



**Human Services**

**FirstEnergy  
Universal Service Programs**

**Amended Plan Filing  
for  
January through December 2008**

**and**

**Updated Plan Filing  
for  
Program Years 2009, 2010 and 2011**

**Pennsylvania Electric Company**

**February 22, 2008**

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## Introduction

Pennsylvania Electric Company's ("Penelec" or the "Company") amended and updated plan filing is being provided to the Pennsylvania Public Utility Commission ("Commission") in accordance with the 52 Pa. Code Chapter 54 Reporting Requirements for Universal Service and Energy Conservation Programs as published in the Pennsylvania Bulletin on August 8, 1998.

The Company is committed to providing customer-focused, quality-driven, results-oriented Universal Service and Energy Conservation Programs<sup>1</sup> in a cost-effective and holistic manner. The goals of the Company's Universal Service and Energy Conservation Programs are to:

- Protect consumer's health and safety by helping low-income customers maintain affordable utility service;
- Provide for affordable utility service by making available payment assistance to low-income customers;
- Help low-income customers conserve energy and reduce residential utility bills; and
- Ensure utilities operate Universal Service and Energy Conservation Programs in a cost-effective and efficient manner.

The Company will continue to work with eligible customers in establishing affordable payment agreements that maintain electric service and move them toward self-sufficiency in paying their electric bill. Retail shopping will not preclude participation in Universal Service and Energy Conservation Programs or the protections afforded to residential customers pursuant to the provisions of 52 Pa. Code Chapter 56, and 66 Pa. C. S. §1401 et seq. (Responsible Utility Customer Protection Act – Chapter 14).

This amended and updated plan describes the Company's portfolio of Universal Service and Energy Conservation programs for January through December 2008 and Calendar Years 2009, 2010 and 2011, including specific proposed program enhancements or modifications which will be adopted upon Commission approval.

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<sup>1</sup> As defined in Section 2803 of the Electricity Generation Customer Choice and Competition Act, 66 Pa. C. S. § 2803, Universal Service and energy conservation refers to those "policies, protections and services that help low-income customers to maintain electric service. The term includes customer assistance programs, termination of service protection and policies and services that help low-income customers to reduce or manage energy consumption in a cost-effective manner, such as the low-income usage reduction programs, application of renewable resources and consumer education."

## Updated Universal Service Plan Program Years 2009, 2010 and 2011

### Customer Assistance and Referral Evaluation Services (“CARES”)

#### A. Program Overview and Objectives

The CARES Program provides assistance on a short-term basis to payment-troubled residential customers. Based upon the circumstances, Company CARES representatives make referrals to social service agencies and provide information on appropriate Company and/or external programs. Over the past several years, CARES has evolved into a component of CAP. The majority of CARES referrals are immediately enrolled into CAP and do not continue as part of the casework load of the CARES representative.

#### B. Eligibility

Any customer experiencing a recent hardship such as:

- Serious illness or injury to a member of a household, or
- Death of a wage earner, or
- Marital or family problems, or
- Handicapped or disabled person, or
- Sudden loss of income to the household, or
- Any customer 60 years of age or over requiring special assistance.

#### C. Company Organizational Structure

Assistant Business Analysts (i.e., CARES representatives) are strategically located throughout the Penn Power, Met-Ed and Penelec service territories. Paula Farabaugh, Audrey Kazmaier, Dennis Schotsch and Sue Wheeler provide primary coverage within the Penelec service territory, with the other two representatives providing back-up for Penelec customers when necessary.

Company Employees	Employee Positions	Employee Location	% of Time
Farabaugh, Paula	Asst. Business Analyst	Altoona	5%
Kazmaier, Audrey	Asst. Business Analyst	Erie	5%
Kleppinger, Linda	Asst. Business Analyst	Phillipsburg NJ <sup>2</sup>	1%
Ramos-Vega, Stephanie	Asst. Business Analyst	Reading	1%
Schotsch, Dennis	Advanced Business Analyst	Clark	5%
Wheeler, Sue	Asst. Business Analyst	Towanda	5%

<sup>2</sup> Provides case management for CARES participants located within the Met-Ed service territory along the Delaware River.

## Customer Assistance Program ("CAP")

### A. Program Overview and Objectives

CAP helps residential customers maintain electric service and eliminate past-due balances. CAP offers a reduced bill to customers, which is based on a percentage of income payment plan ("PIPP") and debt forgiveness. The objectives of CAP are to:

- Improve a customer's payment ability and consistency;
- Reduce a customer's consumption of electricity; and
- Eliminate debt.

### B. Eligibility Requirements

- Household income at or below 150 percent of the Federal Poverty Guidelines;
- Residential account with an active account status;
- If eligible, must apply for the Low Income Home Energy Assistance Program ("LIHEAP");
- Applicant/Ratepayer must reside at the service address; and
- Must agree to participate in the WARM Program, if eligible.

