prior to the end of the year. Duquesne Light should continue to work to increase fundraising for the program.*

### **CARES**

- *CARES Staffing: CARES participation has declined, from over 26,000 in 2012 to under 13,000 in 2014. At the same time, the number of CARES representatives declined when two of the representatives retired. Duquesne Light and HFI reported that they feel the current level of staffing is sufficient to meet customers' needs. However, given the large reduction in the number of customers served, Duquesne Light should continue to evaluate staffing and ensure that adequate representatives are available.*

### **Smart Comfort**

- *Weatherization Subcontractors: Duquesne Light's recent Smart Comfort evaluation found savings of 1,021 kWh or 8.1 percent of pre-treatment usage. This is a very good result given the low average investment of \$454 for baseload jobs in 2013. The savings for the heating jobs however, are low and Duquesne Light should review the quality of the work provided by the weatherization subcontractors.*



## I. Introduction

Duquesne Light implemented Universal Service Programs to improve affordability for low-income customers. The programs include the Customer Assistance Program (CAP), which provides reduced payments and arrearage forgiveness; Smart Comfort, which provides energy efficiency and energy education services; CARES, which provides outreach and referral services; and the Hardship Fund through Dollar Energy, which provides emergency assistance. This report presents the findings from the evaluation of these programs.

### A. Evaluation

The goals of Duquesne Light's Universal Service Programs are as follows.

1. Protect consumers' health and safety by helping low-income customers maintain affordable utility service.
2. Provide affordable utility service by making payment assistance available to low-income customers.
3. Help low-income customers conserve energy and reduce residential utility bills.
4. Operate in a cost-effective and efficient manner.

The PUC has stated the following objectives for third-party Universal Service Evaluations to be conducted every six years for Pennsylvania utility companies.

1. Determine if the programs meet the goals of universal service.
2. Develop standard questions so that utilities evaluate the same measures.
3. Comply with Commission orders that direct the Bureau of Consumer Services (BCS) to collaborate with the Electric Distribution Companies (EDCs) and Non-Generating Distribution Companies in developing guidelines for evaluation.
4. Determine if there are adequate linkages between the programs to help customers achieve success.

The following evaluation activities were conducted.

1. Evaluation planning and background research
2. Program database analysis
3. Duquesne Light manager and staff interviews
4. Program administrator interviews
5. CAP participant survey

6. Billing and collections data retrieval and analysis

## **B. Organization of the Report**

Seven sections follow this introduction.

- 1) *Section II – CAP Program*: Provides a detailed description of the CAP Program.
- 2) *Section III – Hardship Fund Program*: Provides a detailed description of the Hardship Fund Program.
- 3) *Section IV – CARES Program*: Provides a detailed description of the CARES Program.
- 4) *Section V – Smart Comfort Program*: Provides a detailed description of the Smart Comfort Program.
- 5) *Section VI – CAP Participant Feedback*: Provides a summary of the findings from the telephone survey with CAP participants.
- 6) *Section VII – Impact Analysis*: Provides a description of the methodology and findings from the analysis of CAP impacts.
- 7) *Section VIII – Summary of Findings and Recommendations*: Provides a summary of the findings and recommendations from all of the evaluation activities.

APPRISE prepared this report under contract to Duquesne Light. Duquesne Light facilitated this research by furnishing information and 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 Duquesne Light.

## II. Customer Assistance Program

Duquesne Light's Customer Assistance Program (CAP) provides bill payment assistance and arrearage forgiveness to customers with income at or below 150 percent of the Federal Poverty Level. The program was initially introduced as a pilot in 1995 and has undergone changes since that time to simplify eligibility requirements, reduce payment requirements, control CAP credits, and automatically enroll LIHEAP recipients.

This section describes Duquesne Light's CAP program. The information in this section of the report was obtained from review of Duquesne Light's program documents and procedures manuals, discussion with Duquesne Light managers and staff, and in-depth interviews with managers at the Holy Family Institute, the organization that administers the program for Duquesne Light.

### A. Goals and Resources

The goal of Duquesne Light's CAP is to help payment-troubled low-income customers establish an affordable payment plan, move toward greater self-sufficiency, and maintain electric service.

Duquesne Light's CAP costs are recovered through a reconcilable surcharge. The budget shown in the table below was projected based on the average cost of frozen arrearage and CAP credit write off per customer divided by the average number of enrolled customers over the three year period.

The table shows that projected enrollment was 41,650 in 2014 increasing to 46,650 in 2016. These projections were based on historical data on the CAP growth rate. Duquesne Light estimated that enrollment would continue to grow as it had over the last several years and during the recession. However, enrollment levelled off and remained at approximately the same level as in earlier years, with approximately 36,000 participants in 2014.

**Table II-1  
CAP Projected Enrollment and Budget  
2014-2016**

<b>Year</b>	<b>Projected Enrollment</b>	<b>Funding Level (\$Millions)</b>
2014	41,650	\$31.20
2015	44,150	\$24.55
2016	46,650	\$25.87

## **B. Operations**

Duquesne Light has five dedicated staff members to administer the Universal Service Programs. The Manager of Credit and Universal Services is supported by the Senior Analyst for Universal Services who is supported by an Analyst and two Customer Service Representatives.

CAP is administered for Duquesne Light by the Holy Family Institute (HFI) and by Catholic Charities in downtown Pittsburgh. They oversee a network of seven CBO offices where customers can enroll in CAP.

HFI does not have formal responsibility to provide oversight to Catholic Charities, but HFI offers resources and support, especially ongoing training, and shares information with Catholic Charities.

The Holy Family Institute has been responsible for Duquesne Light's CAP since 1999. Intake offices were selected to provide services in areas with high concentrations of confirmed low-income customers and proximity to transportation.

The CAP intake agencies have the following responsibilities.

- Take referrals from various sources.
- Contact customers to conduct the initial CAP screening.
- Arrange personal interviews at the agency to determine eligibility and finalize enrollment.
- Serve as the primary CAP contact throughout the customer's CAP participation.
- Monitor customer accounts and refer participants to Duquesne Light and other support programs.
- Recertify income eligibility.
- Assist customers in applying for LIHEAP and Dollar Energy grants.
- Provide energy education to help CAP customers control their energy usage.
- Conduct outreach at community events and low-income apartment complexes.
- Contact CARES customers to enroll them in CAP and other Duquesne Light programs for which they may qualify.

Duquesne Light representatives train agency staff to use their Customer Information System (CIS). Agencies can enroll customers in real time through direct connection with Duquesne Light's system.

The Duquesne Light Senior Analyst visits the Holy Family's offices to assess program performance. Duquesne Light monitors the CAP data and can review daily, weekly, or monthly agency performance. When necessary, they pass corrections on to the agency representatives.

Duquesne Light holds a quarterly staff meeting for CAP and LIURP agency representatives. Agency staff were also brought in for several training sessions on Duquesne Light's new Customer Information System.

### **C. Eligibility and Benefits**

This section provides information on the CAP eligibility criteria and program benefits.

#### **Eligibility Criteria**

Customers with income at or below 150 percent of the poverty level who have demonstrated or expressed an inability to pay their electric bill are eligible for CAP. Customers are not required to demonstrate that they are payment-troubled by accumulating arrearages, as Duquesne Light believes that customers should be provided with an affordable electric bill prior to falling behind on payment obligations to reduce the risk of service termination.

Senior customers with income between 150 and 200 percent of the poverty level are grandfathered in an older program element that allows them to pay 85 percent of their budget bill if they are non-electric heaters and 80 percent of their bill if they are electric heaters.

#### **Program Benefits**

CAP participants receive the following benefits.

- Reduced bills
- Arrearage forgiveness
- Protection against loss of service
- Waived security deposits
- Information about reducing electric usage
- Program referrals

CAP establishes payment plans based on the customer's ability to pay as determined by the budget bill, service type, and level of electric usage.

CAP customers are enrolled in the budget billing program. The CAP payment is calculated as a percentage of the budget bill based upon household size and gross household income. CAP credits are calculated as the difference between the Duquesne Light budget bill and the CAP budget amount. The difference is the CAP credit and is written off until the customer reaches the annual CAP credit maximum. High use customers are given the option to enroll at a higher percentage payment to reduce the risk of reaching the annual maximum credit before the end of the year. Table II-2 displays the percentage of bill payment by poverty level.

LIHEAP recipients are enrolled automatically upon receipt of the grant. The customer is placed on budget billing and any outstanding balance is frozen for arrearage forgiveness upon CAP enrollment. The customer must complete the CAP application process and provide required documents within six months of the outreach letter mailing. Customers are

placed in the appropriate payment percentage after successfully enrolling in CAP. If the customer does not complete the application and provide the requested information, the customer is defaulted from CAP and the pre-program arrearage is returned to the outstanding balance.

**Table II-2  
CAP Percentage of Budget Payments**

Poverty Level	Electric Non-heating	Electric Heating
0% - 50%	30%	45%
51% - 100%	60%	65%
101% - 150%	85%	80%
LIHEAP Recipient	100%	100%

CAP Plus has not yet been implemented. When implemented, a CAP fixed charge will be added to the bill each month to help manage the cost of CAP for non-CAP customers. This charge will be adjusted annually.

The payment percentages or the maximum CAP credits may be adjusted for customers who have extenuating circumstances, including the following.

- Addition to the household
- Serious illness or medical condition
- Consumption increase that the customer cannot control (such as a health-related increase)
- Severe weather conditions
- Structural damage to the home
- Energy use estimates were based on a previous occupant's usage

If the CAP representative feels that it is needed, the representative can recommend a CAP budget percentage tailored to those special circumstances. Duquesne Light may require that these customers receive an in-home visit and energy audit, and then approve or disapprove the exception based on that visit, to control potential abuses to the system.

Customers who are enrolled in CAP at a special discount rate because of extenuating circumstances remain at that rate as long as their extenuating circumstances continue.

#### **Arrearage Forgiveness**

Arrearage forgiveness of pre-program arrearages is currently provided over a 24-month period. Each month, 1/24 of the pre-program arrearages are forgiven if customers make full and on-time payments or catch up on their monthly payments.

The arrearage forgiveness period was changed from 36 months beginning in December 2014. The goal of this program feature is to encourage on-time payments and help the

customer to develop good payment habits. There was a consensus that if the customer made 24 on time, in full payments, the customer had already developed the payment pattern.

### **Control of CAP Credits**

The maximum CAP credit is \$700 for non-heating customers and \$1,800 for heating customers. The credit was increased from \$560 for non-heating and \$1,400 for heating customers in January 2015. When customers exceed these credits, they are required to pay the full budget amount for the remainder of the year until they are re-certified, unless they meet one of the CAP Maximum exceptions.

The customer's bill provides information on the customer's usage, the CAP credit limit, how much credit the customer has used so far, and how much they have remaining. This is to help the customer make sure that the CAP credit lasts through the year.

In the old system, CAP credits were provided up to but not exceeding the CAP credit limit. In the new system, customers are permitted to exceed the CAP maximum amount by one bill to ensure that all CAP credits have been fully exhausted prior to the customer having to pay the full budget amount.

If Duquesne Light receives a call from a customer who reached the maximum CAP credit and states that they have an extenuating circumstance covered by the CAP Policy Statement, Duquesne Light will send a Smart Comfort energy manager to the home to document the situation. If there is a medical condition, they would allow the maximum amount to either increase by a certain percentage, depending on the equipment, or completely remove the limit. The most common issues that require exceptions are medical use of oxygen or a nebulizer.

### **Payment Application**

Payments in excess of the monthly CAP amount due are first applied to any missed monthly CAP payments, and then to the next month's bill. LIHEAP payments are also applied in this manner.

### **Customer Requirements**

Customers may remain on CAP as long as they are income eligible and they comply with the CAP guidelines. The customer obligations are as follows.

- Pay bills on time and in full every month.
- Recertify income and occupancy information at least every two years. (The receipt of a LIHEAP grant will automatically recertify a household provided that the income requirements for CAP and LIHEAP are the same.)
- Apply for LIHEAP.
- Participate in energy education.
- Conserve electricity.
- Participate in Smart Comfort (in certain situations).
  - Electric heating customers must complete a Smart Comfort visit before enrolling in CAP.



- Electric non-heating homeowners with baseload usage of more than 500 kWh per month may be required to complete a Smart Comfort visit before enrolling in CAP.
- Electric non-heating renters who have resided at their homes more than six months with baseload usage of more than 500 kWh per month may be required to complete a Smart Comfort visit before enrolling in CAP.
- CAP participants with baseload usage over 500 kWh per month who have not have a Smart Comfort visit within the last seven years may be required to have a Smart Comfort visit.
- Customers with no income at the time of CAP enrollment must complete the “Zero Income Form” and provide Duquesne Light with permission to verify the income with government agencies. Income status may be reviewed periodically to determine if there are any changes.
- Notify CAP Case Manger or Duquesne Light Universal Service Center of any change in income, residence, or number of household members.

#### **D. Enrollment Procedures**

Customers are required to visit an agency office to enroll in CAP. The only exception is for LIHEAP auto-enrollment customers. Duquesne Light believes that the in-person enrollment allows the Company and the agency to become more acquainted with the customer, and may provide more information on other problems in the household. The CAP representative has the opportunity to explain the benefits of CAP and answer any questions that the customer has during enrollment.

The scheduler tells customers what they need to bring to enrollment. CAP enrollment entails the following steps.

- Review of the proper identification needed to enroll in CAP.
- Review of the customer’s proof of income.
- CAP explanation
  - CAP overview, including conservation and how that affects the payment.
  - An on time payment is expected each month.
  - There is a reduced payment, and as the customer makes those payments, past balances will be written off.
  - Duquesne Light will not shut them off if they remain current.
  - All of the utilities have CAP programs. Customers are encouraged to participate in the gas CAP. (In Beaver County, HFI works with Columbia Gas.) With the other utilities, enrollment is done over the phone and by fax, so HFI provides every customer that is not on the gas CAP with a referral and the information they need to get connected.
- If the customer is already in CAP, they make sure there is not a catch up amount due.
- They screen for Smart Comfort (check if usage is high).
- As they go through the process, there are opportunities to discuss the customers’ expenses and to provide financial education. For example, if the customer has a high car



payment or if a single mother has no child support, they try to help her find additional income.

- They provide energy conservation education. They discuss what the customer has in the home that uses electricity.

Duquesne Light has a script that the representatives use to provide details on all of the benefits of CAP, information on other assistance that is available, and phone numbers for other utility assistance programs. They ask the customer to sign off that the CAP representative explained all of the information. The CAP representative scans the signed portion and provides the welcome letter to the customer so the customer can refer to the information about the assistance in the future.

If the customer is homebound or has a difficulty so that he/she cannot visit the agency to enroll in CAP, the agencies have staff who visit the customer (as part of the CARES program) to provide the enrollment at the customer's home. The CARES representatives assist physically and mentally challenged customers, and will travel to wherever the customer wants to meet. Usually CARES is for customers with income at or below 200 percent of the poverty level, but Duquesne Light does not limit CARES in that way. If any customer needs assistance, Duquesne Light will send out the CARES representative.

When Duquesne Light determined the location of the agency offices, they overlaid the mass transit route on their service territory and tried to locate the agency offices right on the transportation route. The furthest location away from mass transit was one block. The agencies are also strategically located in low-income areas throughout Duquesne Light's territory.

Customers who receive a LIHEAP grant are automatically enrolled in CAP with a payment equal to the budget amount. The customer is then sent the CAP welcome letter and is required to complete the application form and send it back to the Holy Family Institute with proof of income. When the form is returned, Duquesne Light evaluates the form and puts the customer on the correct CAP tier.

### ***E. Referrals for Other Services***

The Holy Family Institute takes a holistic approach when the customer comes in to enroll in CAP. The Holy Family Institute (HFI) has many other programs and an extensive family of agencies they can coordinate with. When a customer visits a CAP office, the representative provides all available assistance, access to their clothing outlet, and other basic needs (such as toothpaste).

Other programs that HFI has include the following.

- Drug and alcohol outpatient program
- Family counseling
- In home program to work to keep kids in their homes
- Alternative schools

Many customers visit HFI to receive help with their LIHEAP application. HFI always has the applications in their office, in both English and Spanish. HFI will hand the applications out or help the customer complete the form, and mail it in for the customer. HFI makes sure that the customer is connected to the Compass website where they can get the applications online and fill them in. HFI works hard to make the LIHEAP process as seamless as possible. However, every year customers miss the deadline or do not know about the program.

Referrals are made based on the customer's needs, but may include the following.

- Smart Comfort
- Dollar Energy (including screening)
- Crisis
- Food banks
- SNAP
- Child care
- Transportation
- Addiction treatment
- Shelter, if there is violence in the home
- Rent assistance
- Social Security
- Public assistance
- Social Security Disability (have helped clients work with lawyers)
- Clothing bank
- 211 connection to community resources

All of these resources help the customer to have more funds to pay the electric bill.

## ***F. Recertification and Graduation***

Beginning in December 2014, all CAP customers are requested to recertify on an annual basis. A letter is sent each year that requests updated information for all household members. The customer is required to return the form and information within 14 days. The information that is required is the following.

- Proof of income for all household members.
- Income verification for the most recent 30-day period.
- Names, ages, and Social Security numbers for all occupants living in the household.
- Current phone number.
- List of household expenses.

Customers who claim zero income are required to schedule an appointment with the CAP Case Manager to complete additional paperwork in person.

Customers who receive LIHEAP are automatically recertified as long as the LIHEAP and CAP income guidelines are the same. Customers are then removed from CAP if they do not provide information on household income and occupancy every other year.

### **G. Follow-up and Removal**

Customers can be removed from CAP for the following reasons.

- CAP customer account is terminated for nonpayment and service is not restored within 14 days
- Failure to recertify income and household information
- Failure to complete an energy conservation visit
- Failure to apply for LIHEAP assistance
- Fraud
- Material misrepresentations
- Meter tampering
- Theft of service

Customers who do not pay their bill within five days of the due date may be placed in the collections process. If the account is terminated, the customer may be required to pay the entire past due balance to have service restored, unless they are eligible for a payment agreement.

Customers who have their accounts terminated and do not have service restored within 14 days are defaulted from CAP and required to reapply. The customer may not be permitted to re-enroll for one year or until the cause of default has been satisfied.

### **H. CAP Statistics**

Table II-3 displays end-of-year CAP enrollment and total CAP costs for 2012 through 2014. Approximately 36,000 customers participate in the program and about 4,000 new customers are enrolled each year. Costs were approximately \$16.5 million annually.

**Table II-3  
CAP Enrollment and Costs  
2012-2014**

<b>Year</b>	<b>Enrollment</b>	<b>Costs (\$Millions)</b>
2012	36,156	\$16.68
2013	35,568	\$16.55
2014	35,953	\$15.89

Table II-4 displays the itemized CAP costs from 2012 through 2014. The table shows that each year the cost of the CAP credits was approximately \$12 to \$13 million, the cost of

arrearage forgiveness was \$2.3 to \$2.7 million, and administration was approximately \$1.2 million.

**Table II-4  
CAP Itemized Costs  
2012-2014**

Year	Administration	CAP Credits	Arrearage Forgiveness	Total Cost (\$Millions)
2012	\$1,211,535	\$12,905,624	\$2,563,625	\$16.68
2013	\$1,259,565	\$12,539,468	\$2,750,672	\$16.55
2014	\$1,307,764	\$12,278,361	\$2,302,501	\$15.89

Table II-5 displays LIHEAP enrollment and benefits. While 17,732 customers received LIHEAP assistance in 2012, 9,300 received assistance in 2014. Each year two to three thousand customers received Crisis assistance.

**Table II-5  
LIHEAP Enrollment and Benefits  
2012-2014**

Year	LIHEAP Cash		LIHEAP Crisis	
	Enrollment	Benefits	Enrollment	Benefits
2012	17,732	\$3,214,562	2,155	\$515,424
2013	14,391	\$3,215,360	3,527	\$1,151,359
2014	9,300	\$2,273,544	3,217	\$1,135,532

Table II-6 displays information reported by Duquesne Light on CAP defaults. The table shows that in 2014 2,919 defaulted because they did not re-certify and 620 defaulted because they did not receive Smart Comfort.

**Table II-6  
2014 CAP Defaults**

CAP Defaulted - 2014		
Poverty Level	Failure to Recertify	No Smart Comfort
0-50%	420	114
51-100%	1,369	334
101-150%	1,130	172
Total	2,919	620

Additional information on the characteristics of the CAP participants is reported in the CAP Impacts section of this report.

## ***I. Program Coordination and Referrals***

Duquesne Light identifies customers with high monthly usage and LIURP representatives contact these customers with consumption reduction information. They may enroll these customers in LIURP, Act 129 low income programs (Watt Choices) or other programs to proactively assist in reducing energy usage.

Customers are referred to the following programs.

- LIHEAP Cash and Crisis
- CAP programs offered by the natural gas companies (Peoples, Columbia Gas, and Peoples Gas – Equitable Division.)
- Helpline – a resource that provides information about other available assistance
- COMPASS – an online application for Pennsylvania residents to apply for many programs including the following.
  - Medical Assistance
  - CHIP
  - Cash Assistance
  - LIHEAP
  - SNAP
  - Home and Community Based Services
  - Long Term Care
  - School Meals

## ***J. Program Changes***

Duquesne made several changes in their 2014 – 2016 three-year Universal Service Plan.

1. Allow CAP customers to receive restoration payment arrangements while remaining in CAP.
2. Clarify that CAP credits are calculated as the difference between the budget bill and the CAP budget amount.
3. Clarify that customers can only receive CAP at one service location at a time.
4. Shorten the arrearage forgiveness timeframe from 36 to 24 months beginning in December 2014.
5. Clarify that a customer may be defaulted from CAP for fraud, material misrepresentation, meter tempering, theft of service, failure to recertify income, failure to complete an energy conservation visit, or failure to apply for LIHEAP.
6. Increase the maximum CAP credit from \$560 to \$700 for electric non-heating customers and from \$1,400 to \$1,800 for electric heating customers in January 2015.

7. Apply customers' excess payments first to missed CAP payments and then to the next month's CAP bill.
8. Request customers to recertify annually beginning in December 2014 and automatically recertify if they receive LIHEAP. Customers will be removed from CAP if they do not recertify on a biennial basis.

## **K. Challenges**

Duquesne Light and HFI have faced some challenges in CAP, including reaching all customers who need assistance, implementing the new Customer Information System, verifications for zero income customers, and missed customer appointments.

- Reaching all customers who need assistance: Duquesne Light would like to increase CAP enrollment, as they believe that there are customers who are not participating but may need the help. Duquesne Light reports that they are always looking for additional ways to reach those customers. If a customer calls in with any concern about paying the bill, the customer service representative will review the customer's income and make CAP and other USP referrals if appropriate.

Duquesne Light has taken many actions to increase CAP enrollment.

- Provide CAP information on the bill and in bill stuffers.
- CAP signup day in each county where CAP representatives bring laptops to make it easier for customers who work during the week to sign up.
- Sent CARE representatives to all-electric multi-family homes and coordinated a room with a copier where they could enroll everyone who was not in CAP.
- Display brochures at various locations.
- Provide a website with appropriate hyperlinks.
- LIHEAP auto-enrollment.
- Advertisements on buses that travel through low-income neighborhoods.
- Partnership with United Way 211. When they help customers complete their tax returns to receive the EITC, they check if they are eligible for CAP and make direct referrals to CAP.
- Hold a "Be Utility Wise" meeting, together with other local utilities, every September where they train CBO staff on the assistance programs so they can pass the information on to their clients. They usually have 200 to 250 attendees at the event.

Duquesne Light still has confirmed low-income customers who are not on CAP, but they may not be payment-troubled. The latest PUC report for 2013 shows that Duquesne Light has the second highest percent of confirmed low-income customers in CAP.

- New Customer Information System: Duquesne Light introduced Focus, their new credit and collections system in December 2014. HFI has faced a difficult transition with the new system. HFI had been working with Duquesne Light's old system since 2000 and

the move required extensive training. HFI reported that they need additional training and would like additional support from Duquesne Light.

- **Customer Service:** The biggest challenge reported by HFI is to provide excellent customer service during the transition to the new Customer Information System. During the transition, it was difficult for HFI to provide excellent customer service because of the number of letters coming in and the system issues.
- **Zero income verifications:** There is no good method to ensure that customers are telling the truth about their income. Duquesne Light requires zero income customers to complete an additional form.
- **High incidence of missed appointments:** The CAP enrolling agencies were facing challenges with many missed appointments. To address this issue, they provide walk-in appointments for customers who have missed their scheduled appointment. They will not let the customer leave the agency without seeing a representative.

## **L. Successes**

Some of the impacts of the program reported by HFI were as follows.

- **Avoiding Service Termination:** HFI helps customers who are facing termination. HFI can eliminate the termination and greatly impact the customer.
- **Reduced Upfront Costs:** The security deposit is not required.
- **Lower Electric Bills:** The reduction of 15 to 70 percent in the electric bill is a huge help for a low-income family.



### III. Hardship Fund Program

Duquesne Light's hardship fund is a partnership with the Dollar Energy Fund (DEF). The Fund assists customers with unaffordable balances on their utility bills.

#### A. Goals and Resources

Funding for the program is provided by Duquesne Light and by customer contributions. Each year Duquesne Light matches all customer donations up to \$375,000. Duquesne Light also funds DEF up to \$75,000 annually to administer the program.

Customers can contribute to the program by pledging monthly to their electric bill payments, sending in a check, or contributing online.

The objectives of the program are as follows.

- Provide financial assistance to low-income families who have difficulty paying their energy bills.
- Provide financial assistance to low-income households who may not be eligible for LIHEAP.
- Coordinate with community-based organizations that provide energy-related assistance.
- Help customers understand community resources that are available to solve heat, light, and water payment problems.

Table III-1 displays the projected enrollment and budget for the hardship fund from 2014 through 2016. Duquesne Light estimates that they are able to serve 1,909 customers each year with the \$750,000 in funding.

**Table III-1  
Hardship Fund Projected Enrollment and Budget  
2014-2016**

Year	Projected Enrollment	Funding Level
2014	1,909	\$750,000
2015	1,909	\$750,000
2016	1,909	\$750,000

#### B. Operations

The Dollar Energy Fund (DEF) administers Duquesne Light's Hardship Fund. The DEF has a network of agencies and they provide software that allows agency staff to enter applications for their clients. DEF receives the information electronically, processes the grants, and audits the agency paperwork through that system.



DEF provides a webinar training for the intake agencies every year on their iPartner data management system and on the general guidelines for the Dollar Energy Fund program. DEF conducts an online audit of the intake agencies every quarter. The audit is an electronic process through iPartner where DEF pulls the application and all of the paperwork in the document imaging system. DEF reviews that income is calculated properly, the bill is reviewed, and the termination amount is entered correctly. They make sure that all of the information is entered and is correct. As DEF performs the audit, they will contact the agency and re-train staff if they see that there is any issue with the application or documentation.

DEF also undertakes fundraising to try to match Duquesne Light's shareholder contributions. There are various events that Duquesne Light helps DEF promote, including a radio-thon and other events. Duquesne Light also has a check box on their bills where they encourage customers to contribute to the fund.

Duquesne Light promotes the hardship fund through the following methods.

- Bill inserts
- Company website
- Radio advertisements
- Referrals from Customer Service Representatives
- Community-based events
- The Dollar Energy Fund

Duquesne Light provides monthly funding to Dollar Energy based on ongoing donations from customers. Forty-five community-based organizations in Allegheny and Beaver counties conduct intake for the program.

### ***C. Eligibility and Benefits***

This section describes the eligibility guidelines and benefits that are provided through the program.

#### **Eligibility Guidelines**

Customers are eligible for the hardship fund if they meet the following criteria.

- Household income at or below 200 percent of the Federal Poverty Level.
- Duquesne Light residential account.
- Paid at least \$150 toward their utility bill within 90 days or made three consecutive CAP payments. Senior citizens age 62 and over must have paid at least \$100. Agencies can request an exception to the minimum payment by writing a note to Dollar Energy Fund in the system.
- Balance on the electric bill of at least \$100. Senior citizens may have a zero balance as long as there is no credit on the account.
- Provide the Social Security number for all members of the household.

There are additional criterion regarding service status depending on the time of year.

- October 1 to November 30: Electric service off or in threat of termination.
- December 1 to January 31: Electric service off only.
- February 1 to February 28: Electric service off or in threat of termination.
- March 1 to Fund exhaustion: Open to all eligible regardless of service status.

The program is not open year round because there is not enough funding available. There are three to five months of each year that the program is not open.

### **Program Benefits**

Dollar Energy provides the following benefits.

- Financial assistance for overdue energy bills (electric heating or non-heating customers). The grant maximum is \$500.
- Protection against shutoffs.
- Restoration of electric service if terminated.
- Referrals to other programs and services.

## ***D. Application Procedures***

Customers are required to visit a hardship fund enrollment agency to apply for a grant unless they are homebound in which case they can apply over the phone and send their paperwork by mail or fax. The organizations that conduct intake are all independent of the DEF, such as Salvation Army offices, Goodwill, and churches. The Dollar Energy Fund has many locations and the CAP offices can also take the applications. DEF is currently working to allow customers to apply for a grant on the internet.

The DEF agencies take the applications online so Duquesne Light can immediately review and determine whether the customer is eligible and the amount of grant. Duquesne Light logs in every day to review the applications and approve the grants. Because the system does not permit a grant application to be entered if it does not meet the program criteria, it is rare for an application to be rejected. The grant is approved in less than three days after the customer applies. At the time that Duquesne Light reviews the application, they can restore service or stop a termination.

Intake agencies are trained to tell customers that they must apply for LIHEAP before the DEF, how to apply for CAP if eligible, and to make referrals. The agencies make referrals to food assistance, job training centers, child care, and other services. Most of the intake agencies are multi-service and they know what the other available services are. Many agencies can take applications for gas CAP programs. DEF reports that they cannot conduct enrollment for Duquesne Light's CAP because Duquesne Light does not have an online system.

## E. Statistics

Table III-1 displays the Dollar Energy Fund enrollment and costs for 2012 through 2014. Approximately 1,800 grants were made in 2014.

**Table III-1  
Hardship Fund Enrollment and Costs  
2012-2014**

Year	Enrollment	Costs
2012	1,353	\$659,118
2013	1,751	\$825,000
2014	1,843	\$825,000

Table III-2 displays statistics on the arrearages of the grant recipients. The average customer arrearage was about \$800, but ten percent had arrearages over \$1,920 in 2014.

**Table III-2  
Arrearages of Hardship Grant Recipients**

Arrearages						
Year	Mean	Percentile				
		10	25	50	75	90
2012	\$810	\$210	\$316	\$518	\$945	\$1,702
2013	\$809	\$177	\$294	\$554	\$1,021	\$1,674
2014	\$818	\$156	\$269	\$532	\$1,088	\$1,920

Table III-3 displays statistics on the grant amount. The table shows that the mean grant amount was about \$430 each year, and that half of the grantees received the maximum \$500 grant.

**Table III-3  
Hardship Grant Amount**

Hardship Grant Amount						
Year	Mean	Percentile				
		10	25	50	75	90
2012	\$433	\$231	\$396	\$500	\$500	\$500
2013	\$431	\$230	\$362	\$500	\$500	\$500
2014	\$427	\$202	\$338	\$500	\$500	\$500

**F. Successes**

Duquesne Light has worked successfully to provide emergency grants to payment-troubled customers. They have developed a partnership with the Dollar Energy Fund and distribute grants at 45 locations throughout Duquesne Light's service territory.

**G. Challenges**

Duquesne Light matches customer contributions and amounts from fundraisers on a dollar for dollar basis up to \$375,000. There have been times when the amount raised was less than the \$375,000 that Duquesne Light can match. They have been challenged in their efforts to increase customer donations or to improve the effectiveness of fundraising so they can match as much as possible.

Some of the actions they take include to raise funds for the grants are as follows.

- The Warmathon – This event is held every year around Valentine's Day. All of the utility companies participate with a popular radio station. They broadcast live to make people aware of the program.
- Duquesne Light encourages customers to contribute. Customers can sign up on their bill or on the website.
- Duquesne Light has an average voluntary ratepayer contribution of 47 cents. This is the highest of the electric companies, but Duquesne Light would like to increase contributions.

## IV. CARES Program

Duquesne Light's Customer Assistance Referral and Evaluation Services (CARES) program helps payment-troubled and special needs customers to obtain additional assistance. Through CARES, HFI primarily reaches out to customers who cannot come to one of their intake sites, and brings the Universal Service Programs and other referrals to the customers' homes.

### A. Goals and Resources

The objectives of CARES are as follows.

1. Help customers with hardships to manage their electric bills by providing information, resources, and encouragement.
2. Make tailored referrals to company and community assistance programs.
3. Maintain or establish partnerships and alliances with social service agencies, government offices, and community offices to ensure assistance for customers.
4. Act as an internal advocate for payment-troubled customers.

The projected enrollment and funding level for CARES from 2014 through 2016 is shown in the table below.