### C. Intake Processes

A variety of intake processes will be employed, to facilitate effective and efficient program expansion and for purposes of customer convenience.

- 1<sup>st</sup> Preference
  - FirstEnergy Human Services / Department of Public Welfare Electronic Data Exchanges
    - Used for processing automated participant enrollments and re-certifications.
- 2<sup>nd</sup> Preference
  - FirstEnergy Revenue Operations Referrals
    - Used for processing automated participant enrollment.
- 3<sup>rd</sup> Preference
  - CBO Interviews
    - Used for processing participant enrollments and re-certifications.
- 4<sup>th</sup> Preference
  - Telephone Interviews
    - Used for processing participant enrollments and re-certifications.
- 5<sup>th</sup> Preference
  - WARM Program Referrals
    - Customers referred to appropriate CBO.
    - Used for processing participant enrollments and re-certifications.

**D. Subsidy Calculation and Payment Requirements**

CAP participants will pay the difference between their total consumption bill and their monthly CAP subsidy credit, which will be applied at the time of billing.

The monthly CAP subsidy credit will be determined based on gross income, primary heat source and energy burden.

The Consumer Price Index (“CPI”) will be used each June 1, to adjust maximum bill subsidy amounts. From June 1, 2008 thru June 1, 2009, the CAP electric bill burden will be determined as follows:

Non-Electric Heat Accounts:

Benefit Calculation Based on 3% Electric Bill Burden

Maximum Bill Subsidy = \$960.00 Annually or \$80 Monthly

Electric Heat Accounts:

Benefit Calculation Based on 6% Electric Bill Burden

Maximum Bill Subsidy = \$2,400.00 Annually or \$200 Monthly

Accounts with electric bill burdens of less than 3% (non-electric heat) and 6% (electric heat) will not qualify for CAP.

( This space intentionally left blank. )

**The following is an example of how a CAP benefit will be calculated for a customer with non-electric heat:**

- Annual Income, Family of Four = \$ 16,500  
- Annual Electric Bill = \$ 1,020  
- LIHEAP Benefit = \$ 0

**Step #1 – Determine what the household should be paying for electric under CAP**

Annual Household Income \$ 16,500  
CAP Electric Bill Burden  $\times \frac{3\% \text{ of income}}{}$   
= \$ 495

**Step #2 – Determine the household’s current electric bill burden**

Annual Electric Bill \$ 1,020  
Minus LIHEAP Benefit  $\frac{\$ 0}{}$   
Actual Electric Bill Burden = \$ 1,020 (more than 3% of income)

**Step #3 – CAP will pay the difference**

Actual Electric Bill Burden \$ 1,020  
Minus CAP Electric Bill Burden  $\frac{\$ 495}{}$   
Annual CAP Benefit = \$ 525  $\div 12 = \$ 43.75$  per month

( This space intentionally left blank. )

The following is an example of how a CAP benefit will be calculated for a customer with electric heat:

- Annual Income, Family of Four	= \$ 16,500
- Annual Electric Bill	= \$ 2,200
- LIHEAP Benefit	= \$ 800

**Step #1 – Determine what the household should be paying for electric under CAP**

Annual Household Income	\$ 16,500
CAP Electric Bill Burden	x <u>6% of income</u>
	= \$ 990

**Step #2 – Determine the household’s current electric bill burden**

Annual Electric Bill	\$ 2,200
Minus LIHEAP Benefit	<u>\$ 800</u>
Actual Electric Bill Burden	= \$ 1,400 (more than 6% of income)

**Step #3 – CAP will pay the difference**

Actual Electric Bill Burden	\$ 1,400
Minus CAP Electric Bill Burden	<u>\$ 990</u>
Annual CAP Benefit	= \$ 410 ÷ 12 = \$ 34.16 per month

( This space intentionally left blank. )

#### **E. Debt Forgiveness Guidelines**

When entering CAP, all pre-program debt will be deferred and included in the CAP Debt Forgiveness Component.

Debt forgiveness credits (1/36 of pre-program debt) will be awarded in response to customer payments<sup>3</sup> of in-full monthly CAP bills, whenever those payments occur.

#### **F. Default Provisions**

Universal Service imposes a requirement on the electric distribution companies ("EDCs") to offer assistance and a responsibility on customers for wise consumption and prompt payment. The Company agrees with the Commission that the consequences for nonpayment should be loss of service<sup>4</sup>.

Dunning notices, including termination notices, will be issued for any unpaid current bills. Deferred pre-program debt balances will not be included in dunning notices. CAP participants who do not make payments in accordance with the terms of the program will remain in CAP and be subject to CAP Dunning Processes, up to and including service termination. CAP Dunning Processes will include all of the notification and procedural steps required in Chapter 56, Standards and Billing Practices for Residential Utility Service, and Chapter 14, Responsible Utility Customer Protection Act.