**Table IV-1  
CARES Projected Enrollment and Funding  
2014-2016**

Year	Projected Enrollment	Funding Level
2014	22,000	\$135,000
2015	22,000	\$135,000
2016	22,000	\$135,000

### B. Operations

The four Duquesne Light Universal Service dedicated staff members are responsible for overseeing CARES. CARES is administered by the Holy Family Institute.

Customers can be referred to CARES by Duquesne Light, other utilities, community based organizations or the Public Utility commission.

HFI outreach workers contact referred customers and make home visits when necessary for medical problems or disabilities. The CARES counselors work with customers to determine

the causes of their bill payment problems and refer them to appropriate programs and services offered by social service agencies, community organizations, and Duquesne Light. They follow up with customers to determine whether customers were able to obtain assistance.

CARES counselors are also responsible for developing close relationships with external organizations and internal departments at Duquesne Light. The cooperation of those agencies is an important aspect of the CARES program.

Case managers also visit identified low-income, multi-family dwellings and other places to hold events that encourage and assist with CAP enrollment.

### ***C. Eligibility and Benefits***

CARES targets customers with income below 150 percent of the poverty level and seniors with income below 200 percent of the poverty level who are unable to pay their electric bills. There are no income guidelines to qualify for CARES. The program aims to assist customers who are experiencing a temporary hardship including the following.

- Serious illness or injury to household member.
- Death of primary wage earner
- SSI or disability recipient
- Low-income elderly
- Low-income single parent
- Loss of income to household
- Marital or family problems
- Loss of unemployment benefits
- High medical bills
- Mental health disability

An outreach worker or community agency works to link the customer to necessary social service programs that enhance the customer's ability to pay for electric service. The case managers help customers with grant applications when available. If a home visit is made, the outreach worker provides the customer with energy education and conservation tips. Case managers have flexibility to establish payment arrangements for customers with payment problems and other hardships.

### ***D. Program Referrals***

Referrals made by CARES representatives include the following.

- LIHEAP
- Housing assistance
- Counseling

- Transportation assistance
- Food assistance
- Employment assistance

## **E. Statistics**

Table IV-2 displays enrollment and costs for the CARES program from 2012 through 2014. The table shows that participation has declined, from over 26,000 in 2012 to under 13,000 in 2014. The number of CARES representatives declined when two of the representatives retired. However, current CARES representatives cover Duquesne Light's counties and they do not feel that more representatives are needed.

**Table IV-2  
CARES Enrollment and Costs  
2012-2014**

<b>Year</b>	<b>Enrollment</b>	<b>Costs</b>
2012	26,170	\$125,000
2013	22,193	\$125,000
2014	12,725	\$135,000

## **F. Successes**

HFI reports that the home visits are valuable, as they provide the representative with better insight into the needs that families are facing. Sometimes the representative will learn that the gas service is off, the customer is depressed, or the customer has significant mental health issues. This allows the representative to better target the customer's needs.

Despite potential dangers, CARES representatives are willing to visit any home and have remained safe. HFI reports that the last two years have been record years for them in terms of screening customers for Dollar Energy grants and the number of customers they can help.

## **G. Challenges**

HFI reports that the only challenge is to ensure that the CARES representatives are aware of their personal safety when visiting customers' homes. HFI reports that they have a good track record of keeping staff and customers safe, and that all staff members have been trained in this area.

## V. Smart Comfort Program

The Smart Comfort Program provides energy conservation services to residential customers. The program provides replacement of appliances and lighting and weatherization if warranted.

### A. Goals and Resources

The objectives of Smart Comfort are as follows.

1. Reduce the energy usage and electric bills of low-income customers.
2. Increase the ability to pay for low-income customers.
3. Provide safer living conditions for low-income customers through the reduction of secondary heating equipment.
4. Educate the customers on current conservation practices.
5. Make tailored referrals to Duquesne Light and other assistance programs.

Duquesne Light has a goal to serve 1,900 customers with Smart Comfort from 2014 to 2016. Based on an average cost of \$534, the budget needed is approximately \$1.01 million annually. However, because Duquesne Light is focusing on all electric low-income multi-family premises and has found that costs for these homes is greater, they revised the annual budget needed to \$1.36 million.

Table V-1 displays the Smart Comfort projected enrollment and funding level according to their 2014-2016 Universal Services Plan. However, Duquesne Light has subsequently agreed to increase the goal to 3,100 visits.

**Table V-1  
Smart Comfort Projected Enrollment and Funding**

Year	Projected Enrollment	Enrollment Upon Settlement Approval	Total Funding	Funding Upon Settlement Approval
2014	2,555	3,100	\$1,364,600	\$1,655,700
2015	2,555	3,100	\$1,364,600	\$1,655,700
2016	2,555	3,100	\$1,364,600	\$1,655,700

### B. Program Management and Administration

The Smart Comfort Program is administered by Conservation Consultants, Inc. (CCI). They have the following responsibilities.

- Smart Comfort program oversight, implementation, tracking and reporting.
- Developing the informational pamphlet and Energy Saving tips content.
- Program lead generation and mailings to supplant the "High Use" list.



- Appointment scheduling, rescheduling, and reminder postcard delivery.
- Completing Smart Comfort visits and referring eligible customers to other Universal Service programs or assistance programs such as LIHEAP.
- Evaluating and seeking the most cost effective pricing from appliance, commodity, HVAC and weatherization contractors.
- Information systems updates into USIS and the Customer Information Systems.
- Detailed customer invoice preparation and reconciliation to USIS.
- Managing major appliance orders, deliveries, and reconciliations.
- Commodity (CFLs, Smart Strips) inventory, storage, and delivery management.
- Managing customer disputes and complaints.

CCI reports that they receive general guidance from Duquesne Light but would like more interaction and that there is sometimes a delay in response from Duquesne Light.

### **C. Outreach**

CCI conducts outreach when they are invited to present on the program, and they incorporate Smart Comfort outreach with their other activities. CCI attends community events, brings program literature, and talks about each program, depending on the audience.

CCI also administers gas LIURP programs and Duquesne Light's Act 129 Low-Income program. CCI has brochures that describe each program.

CCI sends out marketing letters to customers from Duquesne Light's database. CCI generates the list themselves based on the income eligibility and usage requirements for the program.

### **D. Targeting and Referrals**

CAP representatives are the principal source of leads for the Smart Comfort program. The representatives are required to review eligibility for Smart Comfort at the time of CAP enrollment and re-certification.

CCI also receives other utility referrals for Smart Comfort services. When CCI receives information from gas utilities on the customer's electric utility, they can send their BPI-certified auditors to perform a comprehensive audit and provide both gas and electric usage reduction services.

### **E. Eligibility**

Customers must meet the following criteria to be eligible for the Smart Comfort Program.

1. Gross household income at or below 150 percent of the Federal Poverty Level.

2. Seniors with gross household income less than 200 percent of the Federal Poverty Level. (No more than 50 percent of participants can be between 150 and 200 percent of the Federal Poverty Level, and no more than 20 percent of the budget can be spent on these customers.)
3. Baseload electric usage of more than 500 kWh per month, or all electric customers who are homeowners.
4. Resident at current address for at least six months.
5. Has not received a Smart Comfort visit in the last seven years.

Low-income customers with monthly baseload usage of less than 500 kWh per month are invited to energy conservation workshops held throughout Duquesne Light's service territory.

## ***F. Training***

When Duquesne Light holds their quarterly meetings, they review what is required for Smart Comfort. CCI may contact Duquesne Light about their staff training needs. Duquesne Light will review and approve if the training pertains to Duquesne Light work.

Duquesne Light agreed in CCI's current contract to send CCI Energy Assessors to the BPI Principles three-day training class that concludes with an exam. This is not the full auditor training. In the past Duquesne Light has supported other types of training. CCI listed additional training as a request to Duquesne Light, but this was the only session Duquesne Light was able to support.

CCI has sent almost all staff on their Smart Comfort team to the PA State Weatherization training center for baseload energy assessment, energy auditing, and other relevant courses. The State also hosted an online Home Performance 101 training that CCI had all staff attend. CCI looks for external training opportunities and they also conduct internal training on a monthly basis. They have a review session with all Energy Assessors at their staff meetings. The supervisor goes out in the field with everyone once or twice a year to make sure that the visits meet or exceed CCI's standards, and he develops a training session if he sees a pattern that needs attention.

CCI also has energy auditors who are fully BPI-certified auditors with the more advanced credential. These staff members must receive continuing education units to maintain their certification, so they attend continuing training.

## ***G. Service Delivery***

Service delivery follows the steps listed below.

1. Audit to investigate saving opportunities and measure usage of targeted electrical equipment.
2. Energy education on Smart Comfort, the electric bill, ways to reduce usage through a partnership approach.
3. Measure determination.
4. Customer monitoring and follow up, which may include contacting customers to discuss usage and reinforce energy education.

## **H. Audits**

The CCI assessor conducts an audit to determine potential energy saving opportunities in the home. The audit involves the following steps.

- The Assessor receives a packet of paperwork in advance of going to the home.
- The Assessor introduces himself or herself and lets the customer know what they will be doing during the visit.
- They start with major appliances – the refrigerator make and model. They look up the efficiency or meter the refrigerator if they cannot find the nameplate.
- They conduct a walk-through of the property and look at opportunities for education, such as if the customer has several window air conditioners or a large screen television on when they are not watching.
- The assessor gathers information on the following uses.
  - Health-related equipment that operates on electricity, such as oxygen generators, nebulizers, and wheel chair chargers
  - Refrigerators and freezers
  - Electric dryers
  - Room air conditioners
  - Water beds
  - Electrically heated hot water heaters
  - Well pumps
  - Incandescent lighting use
  - Standby power users
- They look for light bulbs that can be replaced with CFLs, and opportunities for a smart strip.
- At the conclusion, the Assessor sits down with the occupant, reviews the bill, identifies seasonal usage patterns, and asks questions about usage.
- The Assessor reviews the booklet of tips with the customer to indicate what the customer can do to reduce usage and makes suggestions. Many times people not aware of how much their devices are using.
- The customer has to sign off on paperwork. If the customer receives a replacement refrigerator, there is a form for that.

## ***I. Energy Education***

The CCI assessor works with the Smart Comfort customers to help them learn how they can reduce their electric usage. The education includes the following information.

- Smart Comfort Program explanation.
- Electricity bill concepts such as monthly kWh usage and usage comparisons.
- Devices that use the most energy.
- Devices that use energy even when they are “off”.
- Behaviors that contribute to excessive electricity usage.
- Ways to reduce electric usage.
- Developing a partnership with the customer to reduce energy usage.

The assessor reviews the customer’s usage history, explains baseload, winter, and summer usage, and discusses how the customer can conserve. The assessor also reviews CAP rules, eligibility, maximum CAP credits, and the importance of making monthly CAP payments.

The Smart Comfort auditor may contact participants to discuss usage if consumption increases following service delivery. They may also contact participants to reinforce energy education.

Low-income customers with baseload usage under 500 kWh per month are invited to energy conservation workshops. The workshops provide conservation education, energy reduction tips, and usage reduction measures that can be undertaken by customers. The workshops are held in different locations in Duquesne Light’s service territory.

## ***J. Measures***

Measures may include the following.

- Blower door test if deemed beneficial to assessing opportunities.
- CFLs
- Mattresses
- Refrigerators and freezers (at least 5 kWh per day usage)
- Electric hot water tanks
- Tank wraps
- Window and central air conditioning units (life of replacement and dwelling must exceed 12 years)
- Heat pumps
- Air infiltration measures
- Smart strips
- Insulation
- Furnaces
- Electric dryers, stoves, water pumps, and blankets

## ***K. Weatherization***

If the customer uses electric heat, CCI will conduct a preliminary assessment to determine if the home is a good candidate for full weatherization. Homes with leaky roofs, wet basements, or in poor structural condition are not eligible. If the CCI assessor believes that the home is viable for full weatherization, that information is passed on to CCI's Smart Comfort Program Supervisor for further review. Electric heating customers are referred to a contractor and non-electric heating customers are referred for inter-utility services. Weatherization contractors perform pre and post blower door tests to assess air leakage before and after service delivery.

## ***L. Program Coordination and Referrals***

Smart Comfort is coordinated with Watt Choices and with the gas LIURP programs. Confirmed low-income customers who participate in any Duquesne Light programs are referred to Watt Choices, Universal Service programs, and LIHEAP. When possible, a contractor will perform an integrated electric and natural gas audit and Duquesne Light will share costs with the natural gas utility.

Duquesne Light also works with CCI on their Act 129 low-income program. The Act 129 program has different eligibility and payback criteria that allow for additional customers to participate, so they refer customers who do not qualify for Smart Comfort to Act 129.

CCI's Assessor asks about the gas company and if the customer would like to be referred to the gas LIURP program. If the customer is a PA Water Company customer, CCI refers to that program. CCI refers to other social services if they see something the customer may need assistance with. CCI occasionally refers the customer to Rebuilding Together Pittsburgh or other organizations that may help the customer fix other deficiencies in the home.

## ***M. Data and Reporting***

CCI tracks the Smart Comfort data in a spreadsheet on their server, and all data are also entered into the Duquesne Light Focus data system. When the Smart Comfort outreach representative accesses a customer's record, she puts in a notation in Focus of why CCI called the customer. Marketing letters are generated through the system.

When an Energy Assessor goes to the home, he or she completes paperwork, brings the paperwork back to the office, logs directly into Duquesne Light's system, and enters the information into Duquesne Light's database.

CCI compares the statistics in their spreadsheets to what is reported from the Duquesne Light system to make sure it matches.

CCI reported that there has been some adjustment on the reporting that is able to be extracted from the new system versus the old system. While it has been challenging, CCI have seen commitment from Duquesne Light to rectify issues and rapidly work toward fixing issues.

CCI would like to have a better understanding of where a customer is in the default process. Once the customer is defaulted, the customer is in a big hurry to have the Smart Comfort visit, so it would be helpful for CCI to know the customer's timeframe.

## **N. Quality Control**

Duquesne Light is working on developing a quality control process. This would involve verification of the measures that were installed. Duquesne Light is considering a five to ten percent random sample to verify that the measures were installed properly and that the customer had a good experience with CCI. Duquesne Light would visit the customer's home, unless the customer only received education and CFLs, in which case they would call the customer.

## **O. Program Statistics**

Table V-2 displays Smart Comfort Enrollment and costs for 2012 through 2014. The table shows that 3,299 customers were served in 2014 at a cost of \$1.69 million.

**Table V-2  
Smart Comfort Enrollment and Costs  
2012-2014**

<b>Year</b>	<b>Enrollment</b>	<b>Costs</b>
2012	3,007	\$1,560,620
2013	3,466	\$1,707,828
2014	3,299	\$1,692,098

Table V-3 displays Smart Comfort Enrollment by job type. The majority of the jobs are baseload. Heating jobs ranged from 161 to 210 annually across the three years shown.

**Table V-3  
Smart Comfort Enrollment by Job Type  
2012-2014**

<b>Year</b>	<b>Baseload Jobs</b>	<b>Heating Jobs</b>
2012	2,797	210
2013	3,305	161
2014	3,192	107

Table V-4 displays the measure penetration rates for 2012 through 2014. The table shows that almost all customers received CFLs, about 11 to 13 percent received a replacement refrigerator, and five percent received a chest or upright freezer. Smart strips were introduced in 2014 and 22 percent received this measure.

**Table V-4  
Smart Comfort Measure Penetration  
2012-2014**

Measure Type	Measure Penetration		
	2012	2013	2014
CFL	99%	99%	98%
Fridge	11%	13%	11%
Smart Strip	0%	0%	22%
Chest freezer	3%	3%	3%
Upright freezer	2%	2%	2%
Weatherization	<1%	<1%	1%
Change-out electric dryer	<1%	<1%	<1%
Change-out air conditioner	<1%	<1%	<1%
Waterbed	<1%	<1%	<1%
Other Measure	0%	<1%	<1%
Repair furnace/boiler	<1%	<1%	<1%
Electric Work	<1%	<1%	0%
Repair Other	<1%	0%	0%
Replace Other	<1%	0%	0%

Duquesne Light's recent Smart Comfort evaluation found savings of 1,021 kWh or 8.1 percent of pre-treatment usage. This is a very good result given the low average investment of \$454 for baseload jobs in 2013. The savings for the heating jobs are low and Duquesne Light should review the quality of the work provided by the weatherization subcontractors.



**Table V-5  
2013 Smart Comfort Usage and Savings**

	#	Pre-Use	Post-Use	Annual Savings	% Savings
<b>Electric Baseload (kWh)</b>					
Raw	1,458	12,625	11,756	869	6.9%
Day Adjusted		12,484	11,514	970	7.8%
PRISM Normalized		12,595	11,574	1,021	8.1%
<b>Electric Heat (kWh)</b>					
Raw	355	13,925	14,557	-632	-4.5%
Day Adjusted		13,937	14,353	-416	-3.0%
PRISM Normalized		14,356	13,884	473	3.3%

### **P. Program Changes**

Duquesne Light made the following changes to Smart Comfort in their 2014-2016 Universal Service Plan.

- Additional Measures: Duquesne Light is evaluating solar and alternative energy sources, window film on south-facing windows, and LEDs to determine if they can achieve the appropriate payback on these measures.
- Normalization of energy usage data to assess savings that result from the program.
- Increase in annual jobs from 2,555 to 3,111.

### **Q. Successes**

Smart Comfort helps more than 3,000 customers, each year. The Penn State report shows that customers are saving electricity as a result of the program. Refrigerator replacement results in a significant dollar reduction in the bill. If the customer is willing, the one-on-one education can be a helpful component.

### **R. Challenges**

CCI reported some challenges with respect to the Smart Comfort Program.

- Fewer Referrals: CCI has not seen as many referrals from CAP as they have in the past. CCI reported that they received an average of about 200 per month in 2015 instead of the 300 per month that they had previously received. They believe that the reduction is due to the new Focus system.
- Customer Acceptance: Customers are sometimes apprehensive about Smart Comfort. They may be concerned that it is a collections-related call or are wary about having

people in their home. CCI has needed to reassure customers about why they are conducting the home assessment.

- **Contacting Customers:** There are customers who have changed their number or have had their phone disconnected. CCI sometimes has a difficult time obtaining a response from the customer.
- **All Electric:** CCI would like to more effectively target the all electric homes that provide greater saving opportunities.
- **Inter-program Coordination:** The availability of different programs can be confusing to the participant, so it would be better for the customer to have a one-stop shop. CCI is trying to address this issue with grant requests and CCI has worked a fair amount with Action Housing, a state weatherization agency.
- **Training Cost:** The state weatherization agencies can attend the PA Weatherization classes for free. The state also mandates LIURP and should also provide that same training to LIURP providers.
- **Act 129 Structure:** The Act 129 program is heavily structured around the Technical Resource Manual (TRM), which places emphasis on the cost for achieving the kWh saved as opposed to the lasting reduction in usage. LEDs may provide greater savings over the long term, but because the cost is higher, and the energy reduction per year is not that much more, the LED would not be included as a measure.

## VI. CAP Participant Feedback

APPRISE conducted a telephone survey with current participants in Duquesne Light's Customer Assistance Program. This section provides information on the research methodology and the findings from the survey.

### A. Methodology

The goal of the CAP survey was to assess views of the program by Duquesne Light customers who were participating in CAP at the time of the survey. Therefore, customers who had enrolled in CAP between July and December 2014 or recertified in CAP between July and December 2014 were included in the sample frame.

Three hundred customers were selected for the survey sample and were mailed advance letters to inform them of the survey and request their participation. A phone number was provided for customers to call in and complete the survey at their convenience.

APPRISE conducted the survey in house. Managers from APPRISE trained staff on the survey instrument and on how to use the computerized version of the survey to record responses. Training included an explanation of CAP, an introduction to the Program's population, an explanation of field codes included in the survey instrument, an overview of each question, and in-depth discussion of survey questions that required special attention.

Interviewer monitoring allowed APPRISE researchers to both listen to the way interviewers conducted surveys and review the answers they chose on the computerized data entry form.

Telephone surveys were conducted by APPRISE staff from June 1, 2015 through June 14, 2015. All customers were called during the day, the evening, and on the weekend, and most customers who were not reached received at least ten calls over the two-week period.

Table VI-1 displays the final sample disposition, the cooperation rate, and the response rate. While 32 percent of the sampled customers completed the survey, the cooperation rate was 83 percent and the response rate was 51 percent.

**Table VI-1**  
**Duquesne Light CAP**  
**Final Sample Disposition**

Final Disposition	#	%
Complete	95	32%
Non-Working, Wrong Number, Other Phone Issue	84	28%
Voicemail	41	14%
No Answer	35	12%
Refusal	19	6%

<b>Final Disposition</b>	<b>#</b>	<b>%</b>
Callback	15	5%
Incorrect Participation Status	6	2%
Too Ill to Participate	5	1%
<b>Total</b>	<b>300</b>	<b>100</b>
<b>Cooperation Rate</b>	<b>83%</b>	
<b>Response Rate</b>	<b>51%</b>	

### **B. Household Demographics**

Several questions were asked to characterize the CAP participants. Table VI-2 shows that 25 percent of the respondents reported that they own their homes.

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

<b>Do you own or rent your home?</b>	
Respondents	95
<b>Own or Rent</b>	<b>Percent of Respondents</b>
Own	25%
Rent	75%
<b>Total</b>	<b>100%</b>

Table VI-3 shows that 36 percent reported that there was a disabled household member and 40 percent reported that someone in the home was unemployed.

**Table VI-3  
Percent with Vulnerable Household Members**

<b>Is anyone in your home disabled? In the past 12 months was any member of your household unemployed and looking for work?</b>	
Respondents	95
<b>Vulnerability</b>	<b>Percent of Respondents</b>
Disabled	36%
Unemployed	40%

Table VI-4 shows that only eight percent of the respondents were married.

**Table VI-4  
Marital Status**

<b>What is your marital status?</b>	
<b>Respondents</b>	95
<b>Marital Status</b>	<b>Percent of Respondents</b>
Married	8%
Single	92%
<b>Total</b>	<b>100 %</b>

Respondents were asked to report the highest level of education reached by any member of the household. Table VI-5 shows that more than half of the respondents had a high school education or less. Only ten percent had a Bachelor's degree or higher.

**Table VI-5  
Education Level**

<b>What is the highest level of education reached by any member of your household?</b>	
<b>Respondents</b>	95
<b>Education Level</b>	<b>Percent of Respondents</b>
Less than High School	13%
High School	43%
Vocational Training	1%
Some College/Associate's	33%
Bachelor's Degree	7%
Master's Degree or Higher	3%
<b>Total</b>	<b>100 %</b>

Table VI-6 shows that 38 percent had employment income, 12 percent had retirement income, 33 percent received public assistance, and 77 percent received non-cash assistance.

**Table VI-6  
Household Source of Income and Benefits**

<b>In the past 12 months, did you or any member of your household receive:</b>	
<ul style="list-style-type: none"> <li>• Employment income from wages and salaries or self-employment income from a business or farm?</li> <li>• Retirement income from Social Security or pensions and other retirement funds?</li> <li>• Benefits from Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or general assistance or public assistance?</li> <li>• Food Stamps or live in public/subsidized housing?</li> </ul>	
Respondents	95
<b>Income Source</b>	<b>Percent of Respondents</b>
Employment	38%
Social Security/Retirement	12%
TANF/SSI/Public Assistance	33%
Food Stamps/Public Housing	77%

Most of the respondents reported an annual income below \$20,000.

**Table VI-7  
Annual Household Income**

<b>What is your household's annual income?</b>	
Respondents	95
<b>Annual Household Income</b>	<b>Percent of Respondents</b>
≤ \$ 10,000	43%
\$10,001 - \$20,000	28%
\$20,001 - \$30,000	7%
\$30,001 - \$40,000	3%
Don't Know	15%
Refused	3%
<b>Total</b>	<b>100%</b>

### **C. CAP Participation and Enrollment**

Table VI-8 shows that customers were most likely to report that they learned about the CAP program through a friend or relative, followed by a Duquesne Light customer service representative or an agency.

**Table VI-8  
CAP Information Source**

<b>How did you find out about the CAP Program?</b>	
<b>Respondents</b>	<b>95</b>
<b>Information Source</b>	<b>Percent of Respondents</b>
Friend or Relative	44%
Duquesne Light Customer Service Representative	23%
Agency	12%
Previous Knowledge	9%
Duquesne Light Bill Insert/Brochure	4%
Other	6%
Don't Know	6%

Table VI-9 shows that customers were most likely to report that they participated in CAP to reduce their energy bills or due to financial issues.

**Table VI-9  
Participation Reason**

<b>Why did you decide to enroll in the CAP Program?</b>	
<b>Respondents</b>	<b>95</b>
<b>Participation Reason</b>	<b>Percent of Respondents</b>
Reduced Energy Bills	60%
Financial Issues	48%
Reduce Arrearages	8%
Even Monthly Payments	4%
Don't Know	1%

Two-thirds of the respondents stated that they had re-certified for CAP.



**Table VI-10**  
**Re-Certified for CAP**

<b>Have you ever re-certified your household and income information for CAP?</b>	
<b>Respondents</b>	95
<b>Re-Certified</b>	<b>Percent of Respondents</b>
Yes	66%
No	32%
Don't Know	2%
<b>Total</b>	<b>100%</b>

When asked how easy or difficult CAP enrollment and re-certification were, 93 percent of respondents stated that enrollment was very or somewhat easy and 90 percent of those who re-certified stated that re-certification was very or somewhat easy.

**Table VI-11**  
**Ease of Enrollment in CAP**

<b>How easy or difficult was it to enroll/ to re-certify in the CAP Program?</b>			
	<b>Enrollment</b>	<b>Re-Certification</b>	
		<b>All</b>	<b>Re-Certified</b>
<b>Respondents</b>	95	95	63
<b>Ease of Enrollment / Re-Certification</b>	<b>Percent of Respondents</b>		
Very Easy	67%	32%	48%
Somewhat Easy	26%	28%	42%
Somewhat Difficult	6%	5%	8%
Very Difficult	0%	1%	2%
Did not Recertify	--	34%	--
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Those who stated that enrollment or re-certification were very or somewhat difficult were asked to report the parts of the process that were most difficult. Table VI-12 shows that the few customers who stated that it was difficult cited completing the application, providing proof of income, or contacting the agency as the difficult aspects of the process.

**Table VI-12  
Difficulty in CAP Enrollment**

What parts of enrollment/re-certification in CAP were most difficult?		
	Enrollment	Re-Certification
Respondents	95	95
Difficulty in Enrollment / Re-Certification	Percent of Respondents	
Completing the Application	3%	2%
Providing Proof of Income	1%	3%
Contacting the Agency	1%	1%
Not Difficult	94%	60%
Did not Recertify	--	32%
Don't Know	1%	1%

#### ***D. Participant Understanding of CAP***

Respondents were asked whether they felt they had a good understanding of the services provided by Duquesne Light's CAP Program. Table VI-13 shows that 97 percent stated that they did understand the program.

**Table VI-13  
Understanding of CAP**

Do you feel that you have a good understanding of the services provided by Duquesne Light's CAP Program?	
Respondents	95
Understand CAP	Percent of Respondents
Yes	97%
No	2%
Don't Know	1%
Total	100%

When asked to describe their responsibility in CAP, 91 percent stated that it was to keep up with their payments. Some customers stated that their responsibility was to conserve energy, report income changes, or re-certify.

**Table VI-14**  
**Customer Responsibility in CAP**

What is your understanding of your responsibility in this program?	
Respondents	95
<b>Customer Responsibility</b>	<b>Percent of Respondents</b>
Keep Up With Payments	91%
Conserve Energy/Reduce Use	8%
Report Income Changes	7%
Recertify	2%
Don't Know	2%

When respondents were asked an open-ended question about the benefits of the CAP, they were most likely to cite the lower energy bill, the financial assistance, or the equal monthly payments. They were then asked about four specific benefits, and almost all agreed that a lower energy bill, a constant monthly payment, and maintaining electric service were benefits of CAP. Additionally, 82 percent agreed that reduced arrearages were a benefit of CAP. While 40 percent stated that the most important benefit of CAP was a lower energy bill, 20 percent stated that it was a constant monthly payment.

**Table VI-15**  
**Benefits of CAP**

What do you feel are the benefits of the program? Do you feel _____ are a benefit of the program? What do you feel is the most important benefit of the program?			
	Unprompted	Prompted	Most Important
Respondents	95		
<b>CAP Benefits</b>	<b>Percent of Respondents</b>		
Lower Energy Bill	69%	98%	40%
Constant Monthly Payment	27%	100%	20%
Maintaining Electric Service	11%	99%	11%
Reduced Arrearages	7%	82%	4%
Financial Assistance	29%	--	16%
Energy Services or Energy Education	3%	--	0%
Peace of Mind	2%	--	6%
Communication with the Utility	0%	--	1%
Other	2%	--	2%
Don't Know	2%	--	0%

Table VI-16 displays the respondents' estimates of their monthly savings on the electric bill due to CAP. The table shows that customers were most likely to state that the bill was

reduced by \$51 to \$100 or \$26 to \$50. However, 28 percent reported that they did not know how much they saved.

**Table VI-16**  
**Customer's Estimate of Monthly CAP Savings**

<b>How much money does the CAP Program save you on a typical monthly electric bill?</b>	
<b>Respondents</b>	<b>95</b>
<b>CAP Savings</b>	<b>Percent of Respondents</b>
\$1-\$25	5%
\$26-\$50	22%
\$51-\$100	36%
\$101 or more	8%
Don't Know	28%
<b>Total</b>	<b>100%</b>

Fifty-four percent of the respondents stated that they were aware that there was a maximum annual benefit in the CAP.

**Table VI-17**  
**CAP Maximum Benefit**

<b>Are you aware that there is a maximum amount of benefits that you can receive in a year from CAP?</b>	
<b>Respondents</b>	<b>95</b>
<b>Aware</b>	<b>Percent of Respondents</b>
Yes	54%
No	42%
Don't Know	4%
<b>Total</b>	<b>100%</b>

While some respondents provided estimates of the maximum benefit, most stated that they did not know what the limit was or were not aware that there was a limit.

**Table VI-18**  
**Amount of CAP Maximum Benefit**

<b>How much is the most you can receive in one year?</b>	
<b>Respondents</b>	<b>95</b>
<b>Annual Maximum</b>	<b>Percent of Respondents</b>
\$100-\$200	2%
\$500	5%
\$600	1%
\$700	4%
\$1000	2%
\$1200	1%
Not Aware	46%
Don't Know	38%
<b>Total</b>	<b>100%</b>

Respondents were also asked about the amount of monthly arrearage forgiveness received. Table VI-19 shows that about one third of the respondents provided an estimate, and that the estimate averaged \$65 per month. Most customers, 66 percent, reported that they did not know how much was forgiven each month.

**Table VI-19**  
**Monthly CAP Arrearage Forgiveness**

<b>How much of what you owe Duquesne Light for past due balances or for past bills that were not paid is forgiven each month?</b>	
<b>Respondents</b>	<b>95</b>
<b>Arrearage Forgiveness</b>	<b>Percent of Respondents</b>
\$0	25%
\$1-\$50	1%
\$51-\$100	3%
More than \$100	3%
Don't Know	66%
<b>Total</b>	<b>100%</b>
Provided \$ Estimate	33%
Mean Forgiveness	\$65

Most of the respondents did not know the amount of arrearage forgiveness received, but most of those who reported a figure said that it made them more likely to pay their electric bill.

**Table VI-20**  
**Impact of Arrearage Forgiveness on Bill Payment**

<b>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 electric bill?</b>	
<b>Respondents</b>	<b>95</b>
<b>Impact on Payment</b>	<b>Percent of Respondents</b>
Yes	5%
No	1%
Did Not Owe	25%
Don't Know	69%
<b>Total</b>	<b>100%</b>

### **E. Bill Payment Problems**

Respondents were asked several questions about difficulty in paying bills both prior to enrolling in CAP and while participating in the program. Table VI-21 shows that while 49 percent stated that it was very difficult and 38 percent said it was somewhat difficult to pay their Duquesne Light bill prior to enrolling in CAP, only ten percent said it was very or somewhat difficult while participating in CAP.

**Table VI-21**  
**Difficulty Paying Duquesne Light Bill**

<b>How easy or difficult was it to make your monthly Duquesne Light payments before participating in Duquesne Light's CAP Program? While participating in the program, how easy or difficult is it to make your monthly electric bill payments?</b>		
<b>Respondents</b>	<b>95</b>	
	<b>Before CAP</b>	<b>In CAP</b>
<b>Duquesne Light Bill Payment</b>	<b>Percent of Respondents</b>	
Very Difficult	49%	2%
Somewhat Difficult	38%	8%
Somewhat Easy	9%	53%
Very Easy	1%	36%
Don't Know	2%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Table VI-22 shows that 73 percent stated that their electric bill was lower while participating in CAP than it was before participating in the program. While 11 percent stated that their electric usage was higher when in CAP, 22 percent stated that it was lower, and 56 percent said that there was no change in their usage.