- 5 Days After Due Date of 1<sup>st</sup> Invoice  
Payment Counseling Telephone Call Placed to Customer
- 6 Days After Due Date of 1<sup>st</sup> Invoice  
Payment Counseling Follow-Up Letter Mailed to Customer

Note: Following the 1<sup>st</sup> invoice, payment counseling telephone call and follow-up letter if the overdue bill is \$100 or greater, or greater than 60 days in arrears, the account will fast-track to the 10-day termination notice process.

If the overdue bill is less than 60 days in arrears, the account will proceed to the 2<sup>nd</sup> invoice payment counseling telephone call and follow-up letter process.

- 5 Days After Due Date of 2<sup>nd</sup> Invoice  
Payment Counseling Telephone Call Placed to Customers that are less than 60 days in arrears.

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<sup>3</sup> LIHEAP, emergency hardship fund grants, or any other non-customer payments will not cause debt forgiveness credits to be awarded.

<sup>4</sup> Docket No. M-00960890F0010—Final Order Re: Guidelines for Universal Service and Energy Conservation Programs. Under Customer Assistance Programs, Default Provisions: "The Commission believes that the consequences for nonpayment should be loss of service; therefore, we recommend that participants who do not make payments should be returned to the regular collection cycle."

- 6 Days After Due Date of 2<sup>nd</sup> Invoice  
Payment Counseling Follow-Up Letter Mailed to Customers that are less than 60 days in arrears.
- 8 Days After Due Date of 2<sup>nd</sup> Invoice  
If greater than \$25 and 60 Days Past Due, or If \$100 or Greater  
10-Day Service Disconnection Notice is Issued to Customer

Payment requirements to avoid termination of service:

- CAP Bills Brought Current

Payment requirements for restoration of service and continuation in CAP following service termination – prior to the account being final billed on the 10<sup>th</sup> day following service termination:

- CAP Bills Brought Current; and
- Reconnection Fee as per Current Tariff.

Payment requirements for restoration of service and continuation in CAP following service termination – after the account is final billed on the 10<sup>th</sup> day following service termination:

- CAP Bills Brought Current or 1/24 of Account Balance, Whichever is Greater;
- Reconnection Fee as per Current Tariff; and
- CAP Re-Certification.<sup>5</sup>

Failure of a participant to comply with the WARM Program (LIURP) participation requirement will result in temporary suspension of CAP benefits, while remaining within CAP. CAP benefits would resume when WARM services are completed. Written notification would be provided at least 20 calendar days prior to suspension of benefits.

Participants will be dismissed from CAP for any of the following reasons:

- Refusing to participate in WARM (LIURP) if eligible,
- Failing to re-certify annually, or upon request, or
- Fraud.

#### **G. Re-certification Requirements**

Participants in CAP will be required to recertify for CAP benefits on an annual basis by submitting the appropriate details of income and household members as requested by the administering agency.

The Company will continue to use electronic file transfers, between the Pennsylvania Department of Public Welfare (“DPW”) and FirstEnergy Human Services, to determine if CAP participants are in fact active or LIHEAP certified with DPW, to avoid in-person recertification.

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<sup>5</sup> Reconnection of service will not be delayed pending completion of a scheduled CAP re-certification.

CAP participants, both electric heat and non-electric heat, who have not been recertified via DPW electronic file transfers by June 30 of each year will be given 60 days to recertify at a community-based organization.

## H. Application of Cash Grants to CAP Accounts

### LIHEAP

- First applied against delinquent current bills; and
- Then applied against future current bills.

### Emergency Hardship Fund Grants

- Applied against delinquent current bills, to avoid service termination for households with significant extenuating circumstances and upon approval of a FirstEnergy CARES representative. Extenuating circumstances include, but are not limited to, death in the family, significant changes in household income, and catastrophic medical expenses.

## I. Program Delivery Partners

The Company currently has contracts with the community-based organizations referenced in Attachment A of this Plan, for the purposes of performing program intake and re-certification activities.