**Table VI-22  
Impact of CAP on Electric Bill**

<b>While participating in the program, would you say that your electric bill / usage is higher, lower, or has not changed in comparison to what it was before participating in the program?</b>		
	<b>Electric Bill</b>	<b>Electric Usage</b>
<b>Respondents</b>	95	
<b>Bill/Usage Impact</b>	<b>Percent of Respondents</b>	
Higher	6%	11%
Lower	73%	22%
No Change	16%	56%
Don't Know	5%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Those who said that their usage was lower were asked why they felt it had declined. Table VI-23 shows that the most common response was that they had tried to conserve.

**Table VI-23  
Reason for Usage Decrease**

<b>Why do you feel your usage has decreased?</b>	
<b>Respondents</b>	95
<b>Why Usage Decreased</b>	<b>Percent of Respondents</b>
Try to Reduce/Conserve	13%
Other Services Received	2%
Prices have Increased	1%
Fewer People/Less Time in Home	1%
Other	2%
Usage Did Not Decline	78%
Don't Know	3%

Those who said that their usage increased stated that it was because there were more people in the household, they used electric space heaters, the summer was warm, or they had a medical need.



**Table VI-24  
Reason for Usage Increase**

<b>Why do you feel your usage has increased?</b>	
Respondents	95
<b>Why Usage Increased</b>	<b>Percent of Respondents</b>
More People in Household	2%
Use Electric Space Heaters	1%
Warm Summer	1%
Medical Need	1%
Other	2%
Usage Did Not Increase	89%
Don't Know	4%

When asked about the difficulty in paying several other bills, respondents were likely to report that their bills were easier to pay after enrolling in CAP. For example, while 60 percent stated that they had to delay or skip paying for food prior to CAP enrollment, only 17 percent said that they did so while they were participating in CAP. Eleven percent said they did so always or frequently before participating in CAP and none said they delayed food expenditures always or frequently while participating in CAP.

**Table VI-25  
Problems Meeting Financial Obligations**

<b>In the year before/while participating in the CAP Program, did you ever have to delay or skip the following bills or purchases in order to make ends meet?</b>				
	<b>Yes, Delayed or Skipped</b>		<b>Always or frequently</b>	
	<b>Before CAP</b>	<b>In CAP</b>	<b>Before CAP</b>	<b>In CAP</b>
Respondents	95			
	<b>Percent of Respondents</b>			
Food	60%	17%	11%	0%
Medicine	32%	14%	12%	3%
Medical or Dental	34%	13%	12%	3%
Mortgage or Rent	41%	13%	4%	1%
Telephone	60%	19%	8%	1%
Credit Card or Loan	28%	13%	8%	0%
Car Payment	17%	5%	1%	1%

Table VI-26 shows that 33 percent used their kitchen stove or oven to provide heat prior to enrolling in CAP, and ten percent did so while enrolled in CAP.

**Table VI-26  
Used Kitchen Stove or Oven for Heat**

<b>In the year before/while participating in the CAP Program, did you use your kitchen stove or oven to provide heat? Did you always, frequently, or sometimes use your kitchen stove or oven for heat?</b>		
<b>Respondents</b>	<b>95</b>	
	<b>Before CAP</b>	<b>In CAP</b>
	<b>Percent of Respondents</b>	
Always	4%	1%
Frequently	3%	1%
Sometimes	14%	4%
Seldom	12%	4%
Did Not Use to Heat	67%	89%
<b>Total</b>	<b>100%</b>	<b>100%</b>

While 17 percent stated that there was a time in the year before enrolling in CAP that they were unable to use their heat because of a broken heating system, seven percent stated that they experienced this problem while participating in CAP.

**Table VI-27  
Unable to Use Main Source of Heat**

<b>In the year before enrolling/ while participating in the CAP Program, 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?</b>		
	<b>Before CAP</b>	<b>In CAP</b>
<b>Respondents</b>	<b>95</b>	
	<b>Percent of Respondents</b>	
Yes	17%	7%
No	83%	93%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Respondents were also asked about LIHEAP application and receipt. Table VI-28 shows that 60 percent reported that they applied for LIHEAP in the past twelve months and 48 percent stated that they received LIHEAP.

**Table VI-28  
LIHEAP Application and Receipt**

<b>In the past 12 months, did you or any member of your household apply for LIHEAP?.. Receive home energy assistance benefits from LIHEAP?</b>		
	<b>Applied to LIHEAP</b>	<b>Received LIHEAP</b>
Respondents	95	
	<b>Percent of Respondents</b>	
Yes	60%	48%
No	39%	11%
Did Not Apply	--	40%
Don't Know	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

When asked how important CAP has been in helping them to meet their needs, 93 percent of respondents stated that it was very important and seven percent stated that it was somewhat important.

**Table VI-29  
Importance of CAP**

<b>How important has the CAP Program been in helping you to meet your needs?</b>	
Respondents	95
<b>Importance</b>	<b>Percent of Respondents</b>
Very Important	93%
Somewhat Important	7%
<b>Total</b>	<b>100%</b>

Twenty-three percent stated that they need additional assistance to pay their electric bill.

**Table VI-30  
Need Additional Assistance to Pay Electric Bill**

<b>Do you feel that you need additional assistance to pay your electric bill?</b>	
Respondents	95
<b>Assistance Needed</b>	<b>Percent of Respondents</b>
Yes	23%
No	75%
Don't Know	2%
<b>Total</b>	<b>100%</b>

Respondents who stated that they needed additional assistance reported that they needed a lower bill or increased financial assistance.

**Table VI-31**  
**Additional Assistance Needed to Pay Electric Bill**

<b>What additional assistance do you need to pay your bill?</b>	
<b>Respondents</b>	95
<b>Assistance Needed</b>	<b>Percent of Respondents</b>
Lower Bill	9%
General Financial Assistance	8%
More Bill Payment Assistance	6%
More Time to Pay the Bill	1%
Assistance Not Needed	77%
Other	1%

#### **F. Continued CAP Participation**

Most participants reported that they were very likely to continue to participate in CAP.

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

<b>How likely are you to continue to participate in CAP?</b>	
<b>Respondents</b>	95
<b>Continued Participation</b>	<b>Percent of Respondents</b>
Very Likely	95%
Somewhat Likely	5%
<b>Total</b>	<b>100%</b>

Table VI-33 shows that the respondents reported they would participate as long as possible or as long as needed.

**Table VI-33  
Length of Continued CAP Participation**

How long do you think you will continue to participate in CAP?	
Respondents	95
Continued Participation	Percent of Respondents
<6 Months	1%
6-12 Months	0%
More than 12 Months	3%
As Long as Needed	13%
As Long As Possible	78%
Don't Know	5%
<b>Total</b>	<b>100%</b>

**G. Participant Satisfaction and Recommendations**

When asked about their satisfaction with CAP and the enrollment agency, most respondents reported high levels of satisfaction. Table VI-34 shows that 91 percent reported that they were very satisfied with CAP and nine percent reported that they were somewhat satisfied with CAP. While 82 percent reported they were very satisfied with the agency, 16 percent reported that they were somewhat satisfied with the agency.

**Table VI-34  
CAP Satisfaction**

Overall, how satisfied were you with CAP / the agency that helped you enroll in CAP?		
	CAP	Enrollment Agency
Respondents	95	
Satisfaction	Percent of Respondents	
Very Satisfied	91%	82%
Somewhat Satisfied	9%	16%
Somewhat Dissatisfied	0%	0%
Very Dissatisfied	0%	1%
Don't Know	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Table VI-35 shows that 44 percent of respondents stated that the agency helped them obtain other services. The most common services were LIHEAP, other energy services, food assistance, and financial assistance.

**Table VI-35  
Enrollment Agency Assistance**

<b>Did the agency that helped you with CAP enrollment help you get other services to help you meet your needs? What services did the agency help you receive?</b>	
Respondents	95
	<b>Percent of Respondents</b>
LIHEAP	18%
Other Energy Services	12%
Food Assistance	8%
Financial Assistance	7%
Housing Assistance	3%
Other	1%
Did not receive other Services	56%
<b>Total</b>	<b>100%</b>

When asked whether they had any recommendations for improving the CAP program, 18 percent of respondents provided a recommendation. The most common recommendations provided were as follows.

- Improved customer service
- Increased agency appointment times
- More convenient application locations
- More program outreach or education

**Table VI-36  
Recommendations for Improving CAP**

<b>Do you have any recommendations for improvements to CAP?</b>	
Respondents	95
	<b>Percent of Respondents</b>
Improved Customer Service	3%
Increased Agency Appointment Times	3%
More Convenient Application Locations	2%
More Program Outreach/Education/Awareness	2%
Improve Website	1%
Energy Efficiency Services	1%
Make Services More Convenient	1%
Notice for Re-Certification	1%
Bigger Discount	1%

<b>Do you have any recommendations for improvements to CAP?</b>	
<b>Respondents</b>	<b>95</b>
	<b>Percent of Respondents</b>
Other	2%
No Recommendations	77%
Don't Know	3%
Refused	2%

## H. Summary

Key findings from the CAP participant survey are summarized below.

- **Demographics:** The survey showed that the CAP participants have many characteristics that make them likely to need assistance.
  - 36 percent were disabled
  - 40 percent had been unemployed in the past year
  - 56 percent had no more than a high school education
  - 71 percent had annual household income below \$20,000
- **CAP Information Source:** By far, the most common way to hear about CAP was through a friend or relative. While 44 percent reported that they first learned about CAP through a friend or relative, 23 percent reported that they learned about CAP from a Duquesne Light customer service representative.
- **CAP Enrollment and Re-Certification:** Customers did not find it difficult to enroll in or re-certify for CAP. Ninety-three percent said enrollment was very or somewhat easy and 90 percent of those who re-certified said that re-certification was very or somewhat easy.
- **CAP Understanding:** While 97 percent reported that they had a good understanding of CAP, many could not estimate their CAP savings and were not aware that there is a maximum CAP benefit. Most did not know the maximum benefit amount or their monthly arrearage forgiveness amount.
- **CAP Impact:** CAP has positive benefits for electric bill affordability, safe energy practices, and other bill affordability. While participating in CAP, customers were less likely to report that their electric bill was very or somewhat difficult to pay; that they had to delay expenditures for food, mortgages, medicine and other expenses; that they used their kitchen stove or oven to heat their home; and that they were unable to use their main heating source.



- **CAP Importance:** Ninety-three percent of respondents stated that CAP was very important in helping them to meet their needs and seven percent stated that it was somewhat important.
- **CAP Satisfaction:** Ninety-one percent reported that they were very satisfied with CAP and nine percent reported that they were somewhat satisfied with CAP. Eighty-two percent reported they were very satisfied with the agency and 16 percent reported that they were somewhat satisfied with the agency.
- **Referrals:** Forty-four percent of respondents stated that the agency helped them obtain other services.
- **Recommendations:** Eighteen percent of respondents provided a recommendation. The most common recommendations provided were to improve customer service, increase agency appointment times, provide more convenient application locations, and provide more program outreach or education.

## VII. CAP Impact Analysis

This section provides the analysis of CAP's impacts on affordability, bill payment compliance, and collections actions. This section first describes the methodology for the analyses that were conducted and then the findings from the analyses.

### A. Methodology

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

#### Evaluation Data

Duquesne Light provided APPRISE with customer data, CAP program participation data, billing and payment data, and collections data for 2012 through 2014. Duquesne Light also provided data for LIHEAP participants, and those LIHEAP participants who did not participate in CAP were used as a comparison group.

These data were used for the following analyses.

- Characterizing program participants and program parameters.
- Selecting samples of current CAP participants for the customer survey.
- Conducting the impact analysis.

#### Selected Participants: Treatment Group

Customers who enrolled or participated in CAP between January 1, 2013 and December 31, 2013 were included as potential members of the Treatment Group. This group was chosen for the analysis, as one full year of post-program data is required for an analysis of program impacts. Additionally, results are presented for customers who received CAP credits at any time during 2013 to examine the broader population of CAP participants.

#### Nonparticipant Comparison Group

The Comparison Group was constructed 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 Group are as similar as possible to those of the Treatment Group. The Comparison Group was a random sample of customers who received LIHEAP in 2013 and did not participate in CAP in 2012 through 2014.

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 program 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.

In the evaluation of Duquesne Light's CAP programs, we were able to obtain one good Comparison Group.

- *Low-Income Nonparticipant Comparison Group:* We obtained a sample of LIHEAP recipients who had not participated in CAP to utilize as a Comparison Group. For the analysis, the group of customers was replicated to represent customers who enrolled in the program in each quarter of 2013. A quasi intervention date of the middle of the quarter was chosen for each group to compare to the participating customers.

We attempted to construct an additional Comparison Group for the CAP analysis of later program enrollees. However, only a small percentage of these customers had two years of pre-enrollment data available, so they could not be included in the analysis. The group is described below.

- *2014 CAP Enrollee Comparison Group:* We attempted to analyze customers who last enrolled in CAP in 2014 and who did not receive CAP credits in the two years preceding enrollment. We required that they had no CAP discount in the two years preceding enrollment to ensure that they were nonparticipants in both periods. These participants would have served as a good comparison because they are lower income households who were eligible for the program and chose to participate. We would have used data for these participants for the two years preceding CAP enrollment, to compare their change in payment behavior in the years prior to enrolling to the treatment group's change in payment behavior after enrolling. Because these customers did not participate in the CAP in either of the two analysis years, changes in bills and behavior should be related to factors that are exogenous to the program.

For the 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 Treatment and Comparison Group were as follows.

- 2013 Treatment Group data extended from one year before the customer joined CAP to one year after the customer enrolled.
- Low-Income Nonparticipant Comparison Group data included one year of data before the mid-point of the first quarter of 2013 to one year of data after the mid-point of the last quarter of 2013.

Table VII-1 describes the Treatment and Comparison Groups that are included in the analyses.

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

	<b>2013 Enrollee Treatment Group</b>	<b>Nonparticipant Comparison Group</b>
<b>Group</b>	2013 CAP Enrollees	Nonparticipants
<b>Enrollment Requirement</b>	Last CAP enrollment date is in 2013	Did not participate in CAP in 2012-2014
<b>CAP Participation Requirement</b>	Did not participate in CAP in year prior to enrollment.	
<b>Pre-Participation Dates</b>	1 year prior to CAP enrollment	One year prior to quasi enrollment dates of 2/15/13, 5/15/13, 7/15/13,11/15/13
<b>Post-Participation Dates</b>	1 year after CAP enrollment	One year after the quasi enrollment dates of 2/15/13, 5/15/13, 7/15/13,11/15/13

In addition to the Treatment Group and the Nonparticipant Comparison Group, we analyzed program statistics for all customers who participated in CAP in 2013. The 2013 Treatment Group, described above, is a select group of customers who recently enrolled in 2013 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 2013 CAP participants provides a more comprehensive picture of the characteristics and benefits received by program participants. Therefore, we provide both types of analyses.

## **B. CAP Analysis**

This section examines data attrition and results for the CAP Analysis. The following information is summarized.

- Data Attrition
- CAP Participation
- CAP Credits
- Affordability Impacts
- Payment Impacts
- Arrearage Forgiveness
- Collections Impacts

### **Data Attrition**

Table VII-2 displays the data attrition for the 2013 CAP Participants, the Treatment Group, the Nonparticipant Comparison Group, and the Later Participant Comparison Group (not used).

- **2013 CAP Participants:** The table shows that 58 percent of the 2013 CAP participants could be included in the analysis. This is higher than for the other groups studied because this group only requires data to be available for 2013. Customers were primarily removed from this analysis group because transactions data were not provided or complete billing and payment data were not available for 2013.
- **Treatment Group:** The table shows that 14 percent of the Treatment Group could be included in the analysis. Most customers were lost because they did not have a full year of pre and post billing and payment data.
- **Nonparticipant Comparison Group:** Across the four quasi-enrollment quarters, 17 percent of these customers could be included in the analysis. Most of these customers were removed because they did not have complete pre and post billing and payment data.
- **Later Participant Comparison Group:** Only three percent of these customers had sufficient data to be included in the analysis, as they required two years of billing and payment data prior to CAP enrollment. Because of the high attrition rate and the small number of customers that could be included, this comparison group was not utilized.

**Table VII-2  
CAP Data Attrition**

	All 2013 CAP Participants	Treatment Group 2013 Enrollees Who Did Not Participate in Year Prior to Enrollment	Nonparticipant Comparison Group	2014 Participant Comparison Group (not used)
All Eligible	31,379	7,522	8,664	5,941
Received Transactions Data	27,405	6,040	8,664	4,712
Complete Pre and Post Billing and Payment Data	18,200	1,140	1,463	353
Received CAP Discount or Arrearage Credit in Pre Period		1,097		338
Outliers Removed	18,152	1,062	1,447	193
Analysis Group	18,152	1,062	1,447	193
% of Total	58%	14%	17%	3%

Table VII-3 compares the full sample of CAP participants and those with billing and payment data to the Treatment Group. The table shows that the 2013 CAP participant analysis group is very similar to all 2013 CAP participants with customer information. However, the Treatment Analysis group differs somewhat from all CAP participants. The Treatment Group customers are less likely to have seniors, less likely to have retirement income, and they are more likely to own their homes.

**Table VII-3  
Customer Characteristics Comparison**

	All 2013 CAP Participants			Treatment Group 2013 Enrollees Who Did Not Participate in the Year Prior to Enrollment		
	All	All With Customer Information	Analysis Group	All	All With Customer Information	Analysis Group
Observations	31,379	26,343	18,152	7,522	6,031	1,062
Senior	12%	15%	16%	7%	8%	8%
Children	43%	51%	52%	39%	49%	55%
Annual Income						
≤ \$10,000	33%	39%	38%	38%	48%	38%
\$10,001-\$20,000	32%	38%	38%	28%	35%	38%
\$20,001-\$30,000	13%	15%	16%	10%	12%	16%
\$30,001-\$40,000	4%	5%	5%	3%	3%	5%
>\$40,000	3%	3%	3%	2%	2%	3%
Missing	16%	0%	0%	20%	0%	0%

	All 2013 CAP Participants			Treatment Group 2013 Enrollees Who Did Not Participate in the Year Prior to Enrollment		
	All	All With Customer Information	Analysis Group	All	All With Customer Information	Analysis Group
<b>Poverty Group</b>						
≤ 50%	19%	23%	22%	24%	30%	27%
51 – 100%	41%	49%	48%	39%	48%	45%
101 – 150%	20%	23%	24%	16%	21%	26%
> 150%	4%	5%	6%	1%	1%	2%
Missing	16%	0%	0%	20%	0%	0%
<b>Income Sources</b>						
<b>Employment</b>	30%	35%	37%	27%	33%	39%
<b>Disability</b>	25%	30%	28%	27%	34%	27%
<b>Retirement</b>	11%	13%	14%	6%	7%	8%
<b>Public Assistance</b>	5%	6%	5%	5%	7%	4%
<b>Unemployment</b>	4%	5%	5%	4%	5%	8%
<b>Child Support /Alimony</b>	2%	2%	2%	2%	2%	2%
<b>Other Income</b>	6%	7%	7%	7%	9%	10%
<b>No Income</b>	1%	1%	1%	1%	2%	1%
<b>Missing</b>	16%	<1%	<1%	20%	<1%	<1%
<b>Own Home</b>	15%	17%	20%	13%	16%	23%
<b>Electric Heat</b>	10%	12%	10%	12%	15%	9%

### **CAP Participation**

Table VII-4 examines CAP participation for all 2013 participants and the Treatment Group. The table shows that while 62 percent of all 2013 CAP participants remained in the program for all of 2013, 80 percent of the Treatment Group remained in CAP for the full year following participation.



**Table VII-4  
Full Year CAP Participation**

	All 2013 CAP Participants		Treatment Group 2013 Enrollees That Did Not Participate In the Year Prior to Enrollment	
	#	%	#	%
Final Analysis Group	18,152	100%	1,062	100%
Full Year in CAP	11,170	62%	846	80%
Partial Year in CAP	6,982	38%	216	20%

Table VII-5A displays the percent of customers removed from CAP for each reason. The largest percentage did not have the reason recorded. The next most common reason was that the LIHEAP recipient did not provide income and household documentation information.

**Table VII-5A  
Full Year CAP Participation and Removal Reason**

	All 2013 CAP Participants <sup>†</sup>		Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment	
	#	%	#	%
Final Analysis Group	18,152	100%	1,062	100%
Full year CAP	11,170	62%	846	80%
Not full year CAP	6,982	38%	216	20%
Failed to Document Income and Household	2,206	12%	98	9%
Refused Smart Comfort Services	459	3%	35	3%
Successful End	328	4%	6	1%
Customer's Income Increased	224	1%	10	1%
Failed to Make 3 CAP Payments	2	<1%	3	<1%
Other	78	<1%	0	0%
Missing	3,685	20%	64	6%

<sup>†</sup> Six customers from "All 2013 Participants" were removed multiple times for different reasons; for these customers, only the last removal reason was included.

Table VII-5B displays the percentage of CAP participants who received the maximum CAP credit and the percent who were removed. While eight percent of all 2013 CAP participants received the maximum credit, six percent received the maximum credit and were not removed from CAP prior to the end of the year. Two percent received the maximum credit and were removed.

**Table VII-5B**  
**CAP Removal for Reaching Maximum Credit**

	All 2013 CAP Participants		Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment	
	#	%	#	%
Final Analysis Group	18,152	100%	1,062	100%
Received Maximum Credit <sup>†</sup>	1,509	8%	112	11%
Received Maximum Credit and Not Removed	1,133	6%	107	10%
Received Maximum Credit and Removed	376	2%	5	<1%

### CAP Credits

Table VII-6 displays the mean and median CAP credits, as well as the percent of customers who received the maximum CAP credit. The mean CAP credit for all 2013 electric non-heating CAP participants was \$253 and it was \$318 for those who remained on CAP for the full year. While nine percent of all 2013 electric non-heating participants received the maximum CAP credit, 11 percent of the full year CAP participants received the maximum credit. Electric heating customers received higher average CAP credits, but only two percent received the maximum CAP credit.

**Table VII-6**  
**CAP Credits Received**

	Electric Non-Heating				Electric Heating			
	Obs.	Mean Credits	Median Credits	Received Max Credit <sup>†</sup>	Obs.	Mean Credits	Median Credits	Received Max Credit <sup>†</sup>
<b>All 2013 Participants</b>	<b>Credits Received in 2013</b>				<b>Credits Received in 2013</b>			
<b>All</b>	16,316	\$253	\$204	9%	1,836	\$354	\$218	2%
<b>Full Year CAP</b>	10,028	\$318	\$318	11%	1,142	\$457	\$389	2%
<b>Treatment Group</b>	<b>Credits Received in Year after Enrollment</b>				<b>Credits Received in Year after Enrollment</b>			
<b>All</b>	964	\$228	\$153	12%	98	\$319	\$264	0%
<b>Full Year CAP</b>	767	\$272	\$226	14%	79	\$389	\$326	0%

<sup>†</sup>The electric non-heating customer is defined as "receiving maximum credit" if the customer received over \$560 in the post-period.<sup>†</sup> The electric heating customer is defined as "receiving maximum credit" if the customer received over \$1,400 in the post-period.

Table VII-7 displays the mean percent discount off the full electric bill received by the CAP participants. While electric heating participants received an average discount of 27 percent if they remained in CAP for the full year, they received an average discount of ten percent if they did not remain in CAP for the full year. Electric non-heating participants received an

average discount of 28 percent if they remained in CAP for the full year, and they received an average discount of 12 percent if they did not remain in CAP for the full year.

**Table VII-7  
Mean Percent Discount on Duquesne Light Bill  
By Full Year CAP Status**

	All 2013 Participants			Treatment Group		
	Non Electric Heating	Electric Heating	All	Non Electric Heating	Electric Heating	All
<b>Full Year CAP</b>	28%	27%	28%	24%	24%	24%
<b>Not Full Year CAP</b>	12%	10%	12%	5%	2%	5%
<b>Total</b>	22%	20%	22%	20%	20%	20%

Table VII-8 displays the distribution of the discount on the Duquesne Light bill. The table shows that while 23 percent of non-electric heating customers who remained on CAP for the full year received a discount of less than ten percent, 64 percent of CAP participants who did not remain on CAP for the full year received a discount of less than ten percent. The table also shows that 11 percent of non-electric heating full year CAP participants received a discount of more than 50 percent and four percent of non-electric heating partial year CAP participants received a discount of more than 50 percent.

**Table VII-8  
Distribution of Discount on Duquesne Light Bill  
By Full Year CAP Participation**

Percent Discount	All 2013 Participants				Treatment Group			
	Non-Electric Heating		Electric Heating		Non-Electric Heating		Electric Heating	
	Full Year	Not Full Year	Full Year	Not Full Year	Full Year	Not Full Year	Full Year	Not Full Year
<b>&lt;10%</b>	23%	64%	27%	72%	32%	85%	24%	95%
<b>10-19%</b>	13%	9%	10%	6%	14%	5%	15%	0%
<b>20-29%</b>	15%	8%	17%	6%	14%	3%	22%	0%
<b>30-39%</b>	22%	9%	21%	7%	20%	5%	25%	5%
<b>40-49%</b>	17%	6%	15%	4%	12%	2%	6%	0%
<b>≥50%</b>	11%	4%	11%	4%	9%	2%	8%	0%
<b>Total</b>	100%	100%	100%	100%	100%	100%	100%	100%

Table VII-9A displays the percent discount on the electric bill by poverty level. The table shows that lower poverty level customers generally had greater discounts on their bill.

**Table VII-9A**  
**Percent Discount on Duquesne Light Bill by Poverty Level**

Poverty Level	All 2013 Participants			Treatment Group		
	Non-Electric Heating	Electric Heating	Total	Non-Electric Heating	Electric Heating	Total
≤ 50%	25%	18%	24%	25%	22%	25%
51-100%	24%	22%	24%	23%	20%	22%
101-150%	14%	17%	15%	10%	17%	11%
<b>Total</b>	<b>22%</b>	<b>20%</b>	<b>22%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>

Table VII-9B displays the percent discount on the electric bill by poverty level for full year CAP participants. While non-electric heating customers with income below 50 percent of the poverty level had a mean discount of 36 percent, those with income between 51 and 100 percent of the poverty level had a mean discount of 30 percent, and those with income between 101 and 150 percent of the poverty level had a mean discount of 18 percent.

**Table VII-9B**  
**Percent Discount on Duquesne Light Bill by Poverty Level**  
**Full Year CAP Participants**

Poverty Level	Full Year CAP Participants					
	All 2013 Participants			Treatment Group		
	Non-Electric Heating	Electric Heating	Total	Non-Electric Heating	Electric Heating	Total
≤ 50%	36%	29%	36%	35%	30%	35%
51-100%	30%	28%	30%	25%	23%	25%
101-150%	18%	22%	18%	12%	20%	13%
<b>Total</b>	<b>28%</b>	<b>27%</b>	<b>28%</b>	<b>24%</b>	<b>24%</b>	<b>24%</b>

### **Affordability Impacts**

Table VII-10 presents an analysis of the impact of CAP on the affordability of the electric bill for non-heating customers. The table shows that customers' bills declined after enrolling in CAP in addition to the mean discount of \$228 dollars that they received. The net change, compared to the nonparticipants, was a decline of \$500. Participants' mean energy burdens declined from 19 percent in the year prior to enrollment to 14 percent in the year following enrollment.

**Table VII-10**  
**Affordability Impacts**  
**Electric Non-Heating Customers**

	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
<b>Number of Customers</b>	964			888			
<b>Full Bill</b>	\$1,545	\$1,216	-\$329**	\$1,068	\$1,011	-\$57**	-\$272**
<b>Discount</b>	\$0	\$228	\$228**	\$0	\$0	\$0	\$228**
<b>Discounted Bill</b>	\$1,545	\$988	-\$557**	\$1,068	\$1,011	-\$57**	-\$500**
<b>Energy Burden</b>	19%	14%	-5%**				

\*\*Denotes significance at the 99 percent level.

Table VII-11 presents an analysis of the impact of CAP on the affordability of the electric bill for electric heating customers. These customers saw a similar decline in bills and in the energy burden. The net reduction in bills for electric heating customers was \$553 and the mean energy burden was reduced from 27 percent to 22 percent, a reduction of five percentage points.

**Table VII-11**  
**Affordability Impacts**  
**Electric Heating Customers**

	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
<b>Number of Customers</b>	98			559			
<b>Full Bill</b>	\$1,773	\$1,547	-\$226**	\$925	\$934	\$9	-\$235**
<b>Discount</b>	\$0	\$319	\$319**	\$0	\$0	\$0	\$319**
<b>Discounted Bill</b>	\$1,773	\$1,228	-\$544**	\$925	\$934	\$9	-\$553**
<b>Energy Burden</b>	27%	22%	-5%**				

\*\*Denotes significance at the 99 percent level.

The Pennsylvania Public Utility Commission has set targets for CAP participants' energy burdens by heating fuel and poverty level. Table VII-12A displays the mean energy burden for CAP participants by poverty level and the percent of customers whose energy burden exceeded the PUC target. The table shows a mean energy burden of 30 percent for non-electric heating customers with income below 50 percent of the poverty level and that 90

percent of these customers had a burden over the PUC target. However, the mean energy burden for customers with income between 101 and 150 percent of the poverty level was five percent, and twenty percent of these customers had an energy burden above the PUC target.

**Table VII-12A**  
**Electric Burden and Relationship to PUC Target**  
**All 2013 Participants<sup>†</sup>**

Poverty Level	Non-Electric Heating			Electric Heating		
	Mean Energy Burden	PUC Energy Burden Target	Percent with Burden Above PUC Target	Mean Energy Burden	PUC Energy Burden Target	Percent with Burden Above PUC Target
≤ 50 %	30%	2%-5%	90%	50%	7%-13%	84%
51 – 100 %	8%	4%-6%	54%	12%	11%-16%	19%
101 – 150 %	5%	6%-7%	20%	8%	15%-17%	3%

<sup>†</sup>998 non-electric heating customers and 112 electric customers had income above 150% of the poverty level and were excluded from the analysis. Some of these customers were grandfathered senior CAP participants. However, the majority were customers who were removed from CAP following update of their income data. The data shown in the table represent the most recent reported income level, rather than the income level at the time the customer qualified for CAP.

Table VII-12B displays the information for all 2013 full year CAP participants. These customers remained on the program for the full year and therefore received their full CAP discount. The table shows that these customers had lower energy burdens and were less likely to have burden above the PUC targeted level. While 86 percent of non-electric heating customers with income below 50 percent of the poverty level had a burden above the PUC target, 49 percent of those with income between 51 and 100 percent had a burden above the PUC target, and 17 percent of those with income between 101 and 150 percent of the poverty level had a burden above the PUC target.

**Table VII-12B  
Electric Burden and Relationship to PUC Target  
All 2013 Full Year CAP Participants<sup>†</sup>**

Poverty Level	Non-Electric Heating			Electric Heating		
	Mean Energy Burden	PUC Energy Burden Target	Percent with Burden Above PUC Target	Mean Energy Burden	PUC Energy Burden Target	Percent with Burden Above PUC Target
≤ 50%	21%	2%-5%	86%	39%	7%-13%	77%
51 – 100%	7%	4%-6%	49%	11%	11%-16%	16%
101 – 150%	5%	6%-7%	17%	7%	15%-17%	2%

<sup>†</sup>574 non-electric heating customers and 73 electric customers had income above 150% of the poverty level and were excluded from the analysis. Some of these customers were grandfathered senior CAP participants. However, the majority were customers who were removed from CAP following update of their income data. The data shown in the table represent the most recent reported income level, rather than the income level at the time the customer qualified for CAP.

Table VII-13A displays the same data for the treatment group in the year prior to CAP participation and the year following enrollment. The table shows that CAP had a large impact on energy burden, especially for the customers with income between 51 and 100 percent of the poverty level. While 85 percent of the non-electric heating customers with income between 51 and 100 percent of poverty had an energy burden above the PUC target prior to participation, 50 percent had a burden above the target after enrolling in CAP.

**Table VII-13A  
Electric Burden and Relationship to PUC Target  
Treatment Group<sup>†</sup>**

Poverty Level	Non-Electric Heating				
	Mean Energy Burden		PUC Energy Burden Target	Percent with Burden Above PUC Target	
	Pre	Post		Pre	Post
≤ 50%	44%	34%	2%-5%	98%	89%
51 – 100%	12%	7%	4%-6%	85%	50%
101 – 150%	7%	5%	6%-7%	39%	19%



Electric Heating					
Poverty Level	Mean Energy Burden		PUC Energy Burden Target	Percent with Burden Above PUC Target	
	Pre	Post	Heating	Pre	Post
≤ 50%	62%	54%	7%-13%	100%	86%
51 – 100%	14%	10%	11%-16%	34%	14%
101 – 150%	11%	8%	15%-17%	8%	4%

<sup>†</sup>20 non-electric heating customers and 1 electric customer had > 150% poverty level and were excluded from the analysis.

Many customers do not receive the CAP discount for the full year because they do not continue to participate in the program. Table VII-13B displays the same analysis as above for those Treatment Group customers who remain in CAP for the full year. This table shows that percent of non-electric heating customers with a burden above the PUC target was reduced when they enrolled in CAP. The reduction in the percent with a burden above the PUC target was from 98 to 84 percent for those with income below 50 percent of the poverty level, from 84 percent to 47 percent for those with income between 51 and 100 percent of the poverty level, and from 35 to 16 percent for those with income between 101 and 150 percent of the poverty level.