## J. Company Organizational Structure:

<b>Company Employees</b>	<b>Employee Positions</b>	<b>Employee Location</b>	<b>% of Time</b>
Behary, Linda	Adv. Customer Associate	Clark	10%
Berglund, Scott	Adv. Business Analyst	Reading	8%
Farabaugh, Paula	Asst. Business Analyst	Altoona	87%
Gamler, Gary	Supervisor	Reading	5%
Honsberger, Joyce	Adv. Customer Associate	Reading	18%
Kazmaier, Audrey	Asst. Business Analyst	Erie	87%
Kehm, Deborah	Adv. Customer Associate	Reading	18%
Keltz, Timothy	Adv. Business Analyst	Reading	25%
Kleppinger, Linda	Asst. Business Analyst	Phillipsburg NJ	1%
Mercado, Nilda	Adv. Customer Associate	Reading	30%
Ramos-Vega Stephanie	Asst. Business Analyst	Reading	1%
Schotsch, Dennis	Adv. Business Analyst	Clark	10%
Storch, Jillian	Customer Associate	Reading	20%
Vasquez, Cheryl	Adv. Customer Associate	Reading	30%
Wheeler, Sue	Asst. Business Analyst	Reading	87%

## Emergency Hardship Fund

### A. Program Overview and Objectives

The Dollar Energy Fund ("fund") is an emergency hardship fund designed to help residential customers who have suffered a recent financial hardship and need temporary help in paying their electric bill. The bulk of program funding is provided by contributions from FirstEnergy stockholders, Company employees and customers. The distribution of funds is administered by community-based organizations throughout the Company's service territories.

### B. Dates of Operation and Maximum Grant Amounts

The Dollar Energy Fund accepts applications in accordance with pre-established account status guidelines, or as long as funds remain available. One maximum grant of \$500 may be awarded to a customer during a program year.

### C. Contacts and Administering Agencies

The Company contact person is:

Mr. Dennis Schotsch  
C/O FirstEnergy  
2939 North Hermitage Road  
P. O. Box 361  
Clark, PA 16113-0361  
Telephone: 724-962-1034  
Email: [schotschd@firstenergycorp.com](mailto:schotschd@firstenergycorp.com)

The Dollar Energy Fund contact person is:

Ms. Cindy Datig, Executive Director  
The Dollar Energy Fund, Inc.  
P. O. Box 42329  
Pittsburgh, PA 15203-0329  
Telephone: 412-390-3863  
Email: [cindyd@dollarenergy.org](mailto:cindyd@dollarenergy.org)

The distribution of funds are currently administered by the network of community-based organizations referenced in Attachment B of this Plan.

### D. Eligibility Guidelines for the Dollar Energy Fund

- Residential single home or apartment
- Name on account must be an adult resident
- Total household income (gross) must be at or below 200 percent of the Federal Poverty Guidelines (exceptions will be made based on circumstances)
- Must have a reasonable payment(s) on their account within the past 90 days (exceptions will be made for extreme hardships)
- Account balance must be at least \$100 (senior citizens age 60 and over may have a \$0 balance, but not a credit balance) (exceptions will be made based on circumstances)
- Must provide income and expense information

Note: The Dollar Energy Fund is a “fund of last resort.” Customers must first apply for LIHEAP through the Pennsylvania Department of Public Welfare, when available, and must first participate in CAP, when eligible.

**E. Company Organizational Structure:**

<b>Company Employees</b>	<b>Employee Positions</b>	<b>Employee Location</b>	<b>% of Time</b>
Gamler, Gary	Supervisor	Reading	Minimal
Keltz, Timothy	Adv. Business Analyst	Reading	5%
Mercado, Nilda	Adv. Customer Associate	Reading	Minimal
Schotsch, Dennis	Adv. Business Analyst	Clark	5%

**Gatekeeper Program**

**A. Program Overview and Objectives**

Gatekeeper is a program designed to recruit Company field personnel to recognize and report customers who may be in "distress" (as described in Section “B” below).

**B. Eligibility Guidelines**

Situations include, but are not limited to, the following:

- Communication – A person who appears confused or disoriented
- Economic Condition – Someone expresses difficulty with paying bills
- Social Condition – Older persons living alone or socially isolated
- Physical Limitations – Severe difficulty seeing, speaking, hearing, or moving about
- Condition of Home – In need of repair, neglected yard, accumulation of newspapers, offensive odors, or unattended pets

**C. Company Organizational Structure**

Paula Farabaugh, Audrey Kazmaier, Dennis Schotsch and Sue Wheeler provide primary coverage within the Penelec service territory, with the other two representatives providing back-up for Penelec customers when necessary.

<b>Company Employees</b>	<b>Employee Positions</b>	<b>Employee Location</b>	<b>% of Time</b>
Farabaugh, Paula	Asst. Business Analyst	Altoona	5%
Kazmaier, Audrey	Asst. Business Analyst	Erie	5%
Kleppinger, Linda	Asst. Business Analyst	Phillipsburg NJ	Minimal
Ramos-Vega, Stephanie	Asst. Business Analyst	Reading	Minimal
Schotsch, Dennis	Advanced Business Analyst	Clark	Minimal
Wheeler, Sue	Asst. Business Analyst	Towanda	5%
Field Personnel	Meter Readers, etc.	Throughout PA	Minimal

## **WARM Program**

### **A. Program Overview and Objectives**

The WARM Program is Penelec's Low Income Usage Reduction Program ("LIURP"). The program provides free energy conservation and education to low-income customers. The program targets customers whose gross income is less than 150 percent of Federal Poverty Guidelines. The program's primary objectives are to:

1. Reduce the overall energy use, energy bills and arrearages of the Company's low-income customers;
2. Increase participants' health, safety and comfort in their homes; and
3. Make tailored referrals to Company Universal Service Programs and other assistance programs.