**Table VII-13B  
Electric Burden and Relationship to Target  
Treatment Group with Full Year CAP Participation<sup>†</sup>**

Non-Electric Heating					
Poverty Level	Mean Energy Burden		PUC Energy Burden Target	Percent with Burden Above PUC Target	
	Pre	Post	Non-Heating	Pre	Post
≤ 50%	34%	21%	2%-5%	98%	84%
51 – 100%	12%	7%	4%-6%	84%	47%
101 – 150%	7%	5%	6%-7%	35%	16%

Electric Heating					
Poverty Level	Mean Energy Burden		PUC Energy Burden Target	Percent with Burden Above PUC Target	
	Pre	Post	Heating	Pre	Post
≤ 50%	52%	42%	7%-13%	100%	81%
51 – 100%	14%	9%	11%-16%	32%	14%
101 – 150%	12%	8%	15%-17%	10%	5%

<sup>†</sup>15 non-electric heating customers had > 150% poverty level and were excluded from the analysis.

**Payment Impacts**

Table VII-14 displays the impacts of CAP on bills and payments for non-electric heating customers. The table shows the following impacts.

- **Total Charges:** There was a mean decline of \$272. While part of the reduction was due to a \$32 dollar reduction in collection-related charges, most of the reduction was due to a reduced payment correction. This is likely due to the fact that CAP customers were more likely to have a previous balance transferred from their previous address in the year prior to enrollment in CAP than in the year following enrollment.
- **CAP Credit:** In addition to the bill reduction, CAP participants received a mean CAP credit of \$228.
- **Other Assistance:** CAP participants had an increase in other assistance payments of \$116.
- **Cash Payments:** These payments declined by approximately the same amount as the CAP credit, \$218.
- **Total Credits:** Payments and credits increased by a mean of \$152.
- **Shortfall:** As a result of the reduced bill and increased credits, the shortfall declined by a mean of \$424.
- **Total Coverage Rate:** The percent of charges covered by payments and other credits increased from 77 percent in the year prior to enrollment to 94 percent in the year following enrollment, a net increase of 31 percentage points due to a reduction experienced by the Comparison Group.

**Table VII-14  
Payment Impacts  
Non-Electric Heating Customers**

	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
<b>Number of Customers</b>	964			888			
<b>Total Charges</b>	\$1,545	\$1,216	-\$329**	\$1,068	\$1,011	-\$57**	-\$272**
<b>Collection Related Charges<sup>†</sup></b>	\$62	\$15	-\$47**	\$28	\$13	-\$15**	-\$32**
<b>CAP Credits</b>	\$0	\$228	\$228**	\$0	\$0	\$0	\$228**
<b>Other Assistance Credits<sup>‡</sup></b>	\$110	\$92	-\$17 <sup>#</sup>	\$278	\$144	-\$134**	\$116**
<b>Other Credits</b>	\$35	\$65	\$30**	\$21	\$25	\$4	\$26**

	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Cash Payments	6.5	7.8	1.3**	6.4	6.4	0.1	1.2**
Cash Payments	\$994	\$741	-\$252**	\$803	\$769	-\$34*	-\$218**
Cash Coverage Rate	66%	61%	-5%**	70%	73%	3%*	-8%**
Total Payments & Credits	\$1,138	\$1,127	-\$12	\$1,102	\$938	-\$164**	\$152**
Total Coverage Rate	77%	94%	17%**	106%	93%	-13%**	31%**
Shortfall	\$407	\$89	-\$318**	-\$34	\$72	\$106**	-\$424**
Arrearage Forgiveness	\$0	\$127	\$127**	\$0	\$0	\$0	\$127**
Ending Balance	\$919	\$931	\$12	\$293	\$343	\$49**	-\$37*

\*\*Denotes significance at the 99 percent level. \*Denotes significance at the 95 percent level. #Denotes significance at the 90 percent level.

† "Collection Related Charges" include Late Payment Charge and Return Check Fee.

‡ "Other Assistance Credits" include Dollar Energy Fund, LIHEAP Cash Grant, and LIHEAP Crisis Grant.

Table VII-15 shows approximately the same results for the electric heating customers. Their total coverage rate, or the percent of bills covered with all payments and credits, increased from 75 percent in the year prior to enrollment to 92 percent in the year following enrollment. The net change was an increase of 23 percentage points, as the comparison group experienced a reduction in their coverage rate.

**Table VII-15**  
**Payment Impacts**  
**Electric Heating Customers**

	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	98			559			
Total Charges	\$1,773	\$1,547	-\$226**	\$925	\$934	\$9	-\$235**
Collection Related Charges <sup>†</sup>	\$45	\$3	-\$42**	\$5	\$4	>-\$1	-\$42**
CAP Credits	\$0	\$319	\$319**	\$0	\$0	\$0	\$319**
Other Assistance Credits <sup>‡</sup>	\$151	\$170	\$20	\$241	\$148	-\$93**	\$113**
Other Credits	\$38	\$55	\$17	\$7	\$10	\$3	\$14
Number of Cash Payments	7.3	8.0	0.8#	7.6	8.3	0.7**	<0.1
Cash Payments	\$1,134	\$863	-\$271**	\$669	\$699	\$29*	-\$300**

	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment			Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Cash Coverage Rate	63%	56%	-7%*	65%	71%	6%**	-13%**
Total Payments & Credits	\$1,322	\$1,407	\$84	\$917	\$856	-\$61**	\$145**
Total Coverage Rate	75%	92%	17%**	100%	94%	-6%**	23%**
Shortfall	\$450	\$140	-\$310**	\$8	\$78	\$70**	-\$380**
Arrearage Forgiveness	\$0	\$134	\$134**	\$0	\$0	\$0	\$134**
Ending Balance	\$830	\$897	\$67	\$36	\$89	\$53**	\$14

\*\*Denotes significance at the 99 percent level. \*Denotes significance at the 95 percent level. #Denotes significance at the 90 percent level. † "Collection Related Charges" include Late Payment Charge and Return Check Fee. ‡ "Other Assistance Credits" include Dollar Energy Fund, LIHEAP Cash Grant, and LIHEAP Crisis Grant.

Table VII-16 displays the distribution of bill coverage rates for all 2013 CAP participants. The table shows that 34 percent of non-electric heating participants and 32 percent of electric heating participants paid their full bill.

**Table VII-16**  
**Analysis of Total Bill Coverage Rates**  
**All 2013 Participants**

Number of Customers	Non-Electric Heating	Electric Heating
	16,316	1,836
≥ 100%	34%	32%
90%-99%	23%	22%
80%-89%	14%	15%
< 80%	29%	32%

Table VII-17A displays the distribution of coverage rates for the Treatment Group in the year prior to and in the year following CAP enrollment. The table shows a large improvement in payment coverage rates after enrollment. For example, while 18 percent of the non-electric heating Treatment Group paid their full bill in the year prior to CAP enrollment, 41 percent did so in the year following enrollment. There was a decline in this percentage for the Comparison Group.

**Table VII-17A**  
**Analysis of Total Bill Coverage Rates**

Coverage Rate	Non-Electric Heating				Electric Heating			
	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment		Nonparticipant Comparison Group		Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment		Nonparticipant Comparison Group	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
<b>Number of Customers</b>	964		888		98		559	
<b>≥ 100%</b>	18%	41%	61%	45%	15%	30%	52%	53%
<b>90%-99%</b>	13%	29%	12%	15%	11%	33%	20%	18%
<b>80%-89%</b>	17%	10%	10%	14%	19%	18%	14%	10%
<b>&lt; 80%</b>	53%	20%	18%	26%	54%	19%	15%	19%

Table VII-17B displays the distribution of coverage rates for the Treatment Group with full year CAP participation. These customers had approximately the same results. While 17 percent of the non-electric heating full year CAP Treatment Group paid their full bill in the year prior to CAP enrollment, 41 percent did so in the year following enrollment.

**Table VII-17B**  
**Analysis of Total Bill Coverage Rates**  
**Customers with Full Year CAP Participation**

Coverage Rate	Treatment Group with Full Year CAP Participation			
	Non-Electric Heating		Electric Heating	
	Pre	Post	Pre	Post
<b>Number of Customers</b>	767		79	
<b>≥ 100%</b>	17%	41%	15%	30%
<b>90%-99%</b>	12%	33%	10%	39%
<b>80%-89%</b>	18%	9%	20%	15%
<b>&lt; 80%</b>	53%	17%	54%	15%

Table VII-18 displays the percent of electric heating customers who received LIHEAP and the mean grant amount. The table shows that 40 percent of all electric heating 2013 CAP participants received LIHEAP. While 36 percent of the treatment group received LIHEAP in the year prior to enrollment, 41 percent received LIHEAP in the year following enrollment.

**Table VII-18  
Percent Received LIHEAP  
Electric Heating Customers**

	Electric Heating				
	All 2013 Participants	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment		Nonparticipant Comparison Group	
		Pre	Post	Pre	Post
<b>Number of Customers</b>	1,836	98		559	
<b>Percent Received LIHEAP</b>	40%	36%	41%	88%	69%
<b>Mean LIHEAP Grant<sup>†</sup></b>	\$396	\$379	\$381	\$274	\$208

<sup>†</sup>Only the customers received LIHEAP grants are included in the mean.

### Arrearage Forgiveness

Table VII-19 displays the percent of customers who received arrearage forgiveness, the mean number of payments, the mean amount forgiven, and the median amount forgiven. The table shows that 73 percent of all 2013 CAP participants received arrearage forgiveness and 82 percent of those on CAP for the full year who had arrearages received forgiveness. They received a mean of 5.7 payments, averaging a total of \$87 for the year.<sup>2</sup>

**Table VII-19  
All 2013 CAP Participants and Treatment Group  
Arrearage Forgiveness Received**

	Obs.	% Received Arrearage Forgiveness	Mean # of Arrearage Forgiveness Payments	Mean Forgiven	Median Forgiven
<b>Forgiveness Received in 2013</b>					
<b>All 2013 Participants</b>	18,152	73%	4.4	\$72	\$33
<b>2013 Participants with Arrearages</b>	17,120	77%	4.7	\$76	\$39
<b>2013 Full Year CAP</b>	11,170	77%	5.3	\$82	\$42
<b>2013 Full Year CAP with Arrearages</b>	10,443	82%	5.7	\$87	\$48
<b>Forgiveness Received in Year after Enrollment</b>					
<b>Treatment Group</b>	1,062	87%	5.7	\$127	\$84
<b>Treatment Group with Arrearages</b>	1,044	89%	5.8	\$130	\$85
<b>Treatment Group – Full Year CAP</b>	846	96%	6.6	\$146	\$100
<b>Treatment Group – Full Year CAP with Arrearages</b>	830	98%	6.7	\$149	\$102

<sup>2</sup> Arrearage forgiveness was provided over a 36-month period during the evaluation analysis timeframe. The arrearage forgiveness period was changed from 36 months to 24 months beginning in December 2014.

Table VII-20 displays the percent of CAP Treatment Group participants who received arrearage forgiveness each month in the year following enrollment. The table shows that 62 percent of those with arrearages who remained on CAP for the full year received forgiveness in the first month after enrollment, and the percentage fluctuated to as high as 66 percent and as low as 48 percent over the year.

**Table VII-20**  
**Percent Received Arrearage Forgiveness Each Month Following Enrollment**  
**Treatment Group**

	Obs.	Months After Enrollment											
		1	2	3	4	5	6	7	8	9	10	11	12
All Treatment Group	1,062	53%	56%	57%	52%	50%	48%	46%	44%	41%	40%	44%	45%
Treatment Group – with Arrearages	1,044	54%	57%	57%	53%	51%	49%	47%	44%	42%	41%	45%	46%
Treatment Group - Full Year CAP	846	61%	63%	65%	60%	57%	55%	53%	50%	49%	47%	52%	51%
Treatment Group – Full Year CAP w/Arrearages	830	62%	65%	66%	61%	58%	56%	54%	51%	50%	48%	53%	52%

### Collections Impacts

Table VII-21 displays the percent of CAP customers that had one or more of each type of collections actions. Data were not available for the full pre-enrollment period, so the impact of CAP on collections is assessed later in this section for Q4 2013 CAP enrollees.

The table shows that a significant percentage of customers had each of the collections actions while participating in CAP. Twenty-four percent of all 2013 non-electric heating participants had an account review, 78 percent had a collection call, 18 percent had a field notice, and 29 percent had their service terminated.

**Table VII-21**  
**Percent of CAP Customers with Collections Actions**

	Non-Electric Heating		Electric Heating	
	All 2013 Participants	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment	All 2013 Participants	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment
Number of Customers	16,316	964	1,836	98
Reviews	24%	27%	20%	14%
Calls	78%	88%	70%	69%
Field Notices	18%	20%	14%	18%
Terminations	29%	35%	25%	34%

Table VII-22 displays the mean number of collections actions for the CAP participants. For example, the 2013 non-electric heating participants received an average of 9.3 collections calls in 2013.

**Table VII-22**  
**Mean Number of Collections Actions**

	Non-Electric Heating		Electric Heating	
	All 2013 Participants	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment	All 2013 Participants	Treatment Group 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment
Number of Customers	16,316	964	1,836	98
Reviews	0.6	0.5	0.6	0.2
Calls	9.3	11.4	7.4	7.4
Field Notices	0.4	0.4	0.3	0.4
Terminations	0.5	0.6	0.4	0.5

Collections actions data were available beginning in October 2012, so the impact analysis focuses on those customers who enrolled in the fourth quarter of 2013 and have a full year of pre-enrollment collections data, as well as the fourth quarter comparison group. Table VII-23 shows that customers were less likely to experience each type of action after enrolling in the program. For example, while 39 percent of the Treatment Group experienced a service termination in the year prior to enrollment, 27 percent did so in the year following enrollment. The comparison group did not have a significant change in their terminations.

**Table VII-23**  
**Percent of CAP Customers with Collections Actions**  
**Q4 Enrollees and Comparison Group**

	Treatment Group Q4 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment			Q4 Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	150			769			
Reviews	78%	17%	-61%**	55%	77%	22%**	-82%**
Calls	88%	77%	-11%**	38%	36%	-2%	-9%**
Field Notices	29%	18%	-11%*	11%	9%	-1%	-9%**
Terminations	39%	27%	-12%*	14%	14%	>1%	-12%**

\*Denotes significance at the 99 percent level. \*\*Denotes significance at the 95 percent level.



Table VII-24 shows that customers experienced fewer collections actions after enrolling in CAP. For example, while the Treatment Group experienced a mean of 12.2 calls in the year prior to enrollment, they received a mean of 10.0 calls in the year following enrollment. The net change was a decline of 1.9 calls.

**Table VII-24**  
**Mean Number of Collections Actions**  
**Q4 Enrollees and Comparison Group**

	Treatment Group Q4 2013 Enrollees That Did Not Participate in the Year Prior to Enrollment			Q4 Nonparticipant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
<b>Number of Customers</b>	150			769			
<b>Reviews</b>	4.7	0.3	-4.3**	1.8	2.4	0.6**	-5.0**
<b>Calls</b>	12.2	10.0	-2.1**	3.8	3.5	-0.3	-1.9**
<b>Field Notices</b>	0.6	0.4	-0.3*	0.2	0.2	>-0.1	-0.3**
<b>Terminations</b>	0.8	0.5	-0.3*	0.2	0.2	>-0.1	-0.3**

\*\*Denotes significance at the 99 percent level. \*Denotes significance at the 95 percent level.

### C. Summary

This section provides a summary of the findings from the CAP impact analysis.

- **CAP Full Year Participation:** While 62 percent of All 2013 CAP participants remained in the program for all of 2013, 80 percent of the Treatment Group remained in CAP for the full year following participation.
- **CAP Removal Reasons:** The most common reason that customers were removed from CAP (other than not reported) was that the LIHEAP recipient did not provide income and household documentation information.
- **Maximum Credit Reached:** While eight percent of All 2013 CAP participants received the maximum credit, six percent received the maximum credit and were not removed from CAP and two percent received the maximum credit and were removed prior to the end of the year.
- **CAP Credits:** The mean CAP credit for All 2013 electric non-heating CAP participants was \$253 and it was \$318 for those who remained on CAP for the full year. Electric heating customers received higher average CAP credits, \$354 overall and \$457 for full year participants.

- **CAP Discount:** The CAP credits resulted in an average discount of 27 percent for full year electric heating participants and ten percent for partial year CAP participants. Electric non-heating participants received an average discount of 28 percent if they remained in CAP for the full year, and they received an average discount of 12 percent if they did not remain in CAP for the full year.