WARM achieves these objectives through two approaches. First, energy-saving home improvements are installed in the customer's home. Second, a weatherization contractor provides conservation education to family members and refers them to other potentially beneficial social service programs. All work performed through the WARM program is provided at no cost to program participants. The Company will continue to encourage contractors to coordinate delivery of WARM benefits with other programs. During 2009 through 2011, the FirstEnergy WARM programs will attempt to better capture the grassroots coordination efforts among various low-income energy conservation programs. FirstEnergy will require contractors/agencies working on the WARM program to document coordination and spending on homes where energy conservation measures and funding were coordinated with other programs, such as the state-run weatherization program and gas utilities' LIURP programs. FirstEnergy will report on the results of this coordination as part of the annual April 30 LIURP Program Evaluation as information becomes available.

### **B. Eligibility Guidelines**

#### Income Eligibility:

Residential customers are eligible for WARM if their household income is at or below 150 percent of the Federal Poverty Guidelines.

The Company also provides WARM services to "special needs" customers whose household income is between 151 percent to 200 percent of the Federal Poverty Guidelines.

Up to 20 percent of the LIURP budget may be used for households whose incomes are between 151 percent to 200 percent of the Federal Poverty Guidelines.

Electric Use Eligibility:

Customers who qualify under the income guidelines also must have an average usage of approximately 600 kWh per month or 7,200 kWh annually.

Residency Eligibility:

The customer must reside at the service address and have a minimum of 6 months consecutive service. He/she must provide proof of ownership, or secure landlord approval if renting.

**C. Company Organizational Structure**

<b>Company Employees</b>	<b>Employee Positions</b>	<b>Employee Location</b>	<b>% of Time</b>
Gamler, Gary	Supervisor	Reading	Minimal
Berglund, Scott	Adv. Business Analyst	Reading	23%
Frederick, Maria	Adv. Business Analyst	Reading	20%
Honsberger, Joyce	Adv. Customer Associate	Reading	20%
Kehm, Deborah	Adv. Customer Associate	Reading	30%
Mercado, Nilda	Adv. Customer Associate	Reading	20%
Storch, Jillian	Customer Associate	Reading	20%
Thomas, David	A	Reading	100%
Vasquez, Cheryl	Adv. Customer Associate	Reading	10%

**D. Program Delivery Community Partnership**

The Company contracts with the network of community-based organizations and energy contractors referenced in Attachment C of this plan, in performing program intake and installation of measures.

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## Summary of Proposed Enhancements for All Programs

### CARES Program

- There are no enhancements or modifications planned.

### Customer Assistance Program (“CAP”)

- Subsidy Calculation:
  - Old – No annual adjustments
  - New – Adjusted annually using the Consumer Price Index
- Debt Forgiveness:
  - Old – Amortized over 24 months.
  - New – Credit for 1/36 of Pre-Program Debt Awarded Following Payment of Current Bill
- Program Participation:
  - Old – 19,100 participants at year end 2008
  - New – 25,000 participants at year end 2008

### Emergency Hardship Funds:

There are no enhancements or modifications planned.

### Gatekeeper Program:

- There are no enhancements or modifications planned.

### WARM Program:

- Track and report on the results of benefit delivery coordination as part of the annual April 30 LIURP Program Evaluation as information becomes available.

## **Applied Technologies in Support of Universal Service Programs**

The Company employs various technologies in the delivery of its Universal Service Programs, which greatly enhance their accessibility and effectiveness. Some of the more significant technologies are described below:

### **C-Net On-line Help System (Lotus Notes)**

Provides the Company Customer Information Center (“CIC”), Outsourcing Solutions, Inc. (“OSI” Collection Center), and the Human Services Department employees with detailed on-line information on Federal, State and Company Universal Service Programs.

### **Chronicles Case Management Software**

An on-line, web-based case management tool that has been provided to a wide network of Community-Based Organizations, the Dollar Energy Fund and the Company CARES Representatives. The software supports a holistic approach in the delivery of Company Universal Service Programs by automatically matching household member demographic and financial information with available Federal, State, utility and local human service programs. Within this process, The Company Universal Service Program application forms are automatically produced by Chronicles.

### **SAP**

The host system containing the customer master file.