Participants at lower poverty levels received greater discounts. While non-electric heating customers with income below 50 percent of the poverty level had a mean discount of 36 percent, those with income between 51 and 100 percent of the poverty level had a mean discount of 30 percent, and those with income between 101 and 150 percent of the poverty level had a mean discount of 18 percent.

- **Affordability Impacts:** Electric non-heating Treatment Group mean bills declined after enrolling in CAP in addition to the mean discount of \$228 dollars that they received. The net change, compared to the nonparticipants, was a decline of \$500. Participants' mean energy burdens declined from 19 percent in the year prior to enrollment to 14 percent in the year following enrollment.
- **Energy Burden Targets:** The Pennsylvania Public Utility Commission has set targets for CAP participants' energy burdens by heating fuel and poverty level. Non-electric heating CAP participants who remained in the program for the full year saw a reduction in the percent who exceeded the PUC target. The reduction was from 98 percent with a burden above the target prior to CAP participation to 84 percent above the target after CAP enrollment for those with income below 50 percent of the poverty level, from 84 percent to 47 percent for those with income between 51 and 100 percent of the poverty level, and from 35 to 16 percent for those with income between 101 and 150 percent of the poverty level.
- **Payment Impacts:** Non-electric heating customers experienced the following impacts after enrolling in CAP.
  - **Total Charges:** There was a mean decline of \$272.
  - **CAP Credit:** In addition to the bill reduction, CAP participants received a mean CAP credit of \$228.
  - **Other Assistance:** CAP participants had an increase in other assistance payments of \$116.
  - **Cash Payments:** These payments declined by \$218.
  - **Total Credits:** Total payments and credits increased by a mean of \$152.
  - **Shortfall:** As a result of the reduced bill and increased credits, the shortfall declined by a mean of \$424.

- Total Coverage Rate: The percent of charges covered by payments and other credits increased from 77 percent in the year prior to enrollment to 94 percent in the year following enrollment, a net increase of 31 percentage points due to a reduction experienced by the Comparison Group.
- LIHEAP: 40 percent of electric heating CAP customers received LIHEAP. While 36 percent of the treatment group received LIHEAP in the year prior to enrollment, 41 percent received LIHEAP in the year following enrollment.
- Arrearage Forgiveness: 82 percent of those on CAP for the full year who had arrearages received forgiveness. They received a mean of 5.7 payments, averaging a total of \$87 for the year.<sup>3</sup>
- Collections Actions: Data were not available for the full pre-enrollment period, so the impact of CAP on collections was assessed for Q4 2013 CAP enrollees. The analysis showed a significant decline in collections actions and terminations after enrolling in CAP. For example, while 39 percent of the Treatment Group experienced a service termination in the year prior to enrollment, 27 percent did so in the year following enrollment. While the Treatment Group experienced a mean of 12.2 calls in the year prior to enrollment, they received a mean of 10.0 calls in the year following enrollment.

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<sup>3</sup> Arrearage forgiveness was provided over a 36-month period during the evaluation analysis timeframe. The arrearage forgiveness period was changed from 36 months to 24 months beginning in December 2014.

## VIII. Findings and Recommendations

The evaluation found that Duquesne Light's Universal Service programs are well-designed and that Duquesne Light has effectively worked with administering agencies to implement these programs. The CAP has positively impacted affordability, bill payment, and collections actions for program participants. This section provides recommendations for Duquesne Light to consider to potentially improve the effectiveness of these programs. Recommendations are made with respect to the Universal Service Program administration, CAP design, CAP enrollment, the Hardship Fund, CARES, and Smart Comfort.

### A. Program Administration

Duquesne Light had faced challenges in the management and administration of their Universal Service Programs over the past several months. Administering agencies have reported that additional assistance has been needed from Duquesne Light with the transition to the new credit and collections data system. It is not clear if this is a short-term issue faced as a result of the IT transition, but at the current time it appears that additional staffing could be beneficial for the program.

Duquesne Light has also faced challenges in data management and reporting. Again, this issue may have resulted from the challenges faced due to the IT transition, and it is expected that the new data system will provide improved data accessibility and reporting.

Despite the challenges, Duquesne Light has contracted with experienced and dedicated administering agencies to implement the Universal Service Programs. The managers and staff at these agencies have provided the consistency and support needed to ensure continuous, high quality-implementation of the Universal Service Programs.

*Staffing: Duquesne Light should evaluate whether additional Universal Service Program staffing is needed after the transition to the new data system is complete and administrative agencies have adjusted to the refined program procedures that accompany the new systems.*

### B. CAP Design

Duquesne Light's CAP has been designed to provide affordability for low-income payment-troubled customers. Several positive aspects of the CAP design are as follows.

- **Eligibility:** Duquesne Light does not require CAP applicants to demonstrate that they are payment-troubled by accumulating arrearages prior to enrollment. This allows for an affordable electric bill before the customer falls behind on payment obligations, and reduces the risk of service termination.
- **Smart Comfort Linkage and Participation Requirement:** Duquesne Light requires electric heating customers to complete a Smart Comfort visit before enrolling in CAP

and electric non-heating home owners with baseload usage of more than 500 kWh per month may be required to complete a Smart Comfort visit before enrolling in CAP. This requirement provides a strong linkage between CAP and Smart Comfort, and also results in a strong incentive for customers to participate in Smart Comfort. The incentive is important, as it can be difficult to convince CAP customers to participate in weatherization after they are enrolled in payment assistance, even if it is a stated CAP requirement.

- **Assistance for Seniors:** Senior customers with income between 150 and 200 percent of the poverty level are grandfathered in an older program element that allows them to pay 85 percent of their budget bill if they are non-electric heaters and 80 percent of their bill if they are electric heaters. This is a beneficial program element, as it can be difficult to obtain participation by Seniors in low-income bill payment assistance programs even when assistance is urgently needed.
- **Bill Design:** The customer's bill provides information on the customer's electric usage, the CAP credit limit, how much credit the customer has used to date, and how much the customer has remaining. This information can help the customer make sure that the CAP credit lasts throughout the year.
- **Re-certification:** Beginning in December 2014, all CAP customers are requested to recertify on an annual basis and must recertify biennially or be removed from CAP. LIHEAP recipients in CAP are automatically recertified upon receipt of a LIHEAP grant provided that the income requirements for CAP and LIHEAP are the same. This requirement helps to ensure that only customers who remain eligible continue to participate in the program. The LIHEAP exception is beneficial to help reduce administrative costs and improve customer convenience when the customer has already provided income documentation to receive LIHEAP.

*Duquesne Light may consider the following refinements to improve the effectiveness of CAP.*

- ***Benefit Design:** The current CAP design provides greater discounts for lower poverty level customers but does not explicitly consider energy burden. The data analysis showed that while CAP reduced energy burden for program participants, the lower poverty level participants were still likely to have burdens above the PUC targeted level. Duquesne Light should consider factoring energy burden into the formula for determining the customer's discount.*
- ***Bill Design:** Duquesne Light's CAP bill provides information to the customer on electric usage, the CAP credit limit, how much CAP credit the customer has used to date, and how much CAP credit is remaining. It may be helpful if the bill also advises the customer on the percent of the CAP credit that should be remaining based on how much of the year has elapsed and what percent of expected usage should have been used given seasonal variations. This information would allow the customers to assess whether they are on track for having the CAP credit last throughout the full year of CAP participation.*

### C. CAP Enrollment

Duquesne Light requires customers to visit an agency office to enroll in CAP. The only exception is for LIHEAP auto-enrollment customers (and customers who are not able to visit the office are enrolled through CARES). Their process provides many advantages for the program.

- **CAP Education:** During the in-person visit, the CAP representative has the opportunity to use the welcome script to explain the benefits of CAP. The representative reviews detailed information about the program and its benefits and requirements, and answers any questions that the customer has. The CAP representative provides the welcome letter to the customer so the customer can refer to the information about the assistance in the future.

Most of the participants reported that they did not find it difficult to enroll in or re-certify for CAP. While 93 percent said enrollment was very or somewhat easy, 90 percent of those who re-certified said that re-certification was very or somewhat easy.

- **Holistic Service Delivery:** The in-person enrollment allows Duquesne Light and the agency to become better acquainted with the customer, and may provide more information on other problems in the household. The representative provides information and referrals to the customer. Information provided includes the availability of the gas CAP programs, referrals to Smart Comfort if usage is high, and energy conservation. There are also opportunities to discuss the customers' expenses and to provide financial education.

The customer survey affirmed the importance of these services. This research found that 44 percent of the CAP participants received assistance from the agency in obtaining other services. The most common services were LIHEAP, other energy services, food assistance, and financial assistance.

- **Administering Agency:** CAP is administered for Duquesne Light by the Holy Family Institute (HFI) and by Catholic Charities in downtown Pittsburgh. HFI oversees a network of seven CBO offices where customers can enroll in CAP. HFI has been responsible for Duquesne Light's CAP since 1999. Intake offices were chosen to provide services in areas with high concentrations of confirmed low-income customers and proximity to transportation. The services have been designed with thought and care to provide information to customers who are greatly in need of assistance.
- **LIHEAP Auto-Enrollment:** LIHEAP recipients are enrolled automatically upon receipt of the grant. Customers are placed in the appropriate payment percentage after successfully enrolling in CAP. If the customer does not complete the application and provide the requested information, the customer is defaulted from CAP.

*The requirement for enrollment at the agency office poses some challenges for the program.*



- *Challenges in Visiting Agency: While most of the participants reported that they were satisfied with the enrollment, the most common recommendations for the program were the following.*
  - *Improved customer service*
  - *Increased agency appointment times*
  - *More convenient application locations*
  - *More program outreach or education*

*This suggests that some participants are challenged by the requirement. Additionally, the requirement may prevent additional customers who need help from enrolling if they are not able to visit the office due to other responsibilities during the day. Duquesne Light should evaluate whether there are enough enrollment agencies and whether the agencies provide enough flexibility in enrollment, such as weekend and/or evening hours.*

- *Education Retained: While 97 percent reported that they had a good understanding of CAP, many participants could not estimate their CAP savings and were not aware that there is a maximum CAP benefit. Most did not know the maximum benefit amount or their monthly arrearage forgiveness amount. Duquesne Light should periodically observe CAP representatives to ensure they are providing and explaining the information to customer.*

#### **D. CAP Participation and Impacts**

The research found that CAP provided assistance to customers in need, customers were satisfied with the program, and the program resulted in improved affordability and bill payment compliance.

- **Participants in Need of Assistance:** The participant survey showed that the CAP participants have many characteristics that make them likely to need assistance.
  - 36 percent were disabled
  - 40 percent had been unemployed in the past year
  - 56 percent had no more than a high school education
  - 71 percent had annual household income below \$20,000
- **CAP Satisfaction:** 91 percent reported that they were very satisfied with CAP and 9 percent reported that they were somewhat satisfied with CAP. 82 percent reported they were very satisfied with the agency and 16 percent reported that they were somewhat satisfied with the agency.
- **CAP Importance:** 93 percent of respondents stated that CAP was very important in helping them to meet their needs and seven percent stated that it was somewhat important.

- **CAP Impacts:** Participants reported that CAP had positive benefits for electric bill affordability, safe energy practices, and other bill affordability. While participating in CAP, customers were less likely to report that their electric bill was very or somewhat difficult to pay; that they had to delay expenditures for food, mortgages, medicine and other expenses; that they used their kitchen stove or oven to heat their home; and that they were unable to use their main heating source.
- **CAP Assistance:** Participants at lower poverty levels received greater discounts. While non-electric heating customers with income below 50 percent of the poverty level had a mean discount of 36 percent, those with income between 51 and 100 percent of the poverty level had a mean discount of 30 percent, and those with income between 101 and 150 percent of the poverty level had a mean discount of 18 percent.
- **Affordability Impacts:** Electric non-heating Treatment Group mean bills declined after enrolling in CAP in addition to the mean discount of \$228 dollars that they received. The net bill change, compared to the nonparticipants, was a decline of \$500. Participants' mean energy burdens declined from 19 percent in the year prior to enrollment to 14 percent in the year following enrollment.
- **Energy Burden Targets:** The Pennsylvania Public Utility Commission has set targets for CAP participants' energy burdens by heating fuel and poverty level. Non-electric heating CAP participants who remained in the program for the full year saw a reduction in the percent who exceeded the PUC target. The reduction was from 98 percent with a burden above the target prior to CAP participation to 84 percent above the target after CAP enrollment for those with income below 50 percent of the poverty level, from 84 percent to 47 percent for those with income between 51 and 100 percent of the poverty level, and from 35 to 16 percent for those with income between 101 and 150 percent of the poverty level.
- **Payment Impacts:** Participants experienced a decline in the net bill, an increase in other assistance, a reduction in the shortfall amount, and a large increase in the percentage of the bill paid.
- **Arrearage Forgiveness:** 82 percent of those on CAP for the full year who had arrearages received forgiveness. They received a mean of 5.7 payments, averaging a total of \$87 for the year.
- **Collections Actions:** A significant percentage of customers had each of the collections actions while participating in CAP. Twenty-four percent of all 2013 non-electric heating participants had an account review, 78 percent had a collection call, 18 percent had a field notice, and 29 percent had their service terminated.



## **E. Hardship Fund**

Duquesne Light works effectively with the Dollar Energy Fund to implement an effective Hardship Fund program. The program has many positive design elements.

- **Good Faith Payment Requirement:** The program requires that participants make payments of at least \$150 toward their utility bill within 90 days or make three consecutive CAP payments. Senior citizens age 62 and over must have paid at least \$100. This ensures that customers are working with the program to help meet their payment responsibilities.
- **Targeting the Most Payment Troubled Customers:** There are additional criterion for the hardship fund regarding service status depending on the time of year.
  - October 1 to November 30: Electric service off or in threat of termination.
  - December 1 to January 31: Electric service off only.
  - February 1 to February 28: Electric service off or in threat of termination.
  - March 1 to Fund exhaustion: Open to all eligible regardless of service status.
- **Quickly Processing Grant Applications:** The DEF agencies take the applications online so Duquesne Light can immediately review and determine whether the customer is eligible and the amount of grant. Duquesne Light logs in every day to review the applications and approve the grants. Because the system does not permit a grant application to be entered if it does not meet the program criteria, it is rare for an application to be rejected. The grant is approved in less than three days after the customer applies. At the time that Duquesne Light reviews the application, they can restore service or stop a termination.

The recommendation for the hardship fund was as follows.

- *Access: There are three to five months of the year that the hardship fund is not open because the funding is depleted prior to the end of the year. Duquesne Light should continue to work to increase fundraising for the program.*

## **F. CARES**

Duquesne Light's Customer Assistance Referral and Evaluation Services (CARES) program helps payment-troubled and special needs customers to obtain additional assistance. The program offers important services to customers who cannot visit one of the CAP intake agencies and to other customers with disabilities.

- Usually CARES is for customers with income at or below 200 percent of the poverty level, but Duquesne Light does not limit CARES in that way. If any customer needs assistance, Duquesne Light will send out the CARES representative.

- If a home visit is made, the outreach worker provides the customer with energy education and conservation tips. Case managers have flexibility to establish payment arrangements for customers with payment problems and other hardships.

The evaluation resulted in one recommendation for CARES.

- *CARES Staffing: CARES participation has declined, from over 26,000 in 2012 to under 13,000 in 2014. At the same time, the number of CARES representatives declined when two of the representatives retired. Duquesne Light and HFI reported that they feel the current level of staffing is sufficient to meet customers' needs. However, given the large reduction in customers served, Duquesne Light should continue to evaluate staffing and ensure that adequate representatives are available.*

## **G. SMART Comfort**

SMART Comfort is a well-designed and implemented program. The program has the following beneficial design features.

- **Linkage with CAP:** CAP representatives are the principal source of leads for the Smart Comfort program. The representatives are required to review eligibility for Smart Comfort at the time of CAP enrollment and re-certification.
- **Targeting High Usage Customers:** High usage customers are required to participate in Smart Comfort prior to enrolling in CAP.
- **Focusing on Cost-Effective Measures:** As most Duquesne Light customers do not have electric heat, the program focuses on lighting, refrigeration, and recently added smart strips. Duquesne Light continues to evaluate whether additional cost-effective measures can be added to the program.

There is one recommendation for Smart Comfort.

- *Weatherization Subcontractors: Duquesne Light's recent Smart Comfort evaluation found savings of 1,021 kWh or 8.1 percent of pre-treatment usage. This is a very good result given the low average investment of \$454 for baseload jobs in 2013. The savings for the heating jobs however, are low and Duquesne Light should review the quality of the work provided by the weatherization subcontractors.*