### **Human Services Web Site**

Allows community-based organizations administering the Company’s low-income programs to easily obtain current customer billing, payment, and other information without Customer Information Center or Human Services involvement. Entry to the site is password protected. Over 700 individuals representing over 100 different organizations currently take advantage of this tool.

### **WARM3**

A web-based system used to assist inspectors, contractors and Company administrators in their management of WARM. Some of WARM3's features include:

- The ability to run in various windows operating systems and browsers;
- User friendly screens that facilitate data entry;
- An invoice tool that allows contractors to invoice FirstEnergy electronically;
- Numerous reports and date fields to assist with job tracking, invoice payment, job inspections, and annual Commission-required program evaluation, etc.;
- A demographics panel where Commission-required demographics are housed;
- An automated post-completion customer survey letter; and
- Liberal text fields for documentation.

## Pennsylvania Electric Company Universal Service Needs Assessment

Statistics Based Upon 2000 Census Poverty Data

Estimated Residential Customers <150% of Poverty % to Total = 23.40%

Estimated Eligible Customers = 117,856

Estimated Number of Potential Program Participants = 58,928<sup>6</sup>

County	Total Households	Households Under 150% of Poverty	Percent of Households Under 150% of Poverty	Res. Cust.	Estimated Residential Customers <150% of Poverty	Estimated Res. Cust. <150% of Poverty % to Total
Armstrong	28,932	6,922	23.93%	108	26	
Bedford	19,800	4,409	22.27%	9,815	2,186	
Blair	51,622	12,543	24.30%	48,556	11,798	
Bradford	24,427	5,316	21.76%	19,341	4,209	
Cambria	60,568	15,047	24.84%	57,524	14,291	
Centre	49,336	13,068	26.49%	4,438	1,176	
Clarion	16,011	4,247	26.53%	4,915	1,304	
Clearfield	32,792	8,074	24.62%	29,940	7,372	
Crawford	34,695	7,914	22.81%	22,542	5,142	
Cumberland	83,047	10,266	12.36%	4,502	557	
Erie	106,488	23,108	21.70%	104,753	22,732	
Forest	1996	559	28.01%	3,543	992	
Franklin	50,574	8,108	16.03%	4,942	792	
Huntington	16,778	3,827	22.81%	11,551	2,635	
Indiana	34,098	9,815	28.78%	22,791	6,560	
Jefferson	18,396	4,285	23.29%	14,260	3,322	
Juniata	8,580	1,731	20.17%	695	140	
Lycoming	47,040	10,598	22.53%	745	168	
McKean	18,027	4,106	22.78%	14,561	3,317	
Mifflin	18,446	4,639	25.15%	19,178	4,823	
Perry	16,742	2,707	16.17%	1,001	162	
Potter	6,988	1,690	24.18%	2,532	612	
Somerset	31,193	7,645	24.51%	26,824	6,574	
Sullivan	2667	667	25.01%	2,891	723	
Susquehanna	16,543	3,886	23.49%	11,740	2,758	
Tioga	15,942	3,981	24.97%	13,650	3,409	
Venango	22,788	5,600	24.57%	19,109	4,696	
Warren	17,700	3,314	18.72%	15,155	2,837	
Wayne	18,300	4,121	22.52%	2,949	664	
Westmoreland	149,870	27,704	18.49%	2,101	388	
Wyoming	10,822	2,301	21.26%	7,020	1,493	
<b>Total</b>	<b>1,031,208</b>	<b>222,198</b>	<b>21.55%</b>	<b>503,672</b>	<b>117,858</b>	<b>23.40%</b>

<sup>6</sup> Estimation assumes a 50% participate rate.

**2008 Universal Service Participant and Budget Projections –  
19,100 CAP Participants at Year-End 2008**

Program Name	Detail of CAP Components	Total Budget Amount
CARES		\$ 94,000
CAP FE Admin.	\$ 173,754	
CAP CBO Admin.	\$ 776,000	
CAP Bill Subsidy	\$ 11,460,000	
CAP Debt Forgive.	\$ 3,450,240	
Total CAP	\$ 15,859,994	\$ 15,859,994
Fuel Fund Admin.		\$ 70,000
Gatekeeper		\$ 1,000
WARM		\$ 2,208,074
<b>Totals</b>		\$ 18,233,068

**2008 Revised Universal Service Participant and Budget Projections –  
25,000 CAP Participants at Year End 2008:**

Originally it was projected that there would be 19,100 program participants by year-end 2008<sup>7</sup>. As of January 31, 2008, there were 19,600 customers participating in the Penelec CAP. The program is experiencing a routine enrollment growth rate of about 21.8% per year, with that increase being further enhanced with automatic enrollments tied to LIHEAP and collection routines<sup>8</sup>. For this reason, the Company is revising the year-end 2008 participant projection to 25,000 customers. The following budget tables support this level of enrollment.

Program Name	Detail of CAP Components	Total Budget Amount
CARES		\$ 94,000
CAP Admin.	\$ 1,352,670	
CAP Bill Subsidy	\$ 13,321,000	
CAP Debt Forgive.	\$ 3,075,000 <sup>9</sup>	
Total CAP	\$ 17,748,670	\$ 17,748,670
Fuel Fund Admin.		\$ 70,000
Gatekeeper		\$ 1,000
WARM		\$ 2,331,175
<b>Totals</b>		\$ 20,244,845

The WARM program has served 31,060 homes in the Penelec service area since its inception. During 2008 to 2011, an additional 8,260 homes will be completed, bringing the total number of homes completed to 39,320. Some CAP participants do not qualify for WARM because their electricity use does not meet the Commission recommended 7,200 kWh annual minimum. Some cannot participate because their landlords will not agree to have the program at their properties.

<sup>7</sup> As referenced on Page 25 of the FirstEnergy Universal Service Programs Updated Plan Filing – Updated Version Following PaPUC Order at Docket No. R-00061367 Entered January 11, 2007 – Pennsylvania Electric Company – June 12, 2007.

<sup>8</sup> CAP Automatic Enrollment Pilot Programs were conducted at Penelec during 2007, to connect CAP enrollments to LIHEAP/Crisis grants and to avoid service termination for targeted confirmed payment-troubled low-income customers who were not currently participating in CAP.

<sup>9</sup> Rather than being compressed to a 24-month amortization as originally planned for 2008, debt forgiveness is being expanded to a 36-month amortization.

**Universal Service Participant and Budget Projections –  
Program Years 2009, 2010 and 2011:**

**2009 – Projected 30,000 CAP Participants at Year End**

<b>Program Name</b>	<b>Detail of CAP Components</b>	<b>Total Budget Amount</b>
CARES		\$ 94,000
CAP Admin.	\$ 1,524,204	
CAP Bill Subsidy	\$ 14,785,200	
CAP Debt Forgive.	\$ 3,690,000	
Total CAP	\$ 19,999,404	\$ 19,999,404
Fuel Fund Admin.		\$ 70,000
Gatekeeper		\$ 1,000
WARM		\$ 2,559,050
<b>Totals</b>		<b>\$ 22,723,454</b>

**2010 – Projected 35,000 CAP Participants at Year End**

<b>Program Name</b>	<b>Detail of CAP Components</b>	<b>Total Budget Amount</b>
CARES		\$ 94,000
CAP Admin.	\$ 1,778,238	
CAP Bill Subsidy	\$ 17,249,400	
CAP Debt Forgive.	\$ 4,305,000	
Total CAP	\$ 23,332,638	\$ 23,332,638
Fuel Fund Admin.		\$ 70,000
Gatekeeper		\$ 1,000
WARM		\$ 2,785,200
<b>Totals</b>		<b>\$ 26,282,838</b>

**2011 – Projected 40,000 CAP Participants at Year End**

<b>Program Name</b>	<b>Detail of CAP Components</b>	<b>Total Budget Amount</b>
CARES		\$ 94,000
CAP Admin.	\$ 2,032,272	
CAP Bill Subsidy	\$ 19,713,600 <sup>10</sup>	
CAP Debt Forgive.	\$ 4,920,000	
Total CAP	\$ 26,665,872	\$ 26,665,872
Fuel Fund Admin.		\$ 70,000
Gatekeeper		\$ 1,000
WARM		\$ 3,071,900
<b>Totals</b>		<b>\$ 29,902,772</b>

<sup>10</sup> This amount does not take into consideration the removal of generation rate caps effective 12/31/10.

## Conclusion

With the approval of this updated plan, the Company will offer its Universal Service and Energy Conservation Programs in compliance with applicable Commission and other requirements, including the following:

- Chapter 56, Standards and Billing Practices for Residential Utility Service
- 52 Pa. Code Chapter 56, and 66 Pa. C. S. §1401 et seq. (Responsible Utility Customer Protection Act – Chapter 14).
- 52 Pa. Code §§54.71-54.78 – Reporting Requirements for Universal Service and Energy Conservation Programs
- 52 Pa. Code §§58.1-18 (regarding LIURP)
- 52 Pa. Code §§69.261 – 267 – CAP Policy Statement
- CAP Policy Statement of July 25, 1992, Docket No. M-00920345
- Electricity Generation Customer Choice and Competition Act of December 3, 1996. 66 Pa. C. S. §§2801 et seq.
- Commission Universal Service and Energy Conservation Programs Guidelines, Docket No. M-00960890F0010 – July 10, 1997
- Commission Universal Service and Energy Conservation Program Reporting Requirements, Docket No. L-00970130 – April 30, 1998
- Customer Assistance Programs: Funding Levels and Cost Recovery Mechanisms, Docket No. M-00051923 entered December 18, 2006
- FirstEnergy (Metropolitan Edison Company and Pennsylvania Electric Company) Universal Service and Energy Conservation Plan 2006-2008 Submitted in Compliance with 52 Pa. Code §54.74, Docket No. M-00072022, Order entered August 31, 2007.
- Cost recovery of Universal Service Program costs via the Company's tariff Rider E Universal Service Cost Rider as approved by the Commission's Order at Docket No. R-00061367 entered January 11, 2007.

The Company has had a long history of leadership in the creation, development and implementation of Universal Service and energy conservation programs. Among the leadership initiatives that have been implemented are:

- Developing a Human Services Web Site;
- Installing the Chronicles Case Management Software;
- Installing WARM3;
- Enhancing both Chronicles and WARM3 to operate as web-based systems;
- Collaborating with the Pennsylvania Department of Public Welfare to make LIHEAP more accessible (via Chronicles);
- Collaborating with the Pennsylvania Department of Public Welfare to make CAP re-certification more efficient through electronic data transfer of information; and
- Initiating a process to automatically enroll LIHEAP Crisis recipients into CAP.

FirstEnergy will continue its commitment toward providing customer-focused, quality-driven and results-oriented Universal Service and energy conservation programs.

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**Customer Assistance Program  
Community-Based Organizations  
Attachment A**

Bedford-Fulton Housing Council  
Blair County Community Action  
Community Action Partnership of Cambria County

Central PA Community Action

Community Action, Incorporated

Community Services of Venango County  
Dollar Energy Fund, Incorporated  
Erie Redevelopment Authority  
Greater Erie Community Action Committee  
Indiana County Community Action Program  
Northern Tier Community Action Corporation  
Saint Martin's Center  
South Central Community Action Program  
Tableland Services

Treatment and Rehabilitation Center

Venango Office of Economic Opportunity

Warren-Forest Counties Economic Opportunity Council  
Weatherization, Incorporated

Everett  
Altoona  
Ebensburg  
Johnstown  
Clearfield  
DuBois  
Houtzdale  
Philipsburg  
Clarion  
Punxsutawney  
Oil City  
Pittsburgh  
Corry  
Erie  
Indiana  
Emporium  
Erie  
Chambersburg  
Hollsopple  
Myersdale  
Somerset  
Dushore  
Honesdale  
Montrose  
Towanda  
Tunkhannock  
Wellsboro  
Franklin  
Meadville  
Warren  
Huntingdon

**Dollar Energy Fund  
Community-Based Organizations  
Attachment B**

Bedford-Fulton Housing Council  
Blair County Community Action  
Community Action Partnership of Cambria County

Central PA Community Action

Community Action, Incorporated

Community Services of Venango County  
Dollar Energy Fund, Incorporated  
Greater Erie Community Action Committee  
Indiana County Community Action Program  
Northern Tier Community Action Corporation  
Saint Martin's Center  
South Central Community Action Program  
Tableland Services

Titusville YWCA  
Treatment and Rehabilitation Center

Venango Office of Economic Opportunity

Warren-Forest Counties Economic Opportunity Council  
Weatherization, Incorporated

Everett  
Altoona  
Ebensburg  
Johnstown  
Clearfield  
DuBois  
Houtzdale  
Philipsburg  
Clarion  
Punxsutawney  
Franklin  
Pittsburgh  
Erie  
Indiana  
Emporium  
Erie  
Chambersburg  
Hollsopple  
Myersdale  
Somerset  
Titusville  
Dushore  
Honesdale  
Montrose  
Towanda  
Tunkhannock  
Wellsboro  
Franklin  
Meadville  
Warren  
Huntingdon

**WARM Program  
Community-Based Organizations & Weatherization Contractors  
Attachment C**

Action Housing, Inc. (quality assurance)	Pittsburgh
Bill Busters, Inc.	Indiana
Blair County Community Action Program	Altoona
Cambria County Community Action Council	Johnstown
Center for Community Services	Everett
Central PA Community Action	Clearfield
Community Action, Inc.	Punxsutawney
Erie County Housing Authority	Corry
Greater Erie Community Action Committee	Erie
Indiana County Community Action Program	Indiana
Northern Tier Community Action	Emporium
Northwest PA Weatherization	Meadville
SEDA – Council of Governments	Lewisburg
South Central Community Action Program	Gettysburg
Tableland Services	Somerset
Treatment and Rehabilitation Center	Montrose
Venango County Office of Economic Opportunity	Franklin
Warren-Forest Economic Opportunity Council	Warren
Weatherization, Inc.	Huntingdon

